

## **Appendix: Evaluation of Participation Summit agreements**

Part of the 2008 Autumn Consultations Tripartite Declaration

7 October 2008

### **1. Introduction**

On 27 June 2007, the cabinet and social partners agreed a tripartite policy initiative at the Participation Summit (P-top) to stimulate employment participation. At the P-top, where the Association of Dutch Municipalities (VNG) was present, all parties present acknowledged that it was vital, for both economic and social reasons, to make every effort to substantially increase employment participation.

The tripartite policy initiative contains many agreements concerning the commitment of the cabinet and the social partners, distinguished according to primary responsibility. This joint commitment must support as many employers and potential employees as possible in achieving higher employment participation. The ambition of the cabinet and social partners was and is to provide extra help to large groups of people in finding work. Particularly women (small part-time jobs), seniors, the long-term unemployed, those lacking qualifications, non-western ethnic minorities and the partially disabled constitute a large reserve of labour. Not everyone is immediately available for or can be employed on the labour market. The employability in the short term often depends on whether the person in question is disadvantaged. If this is the case, extra training and mediation efforts will be required.

In the medium-term advisory report of the Social and Economic Council of the Netherlands (SER), central employer and employee organisations agreed to aim for a gross participation rate of 80% in 2040. The cabinet is assuming in this respect that this will mean – as a result of demographic developments – a participation rate of 80% in 2016. As a further detailing of this objective, the cabinet has agreed in the Policy Programme for this cabinet period to provide help to 200,000 extra persons in finding work. In the past few years, the gross participation rate has risen from 72% in 2005 to 74% in 2007. An increase has also taken place over a longer period; the participation rate was 66% in 1995. A positive development can also be observed for the target groups. The increased participation rate is partly the result of favourable economic developments, but this is also supported by a structural development.

At the P-top, the cabinet and social partners agreed to evaluate the progress of the agreements reached at the P-top on an annual basis. The first evaluation, just over a year following the P-top, provided a provisional picture of the attention and the efforts of the cabinet and the social partners at central and decentral level. In general, it can be concluded that in the light of the 2009 budget, the cabinet has responded to the agreements made at the P-top. The Labour Foundation has drawn the decentral social partners' attention to the agreements, which are a reconfirmation of existing recommendations for the benefit of collective agreement policy. New agreements have often been converted into a recommendation for the decentral collective agreement consultations. Subsequently, it is up to the social partners to convert the recommendations into collective agreements or recommendations for businesses for detailing. As many collective agreements have a duration exceeding one year, this means that the development of the recommendations into specific collective agreements is often still to take place.

To gain an understanding of the effects of collective agreements at decentral level, 59 collective agreements and outline agreements concluded after the P-top were monitored for this evaluation. These 59 larger-scale collective agreements were concluded between the P-top on 27 June 2007 and the reference date of the investigation, 1 April 2008. These collective agreements apply to approximately 3.2 million employees. A number of standard collective agreement reports of the Ministry of Social Affairs and Employment (SZW) have also been used to sketch a complete picture of the development of collective agreement arrangements.

At the P-top, three related themes were discussed. Firstly, employment policy and the functioning of the labour market. Secondly, using the unexploited labour potential among various groups, with special attention for the lower end of the labour market. Thirdly, the relationship between education and the labour market. The progress of these three themes is outlined below.

## **2. Employment policy and the functioning of the labour market**

An attractive business location climate and a properly functioning labour market are important underlying conditions for economic growth, as well as for a well-trained and healthy working population. For this reason, the cabinet and social partners are investing in the continuous employability of employees. In addition, there must be scope for entrepreneurship, i.e. by encouraging people to set up their own businesses (whether or not on the basis of a benefit payment).

The cabinet is aiming for a cohesive employment policy, characterised by economic growth and a stimulating and supporting labour market policy. The cabinet set up the Employment Participation Committee to issue advice regarding increasing employment participation. The Committee issued its advice in June 2008. For the short term, the Committee is making recommendations to increase employment participation that are in line with the agreements made at the P-top.

In accordance with the intentions of the P-top, the cabinet has had a strong focus on economic growth in the recent past by strengthening economic structures, improving mobility and creating scope for entrepreneurship. After the P-top, discussions were held with the VNG concerning the detailing of regional labour market policy. It was decided to give private intermediaries an important role in this respect.

### **Innovation**

For the purpose of strengthening the economic structure, the cabinet has continued the Innovation Platform. The cabinet has also asked the SER for advice about industry and service policy. Subsequently, the Labour Foundation stated that it would appreciate a widening of this request for advice in the course of time. In the coming period, the cabinet will further stimulate research and development by a long-term investment of €115 million in schemes such as those developed under the Dutch Research and Development Promotion Act [Wet bevordering speur- en ontwikkelingswerk – WBSO], in which context the amount will be increased stepwise from 2009 to €115 million in 2011. Finally, the cabinet has sent the ‘Noticeably fewer rules and regulations for entrepreneurs’ (*Merkbaar minder regeldruk voor ondernemers*) plan to the Lower House of the Dutch Parliament. The plan must result in a 25% reduction in rules and regulations for entrepreneurs in 2011.

On 9 April 2008, the Labour Foundation, in cooperation with the Netherlands Centre for Social Innovation (NCSI) organised a mini-symposium about bottom-up social innovation, self-management of work schedules and new forms of employee participation. Subsequently, the Foundation decided to develop the ‘bottom-up social innovation’ theme in the course of 2008.

## **Mobility**

In the context of improving mobility, the cabinet presented the ‘Growth on track’ (*Groei op het spoor*) action plan on 19 November 2007. For the implementation of this plan, the cabinet is investing € 200 million in the period 2008-2012. In addition, the cabinet has adopted various other measures, such as a follow-up offer for recent graduates to continue to use the train of as 1 January 2009.

In order to stimulate employment participation, it was agreed at the P-top that consideration would be given to the extent to which flexible working can contribute in this respect. The Labour Foundation incorporated this assignment in the Mobility and Teleworking (*Mobiliteit en Telewerken*) draft recommendation drawn up in July 2008. In this recommendation, it indicates for the benefit of the Mobility Management Task Force how a contribution can be made – at central and decentral level, in sectors and businesses – via the employment conditions consultations to dispersing and reducing traffic congestion, and particularly commuter traffic. The possibilities offered by teleworking are indicated in the recommendation<sup>1</sup>.

## **Scope for entrepreneurship**

In order to create more scope for entrepreneurship, the cabinet submitted the ‘Self-employed and pregnant’ (*Zelfstandig en Zwanger*) bill to the Lower House on 27 February 2008, which would allow self-employed females to receive maternity benefits. The cabinet has also decided to increase the registration period for voluntary illness and disability insurance at the UWV from four weeks to thirteen weeks. Moreover, € 20 million will be available for innovation vouchers in the period from 2008 to 2011, inclusive. Finally, the cabinet will consider the position of self-employed entrepreneurs in relation to aspects such as social security, rules and regulations, profit taxes, etc. In a number of letters to the Lower House, the cabinet has provided more details of its plans, such as the safety net regulations for disabled entrepreneurs and simplification of procedures, etc.

### **2.4. Extension of working weeks**

During the P-top, the importance of a cohesive collective agreement policy was discussed, with a focus on investing in employees, incentives for working longer and more often and attention for outsiders. In this context, it was agreed that social partners would conclude collective agreements concerning the extension of working weeks, so that employees wishing to work 40 hours a week can do so. Consideration should also be given in collective agreements to possibilities for teleworking and the possible adjustment of the position wage structure, as a result of which more space is created for paraprofessional and composite

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<sup>1</sup> The Labour Foundation will, in principle, adopt the recommendation finally once the cabinet’s response to the advice of the Mobility Management Task Force is known and once the Foundation has assessed the vision and proposed focus of the cabinet as correct in relation to an assessment of the proposals and focus of the parties represented in the Task Force.

positions. It is evident from the SZW monitor of collective agreements that almost half of employees have a provision in the collective agreement that allows them to work for a longer period. This relates to agreements that have already been made. Consultations are currently being held with the relevant sectors about paraprofessional and composite positions.

### **3. Using unexploited labour potential**

On the labour market, surpluses and shortages occur side by side. There are more than one million people on unemployment benefit and more than half a million people without unemployment benefit who do not participate in the employment process. Most unexploited labour potential involves women and seniors. In addition, extra attention is required for non-western ethnic minorities, young people and the partially disabled.

#### **3.1 Women**

In accordance with the agreements made at the P-top, the cabinet has focused, with respect to women, on financial incentives, combining work and care, and childcare. The cabinet will be introducing the income-dependent supplementary tax credit (IACK) in accelerated form per 1 January 2009. In addition, the transferability of the general tax credit will be phased out in 15 years from 1 January 2009.

In order to improve the combination of work and care, the cabinet is intending to extend parental leave from 13 to 26 weeks per 1 January 2009. Furthermore, the cabinet wishes per 1 January 2009 to scrap the obligation to apply for a job for single parents on benefit with a child younger than 5. This will be replaced by a training obligation.

On 20 June 2008, the cabinet submitted a long-term childcare plan to the Lower House. This also deals with the use of extra resources (childcare envelope). The cabinet will reconsider the childcare regulations according to structure and basis, taking as a starting point the proposal of the Employment Participation Committee to make the level of childcare allowance dependent on the income of the partner earning the most.

Finally the cabinet has set up the Part-time Plus Task Force (*Taskforce DeeltijdPlus*), which must encourage people with small part-time jobs (particularly women) to work more hours. In order to ease the combination of work and care, aspects such as flexible starting and finishing times and self-management of working times are important. It is evident from the monitor of collective agreements concluded since the P-top that 46% of the collective agreements include arrangements relating to flexible starting and finishing times and more than half of the collective agreements include arrangements about self-management of working times<sup>2</sup>.

#### **3.2 Seniors**

Discussions were held at the P-top about the importance of reducing unemployment among seniors. In the Action Plan 45+, the cabinet stated its aim to help 30,000 extra people above the age of 45 to find work in 2007 and 2008. This figure has already been exceeded (in mid-2008, more than 42,000 people had already been helped to find work). In the coming years, there will be a continued focus on reducing long-term unemployment in this age group.

Furthermore, the cabinet is intending to introduce a premium reduction for employers for taking on persons entitled to benefit aged 50 and above. This targeted instrument is more

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<sup>2</sup> In the '2007 Work and Care Facilities' SZW report, a detailed explanation is given of the extent to which combining work and care is supported by collective agreements and the way in which that support is structured

effective than the current (generic) premium-free arrangement. A premium reduction will also apply for continuing to employ persons aged 62 and above. In addition, the cabinet is planning to give a continued work bonus to people aged 62 and above with income from current work.

The social partners have included stimulating employment participation among seniors in the employment conditions policy. With a view to continuing to work for a longer period, an age-related personnel policy is crucial for senior employees. It is therefore an important development that in approximately one-third of the collective agreements included in the monitor since the P-top, new arrangements have been made about age-related personnel policy. In total, approximately two-thirds of the investigated collective agreements now contain arrangements relating to age-related personnel policy. In so far as the collective agreements include compensatory measures (including age-related days, arrangements for seniors and work alleviation), few agreements have been included since the P-top that are geared to reform in accordance with the intentions of the P-top<sup>3</sup>. The most common arrangements are those including agreements about the reform of age-related days. This is the case in more than 8% of collective agreements concluded since the P-top. Finally, it is evident from the monitor that 44% of the collective agreements concluded since the P-top include agreements concerning career policy specifically for seniors.

The '2008 prospects for working for a longer period'<sup>4</sup> investigation has shown that 15% of collective agreements including arrangements for continuing to work beyond the age of 65. Part-time retirement is included in 25% of the collective agreements. For that matter, figures from the Dutch National Bank (DNB) show that part-time retirement has now been arranged for 85% of employees, because this arrangement has now been facilitated particularly by means of pension schemes.

### 3.3 Non-western ethnic minorities

During the P-top, discussions relating to non-western ethnic minorities focused particularly on combating discrimination and stimulating civic integration. Partly on the basis of the results of the national discrimination monitor, the cabinet has submitted a 'discrimination on the labour market strategic plan' to the Lower House. An important aspect in this context is a campaign relating to imaging and awareness, to be organised together with employer and ethnic minority organisations. Furthermore, it is the intention that from 1 January 2009, a national network of anti-discrimination facilities will be in place, as a result of which everyone – including employers and employees – will have access to professional advice regarding discrimination. Civil integration will be facilitated via the Civil Integration Delta Plan (*Deltaplan Inburgering*). For the implementation of this plan, €460 million has been made available in this cabinet period and approximately 60,000 people can commence civil integration on an annual basis.

On 23 April 2008, the Labour Foundation submitted its Statement concerning the promotion of diversity within and outside the company (*Verklaring over het bevorderen van diversiteit*

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<sup>3</sup> It was agreed at the P-top – subject to a number of underlying conditions – to focus on the reform of existing compensatory measures or to incorporate these in options laid down in a collective agreement.

<sup>4</sup> In the '2008 prospects for working for a longer period' SZW report, a detailed explanation is given of the extent to which the employment participation of seniors is supported by collective agreements and in which way that support is structured.

*binnen en buiten de onderneming*) to the cabinet during the Spring Consultations. In this document, the Foundation calls on politicians, policy-makers and leaders of public opinion, ethnic minority organisations and the employers, employees and their representative organisations to back this initiative. It also asks them to help devise and build a forward-looking approach to living and working together in the Netherlands. The collective agreement monitor shows that 24 collective agreements (out of 59) concluded before the P-top contain a best-efforts obligation with regard to minorities policy. One collective agreement included such an arrangement following the P-top. As regards stimulating a multi-cultural personnel policy, nine collective agreements include such arrangements, one of which was concluded after the P-top. It was agreed at the P-top to focus on more work/study programmes for young people from ethnic minorities. According to the collective agreement monitor, no specific agreements have yet been concluded in this context.

The Labour Foundation is holding discussions with housing corporations and childcare organisations concerning the question of whether, and if so in which way, paraprofessional positions can be introduced for ethnic minority women in these sectors<sup>5</sup>. The initial discussions have yielded few prospects of the creation of such jobs in these sectors.

### **3.4 Young people**

As regards young people, the cabinet has continued the approach of the former Youth Unemployment Task Force (*Taskforce Jeugdwerkloosheid*) in government-wide projects (Everyone's involved (*Iedereen doet mee*), Blitz on dropouts (*Aanval op de uitval*), Making a problem district a splendid district (*Van probleemwijk naar prachtwijk*)), with the emphasis on a regional approach. There is continued attention for the importance of apprenticeships, help in progressing from training to work and local projects aimed at helping young people. The cabinet is intending to introduce an apprenticeship right for young people below the age of 27. As a result, young people will be entitled to an offer of work or training.

As regards the collective agreement aspect, most of the agreements at the P-top relating to young people were concerned with policy formulated previously by the Labour Foundation. On an earlier occasion, the Youth Unemployment Task Force ensured that 10,000 jobs had been agreed for this target group. Furthermore, it is evident from the '2008 collective agreement arrangements spring report' that in 21 of the 122 investigated collective agreements (more than 17%), employment agreements for young people had been concluded. In most cases, these related to work experience or work placements for young people.

### **3.5 Partially disabled persons**

With regard to the partially disabled, the cabinet has introduced a number of legislative changes agreed at the P-top. Firstly, the benefit for total disability in accordance with the Invalidity Insurance Act [Wet op de Arbeidsongeschiktheidsverzekering – WAO], the Disability Insurance (Self-Employed Persons) Act [Wet arbeidsongeschiktheidsverzekering zelfstandigen – WAZ] and the Disability Provisions (Young Disabled Persons) Act [Wet arbeidsongeschiktheidsvoorziening jonggehandicapten – WAJONG] has been increased. Secondly, the exemption age for reassessment has been lowered from 50 to 45. Thirdly, the PEMBA disability insurance has been scrapped. Fourthly, the temporary arrangement for the income consequences of reassessed disabled persons has been extended from 6 to 12 months.

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<sup>5</sup> In the '2008 prospects for working for a longer period' SZW report, a detailed explanation is given of the extent to which the employment participation of seniors is supported by collective agreements and in which way that support is structured.

Finally, on 29 February 2008, the temporary bridging jobs decree came into effect. On the basis of this decree, the UWV may grant a wage cost subsidy to employers who take on reassessed unemployed disabled persons for one year. This decree will be incorporated in the Stimulating employment participation bill (STAP), the introduction of which is planned for 1 January 2009. The use and effect of the wage cost subsidy instrument for reassessed disabled persons (bridging jobs) will be monitored by the UWV.

The STAP bill is a response by the cabinet to promises made during the P-top, which are important for the lower end of the labour market. This relates to the introduction of the wage costs subsidy instrument for UWV clients, as well as amendments to the previous participation places bill. In the latter case, this involves creating participation possibilities for people with few chances of advancing to a normal job. In addition, the intended income-dependent earned income tax credit and the IACK are important for people at the lower end of the labour market.

On 6 March 2008, the Labour Foundation published the Practical conclusions and recommendations further to the round table discussions concerning reintegration and the retention of work for employees who are disabled for less than 35% (*Praktische conclusies en aanbevelingen naar aanleiding van de rondetafelgesprekken over re-integratie en behoud van werk voor werknemers die minder dan 35% arbeidsongeschikt zijn*). It is evident from investigations carried out by Regioplan that in 2007, 62% of people who are disabled for less than 35% percent ('-35s') were working. While it is true that this is a substantial improvement with respect to 2006 (46%), this number is still not in line with the agreement to keep -35s in work. For this reason, the Foundation has called on the collective agreement parties to conclude arrangements geared to retaining work for -35s, in so far as they have not yet done so. It refers in this respect to a number of best practices.

In the meantime, almost a quarter of the collective agreements (with almost 40% of employees) concluded after the P-top contain an arrangement for retaining -35s. In 8% of the collective agreements, new arrangements have been made in the past year. In 18% of the collective agreements investigated, employment provisions have been agreed for disabled persons, including new collective agreement arrangements in 8% of cases. On 23 April 2008, the Labour Foundation issued the Recommendation on stimulating the participation of young disabled people in the Dutch business community (*Aanbeveling gericht op de bevordering van de participatie van jonggehandicapten in het Nederlandse bedrijfsleven*). It is not known whether collective agreements have already been concluded containing specific arrangements for young disabled people.

#### **4. Link between education and the labour market**

Education and training are essential for a properly functioning labour market. They ensure that people are prepared for their career and maintain and develop the right knowledge and skills during their career. The P-top involved discussions relating to premature school leaving, vocational education, lifelong learning and low literacy.

##### **Premature school leaving**

The cabinet is combating premature school leaving by encouraging educational institutions to shape existing career orientation, coaching and personal supervision more specifically, and by introducing differentiated educational programmes, more flexible study paths and greater

possibilities to change courses prematurely, in combination with programmes geared to advancement and avoiding early dropout. As part of the approach to help people gain an initial qualification, career advice has been introduced. This is an independent advice to working young people relating to career development, after which an APL procedure and/or training advice may follow.

During the P-top, discussions were held about the importance of collective agreement arrangements to bring employees without an initial qualification to the required level as yet and making available sufficient training places and traineeships<sup>6</sup>. The Labour Foundation is currently listing the reasons why employers offer traineeships before candidates have gained their qualifications, the extent to which this occurs and what can be done to prevent it within the business community.

#### **4.2. Link between vocational education and the regional labour market**

In order to improve the link between vocational education and the regional labour market, the cabinet has decided to perform an experiment to bring preparatory secondary vocational education (VMBO) and senior secondary vocational education (MBO) closer together. As a result, the transfer from the VMBO school to the regional training centre (ROC) will no longer be necessary. In addition, the MBO Council and the centres of expertise (Colo) are working on a proposal for a broader intake. On 23 November 2007, the cabinet adopted the Teachers Matter Action Plan (*LeerKracht van Nederland*), in which improvements with respect to the underlying conditions for unqualified teachers are included. The cabinet has made resources available for teacher traineeships in the business community.

The social partners will make an active contribution to bringing about the teacher traineeships in the business community (and employee traineeships in education). The Labour Foundation, in cooperation with Colo, the MBO Council, the higher professional education (HBO) Council and the secondary education (VO) Council have drawn up a recommendation concerning teacher traineeships. On 8 July 2008, *Teacher in the company, practical trainer in the classroom (Docent in het bedrijf, praktijkopleider in de klas)* was published.

#### **4.3. Lifelong learning**

For the benefit of lifelong learning, the APL quality code has been improved in parts and tightened up. It has been decided to focus on APL-related tailor-made processes in HBO and MBO for working people. In addition, the cabinet is stimulating schools to offer tailor-made solutions for post-initial education. Schools have drawn up business plans for this purpose, including specific improvement activities in order to offer better and tailor-made education to adults. These improvements are currently being implemented.

On the basis of the 2007 incentive scheme, the cabinet is working on extending and strengthening apprenticeship information centres. At apprenticeship information centres, municipalities, centres for work and income and regional training centres work closely together and lay a foundation for a broad service provision to employers and those looking for work. Sixteen apprenticeship information centres are now operational. Another 24 will be opened in the course of 2008.

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<sup>6</sup> It is evident from Colo quarterly reports that – with the exception of the care sectors – there are sufficient traineeships available.

During the P-top, discussions were held about supporting lifelong learning via collective agreements. Specific reference was made to employability contracts, individual development plans, use of APL processes and apprenticeship agreements for groups that are difficult to reintegrate. The '2008 collective agreement arrangements spring report' deals with employability arrangements in collective agreements. It appears that in the past few years, the number of collective agreements with arrangements concerning the use of APL has risen from 10% in 2005 to 19% in 2007. Approximately half of collective agreements have arrangements concerning a personal training plan. Little has changed in this respect in the past few years. It is also evident from the spring report that almost all collective agreements include position-targeted training and that 20% of collective agreements include arrangements relating to more general training.

Finally, discussions were held at the P-top relating to individual drawing rights from training and development funds. On 23 July 2008, the Labour Foundation adopted a recommendation concerning the use of training and development funds. In order to stimulate the long-term employability of employees, the Labour Foundation is calling on collective agreement parties to consider whether training and development funds can be used to stimulate from work to work activities within and outside the individual sector. In order to do so, more attention from training and development funds for career-targeted training is important. It is also worth using training and development fund resources to encourage the transition to becoming self-employed.

#### **4.4. Low literacy**

The cabinet will encourage employees with low literacy to follow training and will ensure that there are sufficient training possibilities. The cabinet has reserved €4 million annually for the period 2006 to 2010, inclusive, for the Dealing with Low Literacy plan (*Aanvalsplan Laaggeletterdheid*). In addition, there is a budget of €190 million for adult education, 10 to 15% of which will be spent on teaching people how to read and write.

On 11 September 2007, the ministries of Education, Culture and Science, Social Affairs and Employment, and Youth and Family and the Labour Foundation signed the agreement Long-term approach to low literacy in society and the business community 2007-2015 (*Structurele aanpak laaggeletterdheid in de samenleving en het bedrijfsleven 2007-2015*). The aim is to reduce the numbers of working and non-working people with low literacy by 60%. Progress reports will be sent to the Lower House. In early January 2008, the Foundation published a model collective agreement as a guide for local collective bargaining. Agreements have now been concluded in this respect in three collective agreements. The first monitor will appear in 2009.