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The Netherlands - Developments in social partner organisations: employer organisations

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Publication date

2010

Document Version

Final published version

Published in

EIROOnline: European industrial relations observatory on-line

[Link to publication](#)

Citation for published version (APA):

Tros, F., & Grünell, M. (2010). The Netherlands - Developments in social partner organisations: employer organisations. *EIROOnline: European industrial relations observatory on-line*, 2010, NL0910049Q. Advance online publication. <http://www.eurofound.europa.eu/eiro/studies/tn0910049s/nl0910049q.htm>

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➔ The Netherlands – Developments in social partner organisations: employer organisations'

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Compared with the situation in 2003, the position of employer organisations has not changed. There still are three national peak associations – VNO-NCW, MKB-Nederland and LTO-Nederland – which still represent the same types of companies. The associations are accepted parties in consultations with government. In addition, there are between 800 to 1,200 sectoral organisations, which actually conclude the sectoral collective agreements. These sectoral agreements are usually extended; they cover the labour conditions of more than 90% of employees. This dense organisation of employers reflects their unchanged importance and their unchallenged position in Dutch industrial relations.

QUESTIONNAIRE

1. National 'peak' employer organisations

1.1 Please list all the national 'peak' employer organisations in your country (see the background note for definitions of 'employer organisation' and 'national peak employer organisation' and for the private/public scope of this study). For each organisation, give a brief summary of

The three national peak organisations are VNO-NCW ([Verbond van Nederlandse Ondernemingen and Nederlands Christelijk Werkgeversverbond](#)), MKB-Nederland ([Midden en Klein Bedrijf-Nederland](#)) and LTO-Nederland ([Land en Tuinbouworganisatie-Nederland](#)).

a) its constituency

VNO-NCW, the Confederation of Netherlands Industry and Employers is the far most largest and powerful National Peak Employer Association (NEPA) in the Netherlands. This NEPA represents the larger companies and employers' associations in construction, manufacturing, transport, financial sector or recently privatised sectors.

MKB-Nederland, Dutch Federation of Small and Medium-sized Enterprises, is the second large NEPA. This NEPA represents the small and medium-sized companies and local business' associations in retail trade, hotel and catering industry and commercial services.

LTO-Nederland, NEPA in the agricultural and market garden sectors, is the smallest NEPA in the Netherlands.

The membership domains of *VNO-NCW* and *MKB-Nederland* are not formally defined. They organise companies and Employer Organisations (EO's) in the private sector. They have different members: VNO-NCW organizes large companies and MKB-Nederland small and medium-sized companies. This difference has become less relevant. The cooperation between the offices of the two associations has been intensified very recently. They try to create one organisation/office, while the two associations remain independent.

LTO-Nederland defines the membership domain in terms of the agriculture sector and recently broader: the market garden sector. Thus LTO organises companies in this sector solely.

b) its membership structure

Membership of the associations is made up of both lower-level, sectoral employer organisations and of individual companies.

c) its size

About this document

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Country: Netherlands

Language: EN

Publication date: 07-06-2010

EIRO Keywords: Employers organisations, Social dialogue

Related Links

- [Netherlands: country profile](#)

The information requested is not public. The national organisation for statistics in the Netherlands ([Centraal Bureau voor de Statistiek](#), CBS) does not gather information on the memberships of companies/entrepreneurs. The organisations themselves offer some information:

VNO-NCW organizes 160 EO's and/or around 105.000 companies in 2008.

MKB-Nederland organizes 150 branch organisations and 600 regional and local EO's. These figures represent around 186.000 companies in 2008. MKB-Nederland claims to organize 30% of all companies.

LTO-Nederland organizes 18 EO's and/or around 50.000 companies in 2008.

Furthermore, there are EO's or business organisations which are not affiliated to NPA's. Estimations of the total numbers of EO's/business organisations in the Netherlands vary from 800 to 1200.

Source: the NPA's themselves, see also Tros et al 2004 in list of references

Number of employees employed by all firms which are direct or indirect members of the NEPA

The information requested is not public. The national organisation for statistics in the Netherlands (Centraal Bureau voor de Statistiek, CBS) does not gather information on the memberships of companies/entrepreneurs. The organisations themselves offer some information, although it does not directly answer to the question.

NPA's are party in sectoral agreements, covering around 63% of the total employment in the Netherlands and around 70% of the employees in the private sector.

VNO-NCW is organising indirectly around 80% of the total employment in the private sector.

MKB-Nederland is organizing around 30% of all companies.

Source: the NPA's themselves.

d) its nature

The NPA's represent affiliates' interests, but may also function as a trade association. They define in a 2004 research their tasks, in order of importance, as follows:

Political lobbying on socio-economic issues; individual services for member-associations and organising networks for member-associations; internal employers' coordination of collective bargaining in economic sectors and large companies; regular, formal and informal, consultations with trade unions and with governmental representatives; participation in corporatist institutions. They see as the least important: influencing public debate and media-activities. (Tros et al 2004)

1.2 What changes have there been since the start of 2003 in the structure of national 'peak' employer organisations? Please indicate reasons for any changes noted.

Since 2003 there have been no changes in the structure of national 'peak' employer organisations. There were no splits or creations. The cooperation between the offices of VNO and MKB is not seen as a merger since the associations will remain independent. As stated in the 2004 EIRO study, in the 1990s solely mergers took place. In 1997 VNO (Verbond van Nederlandse Ondernemingen) and the Christian NCW (Nederlands Christelijk Werkgeversverbond) merged in VNO-NCW. In 1995 KNOV (Koninklijk Nederlands Ondernemersverbond) and NCOV (Nederlands Christelijk Ondernemersverbond) merged in MKB-Nederland.. Concentration on the national level was motivated by professional, organisational and financial reasons.

1.3. Have other notable forms of organisational restructuring happened since 1990? Such notable reforms might include attempts at economising on resources (eg changes in membership dues or staff cuts). If so, please describe these reforms, the reasons for them and the driving forces (eg certain member groups) behind them.

The cooperation between VNO-NCW and AAVN ([Algemene WerkgeversVereniging VNO-NCW](#)) [Algemene WerkgeversVereniging](#) offices intensified. (So did recently the offices of VNO-NCW and MKB-Nederland.

1.4. What is the collective bargaining role of each peak organisation listed in 1.1? Has there been any change in this area since the start of 2003 and, if so, why?

No, since 2003 no changes took place. The NPA's - VNO-NCW and MKB-Nederland - don't engage directly in collective bargaining in economic sectors and companies and they do not have binding powers. Their internal coordination in collective bargaining on the other hand is rather high because of effective 'soft' coordination methods, like the creation of national recommendations in policymaking in terms and conditions of employment.

LTO-Nederland directly engages in collective bargaining.

The sectoral associations, the members of VNO-NCW and MKB-Nederland, have a decisive role in concluding collective bargaining agreements,

VNO-NCW has specific, indirect powers through an important affiliate-organisation AWWN: [Algemene WerkgeversVereniging](#) VNO-NCW. AWWN supports and organises bargaining in around 500 binding collective agreements on sectoral and company level.

1.5 What involvement does each of the peak organisations listed in 1.1 have in tripartite and/or bipartite consultations? Has there been any change in this area since the start of 2003 and, if so, why?

Since 2003 there have been no changes in tripartite and bipartite consultations. Thus the peak employer organisations are still represented in the two consulting institutions.

The three peak organisations have permanent seats in the national, tripartite consultation body together with independent representatives appointed by government: [Sociaal-Economische Raad](#), and SER permanent seats in the national bipartite body: [Stichting van de Arbeid](#), STAR.

The Social and Economic Council (SER) is the most important statutory body on the national level. The total of seats is divided as follows: one third NEPA-representatives, one third union federations-representatives and one third independent experts appointed by the government. The government is consulting this body on all socio-economic issues, including legal changes and policy-making issues regarding the labour market, social security, industrial relation or economic structure.

Another important national body is the bipartite Foundation of Labour (STAR), seated by the three NPA's and the three trade union federations together. The main tasks are bipartite political lobbying and national coordination between employers and employees, that is the making of recommendations to the collective bargaining parties and companies in the private sector.

LTO-Nederland and the affiliates furthermore have seats in specific statutory industrial organisations in agricultural sectors and around specific agricultural products.

The three NEPA's have, according to their size, seats in the statutory bodies,.

1.6 What, briefly, is the role of each of the peak organisations listed in 1.1, other than in the areas referred to in 1.3 and 1.4? Has there been any change in this area since the start of 2003 and, if so, why?

Since 2003 the role of the three peak organisations has not changed. Their role and activities are described extensive under 1.3 and 1.4. Europe, European Directives and rules have become more important. VNO-NCW and more recently LTO-Nederland, have opened an own 'lobby'office in Brussels. The three organisations are member of European employer organisations, such as [BUSINESSEUROPE](#).

1.7 Is there any evidence of change since 2003 in the composition of the leaderships of the organisations listed in 1.1, in terms of the representation of women, people from ethnic minorities, nationals of other countries etc.

No, since 2003 there is no evidence of change in the composition of the organisations, in terms of female, ethnic or immigrant representation, although one can always refer to the one exception that does not change the rule. The exception is that female and ethnic entrepreneurs have organised themselves at national level. Their annual presentation and annual awards to the most successful female and/or ethnic entrepreneur attract a lot of media attention, but their organisations form no part of the traditional structures of employer organisations.

On the whole, employer organisations have a much heavier male 'outlook' than employee organisations.

2. Sectoral employer organisations

2.1 Please give a brief summary of the sectoral structure of employer representation in your country (see the background note for definition of 'sectoral employer organisation').

Systematic information on national sectoral employer organisations is not available in the Netherlands. We have to rely on estimates and we will offer examples of important sectoral associations.

There are around 800 up to 1200 sectoral employer organisations. Probably they are active in nearly all economic sectors. There are large differences in the size of the sectors. Below sector level, the Netherlands also has defined the branch (of trade) level. In 2003 there were 147 branch organisations. This level is represented in the sector level associations. Collective bargaining can take place at either sectoral or branch level.

The important sectoral organisations are affiliated to one of the peak organisations; it concerns around 650 sectoral organisations (Tros et al 2004.) These sectoral employer organisations play a

key role in collective bargaining.

The proportion of companies the sectoral organisations represent varies, but on the whole their representativeness is high. As the [Ministry of Social Affairs](#) publishes all collective agreements that are being extended to the whole sector, one can conclude that extended agreements imply a strong (sectoral) employer organisation. The extended agreements cover the whole sector (as the companies which agree with the CLA employ more than 66% of all sectoral employees). In the Netherlands sectoral agreements cover via the extension procedure more than 90% of employees. (See further 2.3)

The sectoral organisations do not represent specific types of companies, although it may be a fact that in some sectors some type of company pre dominates.

An example of a strong sectoral employer association is the organisation for the steel industry, the association [FME-CWM](#). FME-CWM is member of VNO-NCW. The FME-CWM association has around 3000 member metal companies, employing 275.000 employees and tens of thousands of flex workers. The collective agreement for the steel and electrotechnical industry is the oldest collective agreement. It has been and still is trendsetting, also for company agreements. Large companies, such as [Philips](#) and [Hoogovens/Corus](#), members of the sector organisation FME-CWM, tune their company agreement in to the sectoral agreement.

In the construction sector two large associations dominate the organisation of employers. Both organisations are member of VNO-NCW. One of the associations, [Algemeen Verbond Bouwbedrijf](#), an umbrella organisation of 17 member organisations, coordinates collective bargaining in the sector. In the sector catering it is [Koninklijke Horeca Nederland](#), member of VNO-NCW, and with 19.000 members responsible for 65% of employment, who coordinates collective bargaining. The collective bargaining party in the ICT is [Employer Organisation ICT](#), it has around 105 members, 35.000 employees. It is member of VNO-NCW. The largest employer organisation that is member of MKB-Nederland is the [Metaalunie](#). The Metaalunie has 11.000 member/companies, companies with less than 100 employees.

2.2 What changes have there been since the start of 2003 in the structure of sectoral employer organisations? Please indicate reasons for any changes noted.

No fundamental changes took place. Examples of fundamental change stem from the sector ICT and the call centre branch before 2003, so before the period covered in this study

2.3 What is the collective bargaining role of national sectoral employer organisations?

Sectoral employer organisations directly engage in collective bargaining and they may provide assistance etc. on bargaining to affiliates.

In 2009 the sectoral collective agreements, concluded by sectoral employer organisations, are applicable to more than 80% of employees, working under CLA. (Of the 5.555.000 employees under CLA 4.700.000 fall under a sectoral agreement.) Via the extension procedure another 855.500 are included (that is another 15%). Of the total of 748 registered CLA's 190 are sectoral agreements and 558 company agreements. Of all the employees 0.6 million fall under company agreements. The dominance of sectoral employer organisations, concluding sectoral CLA's, is obvious. (Ministry of Social Affairs, June 2009)

This information on collective bargaining implies that employer organisation is dense in the Netherlands.

2.4 Has there been any change in the collective bargaining role of national sectoral employer organisations since the start of 2003. Please indicate reasons for any changes noted.

Although the rhetoric of the peak organisations implies that collective bargaining restricts itself more to framework agreements, creating more scope for company-level flexibility, reality lags behind.

2.5 Briefly, aside from bargaining, what other roles do national sectoral employer organisations play? Has there been any change in this area since the start of 2003 and, if so, why?

The position and role of sectoral employer organisations has not changed since 2003. In a survey under 147 Dutch EO's they defined the following tasks, in degreasing importance, 1. Lobbying to national and local governments, consumers' organisations and trade unions. 2. Organising service for individual members like legal advise, consults on technical issues and operational management issues. 3. The association as 'Gemeinschaft', social identification of members in specific sectors of industry. 4. Concluding binding *external* rules, like collective labour agreements and covenants with governments (17%) And 5. Concluding binding *internal* rules, like certification and market conditions. (Schmidt et al., 2003)

In 2005 Tros has concluded that in perspective of the *system of industrial relations* the most important task of EO's in the Netherlands is 1. concluding binding collective labour agreements and

organising collective bargaining with trade unions in economic sectors. This concerns sectoral agreements and of EO-membership of companies with their own company agreements (see 2.3). 2. is the political lobbying on socio-economic issues on the national and the local level (economic/business/industrial issues and labour market issues in specific sectors of industry). And 3. the participation in permanent sectoral bipartite bodies like pension funds, social security funds, vocation training organisations and tripartite labour market organisations.

2.6 Is there any evidence of change since 2003 in the composition of the leaderships of sectoral employer organisations, in terms of the representation of women, people from ethnic minorities, nationals of other countries etc.

No, there is no evidence of change since 2003 in the composition of the organisations, in terms of female, ethnic or immigrant representation. One exception may be that female and ethnic entrepreneurs organise themselves.

3. Other employer organisations

3.1 Are there other levels of employer organisation (other than national peak organisations and national sectoral organisations) that have an important role in industrial relations in your country? Examples might include regional or province-level organisations, either sectoral or cross-sectoral. If so, please give brief details of their structure and role and indicate if there has been any change since the start of 2003.

No, there are no other levels relevant. The other way around, employer organisations are important in labour market institutions, pension funds, social security funds, vocation training organisations and tripartite labour market organisations – also at local level.

3.2 Have any innovative forms of employer organisation developed in recent years, which represent employers on non-traditional lines (ie, not purely based on sectoral or geographical considerations)? If so, please give details and reasons.

No. Since 2005 no innovative forms of employer organisations developed. New economic activities, such as call centres, developed new, successful branch organisations. In the branch of call centres in a short period of time 10% of companies was organised, representing 75% of employees (Schmidt et al 2003).

Commentary

Compared with the situation in 2003 the position of employer organisations has not changed. There still are three national peak associations – VNO-NCW, MKB-Nederland and LTO-Nederland – which still represent the same types of companies, large companies, small companies and agriculture companies. The associations are accepted parties in consultations with government. In addition, there are between 800 to 1200 sectoral organisations, which actually conclude the sectoral collective agreements. These sectoral agreements are usually extended; they cover in the end the labour conditions of more than 90% of employees.

The power and importance of employer organisations in the Netherlands lie in their influence on national socio-economic politics and in the formation of terms and conditions of employment in the private sector. The employer organisations have stimulated the general trend of 'organised decentralisation' on the national and sectoral levels in the Dutch system of industrial relations. Within this trend of organised decentralisation employer associations are adapting their role and activities, while at the same time they are maintaining their present positions in the institutional infrastructure. Notable is that the activities of Dutch NPA's and EO's are being increasingly influenced, both directly and indirectly, by European issues.

In 2004 we identified three variables - cohesion, representativeness and self-discipline – which determine the strength of employer associations. The Dutch organisations score relatively high on each variable, a score that has not changed over the past few years.

In contrast to the organisation of employees, there is less public debate on the representativeness of employers' associations. Remarkable so, since there are also no statistics nor representative empirical studies on the numbers of employer organisation and their activities.

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