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Inter-generational Bargaining:
towards integrated bargaining for younger and older workers in EU countries

The Netherlands - Country Report

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### Contents

1. **Younger and older workers in the labour market in the Netherlands**
   1.1 Youth unemployment continues to be twice as high
   1.2 Employment rates: sharp decline among the youth and continuing growth among the workers aged 55+
   1.3 Employment instability is concentrated in the early careers

2. **Industrial relations in (inter)generational perspectives**
   2.1 A new challenge in inter-generational bargaining
   2.2 Are trade unions also representing younger generations?
   2.3 Age related stipulations in collective agreements
   2.4 Approach and definitions on inter-generational bargaining

3. **Case study I: cross-sector initiatives in inter-generational bargaining**
   3.1 Backgrounds and initiating actors and agreements
      3.1.1 Generation Pact FNV (2013)
      3.1.2 Social Pact in the Labour Foundation (2013)
   3.2 Sector plans (2013-2015)
      3.2.1 Governmental conditions for co-financing
      3.2.2 Synchronized and interlinked measures on younger and older workers
   3.3 Evaluation and prospects

4. **Case study II: Inter-generational sector plan in the construction industry**
   4.1 A demographical and inter-generational problem definition
   4.2 Inter-generational policies in the construction industry
   4.3 Evaluation and prospects

5. **Case study III: Austerity measures for older workers and new life course regulations in the sector of secondary education**
   5.1 Backgrounds and initiating actors in modernizing seniority schemes
   5.2 Life course regulations with extra rights for career starters and older workers
      5.2.1 Career starters and young workers
      5.2.2 Life course regulations and individual saving schemes
      5.2.3 Older workers
   5.3 Evaluation and prospects

6. **Conclusions and discussion**
   6.1 New inter-generational initiatives in the Netherlands
   6.2 Social partners in the ‘shadow of hierarchy’ of the government
   6.3 Conditions in inter-generational bargaining
   6.4 Barriers in inter-generational bargaining
   6.5 Limitations in the concept

Literature

Interviews

Annex 1: Policy brief / Abstract iNGenBar – Country report The Netherlands
1. Younger and older workers in the labour market in the Netherlands

This chapter elaborates on the position of younger and older workers in the labour market in the Netherlands, as well as on the age-related employment developments during the period 2000-2013.

1.1 Youth unemployment continues to be twice as high

Generally speaking, youth unemployment figures are twice as high as the average unemployment figures in the Netherlands. This is the case in periods of low economic growth and in periods of high economic growth. Figure 1 shows that the youth unemployment levels – regarding the people aged 15-24 years - have fluctuated in almost the same directions as the unemployment levels in the older age groups since 2000, but at a level that stayed twice as high.

The unemployment among the youth in the Netherlands has increased substantially since 2008, the beginning of the financial crisis in Europe. In the same period, the unemployment statistics have also doubled for the workers aged 55-64 years: from 3.2% in 2008 to 6.3% in 2013. We see even a more sharp increase of unemployment statistics in the middle aged workers category: from 2.0% in 2008 to 5.8% in 2013.

**Figure 1: Unemployment percentages in the Netherlands, 2000-2013, by age groups.**

Source: Labour Force Survey: lfsa_urgaed, update 24-04-2014.¹

¹ Unemployment rates represent unemployed persons as a percentage of the labour force. Unemployed persons comprise persons who were: i) without work during the reference week; ii) currently available for employment or self-employment; iii) actively seeking work, i.e. had taken specific steps in the four weeks period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months.
Unemployment statistics are hiding the fact that some unemployed people do not search (anymore) for a job. Older workers can stop to apply for jobs because of no or low response of employers that they have addressed, or for other reasons. Young people appeared to have another specific response to bad prospects in the labour market during the crisis. Namely, the decision to continue their education activities, waiting for better times in the labour market. For these reasons of limitations in measuring unemployment, it is important to analyze:

i) employment rates for the youth and the older workers and
ii) statistics on ‘NEET’ (= ‘Neither in Employment nor in Education and Training’) for the youth.

These issues will be the subject of section 1.2.

1.2 Employment rates: sharp decline among the youth and continuing growth among the workers aged 55+

Through analyzing the employment rates – instead of unemployment statistics - we see in the current years more similarity between the youngest workers (aged 15-24 years) and the oldest workers (aged 55-64 years). In 2013, a large 60 percent in both age groups are employed, contrasting with a large 80 percent in the middle age-group of 25-54 years (see figure 2).

**Figure 2: employment rates in the Netherlands, 2000-2013, by age groups.**

Figure 2 shows also a clear fall in the employment rates among the youth, especially in 2009 and 2010. In the last 5 years, the employment rates declined from almost 70%
to 60%. In a shrinking economy, the young workers without work experience have relatively low employment changes and the young workers with temporary employment contracts are dismissed more early then those (mostly older workers) with regular employment. Indeed, figure 2 illustrates that the employment rates in the middle-aged workers’ category, has fallen more moderately. The employment rates in the age group of 55-64 years are even increased, despite the economic crisis. One of the main explanations for this contrasting trend among the older workers is the ongoing reforms in retirement arrangements, especially the introduced financial incentives for older workers to delay their retirement/pension in the context of less generous social security arrangements (OECD, 2014a). The employers’ retention rate regarding workers older than 60 years has increased considerably in the Netherlands, and was above the average level of OECD-countries in 2012 (OECD, 2014: chapter 2). Job-to-job mobility of older workers in the Dutch labour market - measured by employers’ hiring rates of older workers – however, stays below the European average. In 2012, only in three European countries the hiring rates for the 55-64 age group were lower than in the Netherlands; Belgium, Greece and Luxembourg (idem). Among researchers, employers, trade unions and the government in the Netherlands, there is high consensus on the fact that it is very difficult for the 55+ workers who are unemployed, to find a new job (also confirmed in the interviews).

In sum, the success of the increased employment participation among the older workers in the Netherlands is not the result of higher labour market mobility in the end of the working careers, but the effect of longer stays in the older workers’ final jobs. This practice seems to be supported by Dutch dismissal law that makes it more costly for employers to dismiss older workers because of making severance payments dependent on seniority, as well as age.

Since the end of the 1990s, there has been a political and an industrial relations debate in the Netherlands to decrease the gap in job and employment security of flexible and regular workers (see Tros & Wilthagen, 2013). This debate is still going and there is no full agreement between the social partners. The by far largest peak organization of employers in the Netherlands (VNO-NCW) promotes further flexibility in regular employment contracts. The governments follow a more or less pronounced strategy to make regular jobs more flexible and flexible jobs more secure. The largest trade union federation (FNV) is reserved to make a simple ‘trade-off’ by giving less job protection to regular workers and more job protection rights to flexible workers. Their Decent work campaign (‘Gewoon goed werk’) strive for basic level securities of flexible work.

The social partners came to a compromise in the Labour Foundation through an agreement in the Social Pact 2013. The former legal complexity of the ‘dual route’ in the Dutch dismissal law is more structured and the former high variety in compensations in severance payments is limited by regulating legal standards. Through labelling the severance payments by ‘transition compensations’, the social partners want to promote investments in job-to-job activities in case of dismissals. Also workers with temporary employment contracts are given rights to build up transition compensations. It is uncertain and highly questioned among academics and social partners if the impact of this institutional reform in dismissal regulation and

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2 The financial incentives in promoting to continue work at older ages have changed most in Italy, the Netherlands, Germany and France (Employment Outlook 2013, OECD).
new protection rights for flexible workers will generate more equalization between employment contacts of flexible and regular workers, and indirectly also between younger and older generations of workers.\(^3\)

Higher compensations for workers age 50 years keep on to be regulated in this new legislative regime on job protection. This could be legitimized by their evident weaker positions in finding new jobs and by preventing too much erosion of older workers’ rights. Nevertheless, these age–related Employment Protection Legislation (EPL) is criticized by many economists and politicians with the argument that relative high risks on dismissal costs for older workers will discourage employers to hire older workers. Also the OECD (2014a: 103) recommends the Netherlands that EPL-reforms should have the target to be ‘age-neutral’.

**Delaying the school to work transition**

As written before, one of the responses on the low opportunities of youth in the labour market, is that they can decide to continue their education. This is confirmed by the labour force survey of Eurostat that shows the lowest NEET-rates in the Netherlands, as well for male as female in the EU (‘NEET’ = ‘Neither in Employment nor in Education and Training’). Figure 3 shows that young women are to a higher extent neither in work nor in education, compared with young men. This gender inequality also exists in other EU countries. Remarkably, figure 3 show also contrasting tendencies between young female and men during several years. This suggest gender differences in the labour markets for youth in specific economic sectors, in educational patterns and, maybe also influences of specific ‘school-to-work transition policies’ during the crisis. It is beyond the scope of this study, however, to go deeper into these gender inequality.

**Figure 3: Young people (aged 15-24 years) neither in employment nor in education and training in The Netherlands.**

\(^3\) Implementation is partly in 2014 and partly in 2015.
The Dutch ‘part-time economy’

Another reason of relatively low youth unemployment figures in the Netherlands, is the fact that national and European statistics are measured by the unit of citizens and not by working hours. Not without reason, the Netherlands is called a ‘part-time economy’ because of high numbers of workers who are working in a part-time employment contract. Figure 4 shows that 77% of the employed young workers are working in part-time. These statistics include students that have a job as well. Remarkably, also many workers in the end of their careers are working part-time: 50%. In an European comparative perspective, both younger and older workers in the Netherlands have to a high extent part-time jobs.

Figure 4. Workers employed in part-time jobs as percentages of the total employed persons in the age groups of 15-24 years and 55-64 years.


1.3 Employment instability is concentrated in the early careers

Figure 5 shows a very high age differentiation in the distribution of temporary employment contracts in the Netherlands. There are two main reasons why young people have higher chances to be employed in temporary employment contracts. First, they cannot show their past work performances to employers, what gives them low bargaining power and makes them to accept flexible contracts. Secondly, employers want to screen their work potential, including the higher educated young workers, before taking the risks and costs of regular, open-ended contracts. These two mechanisms are also existing in other European countries (Bukodi et al., 2008). The shares of young workers in temporary contracts in the Netherlands are slightly above the average statistics for the EU-27 (Eurofound, 2012: 3-18).
Labour market research in the Netherlands showed that the economic growth during the 1990s enhanced high labour market access of the youth through flexible contracts (Wolbers, 2008). But the so called ‘stepping stone’ mechanism of temporary work - as a step to enter into regular employment contracts - has performed less well in the 2000s. This trend of declining transitions from temporary into regular employment contracts started already in the years before the crisis (Bosch et al. 2011; Muffels & Wilthagen, 2011). Many workers are for a long time working in a repeating chain of temporary contracts and occasional spells of unemployment. One of the main impacts is that young workers enter in later phases of their working lives into their first regular employment contract. This practise is also existing among young workers with high qualifications (ROA, 2013).

Furthermore, young people that have found (temporary) jobs in the recent years have been confronted with lower quality of work and employment compared to the period before 2008. Their wages in the years 2008-2012 have been lower and they work more often below their educational level (ROA, 2013). Panel-research in the period 1993-2011 shows indeed that periods of higher unemployment do effect i) a later labour market entry of young people in ii) lower job levels (Wolbers, 2014). During the years of economic recovery, these effects mostly disappeared, but have not been compensated (idem). So, looking back to the recent history of the Dutch labour

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4 A job is considered temporary if employer and employee agree that its end is determined by objective conditions such as a specific date, the completion of a task or the return of another employee who has been temporarily replaced (usually stated in a work contract of limited duration). Typical cases are: (a) persons with seasonal employment; (b) persons engaged by an agency or employment exchange and hired to a third party to perform a specific task (unless there is a written work contract of unlimited duration); (c) persons with specific training contracts.
market, one can claim that warnings for ‘a lost generation’ are maybe too dramatically formulated. But the low employment rates under worse working conditions of the young generation of workers, combined with the continuing insecure perspectives in the coming years, needs awareness and actions. Especially in periods of long employment crisis.

Besides the limited creation of jobs for young people as an effect of low economic activity, more detailed empirical research in the Netherlands shows also the negative effects of longer working careers of the older workers on the limited demand for new young workers (ROA, 2013).

These contexts of age related labour market positions and employment developments, have shaped the debates in politics and between the social partners (see the following chapter).
2. Industrial relations in (inter-)generational perspectives

This chapter elaborates on the main industrial relations’ debates in the Netherlands related to age and relations between younger and older generations of workers.

2.1 A new challenge in inter-generational bargaining

In the early 1980s, an inter-generational strategy appeared in the Dutch ‘polder model’ through the aim to redistribute employment in times of crisis. In 1982, the ‘Akkoord van Wassenaar’ - a national social pact between the peak organisations of employers’ associations and trade unions - promoted a fair distribution of employment between the generations and inclusiveness of more people in the paid labour market, combined with a strategy on more efficiency and productivity in the Dutch economy. Fiscal support for early retirement arrangements and part-time employment were the main policy instruments in combatting the youth unemployment in these times. During the 1990s, however, other functions overshadowed the inter-generational and redistribution aims, such as the social acceptance of restructuring processes by employers. Trade unions in the Netherlands - like in many other EU countries - referred to the older workers’ rights on ‘deserved’ rests after long - sometimes heavy - working careers (Bredgaard & Tros, 2008).

In 2006, the Dutch government dismantled the fiscal support for early retirement and other pre-pension arrangements (second pillar pension arrangements). With this intervention, approximately 25% of the total finance of these second pillar pension arrangements have been cut (CPB, 2004). The trade union movement felt overruled and organized demonstrations with a response level unknown in the Netherlands. The social partners at the sector and company levels changed the early retirement arrangements into less generous and more flexible (pre-) pension systems, with the introduction of individualized à la carte options in retirement age and part-time/gradual pensions. On top of this, the age thresholds in the general public pensions – so called first pillar pension arrangement – started to raise some years ago from the age of 65 year, and will increase by yearly steps to 67 year in 2021.

The emergence of the financial and economic crisis in 2008 have not led to a reintroduction of fiscal support of early retirement arrangements in the Netherlands to enable an inter-generational redistribution of the employment from the older to the younger workers. The FNV - the largest trade union federation in the Netherlands with socialist backgrounds - has tried to open this debate without success (see chapter 3).

Nowadays, bargaining in an inter-generational perspective in the Netherlands aims not only to labour market integration among the youth, but at the same time to more and longer employment participation of the older workers. Not only the young ‘outsiders’ need to be integrated in the labour market, but there is also a need that older workers don't become ‘outsiders’ in a context of economized social security and high difficulties in finding (new) jobs.
In the next 2 sections, I will elaborate on two age and generation related debates in the industrial relations context in the Netherlands:
Section 2.2: The trade unions’ challenge to include new generations of workers in their actions and
Section 2.3: Developments in direct age related regulations in collective agreements.

In section 2.4, I will give definitions on ‘inter-generational bargaining’ as an introduction to the three case-studies in this report.

2.2 Are trade unions also representing younger generations?

In 2013, just 61,000 people younger than 25 years are members of a trade unions in the Netherlands, while 925,000 trade union members are aged 45-65 years. The numbers of young people organized by trade unions declined in the last decade, while the numbers of workers in the age category of 45-65 years increased (see figure 6). In the same period, the numbers of members that are aged more than 65 years have increased even more. The contrasting tendencies in the numbers of memberships among the youngest (till 25 years) and oldest (more than 65 years) age groups, can be party explained by the demographical ageing process of the population in the Netherlands. When the numbers of memberships are compared with the numbers of employed workers in the age groups, it turn out that new generations are far less organized than the older generations.

Figure 6. Numbers of trade union members by age category in the period 1999-2013 in The Netherlands (in thousands).

Source: Centraal Bureau voor de Statistiek (CBS).

5 There are no specific statistics available in the age category 55-65 years.
Figure 7 shows ‘net membership levels’ by age category since 1995. Net membership levels refer to shares of employed workers that are organized by trade unions. The first conclusion is that these shares have decreased in all age categories. The second conclusion is that older people are far more organized by trade unions than younger people. Thirdly, it can be concluded that the membership levels among the youth decreased to a higher extent than among middle aged and older workers. In the period 1995-2011, the net membership levels of workers aged 15-24 years decreased from 15% to just 6%. In the same period, the net membership levels decreased from 27% to 16% in the age group 25-44 tears and from 38% to 29% in the age group 45-64 years.

**Figure 7:** percentages of employed people that are members of trade unions in the Netherlands, by age categories; 1995-2011 (=net membership).

In the context of this study, it goes to far to investigate comprehensively the reasons of low membership among young workers (Vandaele, 2012; Vandaele, 2013). The assumption that trade unions in the Netherlands are invisible for young people seems to be the most evident reason of low membership. According to a recent representative survey in the Netherlands under the working population, 60% of the respondents aged 15-24 years have never thought on becoming a member, compared to 42% of the workers between 24-54 years and 29% of the workers that are aged 55-64 years (NEA, 2012).

Ageing union membership files are challenging the trade unions’ approach to combine and balance the interests of younger with older generations of workers. Low numbers of young members risk a lack of ‘voice’ of young people in trade union strategies and actions. Another complicating factor is that trade unions in the Netherlands are vulnerable to be ‘accused’ as being organisations of old aged ‘insiders’ and giving low priority to the labour market inclusion of young ‘outsiders’. Trade unions in the Netherlands are confronted more and more with the ongoing societal and political discussions on the legitimacy of trade unions in their role as a lobby organisation towards the government and as a bargaining party towards
employers for all workers (SER, 2013). Ageing membership files are not the only reason in this debate, but is playing a role in this.

One of FNV’s responses on underrepresentation of the younger workers has been the launch of a cross-sector ‘youth union’ (FNV Jong) in 2011 and the reservation of one seat in the tripartite Social and Economic Council’ of the Netherlands (Sociaal Economische Raad) for this youth union.6 7 Other trade union strategies in recruiting, committing and mobilizing young people deal with marketing activities, low entrance fees for young workers, giving information and educative lessons at schools, and sometimes specific sector campaigns (Keune & Tros, forthcoming).

Underrepresentation of young trade union members is not automatically leading to favoring the older workers in political lobby activities and collective bargaining practices. All three trade union federations in the Netherlands claim that they are representing all age groups of workers. According to the same representative survey in 2011 as mentioned before, young (organized and non-organized) people do not criticize trade unions or collective agreements more than older people (NEA, 2012). Nevertheless, the youth are less informed what unions do and more involvement of young people in trade union activities would stimulate the activities to improve the labour market and working conditions for the young generations of workers. Some trade unions – such as FNV Bouw and the two specific youth unions in the Netherlands FNV Jong and CNV Jongeren - are aware of the importance on ‘breaking open’ the trade union cultures to stimulate the voice of young people. Yde van der Burgh, unionist from FNV Bouw is formulating three key problems for the trade union movements in the Netherlands in the modern time (Burgh, 2013):

(i) growing inequality in the opportunities in building up capital during the life course, resulting in insecure perspectives for the young people;
(ii) the loss of social status for the older workers as well as for the older trade unionists;
(iii) no democratic access of young people in trade unions to organize collective action that aim to improving the social-economic positions among the youth.

Besides the issue of democratic access, the interviewees of the trade unions in case study II and III observe socio-cultural and communication style differences between their younger and older trade unions officials in trade union meetings that can hinder optimal transfer of ideas and experiences. The youth coordinator in the construction industry see that many young construction workers find it difficult to discuss with older trade unionists that have an experienced ‘gift of the gab’ about industrial relations issues. One of the effects is the ‘withdrawal’ of many young members in specific youth meetings and youth actions and lower involvements in the general preparations of collective bargaining rounds in the sector.

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6 The Social and Economic Council of the Netherlands (SER) is an advisory and consultative body of employers' representatives, union representatives and independent experts. The SER aims to help create social consensus on national and international socio-economic issues.
7 FNV-jong is organizing a small minority of the young members in FNV: 2.800 members, within a total of 32.000 FNV-members who are younger than 25 years.
2.3 Age related stipulations in collective agreements

Youth wages

A large majority of the collective agreements in the Netherlands regulate lower wage levels for workers in the age group 15-22 years, compared to the ‘normal’ wage levels for ‘profession adult’ workers. In 2012, the level of these youth wages are by average 11% (for those 22 years old) – 21% (for those 19 years old) above the level of the standardized youth minimum wages as regulated in the national legislation (SZW, 2013: 18-22). These specific youth wages – in legislation as well as in collective agreements – are at odds to the principle of ‘the same wage for the same work’ and age discrimination. FNV strives for the abolishment of youth wages or at least decreasing the gap between the levels of youth wages and adult wages (at the level of 23 years) in collective bargaining.

Older workers’ stipulations under pressure

Many collective agreements in the Netherlands regulate specific provisions for older workers. Table 1 present a recent overview of specific stipulations for older workers in collective agreements in the Netherlands and their most common age thresholds.

Table 1. Specific stipulations for older workers in collective agreements in the Netherlands in 2012.

<table>
<thead>
<tr>
<th>Issue</th>
<th>% of workers under collective bargaining</th>
<th>Most common age threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra leave</td>
<td>50</td>
<td>50 years</td>
</tr>
<tr>
<td>Reduction of working hour</td>
<td>32</td>
<td>55 years</td>
</tr>
<tr>
<td>Demotion</td>
<td>27</td>
<td>55 years</td>
</tr>
<tr>
<td>Exemptions from inconvenient work time schedules</td>
<td>61</td>
<td>55 years</td>
</tr>
</tbody>
</table>


Wages above the age threshold of 23 years are not regulated by age in the Netherlands, but by seniority and mostly limited to a maximum of 6-12 steps of salary increases. The underlying principle of regulating seniority wages by yearly steps, is that workers have to be rewarded for their work experiences in case of sufficient appraisals on job performances. Therefore, salaries are just indirectly influenced by age, and collectively agreed salary growth is mostly stopping somewhere in the middle aged phase.

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8 See for the legislative minimum (gross) wage levels for the youth in the Netherlands: http://www.rijksoverheid.nl/onderwerpen/minimumloon/vraag-en-antwoord/hoe-hoog-is-het-minimumloon.html

9 Of course, further salary growth can be the result of career promotions, HR-practices and individual negotiations that are not substantially regulated in collective agreements.
Table 2 illustrates the impact of the ‘Equal Treatment in Employment Act’ (2005) and the related, more wide societal debate in the Netherlands in which age related regulations have become less obvious. The European Framework Directive 2000/78/EC is implemented in the Netherlands through the ‘Equal Treatment in Employment Act’ in 2005 (WGBL, *Wet Gelijke Behandeling op grond van Leeftijd bij de arbeid*). Since this Act is implemented, age related regulations in collective agreement are highly debatable among the collective bargaining parties in the Netherlands. The national ‘Commission on Equal Treatment’ (*Commissie Gelijke Behandeling*) intervened strongly in these discussions, especially through criticizing the specific stipulations for older workers in collective agreements (Van den Berge et al, 2009). In their documents, the Commission stress the negative side-effects of extra protection rules for older workers - namely higher labour costs and confirming stereotypes of having limited work capacities - that risk to result in lower employment participation of older workers (CGB, 2006). Another more direct intervention of the ‘Commission on Equal Treatment’ concerns their juridical reviews on age related regulations in regular collective agreements and ‘social plans’¹¹. They only allow stipulations for specific age groups of workers in the context of ‘age aware HR policy’ or a ‘life phase aware HR policy’ (CGB, 2006, Van den Berge et al. 2009). The evaluation study on the Equal Treatment in Employment (Age Discrimination) Act in 2009 concluded that (changes in) HR policies for older workers are to a high extent influenced by economic and labour market reasons and that HR managers supported and followed a more strict interpretation of the principle of formal equal treatment than is required by law (Van den Berge et al, 2009).

<table>
<thead>
<tr>
<th>Topic</th>
<th>Collective Agreements in 2006 (in %)</th>
<th>Collective Agreements in 2011 (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of working hours</td>
<td>48</td>
<td>36</td>
</tr>
<tr>
<td>Extra holiday leave</td>
<td>78</td>
<td>51</td>
</tr>
<tr>
<td>Exemptions from inconvenient work schedules</td>
<td></td>
<td>67</td>
</tr>
<tr>
<td>‘Age aware HRM’ / life course policies</td>
<td>24</td>
<td>35¹²</td>
</tr>
<tr>
<td>Demotion for older workers</td>
<td>21</td>
<td>29</td>
</tr>
<tr>
<td>Opportunities to work beyond the age of 65</td>
<td>23</td>
<td>43</td>
</tr>
</tbody>
</table>


¹⁰ With *regular* collective agreements is meant the ’normal’ agreements between employers (associations) and trade unions, including wages, working hours, and other terms and condition of employment. This in contrast to *specific* agreements, such as for pensions, labour market policy, or redundancy.

¹¹ *Social Plans*’ in the Netherlands are collective agreements, agreed on the company level, about the conditions and the workers’ compensations in case of collective dismissals and redundancy.

¹² 2010
Note: the samples of collective agreements cover 85-90% of all employees under collective bargaining in the Netherlands.

Trade unions in the Netherlands are still in a defensive position to justify age related regulations in collective agreements that aim to spare and relieve older workers regarding to their workloads, working conditions and working hours (Borsboom, 2009; interviews). Employers and employers’ associations in the Netherlands criticize these positive discriminating provisions for older workers in collective agreements because of extra labour costs and lack of justified reasons to do so (interviews). Furthermore, they refer to the individual responsibility of workers to maintain their own employability during their whole career (2 interviews). Trade unions however, argue that it should be pointed out that some groups of older workers have had long careers and/or are working in high demanding physical or mental workplaces. These equity reasons for age discrimination (‘fairness’ and ‘more needs’) are strongly linked to efficiency reasons (‘enabling longer employment participation’) for age discrimination (see also case study II and III in chapters 3 and 4).

The largest national employers’ association in the Netherlands AWVN advocates a policy approach on sustainable employability and life course policies, without regulating collective rights and conditions for specific age groups (interview). Chapter 5 (case study III) will analyze a recent example in which regulations for older workers are transformed into live course arrangements for workers in all age categories.

There is no existing research in the Netherlands on the combination of - neither on relations between - the stipulations for younger and for older workers in regular collective agreements.

Section 3.2 will analyze combinations and relations regarding the labour market measures for the younger (27-) and for the older (55+) workers in the context of the recently agreed sector plans by the social partners. These positive discriminating measures are not subject of political or wider societal debates on unequal treatment of workers related to their age. The successor of Commissie Gelijke Behandeling - now named College voor de rechten van de mens – is stating that “positive discrimination for younger or older workers is allowed if this is based on legally founded employment or labour market policies to enhance employment participation of certain age groups in the working population” (College voor de rechten van de mens, 2014: 29). So, there seems not to be a legal barrier regarding to the principles of equal treatment/age discrimination in the context of making age targeted or inter-generational labour market measures.

2.4 Approach and definitions on ‘inter-generational bargaining’

In this report, ‘inter-generational bargaining’ is defined as the integration of policies and strategies for younger and older workers through collective bargaining and social dialogue. The focus is on bargaining practices of the social partners in which issues of both younger and older workers - in the societal context of combating youth unemployment and promotion of active ageing – are combined to each other.
This definition holds a generational component, as well as an age and life-course component. A ‘generation’ can be characterized by a group of citizens that share the same experiences and values because they raise up and live in the same years in a specific societal context (Mannheim, 2013). Mannheim analyzed in 1928 the strong impacts of phenomena like wars and structural political-cultural shifts in defining generations. It is debatable if fierce changes in work and income positions and perspectives have the same level of intensity to mark several ‘generations’ as Mannheim did. The conditions are that these changes generate high societal impacts and that the experiences and values within a generation are shared among its members.13

In the Netherlands, the societal and political debate on pension reforms are framed in an intergenerational perspective (Broek, van den et al., 2010; Soede, 2010). Also workers’ orientations and values at the workplace, have been subject to - although scarce - academic research on generations in the Netherlands (Bontekoning, 2010).

With ‘older workers’, this report refer mainly to those who were born in the period 1949-1959 and who are now aged 55-65 years. They have, generally speaking, experienced periods of economic growth and social security in their life course. Nevertheless, they are now confronted with austerity measures in (pre)pension provisions and a change in their psychological contract by the new opportunity and mostly also necessity to work longer than most of them expected in their former working life stages. With ‘younger workers’, this report refer mainly to those who were born in the years 1987-1999. They enter the labour market in a period of economic crisis with very insecure employment and income perspectives.

An interlinked component in the concept of ‘inter-generational bargaining’ is dealing with age and life-courses. Compared with the younger workers, the older workers are not only sharing another historical period in which they raised up and another ‘peer personality’ (Strauss & Howe, 1991), but also a higher age, longer length of service and being in the final phase of their working life. In the discussions on discrimination/equality and solidarity, age has other characteristics than gender or race, because ‘everybody’ will raise up from young to old. The fact that older people have been young themselves and that the youth hopes to become old themselves might stimulate inter-generational solidarity in welfare state arrangements (see de Beer, 2005, about ‘two-sided solidarity’), and also societal support in positive discrimination in labour markets and and workplaces for the youth and for the older workers.

This report is distinguishing the following forms of inter-generational bargaining:

Direct synchronized bargaining for younger and older workers through negotiating targeted policies and regulations for both the young workers (till 27 years) and the older workers (above 55 years). ‘Direct synchronization’ means that these negotiations are taking place at the same time and by the same contractual partners. This is a form of integrated bargaining because the social partners are taking into

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13 This ‘founding father’ of the sociological approach to generations, Karl Mannheim, however, warns for seeting arbitrary borders in historical years because the intensity and impacts of experiences and events differ to great extent. This statement can be also read as a critic to modern approaches in which too easily, too many, generations are defined in the recent years (f.e. for marketing reasons).
account the specific positions, needs, and capacities of the younger and older generations of workers.

Direct interlinked bargaining for both younger and older workers that have reciprocal effects between the who generations/age-groups. Such as:

- Negotiating on redistribution of employment or workers’ rights between both generations;
- Negotiating on generating synergetic effects between the generations on employability and productivity for both younger and older workers.

The case studies in this report will focus on concrete and direct forms of bargaining on younger and older workers. 14

14 Bargaining practices can also be more implicitly targeted to younger or older workers or can have indirect effects on specific age-groups of workers.
3. Case study I: cross sector initiatives in inter-generational bargaining

This chapter elaborates on the recently emerged agreements and plans at the national and cross-sector level that have been the result of inter-generational debates of the social partners and/or that contains inter-generational labour market measures.

3.1 Backgrounds and initiating actors and agreements

3.1.1 Generation Pact FNV (2013)

At the 2nd of April 2013, the joint trade unions in the FNV launched a ‘Generation Pact to combat the crisis’ (FNV, 2013). FNV is the largest confederation of trade unions in the Netherlands with socialist and social-democratic backgrounds.

This Generation Pact emerged ‘bottom-up’ in the FNV organization. Negotiators in several sectors felt an increasing sense of urgency in proposing practical measures to prevent further unemployment growth. The report is written by a large group of trade unionists, mostly working at the sector and the company levels in the private, as well as in the (semi) public sectors. This ‘bottom-up’ co-ordination can be explained by an indecisive confederation at the central level in that period (see for the issue of problems in the national coordination of FNV in this period: De Beer, 2013).

This Pact can be called innovative because of its aim to integrate FNV’s bargaining practices on younger and older workers. The approach and underlying analysis in this Pact can be summarized in the following points:

- Both the youngest and the oldest workers need targeted regulations in the context of the economic crisis. The youth need extra measures to prevent a ‘lost generation’ in the Netherlands and to prevent ‘scarring effects’ in their further working lives. The older workers need extra measures as well, to enhance participation in the labour market and to maintain their sector and company specific skills. Both groups should be needed because the economy will need them in the future period of economic recovery.

- Specific skills of both the youngest and the oldest workers have to be combined in workplaces to generate synergetic effects. The youth can learn from older employees’ experiences and the older workers can learn from the youth that can bring new knowledge and fresh ideas.

- Employment should be fair distributed between the generations. Part-time jobs and (cheap) work-training contracts are better alternatives than having no job at all.

This Generation Pact is promoting a combination of several concrete measures to stimulate working hours reduction and flexible early retirement arrangements for the older workers and to promote coaching or mentoring tasks towards young workers. In this Pact, we can read the following explicit recommendations towards the collective bargaining parties:

(i) working hours of the 60+ workers have to be in a way ‘transferred’ towards new jobs for the youth and for workers aged 45-60 years who are now unemployed;

(ii) enabling a reduction of working hours for 60+ workers also aim to better opportunities for longer working careers of these workers because of less workloads in the end of the careers;

(iii) craftsmanship and professional skills of older workers – who keep part-time jobs - will be maintained for work organisations and sectors of industry;

(iv) new, young workers have to be trained and coached by mentors who are aged 60 years and more.

Another proposal in the Generation Pact is to launch a national taskforce in which trade unions, employers’ associations and the (local) government will implement policy measures regarding the employment of both younger and older workers. This national taskforce should be based on:

(i) a decentralized approach that has to promote tailor made solutions of employment and training problems of younger and older workers in specific sectors of industry and local regions;

(ii) shared financial contributions of employers’ associations, companies and local governments, and

(iii) an integrated policy approach in which policies on youth unemployment are combined with the active ageing agenda, in the context of more wider demographic ageing in society.

3.1.2 Social Pact in the Labour Foundation (2013)

The Generation Pact FNV influenced clearly the social dialogue and negotiations in the Labour Foundation. The Labour Foundation (Stichting van de Arbeid) was established on 17 May 1945, directly after the ending of WW II, as a national bipartite consultative body in social and economic affairs. Its members are the three peak organisations of employers’ associations in the Netherlands and the three trade union confederations.16

Nine days after the launch of the Generation Pact FNV - at the 11th of april 2013 - all members in the Labour Foundation agreed on a Social Pact (Labour Foundation, 2013).17 The Generation Pact FNV was one of the main documents in these negotiations (interviews).

16 See website http://www.stvda.nl/en/home.aspx for basic information on the 'Stichting van de Arbeid' / The labour Foundation in the Netherlands.
All confederations of employers’ associations and trade unions in the Labour Foundation agreed on the following approaches:
- focus on decentralized collective bargaining at the sector, company and local levels for ‘tailor made’ labour market measures;
- the launch of a national taskforce in combatting the crisis;
- the need for targeted approaches for both younger workers and older workers and the aim that sector plans have to be “generation proof”;
- asking the government to support and remove barriers in making and facilitating targeted measures for younger and older workers in collective agreements and sector plans (Labour Foundation, 2013: 37-39).

However, many of the more detailed proposals in this Social Pact to remove these barriers for targeted measures, have not been adopted by the government, such as:
- the option to deviate from the ‘age-mirroring principle’ in case of collective dismissals and redundancies18;
- options to re-introduce part-time unemployment in the social security system;
- temporary withdrawal of the government’s 52% tax-level on (part-time) early retirement.
- Options for selective - part-time of full-time - early retirement arrangements and working hours reduction for older workers in sector plans (interviews).

By not adopting these above mentioned advices of the social partners, the government have limited the opportunities for implementation of many of the inter-generational measures that were promoted in the Generation Pact FNV. Some of the explicit recommendations were founded on the policy of working time reduction or part-time retirement of workers in the years before the pension age. But if the effects of on the older workers’ loss of income cannot be sufficiently compensated by social security arrangements and if early retirement continues to be that costly for employers, then the implementation of these recommendations becomes very difficult, maybe even unreal. Especially the trade unions of FNV appeared to be highly disappointed by the lack of support of the government in removing some hindering factors in Labour law, Social security law, and Tax law (interviews). Employers seems to be more ambiguous in their positions and orientations (interviews). In fact, their general strategy not to re-introduce collective early retirement arrangements in the Dutch industrial relations system, are more overlapping with the straightforward position of the government regarding an activating approach more and longer employment participation of older workers (see further case study III in chapter 4). On the other side, however, employers in some sectors do see early retirement for specific older workers in these years of crisis as a fair and effective solution in local labour market problems (interviews, see also the following two case studies in chapters 5 and 6).

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18 The ’age-mirroring’ principle (afspiegelingsbeginsel) in Dutch labour law concerns the selection of workers to be dismissed in case of ‘collective dismissal’. The threshold for a ‘collective dismissal’ lies at the level of 20 dismissed workers during a 3 month period. The aim of this ‘age-mirroring’ principle is that the age structure of the companies’ workforce stay unchanged after restructuring.
3.2 Sector plans (2013-2015)

3.2.1 Governmental conditions for co-financing

As a follow-up of FNV’s Generation Pact and the Social Pact in the Labour Foundation, a ‘National taskforce in combatting the crisis’ has been installed in 2013 (Actieteam Crisisbestrijding). 19 The main tasks of this tripartite taskforce is to promote and to support the making of labour market policies by the social partners at the sector and local levels, as well to communicate the governmental conditions for subsidizing sector plans’ measures. The national government launched a fund of 600 Million Euro that can be used for co-financing of training and employment measures in sector and local plans, including measures that have to promote transfer of knowledge, skills and professional experiences of older workers towards new young workers.20 The social partners have to finance their measures in their own sector plans for at least 50% by themselves. The implementation of all measures in all sector plans will be monitored by the Ministry of Social Affairs and Employment. If less than 60% of the targets will be realized, then the subsidies of the governments have to be revoked.

A first, important, condition for being qualified for public co-financing is that each sector plan has to be based on a ‘labour market and employment analysis’ at the sector level. The social partners in the sector have to make clear how their proposed measures are fitting in their problem analysis. The measures have to contribute to

i) reconciling the crisis through lowering or preventing unemployment at the short term and

ii) better functioning of the labour market at the longer term.21

A second condition is that a sector plan has to deal with at least two of the in total seven policy fields that have been formulated by the government. Training and employment for the youth is one of these fields. Preservation of older (skilled) workers is another. The other five, not age related policy fields, are: 1) the intake of people with low employability, 2) labour market mobility and sustainable employability, 3) training and education, 4) job-to-job policies at the sector and cross-sector levels, 7) quality of employment relations.

After the first phase of functioning of the national taskforce and submitting sector plans for public co-financing (i.e. 1 October 2013 until 31 December 2013), a third condition has been introduced. In the end of 2013, the government agreed with their parliamentary supporter D66 (‘democrats’ with social-liberal background) that one third of the sector plans of the total budget on the sector plans has to be spent on labour market measures for the youth. This was not a political response on low priorities of the social partners regarding youth measures, but seems to be a more ideological-political statement of D66 to focus on training and new jobs for young people. At least 1/3 of the submitted measures in the first phase of the national taskforce were already targeted to the youth (interview).

20 See http://www.agentschapszw.nl/subsidies/cofinanciering-sectorplannen/subsidiesamenvatting
21 See Brief ‘Voortgang sectorplannen’, Minister of Social Affairs and Employment, 29 mei 2014.
3.2.2 Synchronized and interlinked measures for younger and older workers

In August 2014, a total of 23 sector plans have been approved by the government.\textsuperscript{22} Table 3 gives an overview on youth measures and policies for the older workers in these sector agreements that have been agreed by employers’ associations and the trade unions.

Table 3: sector plans, agreed by employers and trade unions and accepted by the government

<table>
<thead>
<tr>
<th>Training and jobs for younger workers</th>
<th>Preservation of older (skilled) workers</th>
<th>Direct interlinked inter-generational measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landscaping companies</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Chemical industry</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Small scale business in metal industry</td>
<td>x</td>
<td>x Knowledge and skills transfers from old to young</td>
</tr>
<tr>
<td>Light engineering industry</td>
<td>x</td>
<td>x 55+ mentors and coaches in apprentice system</td>
</tr>
<tr>
<td>Crafts industry (small scale business)</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Furniture industry</td>
<td>x</td>
<td>Supervision of younger workers by older workers</td>
</tr>
<tr>
<td>Carpet and textile industries</td>
<td>x</td>
<td>Coaching of young workers by older workers</td>
</tr>
<tr>
<td>Construction industry</td>
<td>x</td>
<td>see Case Study II (chapter 4)</td>
</tr>
<tr>
<td>Painting business</td>
<td>x</td>
<td>Training of 800 older workers for apprenticeship system</td>
</tr>
<tr>
<td>Roofing sector</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Retail trade and repair of motor vehicles and bikes</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Car body works</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Road transport and logistics</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Aviation</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>IT sector</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{22} 28 August 2014, see \url{http://www.stvda.nl/nl/thema/actieteam-crisisbestrijding.aspx}
Firstly, it can be concluded that half of the total number of accepted sector plans in the period October 2013 – August 2014 deal with concrete measures for both the younger workers and the older workers. This is true for thirteen of the in total twenty-three cases. These plans deal with a combination of, at the one hand, measures to guarantee the creation of a certain numbers of work-training contracts for young people (mostly till 27 years), together with, at the other hand, measures on investments in the employability of older workers (mostly aged 55 years or more) through training, education and job-to-job policies. All social partners in the interviews confirm that the Minister of Social Affairs and Employment has followed a very strict policy not to subsidize any measure that could lead to less employment or less working hours for older workers.

A second finding is that four of the in total twenty-three accepted sector plans deal with youth policies without proposing measures for the older workers. This is the case in the chemical industry, retail trade and repair of motor vehicles and bikes, IT-sector, printing/graphics industry and primary education sector. Turned around, there are no sector plans that only have made measures for the older workers, without making measures for the younger workers.

A third finding is that the social partners in six sectors have agreed on direct forms of inter-generational measures (see the 4th column in table 3). The main approach in these sector plans is: enhancing knowledge and skills transfers from older workers (mostly 55 years and more) towards younger workers.

In the sector of painting business, the social partners agreed on a measure called ‘old for young’. They made the target to organize 50 workshops in 2014-2016 for 800 older workers who are involved in practical training courses in the apprentice system in the painting business. ‘Work experiences and social competences of the older aged trainers in practical training are seen as an added value in education processes’ (Sector plan Painting business, 2013: 44). The target of this measure is to increase the share of instructors that are aged 55 years or older with 10%-15% within two years.

| Printing/graphics industry | x |  |
| Primary education sector | x | Not approved, although financed from another fund: 200 teacher couples young+old |
| Health sector |  |
| Welfare services sector | x | x |
| Youth welfare work |  |
| Child care |  |
| Creative, arts and entertainment activities | x | x |

Another example of direct interlinked inter-generational bargaining is found in the primary education sector. Although without acceptance of the Ministry of Social Affairs and Employment. The social partners in this sector made the proposal to facilitate the creation of 560 extra jobs for young teachers in the sector through the instrument of fulltime/part-time retirement of older teachers and the creation of ‘shared jobs’ in which an older teacher is working together with a new/young colleague. The Ministry of Social Affairs and Employment did not allow these measures, because they do not wanted to subsidize working hours reduction, nor full- or part-time retirement. Nevertheless, in 2014 and 2015, the Ministry of Education is subsidizing the ‘shared jobs’ idea in the primary sector, under the title ‘vierslagleren’. The components of working hours reduction and early retirement have been withdrawn. In this sector program, a creation of 200 pairs of young and older teachers is combined with the condition of giving them both time for training and education at the universities’ master-level. The young workers in this program have the right on a regular employment contract of minimal 0,4 FTE after having received the certifications. The idea of ‘teacher couples’ of an older teacher, who is working together with a new young teacher – and having the same class of pupils – is based on several ideas:

- giving jobs to young professionals in the sector;
- giving training for new young teachers through coaching by a senior teacher at the workplace and through further formal education at higher levels;
- changing the job tasks of older teachers: less hours in front of the class, and more hours for mentoring the young colleague and investments in the professionalization of older workers in the sector.
- from the view of the pupils and organizational innovation at schools, it can be also profitable to have some days a younger, and some days an older teacher, in front of the classroom.

3.3 Evaluation and prospects

Enabling conditions for inter-generational bargaining

This case study has showed four enabling conditions that have led to synchronized, and to some extent also direct interlinked, inter-generational agreements.

Firstly, the Generation Pact FNV (2013) has played an important initiating role. The characteristic of ‘bottom-up’ emergence of this plan by the initiatives of the joint sector unions in FNV led to commitments of the same unions that have to agree on sector plans. Although the Ministry formulated in total seven policy fields, the ‘popularity’ of targeted measures regarding both the younger and the older workers is remarkable.

Secondly, the Labour Foundation has played an important coordinating role. The Social Pact agreed on combining policies for the youth and for the older workers at the requirement that sector plans has to be ‘generation proof’. The emergence of this

http://www.arbeidsmarktplatformpo.nl/vierslagleren/
Social Pact has to be understood in the highly consultative and mild corporatist tradition in the industrial relations system of the Netherlands. Since November 2012, the VVD (Liberals) and the PvdA (Labour Party with social-democratic backgrounds) have formed a coalition in the national government (Kabinet Rutte II). Especially PvdA wanted to continue their tradition in consulting the social partners. From the beginning of the coalition in 2012, the PvdA showed their preference for a Social Pact. The Labour Foundation is a bi-partite body, but during the negotiations between the social partners, intense consultations with the Minister of Social Affairs and Employment have taken place (interviews).

The third enabling condition is the role of the government through supporting the emergence of a Social Pact between the social partners at the national level and to launch a budget of 600 million Euro for co-financing of sector plans in the years 2013-2015.

A fourth beneficial condition is the requirement of the national taskforce to make a sector labour market analysis (incl. prospects), combined with the support that the taskforce gives to the social partners to make such an analysis. Many sector plans refer to the impact of the crisis, together with the impact of demographical ageing, on the employment position older workers and the need for new initiatives for new, young workers.

**Barriers and limitations in inter-generational bargaining**

The most evident barrier for inter-linked bargaining at the sector level regards to the substantive conditional rules for public co-financing. Although age targeted regulations on training and education and measures on inter-generational skill transfers are approved by the government, all forms of subsidized redistribution of employment and working hours from the older generations to new generations of workers have been blocked. In the Generation Pact FNV, as well in some of the original sector plan proposals, the proposed measures were based on a mix of two main ingredients: less working hours for the older workers, combined with changing job tasks towards mentoring and coaching new young workers. The last mentioned ingredient is eligible for public co-financing, but not the first ingredient. The result is that some interlinked measures between younger and older workers have been withdrawn at all (interviews). The social partners requested the government to reconsider the (too) strict interpretation of the activating and full-time work agenda towards the oldest workers, but their efforts were in vain.

A more basic limitation of the sector plans is their modest effects on the creation of employment. These plans are at the utmost saving some jobs, including those of the older workers, and guaranteeing the functioning of the apprenticeship systems in time of crisis. The plans aim to education and training for the younger workers, and job-to-job policies and functional flexibility for the older workers. The employment effects stay uncertain. Although the Social Pact 2013 refer to ‘creating links between sectors with shortages and sectors with surpluses’, the interviewees at both sides agree that there are not that much sectors that need older workers.
The discussion on temporary re-introduction of some flexible and gradual early retirement arrangement in the Netherlands is not ended. In July 2014 FNV launched a ‘Plan for Jobs’ (“Banenplan 2014’), this time together with the two other trade union confederations CNV (Christian backgrounds) and VCP (higher paid professionals). This pact repeats and elaborates the direct interlinked inter-generational approach in employment and knowledge transfers through the following recommendations:

- Stimulating retirement at the age of 63 years on an individual workers’ voluntary basis and lowering taxes on income benefits of early retirement arrangements.
- Organizing ‘transferjobs’ for young workers who are trained by older workers during the last 6 months before the older workers’ pension.
- Introducing facilities for 80% part-time jobs for older workers who are coaching young workers (in the condition of 90% salary and 100% pension rights for these older workers).
- Introducing part-time pension arrangements for older workers in the condition of 1-on-1 direct individual coupling with new jobs for younger workers and mentoring tasks for the older workers involved.
- Reversing the earlier announced acceleration in increasing the general pension age after 2016.

However, it is not expected that the government will support any measures that will scour the active ageing agenda of stimulating employment participation of older workers in full time contracts. Therefore, trade unions have to reorient their actions towards bipartite bargaining in the ‘regular’ collective agreements with employers.

[24](http://www.fnv.nl/site/media/images/1283/189119/Banenplan_2_juli_2014.pdf)
4. Case study II: Inter-generational sector plan in the construction industry

This case study deals with the bargaining experiences and their results in the most elaborated sector plan that has emerged in the context of the national programs that has been discussed in chapter 3.

In October 2013, the employers’ associations and trade unions in the construction industry have launched a sector plan 2013-2015. In this plan, measures for the both the younger and the older workers are combined and to some extent also directly interlinked to each other. This plan aims to the investment of 120 million Euro in targeted training and employment measures for younger and older workers in the sector.

4.1 A demographical and inter-generational problem definition

The crisis has hit the business activities and the employment in the construction sector very hard. The production in the construction industry declined from 64 billion Euro’s in 2008 to 50 billion Euro’s in 2013. Yearly, 1700 companies went bankrupt in this period. The number of workers covered by the collective agreement in the construction sector decreased from 170.000 in 2009 to 112.500 in 2013 because of loss of employment. Since 2008, the numbers of job seekers in the sector tripled to 51.000 in 2013, including 8.670 unemployed people that are aged 55-65 years.

In a well underpinned report it is argued that at the short and the middle term, many older workers will flow out of the sector because of demographical ageing, while at the same time the numbers of new workers coming from schools and the apprentice system in the construction sector, will be limited. In the assumption of expecting economic recovery in the years 2015-2018, the social partners in the sector fear for a lack of skilled labour for the sector. In this economic and demographical context, the social partners in the sector want to promote the inflow of new young workers, despite the current economic downturn in the construction sector. At the same time however, many older workers will lose their jobs in the construction industry without having real prospects on re-employment. Besides these quantitative employment problems, the social partners do also foresee several qualitative problems in the human capital in the sector. Investigations in the sector found 20 percent of the workers having limited work capacities and risks on disability. 64 percent of the workers in the construction industry do even not have basic qualification (around 45.000 workers).

4.2 Inter-generational policies in the construction industry

Table 4 gives an overview of the labour market measures in the construction industry, including some explicit interlinked inter-generational measures. Policies for

younger and older workers aim to the target of 2,500 extra apprenticeships and maintaining 2,500 master/instructors who are aged 55 years and older. The numbers of wage subsidies in case of re-employment of 55+ workers are remarkably low: 250. The same can be concluded for the numbers of jobs for long term unemployed workers that are aged less then 27 years, as a result of substitution for voluntary early retirement of older workers.

Furthermore, 14,000 workers have to be trained ‘for the future’ and preventive measures will be taken towards 19,600 workers with health problems. The social partners have also agreed on targets in providing basic qualifications and certification of acquired competence (see table 4). This strategy on sustainable employability in the construction industry is not targeted to workers’ age groups.

**Table 4: overview of (inter)generational measures in the construction industry 2013-2015**

<table>
<thead>
<tr>
<th>Targeted measures for workers aged 27-</th>
<th>Targeted measures for workers aged 55+</th>
<th>Sustainable employability (not age related)</th>
<th>Direct interlinked inter-generational measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,500 apprenticeships for the youth (till 27 years) through wage subsidies</td>
<td>250 ‘Mobility premiums’ dealing with re-employment of 55+ workers (= wage subsidies for the new employers)</td>
<td>Re-employment and training services for 6,400 workers.</td>
<td>Maintain 2,500 55+ masters/instructors in apprenticeship system for the youth (through wage subsidies)</td>
</tr>
<tr>
<td>500 jobs for unemployed through wage subsidies (55-)</td>
<td></td>
<td>250 jobs for long term unemployed 27-workers, in substitution for voluntary early retirement (through wage subsidy employers)</td>
<td></td>
</tr>
<tr>
<td>Basic qualification for 750 workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>420 workers in programs for ‘certification of acquired competences’</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14,000 workers in training ‘for the future’ (f.e. sustainable technologies)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19,600 preventive measures and coaching for workers with health risks</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Sectorplan Bouw & Infra, 14th oktober 2013.
In the sector plan of the construction industry, we see just one measure dealing with redistributing employment arrangements from the older workers towards the younger workers. The social partners and the government agree on 250 extra jobs for unemployed young people through the instrument of early retirement of 250 older workers. The employers’ associations in the construction sector were ‘not against’ the trade unions’ wish for temporary re-introduction of early retirement arrangements in the specific context of 50% co-financing by the government (interviews). Generally speaking, employers in the Netherlands are against collective early retirement arrangements. They point to the high costs and to their support to the government’s continuing ‘active ageing’ agenda, including the raising of the age threshold in pension systems. Nevertheless, the largest peak organization of the employers’ associations in the Netherlands VNO-NCW allows ‘tailor made’ arrangements at the more decentralized levels of sectors and companies (interviews). Moreover, many older workers in the construction industry have health problems because of long working careers in physically demanding jobs. The largest employers association in the construction industry (Bouwend Nederland) do recognize this employability problem among the current generation of older workers. At the same time, they argue that the working conditions and the quality of jobs at the construction sites have been improved in the last decades. They argue that it is the individual workers’ responsibility to maintain his or her employability.

The government regulated the following conditions for (re-)using the instrument of early retirement as a policy measure in combatting youth unemployment:

- Direct replacement and explicit coupling of one older worker by one unemployed person aged less than 27 years, who has had no regular paid work in the last 6 months.
- The subsidy cannot be more than the sum of the labour costs of the new young worker during a period of 12 months.
- A maximum subsidy of 5 million euro by company.
- Provision of an early retirement option in the pension arrangement of the older workers concerned.
- The contract of the young worker cannot be less than 28 hours a week.

So, in fact, the substitution measure of 250 older workers by younger workers was allowed because of the direct 1-to-1 replacements at the company level. This sector plan was one of the first plans that have been submitted before involvement of new political parties in coalition government, later in 2013. One of these parties – the democratic party D66 – was successful in making the conditions for co-financing the sector agreement more strict: also direct 1-to-1 replacements are not allowed anymore after the first months of this program.

The social partner in the sector have not agreed on arrangements regarding to part-time early retirement and reduction of working hours for older workers. However, the regular collective agreement in the construction sector is still


27 This subsidy is a fiscal measure in a recalculation of the 52% employer’s tax in case of early retirement of the older worker.
facilitating the right of workers that are aged 55 years or older to work 4 days a week - 32 hours weekly – without loss of salary.

4.3 Evaluation and prospects

Enabling conditions in inter-generational bargaining

Firstly, it is evident that the sector plan would not have been agreed without the 50% co-financing regulations of the Ministry of Social Affairs and Employment. The social partners in the construction industry were one of the first who started the negotiations with Lodewijk Asscher, the Minister of Social Affairs and Employment, and who submitted proposal on investments of in total 120 million Euro’s.

A second favorable condition in this case study has been the support of a strong and long existing infrastructure of social dialogue between employers associations and trade unions, combined with a rather pro-active labour market and training institution in the construction industry. This enabled the making of an underpinned proposal in the submission of an elaborated sector plan in 2013. The labour market and training institute in the construction industry – Fundeon – already started a project on ‘anti-cyclical training and education investments’ in the beginning of the crisis to stimulate older workers’ education and training activities in times of low production, and to combine this measure with creating job positions for young workers in the apprentice system.28 The social partners are board members in this sector labour market organization. Both employers and workers under the umbrella of the regular collective agreement in the construction industry are obliged to pay premiums to contribute to the sector fund for the apprenticeship system and employability activities for workers in the sector.

A third favorable condition in this case deals with the co-operative orientations of the social partners in the construction industry in labour market and education and training issues. The eight dialogue meetings among the employers’ associations and trade unions for preparing and implementing the sector plan have been evolved smoothly and fast. In contrast to their regular negotiations on wages, working hours, etc., the consultation activities among the social partners in the context of the sector plan can hardly been seen as ‘tough bargaining’ (interviews). There were almost no differences of opinions between the trade unions and employers’ representatives (interviews). Both parties recognize the importance of keeping the apprenticeship systems working and maintaining the activities of ‘masters’ and instructors of older age in the sector. Joint irritations of both employers and trade unions were directed to another, external actor: namely the strict conditions and limitations set by the government (interviews).

A related condition for smooth dialogues was the isolation of these negotiations from conflictual issues in the sector, such as the employers’ wish for modernization of the collective agreement by making the sector agreement in the construction industry less detailed, and giving more latitude for flexibility at the company and individual workers’ levels.

28 http://www.fundeon.nl/
Limitations and barriers in inter-generational bargaining

As already concluded in the last chapter, the galling conditions of the government by maintaining ‘tax penalties’ for early retirement before the formal pension age, is also evident in this case study. Because this sector is characterized by long working careers in rather heavy working conditions and health problems among the older workers, combined with the high employment impacts of the crisis, one could pose question if the government has not showed a too strict interpretation of the general active aging agenda through pushing further to longer working careers in full-time jobs.

This case study makes clear that a sector ‘in crisis’ can just make modest investments. The financial resources of the sector fund for training and labour market policies declined through an exodus of companies and workers out of the collective agreement in the construction industry caused by bankrupts during the crisis, together with the growth of self-employment since the 1990s. The sector plan creates new jobs for young people and maintains the involvement of older workers in the apprenticeship system. The saving of 2,500 places for 55+ workers as mentors for new young workers cannot prevent dismissals of many older colleagues.

It is too early to make conclusions about the implementation of the measures in this sector plan.
5. Case study III: Austerity measures for older workers and new life course regulations in the sector of secondary education

This case study will elaborate on the backgrounds, aims, bargaining processes, as well as the advantages and limitations of an age related modernization of the collective agreement in the sector of secondary education.

5.1 Backgrounds and initiating actors in modernizing seniority schemes

In 2014, the social partners in the sector of secondary education have agreed on a new package of stipulations for older workers and (new) younger workers. The extra leave facilities for those who are aged more than 52 years have been reformed in a life course regulation in which workers of all ages have some optional choices in leave and remuneration.

This case of collective bargaining between the social partners cannot be understood without analyzing the history of the older workers’ stipulations and without explaining the impact of governmental interventions in this sector. During the 1980s, not only early retirement facilities, but also extra 20% working hours reductions for the older workers in the sector of secondary education, have been introduced. The extra leave facilities for workers that were aged more than 52 years were arranged in a sector regulation called ‘BAPO’: *Bevordering ArbeidsParticipatie Ouderen*. Combatting youth unemployment in the 1980s, as well as relieving the high workloads for older teachers were the main reasons to do so. During the last ten years, the employers in the sector tried to abolish BAPO. The labour costs of BAPO became higher and higher because of workforce ageing in the schools. In 2013, 6% of the total labour costs of schools were reserved for financing the BAPO arrangements. Trade unions in the sector wanted to maintain this arrangement, referring to the heavy workloads of the older teachers in the sector of secondary education (interviews).

In 2013, the national government agreed with the employers in the educational sectors, as well as some of the trade unions, to abolish BAPO.\(^{29}\) Aob - the largest trade union in the sector and affiliated to FNV – have not signed this agreement. This governmental intervention without Aob, overruled the bipartite negotiations in the sector and led to workers’ protests organized by Aob. This austerity measure contradicted Aob’s policy approach on reducing the workloads in the sector. After a period in which personal and professional relations between negotiators of the employers and Aob improved, the employers made some concessions towards Aob by agreeing not to implement a full age-neutral collective agreement, but by giving the older workers still some extra leave facilities, although to a lower extent and more financial contributions of the older workers themselves (interviews). Aob agreed with the employers to convert partly the senior regulations of BAPO into a so called ‘life course facility’ for all workers (*Levensfasebewust beleid*). Some measures that aim to

\(^{29}\) Nationaal Onderwijs Akkoord 2013.
improving the conditions of employment for young workers and introducing individual (saving) rights in leave/salary/pensions for all workers, were part of the deal.

The final results of the negotiations can be clearly seen as a compromise between the employers and the trade unions. Employers have not reached the ideal of a fully age neutral system of an individual ‘a la carte’ system of leave and other ingredients in remuneration. Trade unions accepted some austerity in the extra older teachers’ rights to be scheduled in less lessons and supported the principle of giving leave options to all workers.

5.2 Life course regulations with extra rights for career starters and older workers

Table 5: age related arrangements in the collective agreement in the sector of secondary education

<table>
<thead>
<tr>
<th>Topic</th>
<th>Age category</th>
<th>Until 2014 (old)</th>
<th>From August 2014 (new)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New jobs for young workers</td>
<td>Vocational school leavers</td>
<td>-</td>
<td>1200 new young workers (financed by government)</td>
</tr>
<tr>
<td>Conditions of employment for young workers</td>
<td>Career starters</td>
<td>1st contract year: 20% reduction of lessons</td>
<td>1st contractual year: 20% reduction of lessons + 2nd contractual year: 10% reduction of lessons</td>
</tr>
<tr>
<td>idem</td>
<td>Career starters</td>
<td>-</td>
<td>Minimum of 50% part-time job</td>
</tr>
<tr>
<td>Life course budget</td>
<td>All age groups</td>
<td>-</td>
<td>50 hours of budget a year</td>
</tr>
<tr>
<td>Individual saving account during the career</td>
<td>-</td>
<td>-</td>
<td>Max. 200 hours can be saved for parenting, caring, education, recuperation.</td>
</tr>
<tr>
<td>Extra leave for older workers</td>
<td>52-56 years</td>
<td>170 hours of leave a year</td>
<td>50 hours in budget a year</td>
</tr>
<tr>
<td></td>
<td>57 years or more</td>
<td>340 hours of leave with low own financial contributions</td>
<td>Extra 120 hours with own contribution of 40%-50% + 170 extra hours by own contribution of 100%</td>
</tr>
</tbody>
</table>

30 Excluding those with the rights on 20%-10% reduction in the first 2 years of their career and extra individual budgets for workers aged 57 and older.
Table 4 gives an overview of the new age related stipulations in the new collective agreement in the sector of secondary education (1st of August 2014 - 1st of August 2015) by comparing them with the collective regulations in the period before.\(^\text{31}\)

### 5.2.1 Career starters and young workers

Through a governmental subsidy in 2013\(^\text{32}\), the social partners can recruit 1200 young teachers in 2014. Although the text of the agreement mention the opportunity to ‘connect these new colleagues to older teachers’, organizing a mentoring system by older workers or shared jobs between a young or older workers is not specified. For each pupil, the school is given 69.86 Euro in order to make their own measures regarding new young workers. The works council has rights of consent how this money is spent and implemented at the level of the school organization. The largest trade union in the sector - Aob - expects that this budget will be mostly used by severance payments for older workers on early retirement. This option should be attractive for employers: they save salary costs of a high paid senior teacher that can be used for a young worker with a low salary level, according to Aob (interview).

To facilitate a more ‘smooth start’ of new young teachers in the sector, the social partners continued the right on 20% reduction of lessons in their first year and added the right on 10% lessons reduction in their second year. These hours can be used for other tasks, such as more preparation time for their lessons or coaching by more experienced teachers in the school.

In response to the grown practice to give young teachers just small part-time jobs in the sector, the social partners agreed on the new obligation in the sector to give at least a 50% part-time job. The collective agreement of 2014 refers to professional, as well as (low) income arguments.

### 5.2.2 Life course regulations and individual saving schemes

The collective bargaining parties in the sector have introduced an individual ‘a la carte’ system in the context of a ‘life course policy’ by giving every employee 50 hours by year, that can be optional used for:

1. One teaching lesson less a week and doing other tasks;
2. leave options in case of parenting, caring roles, education or recuperation.
3. Capitalization by paying childcare costs or saving extra pension rights.

Only lower paid workers - non-teachers - can also choose for extra salary.

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Individual budgets can be saved over the years to a limit of 200 hours. Through giving these options for employees at the individual level, the social partners want to respect the variety in workers’ needs in several stages in their lives and working careers. The collective agreement of 2014 is also referring to new approaches on sustainable employability in the sector. But besides the individual option to spend yearly 50 hours in education, this policy is not further elaborated. Both trade unions and employers in the secondary education sector recognize the importance of sustainable employability in a workers’ life course perspective (interviews). This issue was given the most priority in collective bargaining for the future in a meeting of key members in both organizations (Berenchot, 2013).

The interviews make clear that the employers have been the initiator of this more individualized system. The main employers’ negotiator refers to the workers’ needs to make some own decisions in working conditions and to the discussions in schools in which younger workers are criticizing the favored position of older teachers in case of salary, leave and pension. He wants to elaborate this individual (saving) scheme in the future. The negotiator of the largest trade union in the sector - Aob – is supporting the principle that former rights for exclusively senior teachers have been spread out over all age categories of teachers, although he was confronted with lots of critics among older Aob-members. In comparison with the employers’ negotiator, he sees more dilemmas in further individualization and age-neutralizing terms and conditions of employment (interviews).

5.2.3 Older workers

The age threshold in regulating extra leave rights for older workers is raised from 52 years to 57 years. Besides the argument of lowering labour costs, the social partners argue that the retirement age of this workers group has also raised with 5 years: from 62 in the past, to 67 nowadays. Workers aged 57 years or more, have still the opportunity to have 20% working hours reduction (340 hours leave by year), but they have to make more own financial contributions.

The negotiator of trade union Aob met high levels of resistance among the older aged members of Aob. In fact, their rights have been diminished because of higher own contributions and many older workers (at least those between 52-57 years old) will be scheduled in more lessons. They interpret the ‘modernisation’ through changing senior regulations into life course regulations also as a breach of their psychological contract. The Aob negotiator had to deal with repairing of dismantlement of leave provisions by other actors (i.e. employers, government and other trade unions) and had also to deal with younger workers who have no special interests in senior regulations: ‘the young teachers want their rights now and not in the future’. Argued in the framework of a whole working career in this sector, he can claim that a teacher has more hours to spend for reductions of lessons during his whole working career than in the former situation of concentration in the end of the careers. Aob’s negotiator admits that the overrepresentation of older members in his trade unions has been a complicating factor in Aob’s decision to defend the end-proposal as it is finally agreed with the other parties of the collective agreement.
5.3 Evaluation and prospects in inter-generational perspectives

This case study has a less ‘win-win’ profile than the former two case studies. Although the trade unions defended the bargaining results to their (aged) rank and files, it cannot be claimed that the position of the older workers is improved or that they are more enabled to make longer working careers. But in the same time it is evident that the social partners in the sector of secondary education have followed an inter-generational approach in discussing and bargaining on austerity measures for the older workers and introduction of some improvements in employment and working conditions for younger workers. After the emergence of a ‘reshuffle’ of workers’ rights in the distinguished age groups in 2014, the social partners agreed to keep some targeted provisions for the workers who are aged 57 years or older, partly because of smoothening the running down of seniors’ old rights, partly because of the older teachers’ need for more recuperation time (interviews).

An evident condition in this inter-generational debate in the sector is the integration of more topics in the social dialogue and negotiation processes such as:

- Workloads and tasks difficulties of young, un-experienced teachers, as well as workloads of the oldest teachers with long seniority;
- Vulnerability in labour market and employment conditions of new young workers in the sector;
- Life course and individual saving facilities in preventing too much direct age discrimination in workers’ stipulations;
- Discussing the costs and benefits of formerly introduced positive discriminative regulations for older workers.

At the same time, the case study shows also the limits of collective bargaining in innovation of work practices, job contents and work organization. Negotiations on workloads are narrowed by numbers of lessons in classical settings. Therefore, solutions in regulating and organizing the workloads and job contents in the context of sustainable employability in the sector are limited in their scope. Alternative teaching and supervision methods regarding the pupils or reciprocal supports between younger and older colleagues etc. are not explicitly integrated in collective bargaining and collective agreements (interviews).

Also in this case, support of public money to invest in jobs for the youth appeared to be an indispensable condition. This case study showed high interventions of the Dutch government, even more direct than in case study I and II. Firstly, the dismantlement of long existing leave facilities for senior teachers without a signature of the largest trade union in the sector (‘helping’ the employers in labour costs reductions). Secondly, more comparable with the two other case studies, the public investment in 1200 new jobs for young workers in 2014 in this sector.

This case study has given no evidence that the social partners are following an interlinked approach in generating synergetic effects through reciprocal learning, training or job sharing. Although they wrote the option of shared jobs in the collective agreement text, it seems that they do not follow the approach in the primary education sector of promoting teachers’ couples that are consisting of a young and an older
teacher (see section 3.2). The negotiator at the employers’ side doesn’t expect that these couples will function well in the sector of secondary education (interview). Not only because of another organizational structure that is working with more specialized subject teachers. 33 The interviewees at both sides in the sector of secondary education observe rather big cultural and social differences between the orientations of the older and the newer generations of teachers in the sector. Sometimes, there are even manifest problems in communicating and reciprocal understanding of each positions and functioning at the workplace and in workers’ meetings (interviews).

33 In the primary education, a class of pupils (aged till 11 or 12 years) have the whole year mostly one teacher that is giving the most of the lessons. The secondary education is working with several subject teachers.
6. Conclusions and discussions

6.1 New inter-generational initiatives in the Netherlands

This country report has showed very clearly the need for new strategies in combatting youth unemployment and promoting longer labour market integration of older workers. The old ‘trade-off’ between early retirement for the older workers at the one hand, and generating new employment for the young generation that enter the labour market at the other hand, has disappeared. This ‘old’ inter-generational approach began in the early 1980s and ended in mid 2000s, some years before the crisis. The emergence of the crisis in 2008 has not led to a re-introduction of this old inter-generational strategy. In 2013, the FNV made some ‘clever’ inter-generational proposals in tailor-made labour market measures, including a mix of redistribution of employment and working hours from older to younger generations, combined with enhancing synergetic effects in reciprocal knowledge and skills transfers between those aged less than 27 year and those aged more than 60 years. Within this inter-generational approach, trade union negotiators in many sectors promoted tailor made solutions in pre-pension, part-time retirement, shared jobs between a new young worker and a 60+ worker, more mentoring tasks of seniors towards new young workers at the workplace and in school-to-work systems. Nevertheless, all three case studies in this country report give evidence that the government has stopped the strategy of redistributing jobs or working hours towards the new generation of youth. The employers show less political resistance to re-introducing flexibility in the final career phases through part-time retirement or early pension then the government, but are confronted with high labour costs of these arrangements. Therefore, the new inter-generational initiatives towards the youth and the older workers are focused on education and training for both groups, job-to-job policies for the older workers, interlinked workplace and job-tasks innovation, creation of jobs for the youth and preservation of jobs for older workers.

This country report generates evidence that the collective bargaining parties in the Netherlands have taken – although rather late in this crisis period - initiatives in an inter-generational perspective. The case studies in this research report have showed the following practices:

1. Direct synchronized bargaining for younger and older workers through agreeing targeted measures for both the young workers (till 27 years) and the older workers (above 55); agreed at the same time, by the same contractual partners and in the same agreement (case study I, II, III).

2. Direct interlinked bargaining in agreeing co-operations between the youth and the older workers at the workplace, in schools and in the apprenticeship system that aim to generate synergetic employability and productivity effects between the generations and new jobs for the youth (case study I, II).

3. Direct interlinked bargaining in agreeing a redistribution of workers’ rights between the age groups. In case study III – in the sector of secondary education – it is concluded that privileged older workers’ rights are spread out
over all age groups and that young workers’ rights have been improved (case study III).

The expectation of bargaining in redistribution of employment and working hours, is at a very low level confirmed. New implementations in this area are not expected in the Dutch case.\textsuperscript{34}

6.2 Social partners in the ‘shadow of hierarchy’ of the government

This country report made clear that the social partner at the sector level are playing the most important role in collective bargaining on inter-generational issues in the Netherlands. This holds true for bargaining phases like initiating, negotiating and agreeing labour markets measures and workers’ rights in the first and last working career phases. Remarkably, the most elaborated inter-generational ideas have been written in a Generation Pact that was bottom-up initiated by the joint sector unions from FNV, in response to a rather passive national FNV federation at that time. It can be concluded that the emergence and governance of new inter-generational bargaining issues in the Dutch ‘poldermodel’ are not generated top-down, but rather bottom-up and horizontally with codification and support of the social partners at the national level.

Nevertheless, all three case studies show an important role of the government in collective bargaining practices in inter-generational perspectives. This is the most visible in the area of subsidizing jobs and training for the youth, and preventing working time reduction and flexible retirement of older workers in interlinked inter-generational measures. Both the social partners at the national and the sector levels have asked the government to give them some negotiation space in these domains, but it appeared that the government do not want to approve any of these ingredients in the sector plans or other collective agreements. The government even ‘overruled’ the largest trade union in the education sector by dismantling leave facilities for the older teachers in the secondary education sector. Although the collective bargaining parties have afterwards repaired some ‘recuperation’ provisions for these older workers, it illustrates the very straightforward approach of the government to push further towards active ageing in a full time jobs. One could pose the question if this is a fair and effective approach in sectors where older workers are employed in long working careers in heavy working environments, such as construction workers and teachers, combined with the condition of limited opportunities in internal functional flexibility or new jobs. Furthermore, detailed empirical research in the Netherlands shows also the negative effects of longer working careers of the older workers on the limited demand for new young workers (ROA, 2013).

So, the case studies showed that the Dutch government has limited the negotiation space on inter-generational bargaining. But, the government has also clearly enabled synchronized bargaining in both domains of youth unemployment and active ageing through the launch of a budget of 600 million Euro and by giving priorities to sector

\textsuperscript{34} Only some longer existing arrangements in working hours reduction with some financial compensations are still there. Such as the 4 days’ working week for construction workers that are aged more than 55 years and the economized leave facilities for teachers that are aged 57 years or more.
plans that deal with both younger and older workers. This is also the case in public support for direct inter-generational bargaining to generate synergetic effects regarding knowledge and skills transfers. Some sector plans in this area are co-financed by the Minister of Social Affairs and Employment, such as in the metal industry (SME), light engineering industry, furniture industry, carpet and textile industry, construction industry, and painting industry. The Ministry of Education is financing 200 ‘teacher couples’ consisting of one young worker and one senior worker, who are both, alternatingly, in front for the same class. Where subsidizing shared jobs through two part-time contracts is not allowed; shared jobs combined with further education for the juniors and for the seniors, is positively supported. The Dutch government take the pathway of the dominant view among economists and politicians that the strengths of inter-generational actions should be aimed to reciprocal knowledge and skills transfers and not to redistributing employment (see Eichhorst et al, 2013).

In sum, and in a more theoretical industrial relations perspective: the social partners in the Netherlands are still negotiating in a ‘shadow of hierarchy’ of the government: a governance mode that has a long tradition in this small economy (Visser & Hemerijck 1997; Van der Meer et al, 2005). Also in the early 1980s, the government played a strong coordinating role in the ‘old’ inter-generational strategy on redistributing employment. In this study however, the carrots and sticks from the government are targeted and detailed in substantive matters, even at the level of specific parts in agreements and proposals. The governance of (inter-generational) sector plans goes far beyond procedural law (Teubner, 1983) or ‘steering by procedure’ (Van der Meer et al 2005) The governmental tests in approving and disapproving parts of sector plans and the ‘cherry picking’ selection of specific measures in an agreement, risk an erosion of balanced and integrated measures in inter-generational perspective in the view of the trade union movement. In all case studies, the social partners at both sides showed their irritations towards the interventions and/or administrative procedures of the government in the interviews. This can have the not intended effect of hindering enthusiasm and innovative behavior of the social partners.

6.3 Conditions in inter-generational bargaining

There is a growing awareness among the social partners in the Netherlands regarding the need for targeted policies in the first and last career phases and some innovation in inter-generational perspective. The three case studies in this report give evidence on the following conditions for integrated bargaining for both younger and older workers:

1. **Sense of urgency** among the social partners and the government about the labour market and social impacts of the crisis on growing employment insecurity for the youngest, as well as the oldest workers. Also the awareness on the effects of austerity measures in school-to-work and work-to-pension transition on growing employment and income insecurity contribute to collective bargaining for both groups.
2. Sector labour market analyses on the impacts of demographical developments and economic prospects on the age structure of sector workforces have promoted more awareness on the need for preventive, and targeted policies for both younger and for older workers.

3. Support of public money to invest in apprenticeship systems, new jobs for the youth and the employability for the older workers in business and public sectors appeared to be an indispensable condition. Many tailor made measures for the youth and for the older workers at the sector and company levels need co-financing of the government to have substantive powers.

4. There are high strengths in direct inter-generational bargaining through agreeing interlinks between the younger and the older workers at the workplace and in apprenticeship systems that aim to generate synergetic employability effects between the generations in the policy domains of training, education, job sharing, workplace cooperation, and task flexibility (including more supervising, coordinating, mentoring and coaching tasks among the older workers).

6.4 Barriers in inter-generational bargaining

This report has also showed some barriers in integrated bargaining for both younger and older workers:

1. The crisis and austerity policies have limited employment growth, as well as the investments in employment, training and workplace innovations. These effects are narrowing the scope of policies and negotiations targeted to the youth and to the older workers, as well as the possibilities on direct interlinked inter-generational measures. Furthermore, the implemented specific age related labour market measures and innovative inter-generational policies have also lower returns on investments in this period of low economic activity. Job-to-job support for older workers can be good in itself, but the effectiveness is hindered by a lack of jobs. The same can be said for organizing structures to involve older workers in training the youth in schools and workplaces in the context that many young people cannot find a job afterwards.

2. Taboos on (partial) early retirement and relieve measures for older workers do limit the internal functional flexibility opportunities in the end of working careers and risk unintended side-effects on involuntary early retirement because of sickness. It is evident that the governmental blockade on subsidizing these measures effected a narrowing of the negotiation scope for inter-generational bargaining at the decentralized levels.
3. Since the implementation of equal treatment legislation in the Netherlands (2005), age related regulations in regular collective agreements are seen as contradictory to - or at least interpreted to be at odds with - age discrimination law. Nevertheless, there can be efficiency and equity reasons for the social partners to make age related regulations in specific contexts to improve the terms and conditions of employment for the younger and for the older workers. Direct positive age-discrimination in the sector plans is however legitimized – and even promoted – because its foundation in legally founded labour market policies to enhance employment participation of younger and older workers.

4. Ageing membership files of trade unions in the Netherlands risk to hinder the voice of young people in inter-generational bargaining of the trade unions, although no evidence is found on prioritization of older workers’ interests in the final results of negotiation processes. More democratic access and mobilization of the youth and reciprocal understanding between younger and older trade union members/workers can be organized.

6.5 Limitations in the concept and the focus in this report

The research in this report focused on two age-groups: the youth (aged 27-) and the oldest workers (aged 55+) because of the aim to combine the policy agendas on youth unemployment and active ageing. However, pro-active and preventive policies for all workers are needed to enable sustainable employability, workers’ health and the active ageing agenda in the future. Middle-aged workers can also play a role in generating synergetic effects in reciprocal learning and other productive co-operations between workers from several age groups and generations at the workplace.

A limitation in the case studies is its focus on explicit and direct forms of inter-generational bargaining. However, bargaining practices on terms and conditions of employment and labour market policies can also be implicit and more covert forms of (inter)generational bargaining and/or can have indirect effects on age-groups of workers.

A third limitation is the lack of implementation studies of the agreements and measures that have been analyzed. All case studies focused on recently started debates, initiatives, bargaining processes and agreements.35

35 The sectorplans in case study I will be provisionally evaluated in 2016 under supervision of the Ministry of Social Affairs and Employment.
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Interviews in 2014 (febr. – sept.)

1. Coordinator Actieteam crisisbestrijding, National Taskforce in combatting the crisis, Stichting van de Arbeid, Labour Foundation, also coordinator in FNV in the Generation Pact (Case study I).
2. Representative of AWVN (largest employers’ association in the Netherlands, linked to the peak organization VNO-NCW) involved in the first phase of the sector plans in the Netherlands (Case study I).
3. Negotiator of Bouwend Nederland, largest business and employers’ association in the construction industry in the Netherlands, involved in the sector plan of the construction industry (Case study II).
4. Youth coordinator of FNV Bouw, largest trade union in the construction industry in the Netherlands (Case study II).
5. Negotiator of VO-Raad, the employers and labour market association in the sector of secondary education in the Netherlands.

Further data collection took place through telephonic and email communications with other respondents in the field of industrial relations in the Netherlands.

With thanks to Michael Eekhof for assistance in the interviews and making interview transcriptions.

Further data collection took place through telephonic and email communications with other respondents in the field of industrial relations in the Netherlands.

See notes in the text for (internet links to) collective agreements, policy reports, public regulations and social partners’ documents.
The Netherlands – Abstract

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The Dutch context

1. New intergenerational initiatives in the Netherlands

The social partners in the Netherlands are confronted with a need for new strategies in combatting youth unemployment and promoting longer labour market integration of older workers. The old approach on an intergenerational ‘trade-off’ between early retirement for the older workers at the one hand, and generating employment for the new workers’ generation at the other hand, has disappeared. The fiscal support for collective early retirement arrangements in the Netherlands started around 1982, but ended just some years before the recent crisis. The three case studies in this country report makes clear that collective bargaining in the Netherlands have not – or just in a very exceptional case - re-introduced this ‘zero-sum’ strategy of redistributing jobs or working hours from the older workers towards the younger workers. However, the social partners have taken – although rather late in this crisis period - initiatives in other, and new intergenerational perspectives. The case studies in this country report on the Netherlands have showed the following practices:

(4) Direct synchronized bargaining for both younger and older workers through agreeing targeted measures for both the young workers (till 27 years) and the older workers (above 55); agreed at the same time, by the same contractual partners, in the same agreement, but not direct interlinked (case study I, II, III).

(5) Direct interlinked bargaining in agreeing co-operations between the younger and the older generations at the workplace, in schools and in apprenticeship systems that aim to generate synergetic employability and productivity effects of both the youth and the older workers (case study I, II).
(6) **Direct interlinked bargaining** in agreeing a **redistribution** of workers’ rights and provisions between the age groups (case study III). In all three case-studies, these explicit intergenerational bargaining practices are combined with some indirect intergenerational agreements.

Section 2 will describe shortly the main characteristics of younger and older workers in the labour market and in the industrial relation context of the Netherlands.

## 2. Generations at the Dutch labour market

### Growing employment insecurity for both younger and older workers

During the European wide employment crisis, the unemployment statistics for the Netherlands have doubled for the workers who are aged 15-24 years, as well as for the workers who are aged 55-64 years. The employment rates in both age groups stayed more than 20 percent points under the middle-aged workers’ group (60 versus 80 percent).

Many young citizens in the Netherlands decide to stay longer in education, waiting for better times. The ‘stepping stone’ mechanism of flexible work contracts - as a step to enter into regular employment contracts - has performed less well in the recent years.

Another weak characteristic of the Dutch labour market is the very low employers’ hiring rates regarding people who are aged 55-64 years; these rates stay far below the European average in this age-group. The steady growth of employment participation among older people since the 1990s in the Netherlands, can be explained by (activating) austerity measures in social security provisions, together with longer stays of the senior workers in their last jobs. Losing your job when you are older than 55 years, is a high risk factor in the Netherlands because of very low re-employment chances, compared to the middle-aged and younger workers.

### Age and generational related debates

During the last 10 years, the main directly and indirectly age related debates among the social partners in the Netherlands have focused to:

i) reforms and austerity measures in early retirement and pension options, as well as the former ‘relieve’ arrangements for older workers in collective agreements;

ii) recognizing the challenge of ‘age aware’ HR-policies and sustainable employability approaches in a life course perspective without regulating direct age discriminating provisions;

iii) the indirect age and generations related divide in job protection between flexible and regular employment contracts and the inequality in the building up of welfare arrangements.
Trade unions in the Netherlands represent both interests of younger and older workers, but are challenged by (very) low trade union memberships among the new generations of workers.\textsuperscript{36}

Although the generational dimension in industrial relations is linked to the workers’ age dimension has an ‘age group’ a different meaning than a ‘generation’. In a classical definition, a ‘generation’ is characterized by a group of citizens in a similar societal context that share joint experiences and values.\textsuperscript{37} Although the current cohorts of older and younger workers are both post-war generations, they seem to differ in their work related contexts and values that go beyond the fact that they have a different age or that they are in another working-life phase. The youth – born in the years 1987-1999 (now 15-27 years) – enter in the labour market in a period of economic crisis with very insecure employment and income perspectives. The older workers – say, those who are born in the period 1949-1959 (now 55-65 years) – have jointly experienced periods of economic growth and social security during their life course. Nevertheless, they seems now confronted with a loss in social status and at least with a change in their psychological contract by the new challenges (and also necessity) to work longer than most of them expected in their earlier working lives. Making a differentiation between generations in the labour market does not mean that there is a ‘generational conflict’. Trying to understand the different positions, perspectives, orientations, and the changing contexts - having different effects on the age groups – can help to make better generations’ and age group targeted policies, as well as direct interlinked intergenerational approaches.

**Case studies**

3. Case I: Cross-sector initiatives in intergenerational labour market policies

As a follow-up of the Social Pact (2013) of the joint peak organisations of the social partners in the Labour Foundation, a ‘National taskforce in combatting the crisis’ has been installed in 2013. The main tasks of this tripartite taskforce are to promote and to support the making of labour market policies by the social partners at the sector and local levels. The national government has launched a fund of 600 Million Euro in 2013-2015 for co-financing bipartite agreements on sector plans. The social partners have to finance their own sector plans for at least 50% by themselves. Especially measures in training and employment for the youth and continuing employment participation of older workers are eligible for these subsidies.

In august 2014, it can be concluded that thirteen of the in total twenty-three approved sector plans deal with direct synchronized bargaining through targeted measures for both the younger and the older workers. In thirteen sectors, the social partners agreed on a combination of i) measures to guarantee the creation of a certain numbers of

\textsuperscript{36} Total net membership levels of 6% in the age group 15-24 years, 16% in the age group 25-44 years and 29% in the age group 45-64 years in 2011.

work-training contracts for young people (mostly till 27 years), together with ii) measures on investments in the employability of older workers (mostly aged 55 years or more) through training, education and job-to-job policies.

The collective bargaining parties in seven sectors agreed on direct interlinked measures for the younger and older workers. Mostly aiming to generate synergetic effects in knowledge and skills transfers between the young and the older generations of workers. This is the case in the sectors of the metal industry (SME), light engineering industry (55+ mentors/coaches in the apprenticeship system), furniture industry, carpet and textile industry (coaching at the workplace), construction industry (see next case study), painting industry (training of 800 older workers for the apprenticeship system), and primary education sector (200 teachers’ couples of new and older teachers with additional formal education for both).

Remarkably, the measures in the sector plans are not dealing with subsidizing part-time retirement, working hours reduction or collective early retirement arrangements for older workers or shared jobs of one older and one young worker (without an element of education). The Ministry of Social Affairs and Employment did not follow the recommendations in The FNV’s *Generation Pact* (2013) and Labour Foundation’s *Social Pact* (2013) to reintroduce these provisions.

Besides these explicit agreements on age groups, the sector plans contain many indirect age-related measures on sustainable employability, including training and education and job-to-job policies.

Important conditions in the emergence of intergenerational initiatives and agreements in this case study are:

- co-operative bi-partite and tripartite negotiations at the cross-sectoral level (following the moderate corporatist traditions in the ‘poldermodel’) and
- public subsidies, especially regarding the creation of employment and work-training contracts for the youth.
- Initiating role of the *Generation Pact* (2013) of the joint trade unions in the FNV (horizontal, bottom-up emergence).

**Case II: Intergenerational training and employment measures in the construction industry**

In the context of the current crisis, demographical ageing and economic prospects, the social partners in the construction industry agreed on ‘anti cyclical’ training and education investments for new young workers in the sector, as well as for 55+ workers. In the assumption of expecting economic recovery in the years 2015-2018, the social partners in the sector fear for a lack of skilled labour in the sector. Together with many measures on sustainable employability that are not specifically targeted to age groups, the social partners in the construction industry agreed on the targets of creation of 2,500 extra apprenticeships for the youth and maintaining 2,500 master/instructors in the apprenticeship system who are aged 55 years or older. Furthermore, 250 wage subsidies in case of re-employment of 55+ workers are
financed and 250 seniors can choose for voluntary early retirement in the condition of direct 1-on-1 coupling with a new job for an unemployed worker of maximum 27 years. 14,000 workers will be trained ‘for the future’ and preventive measures will be taken for 19,600 workers with health problems.

This case study shows us the following favorable conditions for intergenerational bargaining and integrative, preventive approaches during the life course:

i) co-financing of the government (50% of 120 Million Euro)

ii) pro-active approach of the labour market organization in the sector regards to awareness and actions in skill preservation of older workers and saving of inflow of young construction workers in the apprenticeship system in the sector.

iii) Cooperative social dialogue in the field of training and employment in the sector and isolation of this policy dossier from more conflictual subjects in collective bargaining.

Case III: Austerity measures for older workers and new life course regulations in the sector of secondary education

This case study has a less ‘win-win’ profile. Nevertheless, the social partners in the sector of secondary education have followed an inter-generational approach in discussing and bargaining on austerity measures for the older teachers and agreeing on some improvements in employment and working conditions for younger workers. Further, the government invests in the creation of 1200 young teachers in the sector. After the emergence of a ‘reshuffle’ of workers’ rights in the distinguished age groups in 2014, the social partners agreed to keep some targeted provisions for the workers who are aged 57 years or older, partly because of smoothening the running down of old seniors’ rights in extra leave facilities, partly because of the older teachers’ need for more recuperation time.

The extra leave facilities for those who are aged more than 52 years have been reformed in a life course regulation in which workers of all ages have some optional (saving) choices in working hours and remuneration. The case study shows also the challenges of collective bargaining in promoting the quality of employment, professionalization of teachers and workplace innovations. Negotiations on stress-full workloads are narrowed by numbers of lessons in classical settings. Therefore, other solutions in enabling sustainable employability in the sector are limited in their scope. Alternative teaching and supervision methods regarding the pupils or reciprocal supports between younger and older colleagues etc. are not (yet) explicitly integrated in collective bargaining, despite the existence of a subsidized program of teachers’ couples of young and senior teachers (both part-time working and part-time in formal education) in the sector of primary education.
6. Enabling conditions in intergenerational bargaining in the Netherlands

Besides some specific factors that are mentioned in the section above, the country report gives evidence on the following enabling conditions for integrated bargaining for both younger and older workers in the Netherlands:

1. Sense of urgency among the social partners and the government about the labour market and social impacts of the crisis on growing employment insecurity for the youngest, as well as the oldest workers. Also the awareness on the effects of austerity measures in school-to-work and work-to-pension transitions in the short and longer terms, contribute to collective bargaining for both groups (even interlinked to each other).

2. Sector labour market analyses on the impacts of demographical developments and economic prospects on the age structure and skills provision in the sectors have promoted more awareness on the need for preventive, and targeted policies for both younger and older workers.

3. Support of public money to invest in apprenticeship systems, new jobs for the youth and the employability for the older workers in business and public sectors appeared to be an indispensable condition. Tailor made measures for the youth and for the older workers at the sector and company levels need co-financing of the government to have substantive powers.

4. The strengths and further potentials of direct intergenerational bargaining lie in interlinking the younger and the older workers at the workplace and in apprenticeship systems that aim to generate synergetic employability/productivity effects between the generations in the domains of training, education, job sharing, and internal functional flexibility, including more supervising, coordinating, mentoring and coaching tasks among the older workers.

7. Barriers and challenged in intergenerational bargaining in the Netherlands

This report has also showed some hindering conditions, barriers and challenges in integrated bargaining for both younger and older workers:

1. The crisis and austerity policies have limited the employment growth, as well as the investments in employment, training and workplace innovations. These effects are narrowing the scope of policies and negotiations targeted to the youth and to the older workers, as well as the possibilities on direct interlinked intergenerational measures. Furthermore, many implemented intergenerational measures risk lower returns on investments in periods of low economic activity. Job-to-job support for older workers can be good in itself, but the effectiveness is hindered by a lack of jobs. The same can be said for organizing structures to involve older workers in training the youth in the context that many young people cannot find a job afterwards.
2. It is evident that the governmental blockade on subsidizing (part-time) early retirement effected a narrowing of the negotiation scope for intergenerational bargaining at the decentralized levels. Part-time work however, can promote the companies’ internal flexibility opportunities in the end of the workers’ careers and can enable older workers to work longer (through prevention of involuntary inactivity because of sickness).

3. Since the implementation of equal treatment legislation in the Netherlands (2005), age related regulations in regular collective agreements are seen as contradictory to - or at least interpreted to be at odds with - age discrimination law. Nevertheless, there can be efficiency and equity reasons for the social partners to make age related regulations in specific contexts to improve the terms and conditions of employment for the younger and for the older workers. Direct positive age-discrimination in the sector plans is however legitimized – and even promoted – because its foundation in legally founded labour market policies to enhance employment participation of younger and older workers.

4. Ageing membership files of trade unions in the Netherlands risk to hinder the voice of young people in collective bargaining of the trade unions, although no evidence is found on prioritization of older workers’ interests in the final results of negotiation processes. More democratic access and mobilization of the youth and reciprocal understanding between younger and older generations of trade union members can be organized.

5. The focus in this country report on the two age groups of the youth and the workers aged 55-65 years, do not mean that middle-aged workers are less important in collective bargaining. Pro-active and preventive policies for all workers are needed to enable sustainable employability, workers’ health and work-life balance through the whole life-course. Also in the context of better performances in the active and healthy ageing agenda in the future.