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Comparing Dynamics in Three Domestic/Care Markets in the Netherlands

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Chapter 14

Trade Unions and Welfare Markets: Comparing Dynamics in Three Domestic/Care Markets in the Netherlands

Franca van Hooren

14.1 Introduction

Throughout Europe, marketization of welfare provision has contributed to the emergence of welfare markets. Existing research (Gingrich 2011; Pieper 2018) has studied the emergence of these markets and their implications for the costs and availability of welfare services. Less attention has been given to the consequences for workers (Ledoux *et al.*, chapter 1). Yet in labour intensive segments of welfare provision, such as social care, the dynamics of welfare markets potentially has far-reaching implications for the working conditions of a large group of workers. This chapter explores these implications. In addition, it explores the role trade unions, traditionally key actors representing the interests of workers vis-à-vis employers and the state, play in the dynamics of welfare markets.

Trade unions used to play an important role in the politics of welfare state expansion in a time in which both the labour force and trade union membership were dominated by male and industrial workers (Korpi 1983). In many European countries, union membership has neither kept up with the feminization of the workforce, nor with the growth in part-time and temporary employment (Ebbinghaus and Visser 1999). This raises the question whether trade unions still have the capacity to play a key role in the representation of a more diverse workforce and in enforcing worker-friendly policies. Here the literature is fairly pessimistic. Political economy scholars either point to decreasing labour power and an associated general rise in workers' precariousness (Baccaro and Howell 2017), or they associate trade unions with dualization,

whereby unions represent the interests of well-organized insiders, workers in permanent and full-time employment, at the expense of outsiders, part-time, temporary or self-employed workers (Palier and Thelen 2012; Emmenegger et al. 2012). However, recent studies provide new evidence for trade unions increasing their efforts to protect precarious workers and improve their working conditions (Doellgast et al. 2018). Research on trade union representation of care workers is limited and focused mostly on recent campaigns to organize care and domestic workers in Anglo-Saxon countries (Murphy and Turner 2014; Rhee and Zabin 2009; Albin and Mantouvalou 2016; Boris and Klein 2006). How unions have been affected by, and what role they have played in the development of welfare markets remains largely unaddressed.

This chapter investigates the role played by trade unions in the dynamics of welfare markets in the Netherlands, a continental European welfare state. The empirical focus is on marketization in three Dutch domestic/care sectors: childcare, home-based care for dependent adults, especially the elderly, and domestic, mainly cleaning, services. Dutch welfare markets have been created or expanded in each of these sectors in the mid-2000s. However, their design has been very different. Following the typology presented in the introduction to this volume (Ledoux et al. Chapter 1), childcare has been transformed into a demand-side financed sector where clients receive public subsidies, while home care has become a supply-side financed sector in which local governments subsidize care providers. In contrast, domestic services are demand-financed through tax exemptions.

The evidence presented in this chapter is based on the authors' documentary research using primary empirical sources, including archived trade union documents[1], public policy documents, newspaper coverage, and interviews conducted with trade union representatives. The analysis concentrates on the period between 2004 and 2019, thereby covering the major marketizing reforms and their aftermath in each of the three domestic/care sectors.

In the first part of the chapter, I show how marketization has created sectors – and hence workers – with high vulnerabilities to economic shocks and policy reforms. The second part shows that trade unions have been key representatives of workers in the domestic/care sectors, but they have to navigate complex interactions with other actors, including for-profit providers, non-profit providers, clients' organizations, central and local governments. Though the impact of trade unions remains modest, new activist strategies have been developed to increase labour power.

14.2 Three Dutch domestic/care markets

In respect to childcare and domestic services, the Netherlands historically was a typically conservative welfare state. Until the early 1990s, women's employment rates were extremely low, and childcare services hardly existed. Mothers were expected to stay home and care for their children, as most of them did (Bussemaker 1998; Van Hooren and Becker 2012; Kremer 2007). In the same conservative tradition, special employment regulations exempted paid domestic workers employed directly by households, for example for cleaning tasks, from legislated social and employment protections (Botman 2011; Van Walsum 2011). As a consequence, domestic services have always been an informal sector, with employment and working conditions left entirely to direct negotiation between households and workers.

Contrary to the lack of state involvement in childcare and household services, publicly funded home-based long-term care for dependent adults developed relatively early and expansively (Van Hooren and Becker 2012). These care services were provided by non-profit organisations linked to the famous Dutch pillars (Catholic, Protestant, Socialist, Liberal), which received various public subsidies (Ibid.). In the 1980s, home-based long term care services were added to the coverage of the Dutch Long-Term Care Insurance (*Algemene Wet Bijzondere Ziektekosten* (introduced in 1967, Volksgezondheid, Welzijn en Sport 2014), meaning that care services were directly financed by the state, while clients only paid an income dependent out-of-pocket contribution. Until the 1990s, home care was provided only by non-profit organisations which by then had merged into big cross-pillar non-profit providers. In the 1990s a cash for care benefit (*Persoonsgebonden* Budget) was also introduced. Instead of receiving regular services, long-term care recipients could choose to receive cash to purchase a service of their own choice (Kremer 2006). This cash for care benefit has continued to play a small but significant role in the Dutch long-term care system, being used mostly by disabled care recipients, but it is not the focus of this chapter.

Meanwhile, childcare provision in the form of day-care centres started to grow in the 1990s due to a series of public stimulus measures. This growth resulted in a hotchpotch of day-care centres run by for-profit or non-profit providers, with some receiving various kinds of public subsidies, and others not.

14.2.1 Reforms and policy instruments: increased competition and private provision

In the late 1990s and throughout the 2000s, a series of reforms increased competition and private provision in Dutch care markets. First, the 2004 Childcare Act (*Wet Kinderopvang*, (Rijksoverheid 2004)) introduced a demand-side financed care market which is still in place today. Both for-profit and non-profit providers can provide childcare services if they adhere to quality standards that are regulated by the national government and monitored by local governments. Under this scheme, parents apply for childcare subsidies to cover a part of the costs of either a place in a daycare (for 0-3-year olds) or after school care centre (4-12-year olds), or the services of a registered childminder (*gastouder*)[2]. Childcare subsidies are available only for working or job-seeking parents; hence childcare has been framed primarily as a labour market instrument facilitating women's employment.

A series of policy reforms in the early 2000s aimed to stimulate competition in the home-based long-term care system (Mosca et al. 2010, 66). The system continued to be supply-side financed and quality criteria continue to be regulated by the national government, but as of 2006, the institutions that coordinated publicly financed home care were allowed to contract for-profit providers. The reform that really changed the long-term care market was the Social Support Act enacted in 2006 (*Wet Maatschappelijke Ondersteuning*, *WMO,* (Rijksoverheid 2006)), which as of 2007 decentralized responsibility for financing and contracting of more low-skilled forms of home-based care services to local governments. According to European competition law, local governments had to organize public tenders to select providers of these care services. In 2014 a further policy reform was enacted which, as of 2015, decentralized responsibility for the remaining (more high-skilled forms of) home care services covered by the long-term care insurance to either local governments (in the Social Support Act 2015) or health care insurers (See Maarse and Jeurissen 2016 for more details). The reforms of 2006 and 2014 also included considerable budgetary cuts.

Finally, in the domestic services sector, the government experimented with subsidizing company-based employment in the 1990s. Companies became eligible to receive subsidies for the costs of employing unemployed persons as domestic workers. Thus, domestic services became more affordable for private households. The experiment was unsuccessful however (Van Hooren 2018), and in 2006 the government decided to return to a model whereby households that directly employ a domestic worker were exempted from paying taxes and social security contributions. Thus, this policy instrument changed from the financing of the

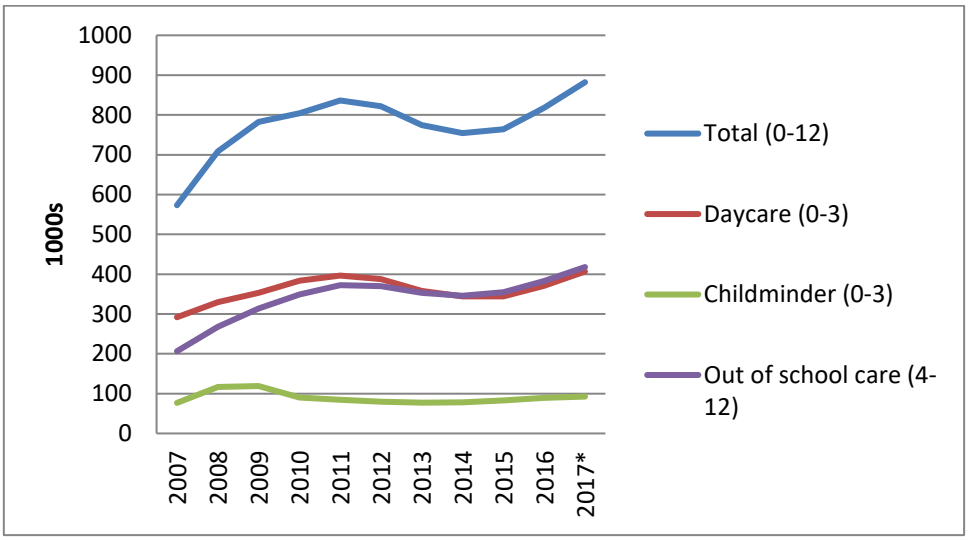
supply- to the demand-side (Ledoux et al., Chapter 1). In practice, it is a toleration of informal work, since neither household employers nor the domestic workers they employ pay taxes or social security contributions. This is a situation similar to the 'hidden welfare market' described by Hobson and Hellgren for Spain (Chapter 4), and the institutionalization of mini-jobs for private households in Germany (Apitzsch and Shire, Chapter 13). Notably, the 2006 reform, that was implemented in 2007 and called Regulation of Personal Service Provision (*Regeling dienstverlening aan huis,* (Rijksoverheid 2015), has been formulated so broadly that in some instances it also covers workers providing publicly-financed child and home care services.

14.2.2 Users, providers and workers

Figure 1 shows that Dutch parents use childcare subsidies mostly for care in day-care and out-of-school care centres and less for childminders. The Figure also reveals how the use of childcare has been affected by policy choices and economic ups and downs. Usage at first increased sharply due to the 2004 Childcare Act and an increase in subsidies in 2007. However, after 2010, the economic crisis combined with cutbacks in the height of childcare subsidies led to a dramatic decrease in use. With eligibility for subsidies contingent on both parents being in paid employment, the effect of the crisis on increasing rates of unemployment drove down demand for childcare. As of 2015 subsidies were gradually increased, leading, together with economic recovery, to increasing usage. Periods of growth in childcare usage have been accompanied by shortages and waiting lists, while periods of decline were associated with excess supply (Hoogenbosch et al. 2015). Accordingly, parents were better able to choose care providers during economic declines, and constrained in their choice during periods of economic growth.

Childcare subsidies are highly progressive. While families with high incomes receive subsidies covering approximately one third of the costs, this increases to 96 percent[3] for families with low incomes. Nevertheless, childcare subsidies are more often used by high-income families. In 2017, 85 percent of the households receiving childcare subsidies belonged to the top 50 percent of the income distribution, with 63 percent even belonging to the three highest income deciles (CBS 2018). The higher use of subsidies by high-income parents is at least partly due to the contingency of subsidies on both parents being in paid employment, but also to the common assumption that childcare is expensive as it requires large monetary transfers.

Figure 14.1 **Number of children receiving childcare subsidy by type of care in the Netherlands, 2007-2017**



Source: (CBS 2018)

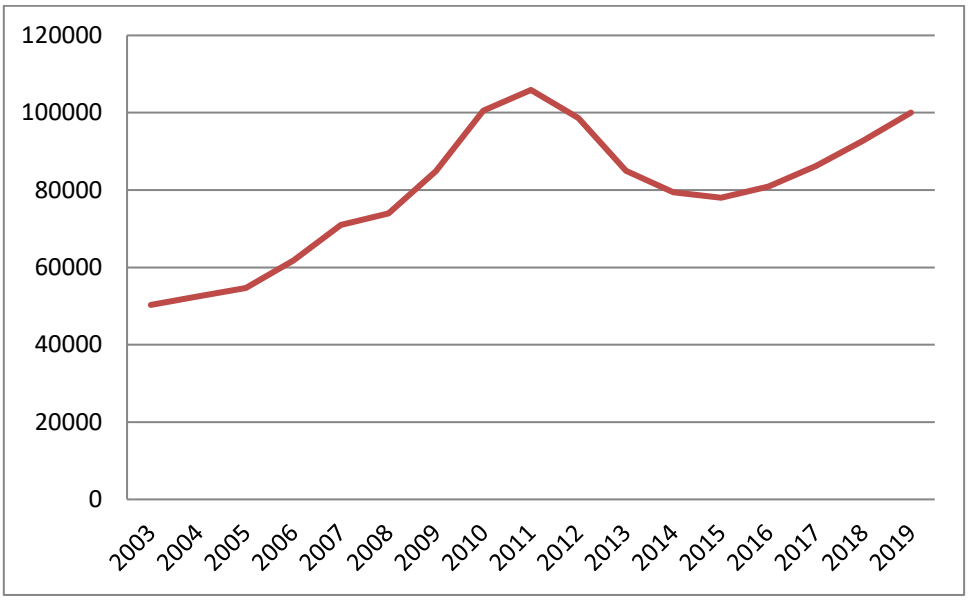
In relation to the latter point, the demand-side financed system has recently come under increased scrutiny because of two problems in the management of large cash flows. First, the childcare subsidy for one household amounts to thousands or even tens of thousands of euros per year. Parents receive this money in monthly advances, based on an estimate of their income-dependent entitlement. Only at year-end do the tax authorities calculate how much parents had actually been entitled to. Thus, advance transfers may result in parents having to pay back thousands of euros. Second, in 2019 it was discovered, that tax authorities had wrongly accused thousands of parents of fraudulent behaviour[4], erroneously forcing them to pay back large sums of money. This scandal received considerable media attention, and the political consequences are still not clear.[5]

Meanwhile, the marketization and expansion of the childcare sector has been accompanied by a shift towards more for-profit providers, from 40 percent of all childcare providers in 2003 to 70 percent in 2010 (CPB 2011, p. 12), including small as well as very large providers (CPB 2011, p. 13). Some of the latter are foreign-owned, some by private equity funds[6]. The years when childcare demand declined due to the economic crisis (2010 – 2014) coincided with a series of bankruptcies, peaking in 2013 with 95 childcare providers filing for bankruptcy (Brancheorganisatie Kinderopvang 2014). Some of these bankruptcies involved private equity funds, leading to some public outcry[7].

The economic crisis and subsequent fall in demand for childcare also had large implications for employment opportunities in the sector. As illustrated in Figure 14.2, the number of workers

employed in childcare doubled between 2003 and 2011, while about a quarter of jobs (27,000) were lost between 2011 and 2015. The figure does not include childminders (*gastouders*), who are either self-employed, when they work in their own home, or who fall under the Regulation of Personal Service Provision when they work in the parents' home.

Figure 14.2 **Employees in childcare in the Netherlands, 2003-2019**



Source: data 2003-2008 (Windt et al. 2009); 2010-2019 (AZWinfo 2019)
Number of employees in childcare, excluding self-employed workers and workers directly employed by households (i.e. childminders). For 2010-2019: data on 30 September, seasonally corrected.

In the Netherlands, publicly funded home-based long-term care services can consist of personal care or support for domestic services (and often a mix of the two). While the usage of personal care services has remained fairly stable over the past decade, the availability of publicly financed domestic services has significantly decreased even in absolute terms, despite population ageing and expanding care needs. While approximately 450,000 people received such services in 2006, this decreased to 379,000 in 2014 (CBS statline 2019a).[8]

Clients pay an income-dependent contribution for the long-term care services they receive. Contrary to childcare, long-term care services are more often used by people with low incomes. For the older population (50 years or above), those with the lowest income (measured as the bottom income quintile) were three times more likely to receive publicly financed domestic help services than those in the two top quintiles (Wingen et al. 2011), possibly because the latter rely on privately purchased services more often.

The first for-profit providers of long-term care emerged in the 1990s, but public policy initially relegated these market actors to the margin by prohibiting their use for the provision of publicly-financed care services (Mosca et al. 2010). Instead, the provision of long-term care services was dominated by a small number of large non-profit care providers that largely monopolized regionally organized care markets (DaRoit 2012). The largest providers employed tens of thousands of care workers and had yearly revenues of up to half a billion euros (NRC 2005). With the implementation of the Social Support Act in 2007, local governments became responsible for organizing home care[9]. Local governments are required to use recurring tenders to purchase the services needed to cover the care needs in their jurisdiction. This procedure has given substantial power and responsibility to local governments, and led to fierce competition between existing (non-profit) home care providers and new (for-profit) providers. In the competition for tenders, home care providers, scared of losing their market share, started to offer services below their actual costs. As a direct result, many providers got into financial trouble. For example, almost 40 percent of providers in the home and residential care sectors reported deficits in 2007 after the first policy reform (CBS statline 2019b). The same happened in 2015 after the second round of reforms (CBS 2019). The increased competition resulted in a series of mergers, acquisitions and bankruptcies.

Increased competition has also had profound implications for workers in the sector. Contrary to childcare, in long-term care job losses were less linked to general economic downturn and more to specific policy reforms and their implications for the home care market (Windt et al. 2009). Between 2012 and 2016 the number of people employed by a provider of home-based long-term care decreased by 42,400, which is a reduction of employment by 24 percent. In addition, employment conditions also deteriorated significantly as many providers responded to financial difficulties by reducing wages.[10]

Another way to decrease labour costs was to fire employees and to ask them to continue to do the same tasks while being employed directly by the care-receiving clients (Windt et al. 2009, p. 93). This direct employment construction (called '*alfahulp*') has been used since 1977[11]. As they are directly employed by a client, these workers fall under the Regulation of Personal Service Provision for domestic workers (discussed above and below in relation to privately purchased household services) and are excluded from most of the social and employment protection that covers other workers. Care providers act as an intermediary[12], while the client receiving the care services may not even be aware that he or she is formally the employer of

the care worker.[13] The exact number of workers in this form of direct employment is unknown, but estimates have ranged between 50,000 and 80,000 workers (Bijleveld and Cremers 2010).

Finally, the use of privately purchased domestic services increased in the 1980s and 1990s (De Ruijter 2004), stabilizing in the 2000s with approximately 13 percent of Dutch households using such services (Van Hooren 2018, p. 99). A study committed by the Dutch government in 2013 (Panteia 2014), suggests that the use of privately purchased domestic services is strongly skewed towards high income households. In 2013, around 40 percent of highest income households used privately purchased cleaning services, compared to approximately 5 percent of the lowest income group.[14]

The special employment regulation for domestic workers directly employed by households (extended in 2006 in the 'Regulation of Personal Service Provision', as discussed above) makes these workers much cheaper than workers employed by companies. Consequently, the regulation has effectively obstructed the development of a more formal, company-based market for domestic services. The only companies active in the market for domestic services are platforms, such as Helpling, that match workers with employers.

Since the Regulation of Personal Service Provision exempts the households employing domestic workers from having to register the employment relationship, there are no data on the incidence and development of this type of employment. Trade unions estimate that some 150,000 domestic workers are directly employed to provide cleaning services for households (Van Hooren 2018). This estimate excludes the directly employed care workers (*alfahulpen*) discussed in the previous section. Because of its informality, this sector offers employment opportunities for undocumented migrant workers. While data are not available, qualitative studies suggest that the majority of domestic workers in the biggest Dutch cities are migrants originating from countries across the globe, including e.g. the Philippines, Indonesia, Eritrea, Ghana and Brazil (Botman 2011; Marchetti 2010). These workers often work (more than) full-time and depend on their work for their livelihood, whereas Dutch domestic workers tend to work part-time (Panteia 2014).

In sum, in all three sectors, public policies have strongly affected users, employers, employment opportunities and working conditions. In the two demand-side financed sectors (childcare and domestic services), higher income families are more likely to purchase services, whereas the supply-side financed sector (home-based long-term care) is skewed towards lower income households. Moreover, users, employers and workers in childcare were affected most

directly by the economic crisis, while reforms increasing competition had the strongest impact on home-based long-term care. Thus, where the state subsidizes the costs of services for users, markets fluctuate most during crises, while direct state support for providers tends to increase competition.

14.3 Trade unions and the dynamics of domestic/care markets

Until the early 2000s, Dutch industrial relations were characterised by consultation and compromise. Unions were part of three highly centralized trade union confederations (the *Federatie Nederlandse Vakbeweging*, FNV, being the largest), which regularly met with employers' confederations and the government to discuss social and economic policy developments. In this context, trade unions have focused on providing services for their members, rather than on mobilisation and confrontation (Berntsen 2014; Hemerijck 1995).

Since the early 2000s, these corporatist traditions have weakened and governments have started to consult unions less regularly, sometimes bypassing them in bilateral discussions with employers (Roosblad 2013). However, unions and employers' organisations have continued to negotiate collective agreements, often at the sectoral level. These collective agreements are usually declared to be 'generally binding' by the government. Consequently, between 80 and 85 percent of Dutch workers are still covered by collective agreements. Meanwhile, trade union membership has gone down from 37 percent of workers in 1973 to only 16.4 percent in 2018. In the same period, union membership has feminized considerably, with the percent of women rising from 11 percent to 40 percent of all union members (Visser 2019).

In the discussion of the role of trade unions in care markets hereafter, I focus primarily on the trade union *Abvakabo FNV* (until 2014), which became simply *FNV* in 2015, when a number of affiliates of the *confederation FNV* merged to become the *trade union FNV*. Abvakabo FNV (and subsequently FNV) has been by far the most important representative of care workers. As Table 14.1 shows, in 2015 the care sector (including both medical and social care) was the largest sector within the FNV (except for the 'retired') and the only sector in which the far majority of members were women.

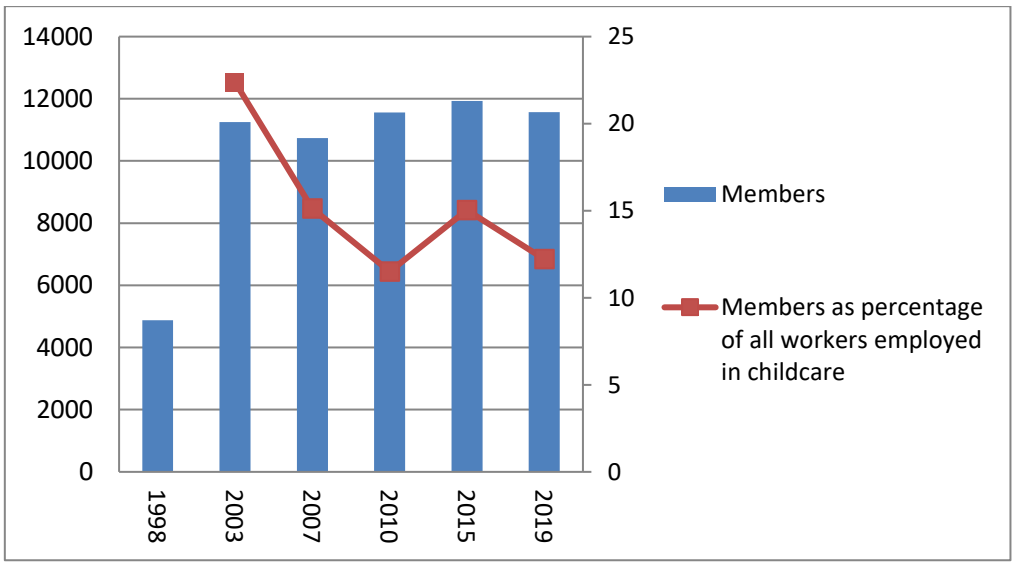
***Table 14.1* FNV union membership in October 2015**

	Members in 1000s	Percentage women
Care	142	82%
Public sector	92	41%
Metal	77	7%
Private services	65	43%
Industry & agriculture	64	17%
Transport	55	16%
Construction	52	…
Retired	179	17%
Total	870	34%

Source: FNV data received through personal communication

Trade union records of Abvakabo FNV indicate a rapid growth of union membership in the childcare sector between 1998 and 2002 (see Figure 14.3). The sharp increase occurred in a period in which the childcare sector grew, while there was a shortage of employees. The trade union was active and organized a series of brief strikes that focused not only on wage increases, but also on quality, group size, workload and professional pride[15]. After 2002, the absolute number of trade union members remained constant, despite considerable fluctuations in employment in the childcare sector (see above). However, union density declined to around 12 percent of childcare workers in 2019.

***Figure 14.3* Members and membership rate of biggest trade union in childcare in the Netherlands**

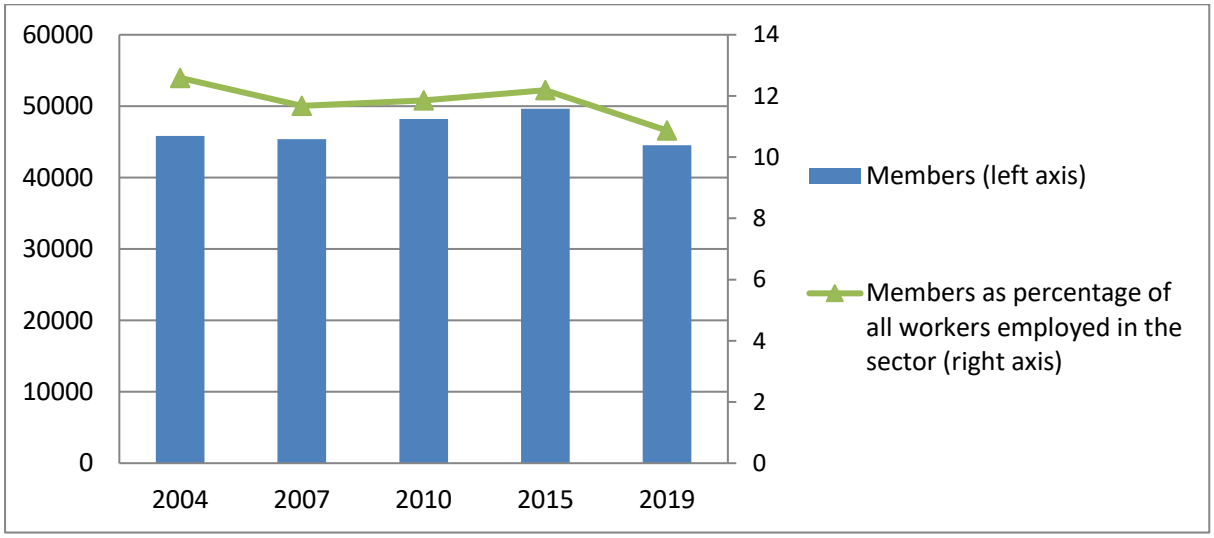


Source: data 1998-2010 from Abvakabo FNV archives; 2015 and 2019 data obtained directly from FNV.

Trade union members in the childcare sector mostly work in day-care centres. The trade union has never actively organized childminders (*gastouders*). In fact, a 2010 union document stated that, 'There is a tendency of increasing numbers of self-employed in our sector [such as childminders]. Abvakabo considers this a threat, because we cannot offer this group enough.' [16]

Before the marketizing reforms long-term care discussed above, Abvakabo FNV had already obtained a steady membership base of around 14,000 home-based long-term care workers, amounting to around 10 percent of the sector. This number remained largely stable up to 2009. As of 2009, the trade union has reported membership in home-based and residential care together. Figure 14.4 shows that membership increased up to 2015, by which time union density in the sectors was approximately 12 percent, but followed by a considerable membership loss between 2015 and 2019, a development I discuss further below.

Figure 14.4 **Members and membership rate of biggest trade union in long-term care (home-based and residential) in the Netherlands**



Source: data 1998-2010 from Abvakabo FNV archives; 2015 data obtained directly from FNV.

Contrary to the fairly well-organized child- and long-term care workers, workers in domestic services in the Netherlands have hardly been organized by trade unions. This reflects the persistent informality of domestic work resulting from its exclusion from employment regulations, as discussed above. The absence of formal employment relations has made it nearly impossible to organize workers, both because of the absence of workplaces that unionists can visit and because of the absence of organized employers with whom trade unions can negotiate collective agreements.

Exceptionally, in 2006, a group of (mostly undocumented) migrant domestic workers joined the trade union FNV[17]. These migrant domestic workers were already active in community organizations, which facilitated their taking the step to join a trade union. They hoped the trade union would give them the political influence that they lacked completely (Eleveld and Van Hooren 2018). Since then, domestic worker union membership has fluctuated between 100 and 400 members. As discussed below, this small group of (migrant) members has achieved a remarkable trade union mobilization on behalf of domestic workers' rights (Kraamwinkel 2016).

In the following, I discuss how Abvakabo FNV positioned itself during the marketization reforms, followed by an exploration of how it has been affected by and shaped the subsequent dynamics of domestic/care markets.

14.3.1 Trade union opposition to market reforms in the 2000s

Throughout the 2000s, the Abvakabo FNV was one of the few actors that consistently opposed marketization in all care sectors. Its political influence during this decade, however, was limited. When a new Childcare Act was first proposed by the government in 2002, an accompanying explanatory statement emphasized that a demand-financed system was chosen with the aim of improving the position of parents. By introducing a market with fair competition, the new system had to give providers an incentive to meet parents' wishes (TK2001-2002, 28447, 3). While parents were mentioned 541 times in the statement, childcare workers were only mentioned 15 times and only in relation to their role in guaranteeing quality care. In fact, working conditions were never part of the discussion in the two years of negotiating and refining the new childcare system.

The trade union opposed the switch to a demand-side financed and marketized childcare system. However, the trade union's contribution to the political debate at the time remained modest. Where it was involved, its interventions related either to legal quality criteria for the sector or to the affordability of care for their members as parents, stipulating that working parents should receive employer-contributed benefits to help off-set the costs of childcare. Childcare workers' rights were never at the foreground.

Spearheaded by a new (and the first female) chairperson of FNV, affordability for parents remained the union's main priority after the enactment of the new Childcare Act in 2004. For two years, the FNV campaigned for the introduction of universal public childcare provision, as

opposed to the subsidized childcare market that the government had just introduced, and for mandatory contributions to childcare costs by parents' employers. Despite fierce resistance from employers' organisations, the mandatory employers' contribution was incorporated into the Childcare Act in 2007. However, the trade union's call for a universal public childcare provision did not succeed and faded in subsequent years.

In long-term care, the proposed new Social Support Act (*Wet Maatschappelijke Ondersteuning*) for home-based care services received broad support from most political parties in 2006. Employers' organisations were especially keen because they believed that the marketization of services would be profitable. The trade union was one of the very few actors opposed to the marketization entailed in the new act. The 2006 annual report of Abvakabo FNV stated:

> "ABVAKABO FNV finds that marketization in the public sector brings about big risks […] For employees are the first to be confronted with these risks: competition on employment conditions, bankruptcies, loss of employment opportunities […]. Research on marketization never pays attention to the consequences for employment conditions" (Abvakabo FNV 2007).

However, the union's opposition was slow to emerge and had little impact. The union failed to make working conditions part of the debate. Only when the law was enacted and its implications became clear did the trade union step up its opposition, as discussed in the next section.

Trade unions were not involved in the government's decision to extend unprotected direct employment in domestic services through the Regulation of Personal Service Provision enacted in 2006. At the time this reform was debated, the union did not yet have any domestic worker members. In as far as the trade union was interested in domestic services, it was more on behalf of working mothers, to "alleviate the busy lives of young dual earners" (as expressed by unionists in a 2007 newspaper article, cited in Van Hooren 2018, p. 104). As in the childcare sector, this shows that the trade union was sometimes more concerned about their members as service users, than about the workers providing services.

14.3.2 Changes in trade union strategies in domestic/care markets

The 2006 Social Support Act decentralized a significant part of home-based long-term care provision to local governments and forced their use of competitive tenders for selecting care providers. It quickly became clear that the policy reform was leading to job losses and to an increasing number of workers being fired and forced into direct employment (*alfahulpen*). Abvakabo FNV played an important role in signalling this development. Long-term care providers fearing bankruptcy now joined the trade union in their lobbying of the government to prevent the negative consequences of marketization[18]. The government reacted with some corrective measure aiming to reregulate this caveat, because: 'it [was] not the intention that these people disappear from the sector' (Interview Ministry of Health, Welfare and Sport, cited in Van Hooren 2011). A series of measures especially aimed to prevent the involuntary direct employment of care workers by clients (Windt et al. 2009, 94). The success of these corrective measures was limited because decentralisation had undermined the direct influence of the central government. Consequently, many local governments continued to allow the direct employment in an attempt to keep the costs of services low.

With mergers, acquisitions, bankruptcies and new for-profit providers, the long-term care sector continued to experience a lot of unrest. The emerging competition between providers put considerable downward pressure on employment conditions. For the trade union, the sector became the poster child of the evils of marketization. In 2011, due to 'a dominant feeling that it's going entirely wrong'[19], Abvakabo FNV initiated a membership organizing campaign. This confrontational style of bottom-up organizing of workers originated in the US, and differed significantly from the traditional Dutch trade union approach of top-down management, negotiation and social partnership[20].

Consequently, between 2011 and 2015, the union strategy in the home-based and residential long-term care sector became very confrontational. Rather than trying to reach agreements or to cooperate with employers, as it had previously done, the union organized a series of strikes and campaigns, frequently involving naming and shaming of employers. This not only antagonised employers, but also other (much smaller) trade unions active in the sector, who were less than keen on leaving the negotiating table all together.

In 2013, a new government announced further cuts in long-term care budgets that would become effective in 2015. Abvakabo FNV opposed these cuts and, unlike other trade unions, refused to strike a deal with the government. In 2015, the union's organizing initiative

culminated in the *red de zorg* (save the care sector) campaign[21], with a petition, that was quickly signed by 800,000 people, and several large demonstrations. In December 2015, the union finally reached an agreement with the government in which, among other things, the government agreed to invest more in home-based long-term care and to discourage, once again, the direct employment of care workers by clients (*alfahulpen*).

In sum, increased competition, the emergence of for-profit care providers and the negative consequences these developments had for care workers, led the trade union to change strategy. Its antagonistic organizing campaign received considerable media attention. It resulted in visibility for the sector and the trade union, yielding a small membership gain (Figure 14.4) and considerable political gains in 2015. After this political victory, the union abruptly ended its campaign. Interviews with trade union officials suggest that some activist union members felt abandoned. The result was a significant loss of members between 2015 and 2019.

In childcare, in the years after 2007, Abvakabo FNV focussed on activities behind the scenes, including the negotiation of care quality criteria with employers and the government and reaching collective agreements. The latter was complicated by the emergence of a new and more hostile employers' organisation that represented new for-profit providers in the sector, while the relationship with the employers' organisation for non-profit providers remained relatively good.

After 2010, childcare resurfaced on the national political agenda in the context of a series of cutbacks decreasing the generosity of childcare subsidies paid to parents. The FNV campaigned against these cutbacks, emphasizing, once again, their members' interests in the accessibility of childcare for parents and the potential consequences of retrenchment for women's labour market participation. Implications for childcare workers only received attention when the cutbacks started to result in bankruptcies and layoffs.

Between 2010 and 2015, when some 27,000 jobs were lost, the trade union stuck to its traditional approach of negotiation and social partnership. Union officials attended ministerial committees, negotiated collective agreements with employers – although with difficulty due to the increasing influence of for-profit providers and interference from other smaller unions[22] – and negotiated layoff conditions. In this entire period, there was not a single strike or demonstration. Union officials interviewed suggested this was not only because of the moderate position of the trade union, but also because of workers' fears of losing their jobs if they spoke up.

In 2017, when better economic conditions led to growth in the childcare sector, FNV targeted the sector as one to invest in to improve membership numbers and union influence. At the time of writing this chapter, this 'investment plan childcare' was still in progress. It involves some of the organizing tactics applied in long-term care and aims to empower worker-members. Unlike in previous years, the union now really focuses on childcare workers and their rights instead of the needs of parents using childcare services. Moreover, the union's primary target is employers, not the government. Recent small-scale activism has contributed to positive results, such as a significant wage increase and a small reduction in workload in the collective agreement reached in 2020. The long-term consequences of the new strategy remain to be seen.

In domestic services, migrant domestic workers joined the private sector trade union *FNV Bondgenoten* in 2009. That union then started a political campaign with the main aim of abolishing the Regulation of Personal Service Provision excluding domestic workers from social and employment protections. The union could only target the government with its campaign, because employers of domestic workers (i.e. private households), had not been organized in any way. The union sent letters to parliament and organized small demonstrations. Its activities were supported by the 2011 International Labour Organisation's Domestic Workers Convention (ILO 2011) which by 2014 led the government to reconsider its domestic work policy. The union's strategy was somewhat ambivalent, however, because its political focus was on the labour rights of domestic workers in general, while its members were almost entirely composed of undocumented workers for whom the right to reside in the Netherlands was most important. Whether due to this ambivalence or not, the union campaign was unsuccessful. The government decided against the ratification of the convention and refused to extend the coverage of Dutch employment regulations to domestic workers (Van Hooren 2018).

Notably, the continued exclusion of domestic workers from employment regulation also affects the home-based long-term care sector, by enabling the direct employment of care workers (*alfahulpen*). Strikingly, the two sections of the FNV that represent domestic workers and long-term care workers respectively, although having the same objective of abolishing the exclusion from employment regulations, failed to cooperate successfully to achieve their aim.

14.4 Conclusion

The creation of domestic/care markets and the enhancement of competition in these sectors in the 2000s has had profound implications for workers in childcare, home-based long-term care and domestic services. In the demand-side financed childcare sector, where entitlement to

childcare subsidies has been contingent on parents being in paid employment, the 2008 economic crisis had a disruptive impact, eventually resulting in over a quarter of childcare jobs being lost. A similar reduction in employment opportunities occurred in the long-term care sector, though here job losses were more the result of decentralizing policy reforms enhancing competition while decreasing public funding. Notably, by 2019, when the Dutch economy had recovered, both these sectors faced significant labour shortages. This reveals the negative consequences of market-driven fluctuations, not just for the workers involved, but also for the continuity of care provision.

The Dutch FNV has been an important and active representative of care workers. It has maintained its membership base in child- and long-term care in absolute terms, if not in terms of share of the workforce. Meanwhile, the almost complete absence of any union representation of domestic workers suggests that a formal workforce, including formal employers, is a precondition for union representation.

Throughout the 2000s, the trade union opposed reforms that expanded marketization and increased competition, and was the only actor to persistently raise the interests of workers. However, in this decade, the union did not have the political influence needed to stop or significantly alter the course of reforms. Consequently, the trade union has been mostly engaged with countering and remedying some of the negative consequences of marketization reforms.

Due to its weakening position in the Dutch political system in combination with increasingly hostile profit-oriented employers in the care sectors, in the 2010s the FNV gradually changed its strategy. Departing from the typical Dutch style of negotiation and compromise, the FNV started to apply more antagonistic and confrontational strategies, first in long-term care and later also in childcare. This change of strategy led to some notable political successes in the long-term care sector. What it will achieve in the childcare sector remains to be seen.

The dynamics of care markets involve a highly complex playing field of actors, involving non-profit and for-profit providers, national and local governments, clients and parents. Trade unions have had to make choices regarding whom to target with their campaigns – employers or the government – and with whom to ally. The analysis in this chapter has shown, that a more activist strategy can increase workers' direct influence and the visibility of trade unions. However, it also risks antagonizing actors who might have been important allies in achieving other ends. When a trade union opts for an aggressive campaign on behalf of workers, it

becomes more difficult to join forces with employers' organisations or parents/clients' organisations to lobby the government for e.g. budget increases.

Finally, at the time of publication, the Netherlands was two months into the societal paralysis induced by the Covid-19 pandemic. This has already reinforced some of the points raised above. For example, both schools and childcare centres were closed for eight weeks. While the non-market sector schools could focus completely on how to provide good online education, in the private childcare sector the main concern was how to prevent financial losses due to parents terminating childcare contracts. The government has stepped in with a massive financial support package. However, whether this will prevent another long-term downturn and accompanying job losses in the sector is highly questionable. The pandemic has involved the trade unions as the legitimate representative of workers' interests in the many emergency policy negotiations behind the scenes, where the union is engaged in forging compromises with the actors it had antagonized in recent activist campaigns. Its earlier activism proves important in the end, as the FNV has underlined its continued relevance.

Endnotes

[1] Documents of the *Abvakabo FNV* covering the period from 2004 until 2011 (last available year) were obtained at the IISH (International Institute for Social History), https://search.iisg.amsterdam/Record/ARCH02330, and gathered and analysed by student assistant Vera van Rossum.

[2] Since parents initially sometimes paid grandparents to act as childminders, eligibility criteria were subsequently tightened, especially involving higher standards for the training of childminders.

[3] These figures are for 2019 and relate to the first child. For the second or further children, parents receive higher subsidies. Exact percentages have fluctuated over the years https://www.rijksoverheid.nl/onderwerpen/kinderopvangtoeslag/bedragen-kinderopvangtoeslag-2019.

[4] Allegedly, these falsely accused parents often had a migration background, suggesting ethnic profiling by the tax authority. (https://www.volkskrant.nl/nieuws-achtergrond/onderzoek-naar-mogelijk-etnisch-profileren-door-belastingdienst~b04888d0/) .This allegation was still under investigation at the time of writing this chapter.

[5] At the time of finishing this chapter, the Dutch government had just announced that it wants to revise the system of childcare subsidies (https://www.volkskrant.nl/nieuws-achtergrond/advies-luidt-einde-van-kinderopvangtoeslag-in~b477a225/).

[6] https://www.nrc.nl/nieuws/2019/04/04/private-equity-verovert-kinderopvang-a3955870

[7] As e.g. in 2014 when the large provider Estro filed for bankruptcy and was taken over by another private equity fund within one day.

[8] With the policy reform of 2015, the registration system for these services also changed, but the downward trend seems to have continued (See: https://mlzopendata.cbs.nl/#/MLZ/nl/dataset/40061NED/table?ts=1585924719937, accessed on 3 April 2020).

[9] Initially only for household support services, but as of 2015 also for personal care services.

[10] There are no reliable data on this trend. News media reported continuously on wage cuts in the sector and in 2017 it was argued that wages for home help providers would have decreased by 25% on average.

[11] This construction, whereby publicly financed care is provided by workers who are excluded from social and employment protection, was introduced by the centre-left Den Uyl government in 1977 as a means to limit expenses on home care (TK 1976-1977, 14369, 1).

[12] Though '*alfahulpen'* can also be employed through personal budgets, a situation not discussed here.

[13] The legality of this construction has been under constant discussion, as will become clear below, but it has never completely disappeared.

[14] These are the author's own calculation based on the information provided in the report (Panteia 2014, pp. 26-27).

[15] As the trade union leader at the time explained in an interview for a newspaper, see: https://www.nrc.nl/nieuws/2003/11/01/wij-willen-meer-zijn-dan-een-loonboer-7660384-a954737

[16] Source: Abvakabo FNV, Sectorplan welzijn 2010-2012.

[17] In fact they first joined the public / care sector trade union Abvakabo FNV, but due to dissatisfaction with this union's passive approach, they transferred to the private sector union FNV Bondgenoten in 2009 (Van Hooren et al. 2016).

[18] As appears from Abvakabo-FNV archival documents, e.g. documents sent to 'Sectorbestuur zorg' on 28/10/2008.

[19] 'Organising in de VVT, Werkplan 2011-2013', concept plan 10/12/2010, discussed at Abvakabo-FNV Bondsbestuursvergadering January 2011.

[20] Organizing had already been successfully implemented by another FNV-affiliated trade union in the cleaning sector (Connolly et al. 2017).

[21] Campaign 'Red de Zorg', see http://www.fnvvoorzorg.nl/onze-strijd/, accessed on 06-05-2019.

[22] Due to the Dutch system of the government declaring collective agreements 'generally binding', collective agreements can become binding even if they are only signed by one small trade union with only a few members. This happened several times in the childcare sector.

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