

# **Non-Regular Employment in the Netherlands**

**JILPT Seminar on Non-Regular Employment  
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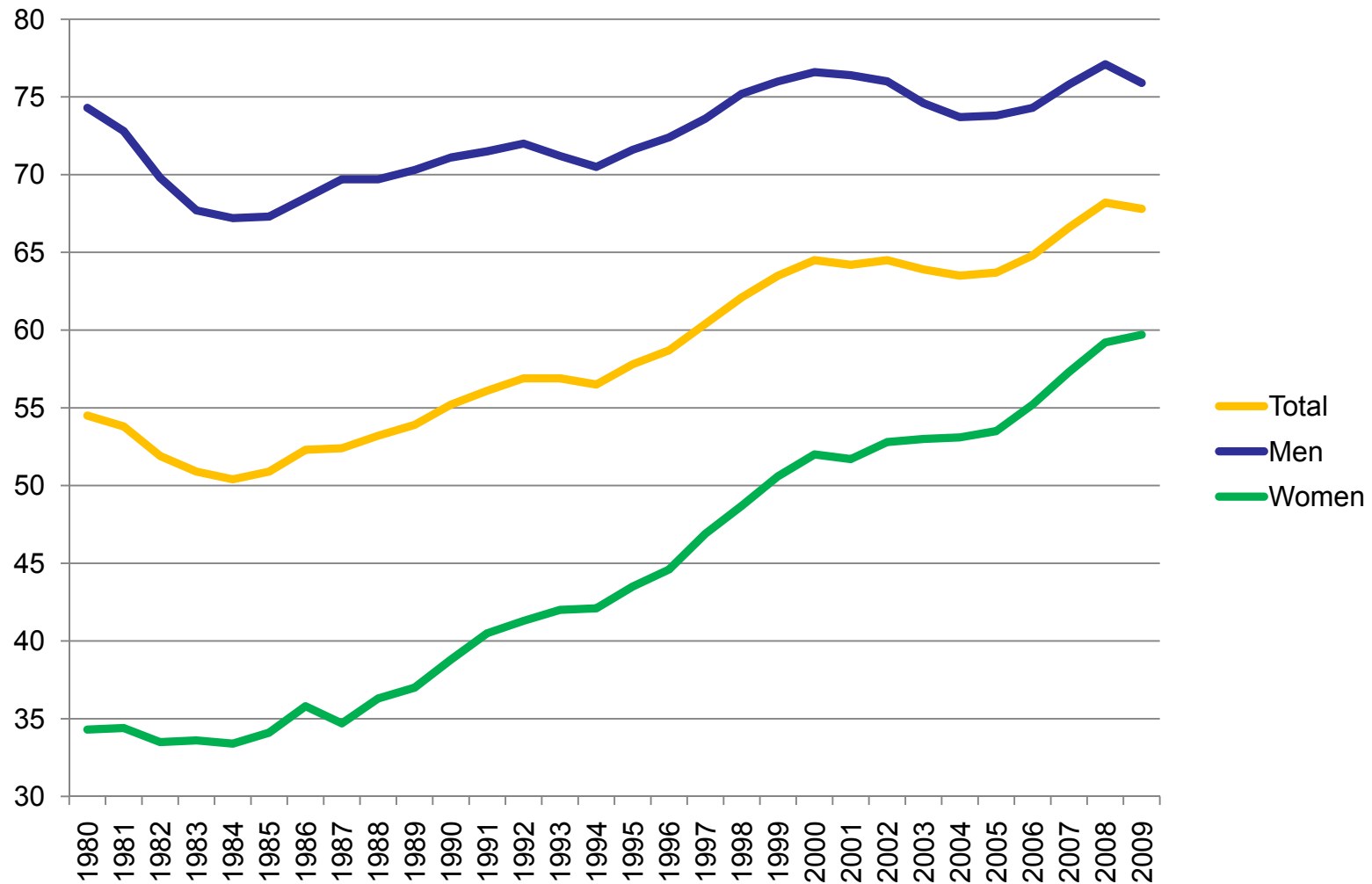
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# Overview

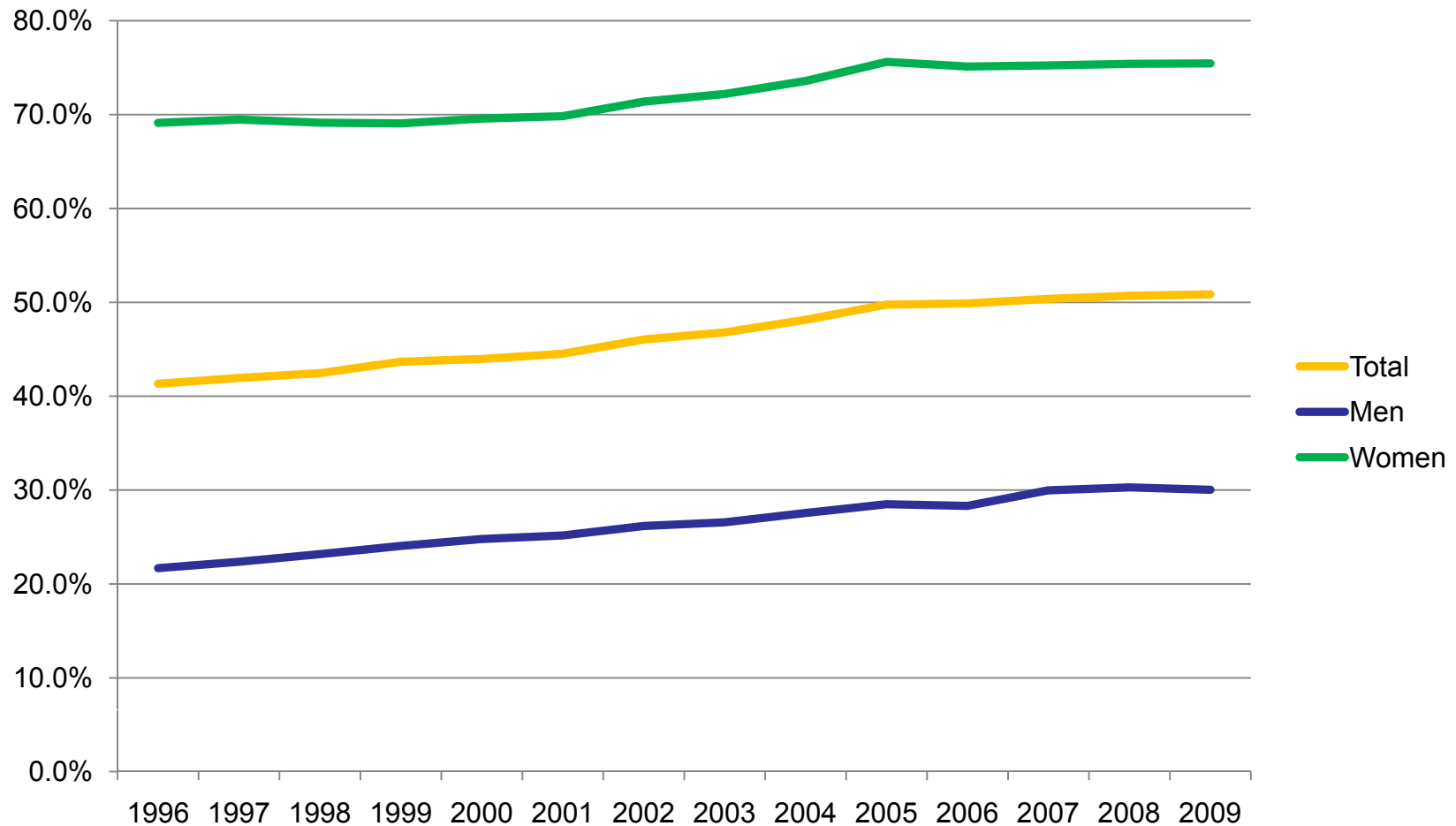
- Employment development in the Netherlands
- Part-time employment
  - Development and ‘regularisation’
  - Current characteristics
- Flexible employment
  - Development
  - Flexibility and Security Act
  - Phase system agency workers
  - Current characteristics
  - Evaluations regulation
- Ongoing concerns

# Employment rate



Source: Statistics Netherlands (CBS)

# Share part-time employment

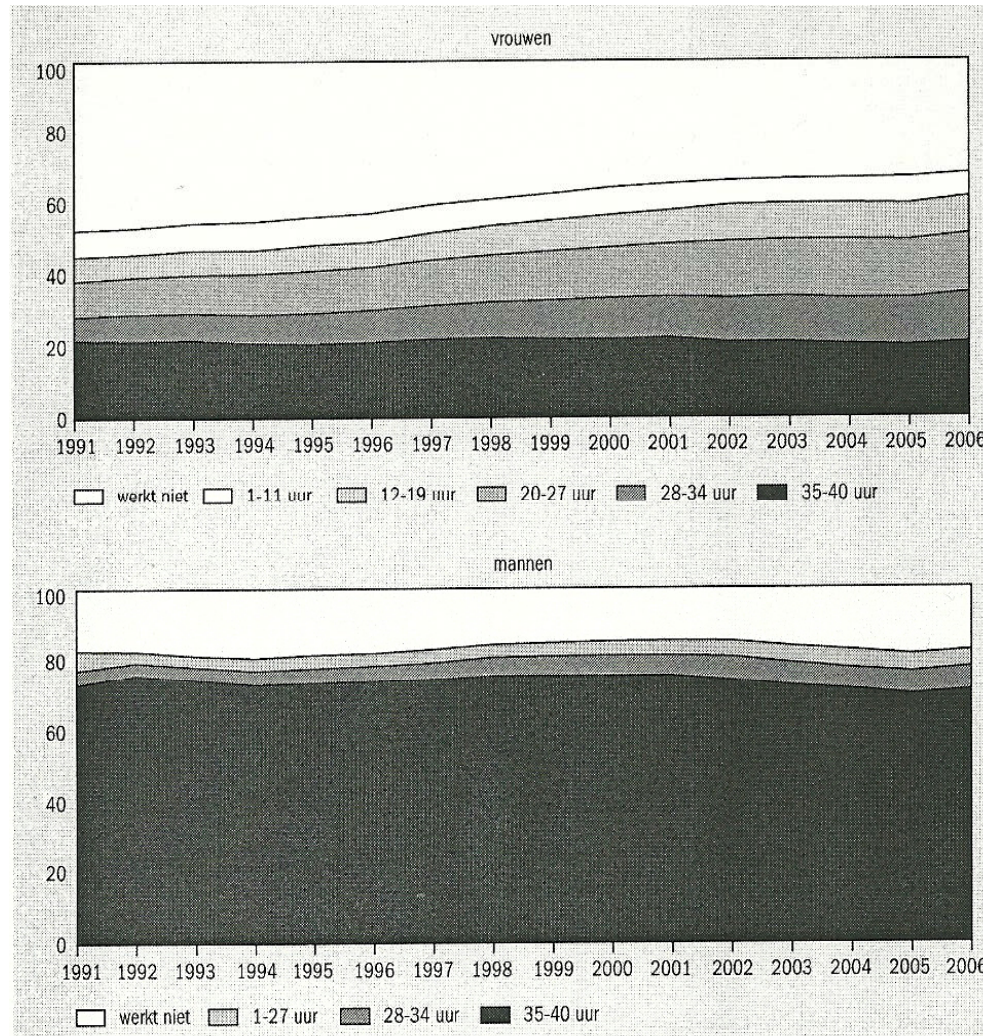


Source: Statistics Netherlands (CBS)

# Share part-timers among working women by stage of life (%)

	1992	1995	2000	2006
Living with parents	27	32	40	48
Single, < 40 years	25	28	32	32
Living together, no kids, < 40 years	37	40	38	40
<b>Living together, youngest child 0-3 years</b>	<b>87</b>	<b>89</b>	<b>89</b>	<b>88</b>
<b>Living together, youngest child 4-11 years</b>	<b>89</b>	<b>89</b>	<b>88</b>	<b>89</b>
<b>Living together, youngest child 12-17 years</b>	<b>83</b>	<b>85</b>	<b>85</b>	<b>85</b>
Single parent, child(ren) 0-17 years	71	72	73	75
Single, ≥ 40 years	45	50	53	58
Living together, no children, ≥ 40 years	78	78	78	78
Total	60	64	66	70

# Working hours/week (%)

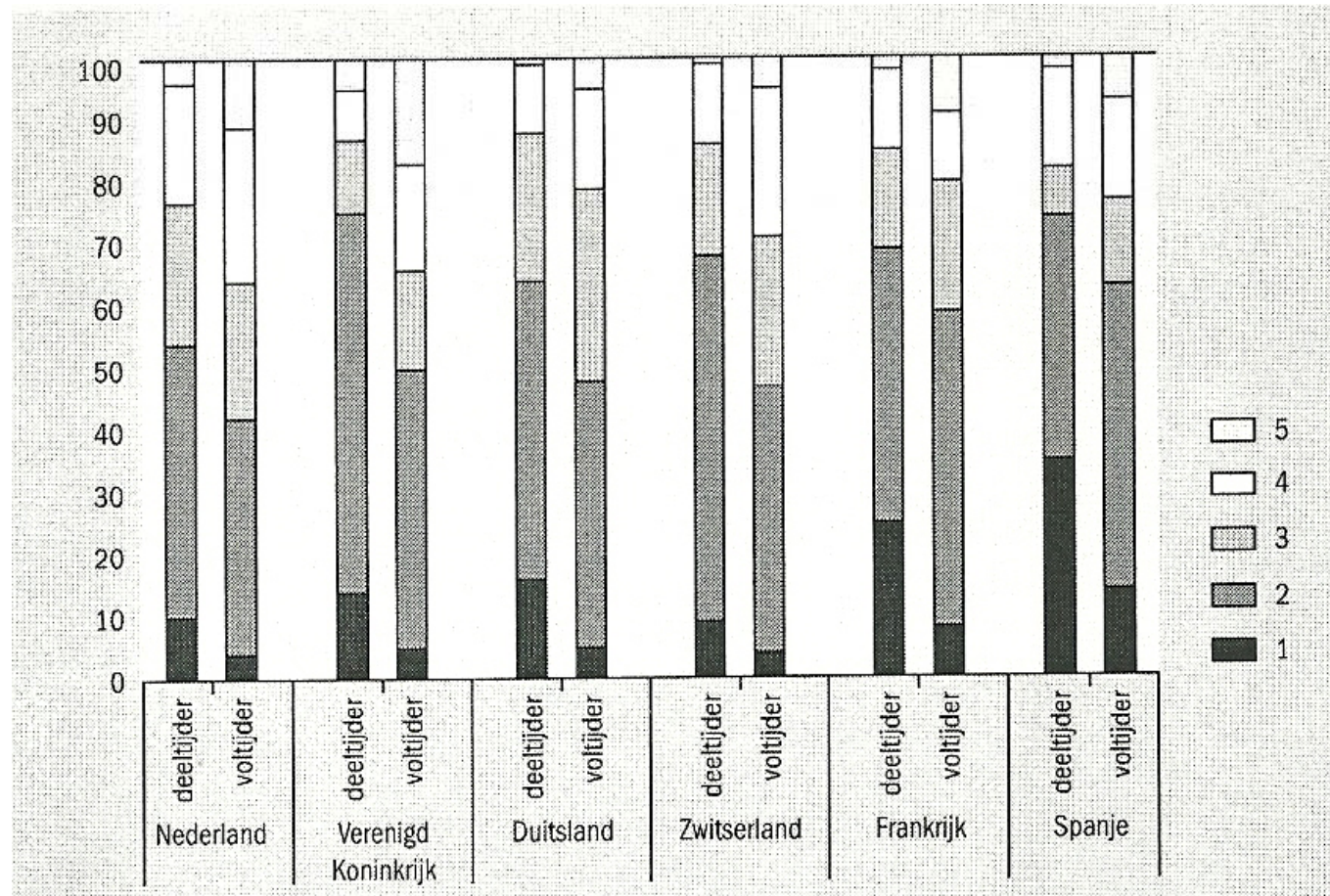


Source: Portegijjs et al. (2008) *Verdeelde Tijd: Waarom Vrouwen alleen in Deeltijd Werken*, Den Haag: Sociaal en Cultureel Planbureau.

# ‘Regularisation’ part-time employment

- Since 1987 part-timers are entitled **equal access** to the various **employment insurances**;
- Since 1996 part-timers have a right to **equal (pro-rata) treatment** in terms of wages, overtime payments, bonuses, and training;
- **Amendments in the tax system** in 1990 and 2001 removed impediments to the labour market participation of married women;
- The 2000 Adjustment of Working Hours Act gave employees the **right to alter** (reduce and increase) their number of **working hours** under certain conditions.

# Share part- and full-timers by functional level (%)



Source: Portegijjs et al. (2008) *Verdeelde Tijd: Waarom Vrouwen alleen in Deeltijd Werken*, Den Haag: Sociaal en Cultureel Planbureau.

# Preferred hours/week (%)

	Total			Men			Women		
	12-24	24-35	>=35	12-24	24-35	>=35	12-24	24-35	>=35
Prefer more hours	17.0	10.8	3.0	21.6	13.8	3.2	16.0	9.8	2.2
Prefer equal hours	78.2	81.6	89.3	71.6	80.5	90.6	79.5	81.9	84.9
Prefer less hours	4.9	7.6	7.7	6.8	5.7	6.2	4.5	8.2	12.9

Employee preferences for number of working hours/week, by current number of hours (2009)

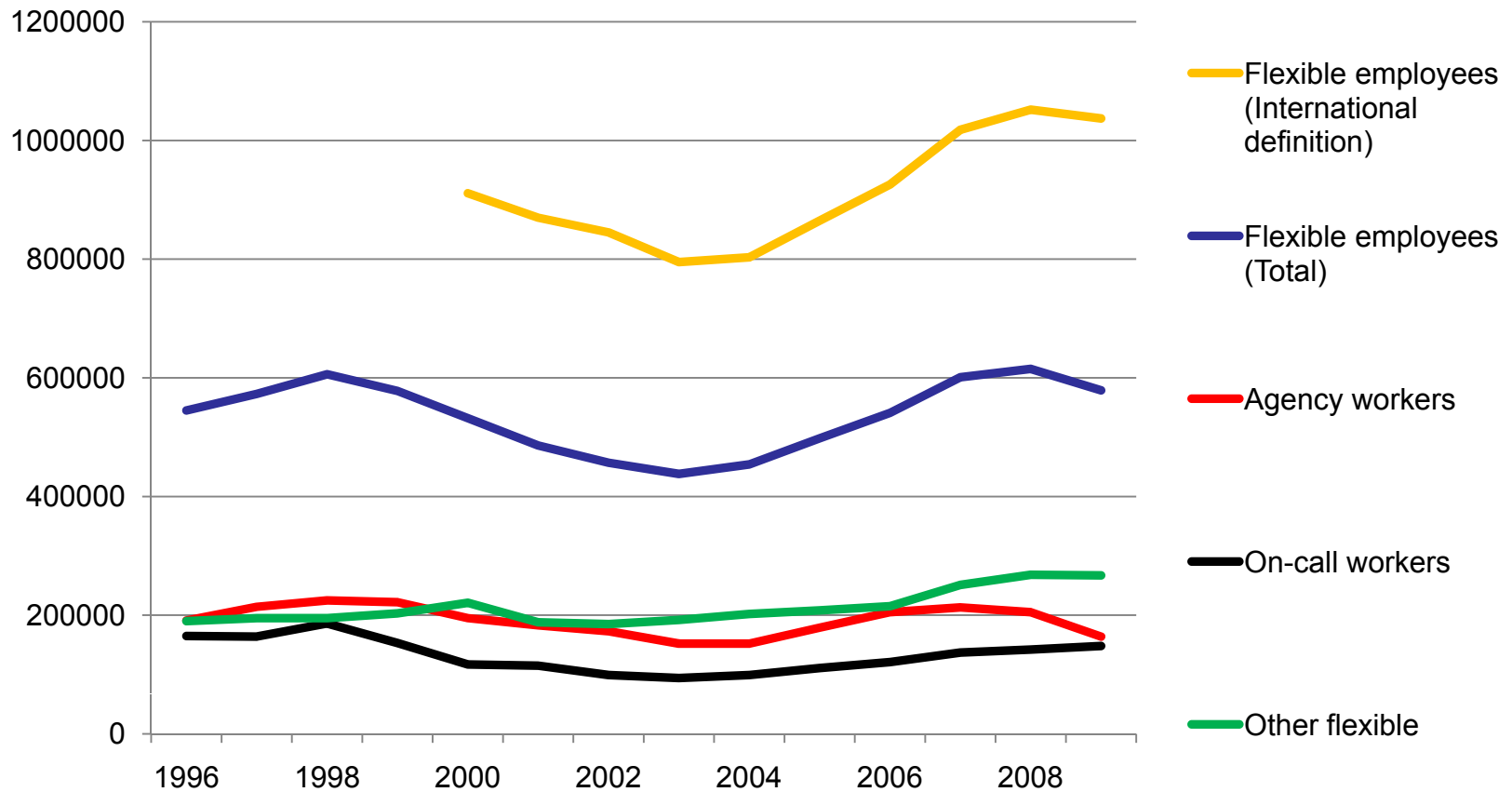
	15-20	20-25	25-30	30-35	35-40	40-45	45-50	50-55	55-60	60-65
Prefer more hours	11.7	11.3	9.4	6.3	5.1	4.4	3.8	2.8	1.9	2
Prefer equal hours	79.9	83.9	86.6	88.3	90.3	90.5	91.6	90.6	89	79.2
Prefer less hours	8.4	4.8	4	5.4	4.6	5.2	4.7	6.6	9.1	18.9

Preferences male employees for number of working hours/week, by age group (2009)

	15-20	20-25	25-30	30-35	35-40	40-45	45-50	50-55	55-60	60-65
Prefer more hours	14.7	17.6	9.7	6.8	8.4	10.7	10.9	8.4	5.2	2.4
Prefer equal hours	73	74	79.1	81.7	83.9	83.3	83.7	85.5	86.7	82.2
Prefer less hours	12.3	8.4	11.2	11.5	7.7	6	5.3	6	8.1	15.4

Preferences female employees for number of working hours/week, by age group (2009)

# Flexible employment



Source: Statistics Netherlands (CBS)

# Flexible employment (UWV)

	1996	2006	2007	2008	2009	Growth 07-08	Growth 08-09
Flexible employees (1)	862	1,688	1,794	2,021	1,999	12.7%	-1.1%
• Agency	247	368	377	389	323	3.2%	-17.0%
• Other	615	1320	1417	1632	1676	15.2%	2.7%
Permanent employees (2)	4,108	5,065	5,080	5,134	5,108	1.1%	-0.5%
'Independents without personnel' (ZZP-ers) (3)	397	584	611	652	629	6.7%	-3.5%
Flexible layer (1 + 3)	1,258	2,272	2,405	2,673	2,628	6.7%	-3.5%
<b>Share flexible layer</b>	<b>23%</b>	<b>31.0%</b>	<b>32.1%</b>	<b>34.2%</b>	<b>34.0%</b>		

# Important provisions Flexibility and Security Act

- **Chain-provision.** Renewal fixed-term contracts is limited: an open-ended contract exists after 3 years or 3 consecutive contracts, unless there has been an interruption of 3 months (3x3x3 rule).
- **Agency clause.** The contract between TWA and agency worker is a normal employment contract except for the first 26 weeks when both sides can end the relationship without further obligations.
- **Minimum wage guarantee** on-call workers (three hours pay for every call-up).
- **Refutable presumption of contract.** The employee can appeal for a formal employment agreement that reflects his/her working conditions.
- **Cancellation and dismissal.** Relaxation of statutory dismissal protection for open-ended employment contracts.

# Phase system agency workers

- **Phase A.** First 78 weeks of agency work. In case of an interruption of 26 weeks or more, the 78-weeks period must be counted anew.
- **Phase B.** If placed within 26 weeks after completing Phase A at the same agency. Fixed-term contract with the agency with a maximum of 8 contracts in a 2-year period. In case of an interruption of 26 weeks or more, the worker has to start Phase A anew.
- **Phase C.** If placed within 13 weeks after completing Phase B at the same agency. Open-ended employment contract with the TWA.

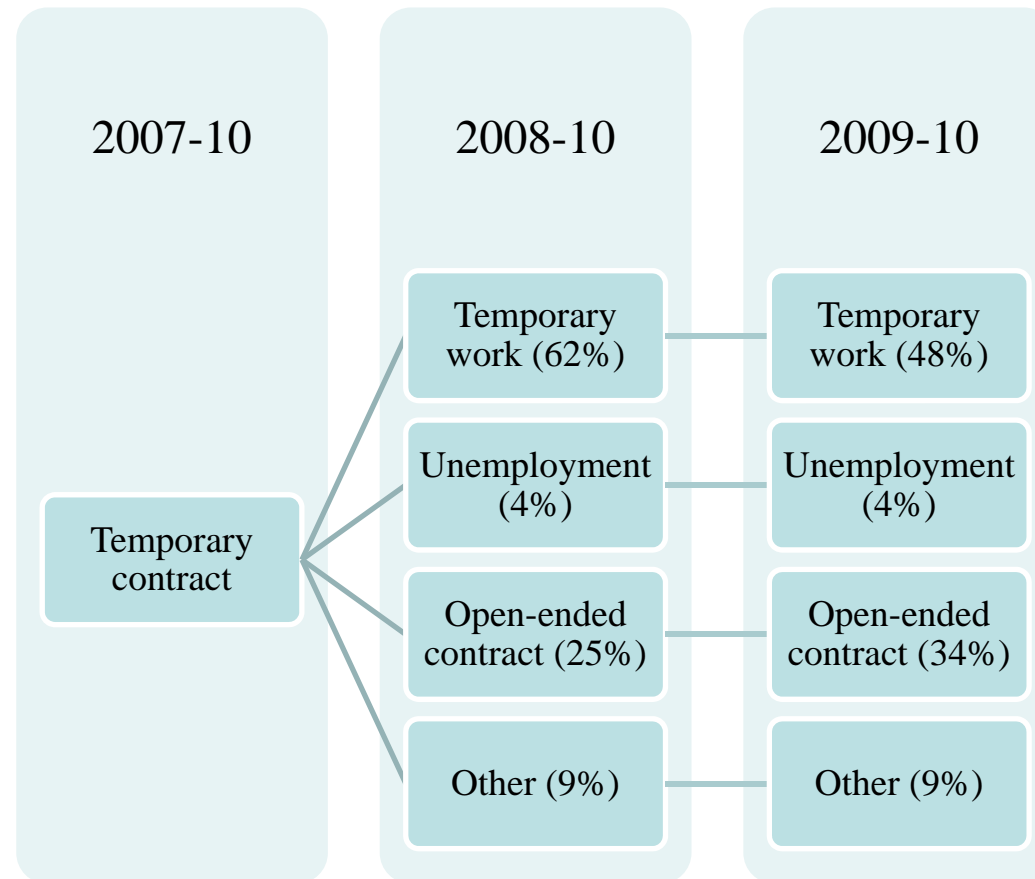
# Share agency workers at respective phases (%)

Characteristics agency worker	Phase A	Phase B/C
15-24 years	97	3
25-34 years	90	10
35-44 years	91	9
45 years and older	87	13
No Ethnic minority	93	7
Ethnic minority	92	8
Low educational background	93	7
Medium educational background	94	6
Higher educational background	91	9
Total	<b>93</b>	<b>7</b>

# Desired employment relationship by current job characteristics (2002)

	Desired employment contract					Total
	Open-ended	Fixed-term contract	TWA	On-call work	Other	
Flexible characteristics	61.9	4.4	13.5	16.5	3.8	100
• TWA	55.6	2.9	<b>35.4</b>	1.3	4.8	100
• Detached, loaned	89.6	2.0	4.5		3.9	100
• On-call / home workers	25.8	9.9	1.2	<b>60.8</b>	2.4	100
No flexible characteristics	96.4	0.9	0.2	0.3	2.3	100
All	<b>93.4</b>	1.2	1.3	1.8	2.4	100

# Perspective of employees with a temporary contract



# Evaluations regulation

- Several studies have assessed the impact of the Flexibility and Security Act and the wider regulatory framework.
- Most early expectations (e.g. greater use of fixed-term contracts, greater security agency workers but possible decline in agency work) were fulfilled.
- Flexible workers have not been overly positive about the supposedly greater security.
- The transfer from flexible employment to open-ended contracts has been disappointing, in particular because of the discretionary freedom of employment agencies and organisations using flexible workers.

Sources: Van den Toren et al. (2002) *Flexibiliteit en Zekerheid: Effecten en doeltreffendheid van de Wet Flexibiliteit en Zekerheid*, Den Haag: Ministerie van Sociale Zaken en Werkgelegenheid;  
Knecht et al. (2007) *Tweede Evaluatie Wet Flexibiliteit en Zekerheid*, University of Amsterdam:  
Hugo Sinzheimer Instituut

# Ongoing concerns

- The large share of (small) part-time jobs among women hinders their economic dependence and the country's ability to handle the ageing of society.
- The rise in flexible employment has raised concerns that agency work and fixed-term contracts have become the norm for substantial groups of employees.
- The rise in new types of flexible employment like the so-called 'independents without personnel' and the practice of 'payrolling'. The latter involves the provision of employees to principals with the principal is responsible for recruitment, selection and treatment of employees.
- Unions have expressed doubts about their participation in collective labour agreements for the TWA industry because of insufficient progress. They consider the inclusion of provisions for flexible workers within 'regular' agreements as an alternative.