

# Work Sharing in Netherland Flexicurity

# Wassenaar Agreement (1982)

## In 1980s Netherland was suffering...

### external factor:

the economic crisis due to,

- appreciation of guilder (dependence on exports/ 50% of GDP)
- annual increase of salary

### internal factor:

increase of social security cost and pressure to national revenue,

- about 20% of productive age was under-dependent on social compensation
- increase of unemployment rate
- decrease of national budget through tax income

## Dutch Disease

## Wassenaar Agreement...

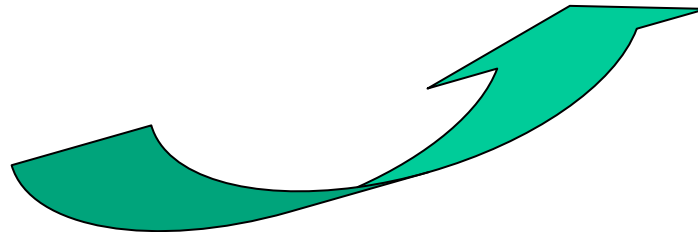
**protect** employees by introducing **shorter and flexible** working hours

**moderate** wage increases by **working closely** with companies and trade unions

**reduce** of fiscal deficit by **lowering civil servants salaries**.

**introduce** the slightly **lower social security benefits**, but **more accommodating** larger population.

**ease** the **tax burden** on companies and individuals  
**made vocational training** and employee education accessible.



# As the result of Wassenaar Agreement.

## Result of Work Sharing:

**reduced** unemployment rate by almost 10% (12 to 2.7/1981-2001)

**increased** tax revenues (income tax and consumer related spending tax.)

**encouraged** house wives to participate in the labor market, while maintaining their career-life balance and income per house-hold

**promote** social shift from salary-oriented job searching to quality based.

- gain international competitiveness
- professionals and expert to join companies on part-time basis.

**give** flexible working hours of individual choice.

- part-time: less than 35 hours/week
- about 37% works as part-time by choice

**established** healthy and secure AW industry to support part-time workers.

## Supporting Legislation:

1987: First collective labour agreement for all temporary agency workers

1999: **Flexibility and Security agreement for agency workers:**

- More flexibility for labour markets (more fixed term contracts)
- Introduction of specific flexible agency work employment contract
- More security for agency workers over time (permanent contract with agency after 36 months of agency work)

1998: **Preceding the Flexicurity Act:**

- Lifting of restrictions for staffing business (license, no more limits to length of assignments)
- User pay for agency workers (deviation possible by CLA)
- Possibility to develop other flexible HR solutions.

# AW improves the labor market in Netherland.



## AW can help society to grow;

**assists** companies to gain global competitiveness.

**facilitates** transitions between unemployment to work.

**enhances** worker's employability through gradual vocational training.

**encourage** more non-working population to participate in the uplifting economy. (unskilled, women, first-entry)

**gives** a quality of work-life balance for those who needs flexible working hours. (e.g. parents)

## How can we cooperate?

**create safety net** to support laid-off workers during the economic slow down.

**provide** public/private vocational **training program** followed by stepping-stone to the labor market.

**develop flexible and secured** AW industry and regulation by mutual discussion of government, private agency companies and user companies. (e.g. benefits, renewal period)

**encourage women and unemployed productive age** to participate into labor market.

