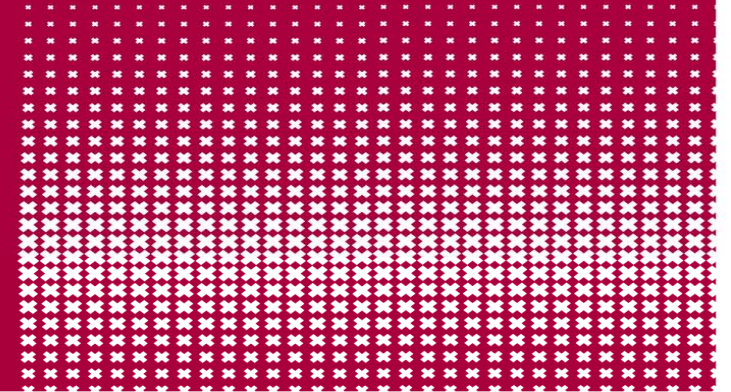




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Frank TROS  
*University of Amsterdam, The Netherlands*



*Restructuring and job-to-job policies in the Netherlands*

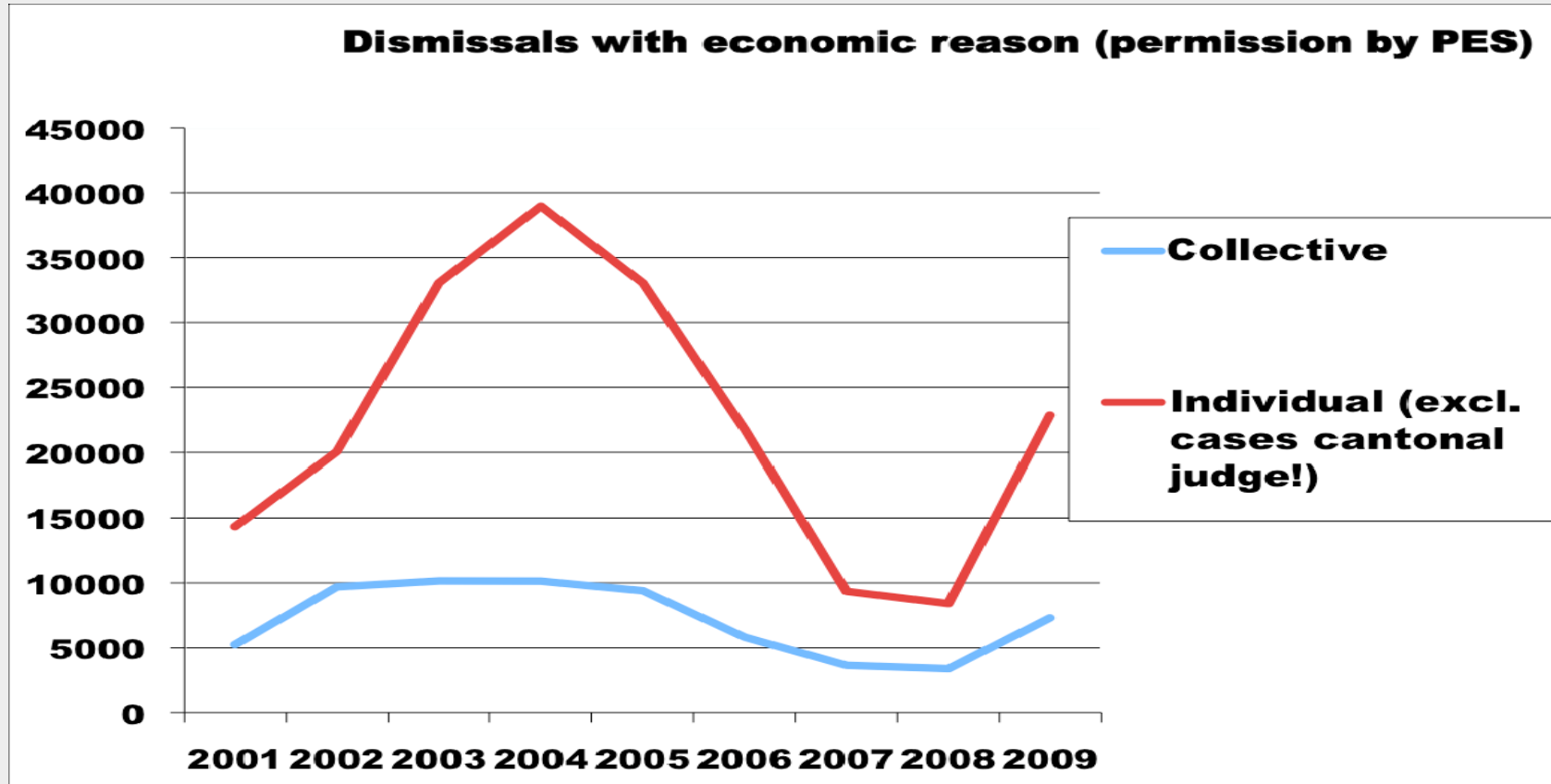
**Dr. Frank Tros, University of Amsterdam**

ALMP EU-2020 Congress, Antwerp, october 28th, 2010

## Focus/criteria restructuring and (good) job-to-job policies

1. Not just flexibility/mobility, but also security in employability/transition/employment
2. Early risk intervention and anticipating employability policies in case of restructuring
3. Involvement of workers' representatives and private parties and incentives for employers

<b>Anticipation</b>	<b>Prevention</b>	<b>Curative (Old' employer)</b>	<b>Curative (Unemployed)</b>
<p data-bbox="190 526 555 564">No concrete risks</p> <p data-bbox="190 795 427 832"><i>HRM / CLA</i></p>	<p data-bbox="696 526 1039 564">Threat dismissal</p> <p data-bbox="696 861 1173 1025"><i>Reorganisation/ Social plans Mobility centres</i></p>	<p data-bbox="1249 458 1585 677">In dismissal procedure Extended notice period</p> <p data-bbox="1249 836 1585 950"><i>Social plans Mobility Centres</i></p> <p data-bbox="1301 1164 1496 1189">Typ hier de footer</p>	<p data-bbox="1742 458 1980 551">No link with employer</p> <p data-bbox="1742 849 1989 962"><i>UWV (PES) Private org.</i></p> <p data-bbox="1957 1164 1989 1189">22</p>



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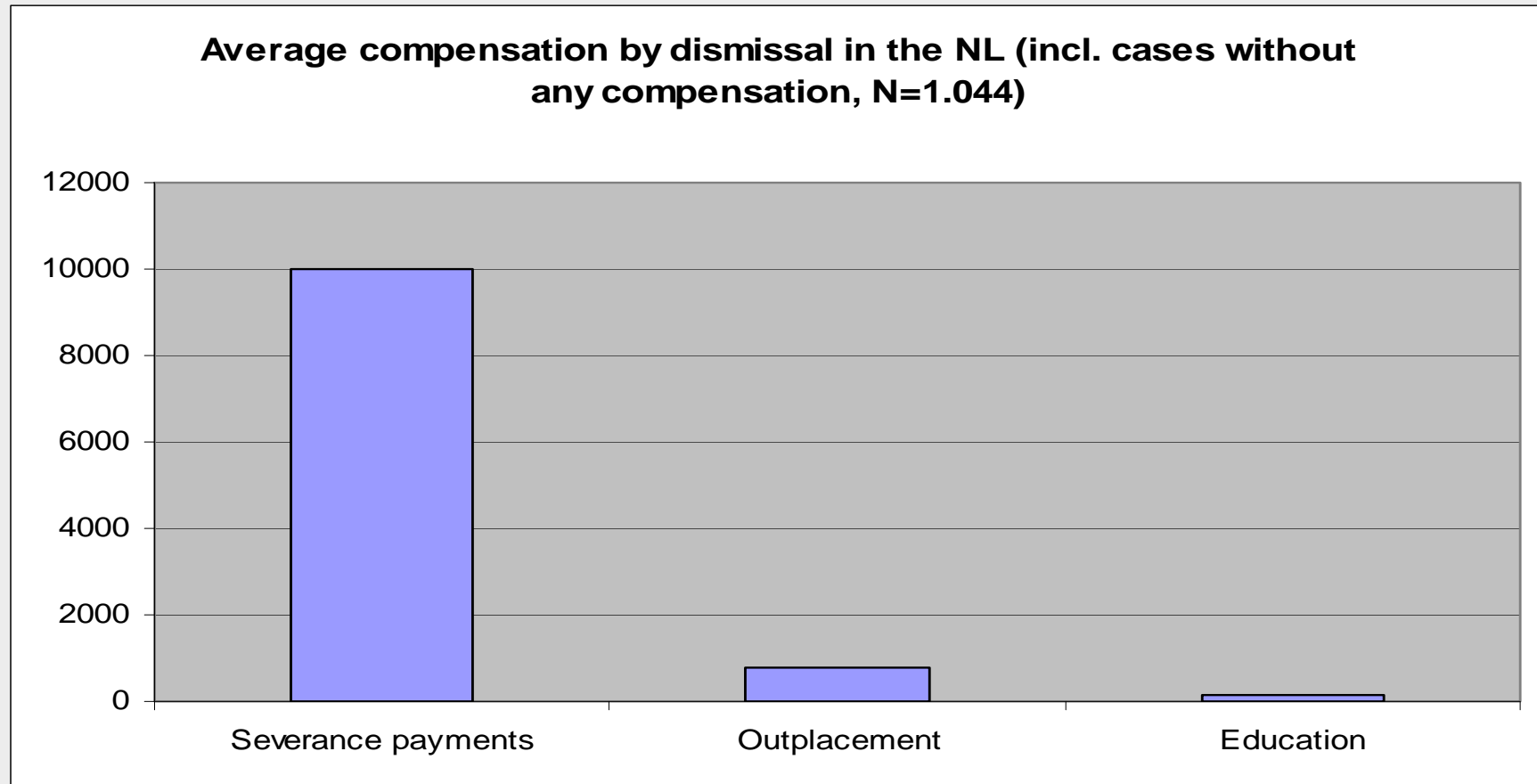
## Characteristics / collective dismissals in NL

- Unemployment rate: 5.6% (EU 9.5%)
- Strictness EPL collective dismissals: 3.00 (OECD avg 2.98)
- Permission system PES
- Selection individuals: reflection of age-composition work force
- Obligation to involve trade unions to negotiate about social plan

# Dismissal law in discussion

- High dismissal costs for employers (research HSI):  
25.000 E each case (coll + ind dismissals)  
3.5-4.0 billion E yearly on national level
- *Passive* character of these costs (see following slide)
- 28% of Dutch workers is flexible (excl. part-time)!  
Outside jobprotection; first victims of the crisis!





## Integrating dismissals with employability?

- A. Flexibilisation/deregulation dismissal law (*where is compensating security?*)
  
- B. Invest severance payments in employability
  - individual learning accounts
  - education and job-to-job facilities in social plans
  - severance pay depending on employability investments/labour market position
  - /C. Transition period: extension employment contract after dismissal till new job

**All not** (yet) solved in *Polder Model*: no consensus

## Dutch ALMP measures after financial crisis

- *Keeping people in their jobs*
  - Temporary working time reduction / Part time Unemployment Insurance Act (condition of training).
  - 90% stay employed, rather low training investments.
  - Introduction local Labour Mobility Centres
  
- *Facilitating work-to-work transitions*
  - Local projects Labour Mobility Centres to support job-to-job policies
  - Temporary 650 extra 'work coaches' PES
  - Retraining bonus, recognition-of-obtained-competences trajectory

# Labour Mobility Centres/‘work coaches’

- Top-down installation MC’s
  - Bottom-up inspiration (Automotive / sectoral initiatives)
  - Bottom-up functioning (33 local MC’s)
  
- Approach:
  - public-private networks at local level
  - Project-based ‘quick response service’ / more prevention
  - Fast outplacement trajects

## Some monitoring, but not really evaluation studies

- March 2009 – may 2010 (total PES, incl. ‘zelfredzamen’ ):
  - 18.000 preventive work-to-work placements
  - 141.000 placements withing 3 months after dismissal
  - Agreements with 1350 companies
  - Low use of retraining bonus and other education subsidies; difficulties companies with training condition parttime unemployment

## Towards activating social plans in case of collective dismissal and restructuring ?

- All social partners: 'priority for job-to-job policies'
- Permissive legislation: no judicial review of plans
- ½ of plans agree on extension period of notice for outplacement: average 9 months.
- 2/3 of social plans agree on educational budgets
- Employability paragraphs in CLA's (prevention)
- Bottlenecks: only 100+ companies; no trade-off between (high) severance payments and employability investments
- Growing employability paragraphs in CLA's (prevention)

## Case Internal Mobility Centre in prevention phase

- 4800 external job-to-job transitions in 4 years
- Coaching, training courses, education for inter sectoral mobility
- ‘Job-to-job trajects are 1/3 to 1/2 costs of dismissal procedure’
- CLA: guarantees on employment security depend on number of external placements
- ‘*Voluntary* mobility gives better motivation workers then during dismissal procedure’

## Case Internal Mobility Centre (following)

- Individual mobility budgets depending on seniority/age, also for finance salary-gaps (but extra budgets for training/education)
- Premium for early leavers
- Conditions in negotiating/consulting trade unions (trust!)
- Cooperation with PES and use of subsidies
  
- *This is a best-case. Estimation: 50% employers don't help dismissed towards new jobs!*



# Conclusions

- Overall NL: priority *job* security, if not severance payments
- High amounts of flexible workers outside protection
- *Policy* shift towards transition/employability security, but *not* widespread *practises*
- Interesting projects on *local level* (public-private, private)
- Risk of flexibilisation: lack of employability security (less incentives for employers to invest in it as prevention/compensation dismissals)
- Lack of good evaluation studies job-to-job policies

# Thanks for your attention!



Dank u wel!

Comments always welcome:

[F.H.Tros@uva.nl](mailto:F.H.Tros@uva.nl)

Frank Tros

