

The Netherlands: Quality of work and employment of low-qualified workers

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Observatory: EurWORK | Topic: | Labour market change,.
Published on: 07 July 2013.

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Based on the Netherlands Working Condition Survey (NEA, TNO) and the available literature, it seems that low-qualified workers experience more labour market problems than middle- or high-qualified workers. The trend in the 2000-2007 period is that the relative number of low qualified workers has decreased, but the total number of unemployed low qualified people has increased. In general, low-qualified workers appear to have less beneficial contractual relations and to make less use of training paid by the employer than higher qualified workers. There is some evidence of low qualified workers being unwilling to take up training opportunities. Public services, trade unions and companies are working together to train and educate low qualified workers. Special attention is given to young unemployed people with only basic educational levels.

This national contribution on low-qualified workers has been based on a questionnaire that has been made for all Member States plus Norway. For the purpose of this study, low qualified workers are defined as 'those whose education attainment level is less than upper secondary (i.e. less than ISCED 3)', or in other words who have only basic educational levels (ISCED 0-2), which is the conventional definition adopted when making comparisons across countries.

1. Definition and trends

1.1. The definition of 'low qualified workers' usually defined in the Netherlands.

Low qualified workers are usually defined as 'those whose education attainment level is less than upper secondary (i.e. less than ISCED 3)', or in other words who have only basic educational levels (ISCED 0-2). The definition in the Netherlands doesn't differ from the definition used in this study (source: Central Bureau of Statistics in the Netherlands, www.cbs.nl).

There is not really a debate about the definition used. Sometimes wages or occupation are used to define low qualified workers. For 'wages', the wage till 140% of the legal minimum wage of a fulltime employee is used (for part-time workers the minimum wage is proportional to the number of weekly hours worked). For 'occupation' the required (elementary) skills are the main criteria (Raad voor Werk en Inkomen, RWI www.rwi.nl).

A lot of low qualified workers work in manufacturing, in the building and construction industry, trade and transport sector. Manual craft work is a typical low qualified job.

1.2. The relative importance of low qualified workers in the workforce

The number of low qualified workers relative to the total workforce

The trend in the 2000-2007 period is that the number of low qualified workers relative to the total workforce and relative to the unemployed workforce appears to decrease.

Table 1 Number of low qualified workers relative to the workforce

	Total workforce			Employed workforce			Unemployed workforce		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
2000	28.5%	29.8%	26.4%	27.9%	29.5%	25.5%	42.9%	42.5%	43.0%
2006	25.2%	26.2%	21.5%	23.4%	25.7%	20.4%	37.1%	37.6%	37.0%

Source: CBS, Statline (www.cbs.nl)

Table 2 Number of low qualified workers (LQ) in the workforce x 1.000

	Total workforce			Employed workforce			Unemployed workforce		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
2000									
LQ	2,036	1,269	767	1,921	1,221	700	115	48	67
Total	7,154	4,252	2,903	6,885	4,139	2,746	268	113	156
2006									
LQ	1,797	1,100	697	1,646	1,030	616	151	71	81
Total	7,442	4,201	3,242	7,036	4,012	3,023	407	189	219

Source: CBS, Statline (www.cbs.nl)

The number of low qualified workers relative to the workforce in specific sectors

Of the low qualified younger workers (25-49 year) 21.4% is employed in the manufacturing industry and 18.8% in wholesale and retail (2007). The trend in the 2000-2007 period is that the relative number of low qualified workers in the manufacturing sector has decreased with 12%. In 2007 younger men are mainly employed in the manufacturing industry (27.9%) and younger women in wholesale and retail (22,7%) and health and social work (20.8%). Older low qualified workers (50-64 year) are mainly employed in manufacturing (18.1%), wholesale and trade (15.9%) and health and social work (14.4%). The trend in the 2000-2007 period is that the relative number of older low qualified workers in the manufacturing sector appears to lessen with 13%. The relative number of workers in health and social work increases with 8%. Older men mainly work in the manufacturing industry and women in health and social work. One of the reasons that more people work in the health and social work sector is the ageing of the population. One of the reasons that less people work in the manufacturing industry is outsourcing.

Table 3: The number of low qualified workers relative to the workforce in specific sectors

	Total		Men		Women	
	2000	2007	2000	2007	2000	2007
25-49	%	%	%	%	%	%
Agriculture and fishing	3.8	3.9	3.9	4.5	3.6	3.0
Mining	0.1	0.0	0.1	0.0	0.1	0.0
Manufacturing	24.2	21.4	30.4	27.0	14.7	13.3
Construction	10.4	10.9	15.7	16.9	2.1	2.4
Wholesale and retail trade	18.1	18.8	15.9	16.1	21.5	22.7
Hotels and restaurants	4.4	4.7	3.1	3.6	6.5	6.2
Transport, storage and communication	9.8	10.7	12.7	14.2	5.2	5.6
Finanical intermediation	1.8	1.6	1.2	0.9	2.7	2.7
Businiess activities	9.9	10.0	6.5	7.6	15.3	13.4
Public administration	4.5	3.8	4.6	3.4	4.5	4.3
Education	1.3	1.3	0.9	0.8	1.9	2.0
Health and social work	8.8	9.6	2.4	1.8	18.5	20.8

Other	3.0	3.4	2.7	3.2	3.4	3.7
50-64						
Agriculture and fishing	8.5	5.9	8.8	6.7	8.1	4.8
Mining	0.0	0.2	0.0	0.3	0.0	0.1
Manufacturing	20.7	18.1	28.4	25.9	10.0	9.0
Construction	8.0	9.7	12.6	16.5	1.7	1.7
Wholesale and retail trade	15.6	15.9	13.5	13.7	18.6	18.6
Hotels and restaurants	3.3	3.7	2.1	1.9	5.1	5.9
Transport, storage and communication	8.7	10.3	13.0	15.2	2.8	4.6
Financial intermediation	1.7	1.8	2.1	1.2	1.2	2.5
Business activities	8.0	8.1	5.5	5.8	11.4	10.9
Public administration	4.9	4.7	5.5	5.0	4.0	4.3
Education	3.1	2.7	2.4	1.8	4.1	3.9
Health and social work	13.3	14.4	3.1	2.4	27.5	28.5
Other	4.1	4.4	3.1	3.7	5.6	5.2

Source: EWCO

The main trends in the relative number of low qualified workers relative to the total workforce

The trend in the 2000-2007 period is that the relative number of low qualified workers decreased. The decline for younger workers (25-49 year) is 26% and for older workers 18% (50-64 year). The main reason is that younger people have more education opportunities (stimulated by the government).

The proportion of women and men among low qualified workers

The trend in the 2000-2007 period is that the relative number of low qualified workers decreased both for men and women. The relative proportion of young women (25-49 year) decreased with 29%, followed by the younger men with 22%, the older women (50-64 year) with 19% and the older men with 18%.

Table 4: Trends in relative number of low qualified workers by age and gender

25-49	2000	2001	2002	2003	2004	2005	2006	2007
Total	29.5	28.0	27.2	26.1	24.4	23.0	22.6	21.9
Men	28.4	26.9	26.4	25.3	23.7	22.4	22.7	22.1
Women	30.6	29.1	28.0	26.9	25.1	23.7	22.5	21.6
50-64								
Total	43.8	44.4	43.2	40.6	39.0	38.2	37.2	35.9
Men	34.2	35.6	34.1	31.8	30.3	29.4	29.0	28.2
Women	53.6	53.3	52.5	49.5	47.7	47.0	45.4	43.6

Source: EWCO

Since 2003, TNO Work and Employment has conducted the Netherlands Working Condition Survey (Nationale Enquête Arbeidsomstandigheden, NEA, www.tno.nl/nea) on Dutch employees. The NEA is a large scale annual survey on working conditions in Dutch employees (self-employed are excluded). In 2003 the first measurement among 10,000 employees was carried out by TNO. Since 2005 this survey is conducted every year. Since 2005 the NEA sample is more than 23,000 employees a year. Sampling was carried out by the Central Bureau of Statistics (CBS, www.cbs.nl). Since 2005 the CBS also provides background information on respondents, including information on nationality. This survey is used for answering the following questions.

1.3. Training opportunities of the low qualified in the Netherlands

Low qualified workers receive less training both at the workplace, and outside than middle and high qualified workers. In the last 2 years 42.8% of the low qualified workers received internal training paid by the employer, whereas this number equalled 56.9% of the middle qualified workers and 68.3% of the high qualified workers. In the last 2 years 31.6% of the low qualified workers received external training paid by employer, whereas this was true for 41.5% of the middle qualified workers and 56.5% of the high qualified workers.

There appears to be a difference in the promotional opportunities between low qualified and middle and high qualified workers. In the last 2 years 16.7% of the low qualified workers had an 'in company function shift' (20.6% of the middle qualified and 25.2% of the high qualified). In the last 2 years the function of 33.9% of the low qualified is broadened, 46.4% of the middle qualified and 51.5% of the high qualified (source: NEA, 2007).

1.4. Trends in the kinds of job and occupation of low qualified workers

The contractual relations appear to differ with qualifications. According to the NEA, low qualified workers less often have an open ended contract, but more often work with a temporary agency, or have irregular work as an 'on call' worker.

Table 5: Type of contract

Tenure of contract	Low qualified	Middle qualified	High qualified
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Permanent	78.1%	83.4%	86.3%
Temporary	13.8%	11.9%	11.9%
Irregular	5.3%	4.2%	1.6%
WSW	2.8%	0.5%	0.1%

Source: NEA

Note: WSW is a work programme for people who are not able to work in other jobs

Low qualified workers stay with the same employer for longer time period than middle and high qualified workers. Low qualified workers work with the same employer for 10.6 years on average, as for middle qualified workers this is 10.3 years and for high qualified workers 9.8 years on average. Low qualified workers also have the same function for a longer period of time. On average low qualified workers stay in the same function for 9.04 years on average, whereas middle qualified workers stay in the same function for 7.34 years and high qualified workers for 6.55 years on average.

Many low qualified workers work in the manufacturing and the building and construction industry, trade or transport sector. Manual craft work is a typical low qualified job.

2. Implementation of policies supporting low qualified workers

2.1. Targeting the low qualified who are unemployed

The comprehensive approach is implemented by local authorities and the social security agency UWV. Local authorities are responsible for the guidance of the unemployed who receive social security benefits, the unemployed who are not eligible for benefits (mainly the wives of breadwinners and young people) and those on a survivor's pension. The UWV is responsible for the comprehensive approach as it applies to unemployed people receiving unemployment benefits and/or a disability benefits.

The aim of the comprehensive approach is to prevent people joining the ranks of the long-term unemployed. The approach is based on European guidelines. The groups targeted in the comprehensive approach include people who have recently become unemployed and the long-term unemployed. The government's aim is to offer all unemployed people a place in a labor reintegration or social activation program before they are classified as long-term unemployed.

In the Netherlands all people who are newly registered as unemployed and who are not able to find work themselves are offered a place in a reintegration programme within twelve months. For those who do not qualify for paid work on the short term, this programme may involve or consist of social activation, which includes activities such as voluntary service, training courses, work placements, group activities and language-learning skills. A maximum period of six months applies to young people. Jobseekers who do not have an obligation to find work are offered a place if they request one (www.minszw.nl). These general policies do not contain measures.

Programmes for young unemployed people who recently left school

Youth Unemployment Task Force

In 2004 the Youth Unemployment Task Force (www.jeugdwerkloosheid.szw.nl) was established by the Ministries of Education, Culture and Science and of Social Affairs and Employment. The primary goal of the Task Force was to achieve 40,000 youth jobs for young unemployed people during the three years of its existence. Thanks to the efforts of the CWI (Centre for Work and Income), MKB Leerbanen (SME Apprenticeships), municipal authorities and other groups, The Task Force achieved its goal resulting in 44,000 youth jobs.

In 2004 there was also the start of a strategy to return unemployed youth to school or work within six months. The number of unemployed young people registered with the CWI has fallen from over 60,000 in March 2004 to below 30,000 in November 2006.

Second Chance Vocational Training program

Working together to help 13,000 unemployed young people with no basic skills to get qualifications, work experience and a paid job: that is the aim of the Second Chance Vocational Training program. It is a project run by the task force along with its partners: municipal authorities, CWI, ROC (Regional Training Centres), RMC (Early School-Leavers Regional Reporting and Coordination Centres), knowledge centres, employers' associations and trade unions.

In the context of the Second Chance Vocational Training program, a no-risk policy is offered to employers who take on young people without basic qualifications as apprentices. These employers are protected from financial risk if the young person reports sick during the apprenticeship.

The Ministry of Social Affairs and Employment has set aside €10 million for this purpose. The 35 municipal authorities have applied for a total of 13,000 no-risk policies under this arrangement.

For more information: see the enclosed Action Plan 2007 of the Task Force.

2.2 Opportunities for the low qualified to improve their qualifications

In the Netherlands the main public policies in place for providing training for low qualified workers to improve their qualifications are integrated in the comprehensive approach (2.1). Training and finding a job goes hand in hand. External legitimacy of prior learning is one way to create possibilities for low educated people to find the connection to formal training and learning programs. The government supports these initiatives.

Accreditation of prior learning (APL)

Competences include more than knowledge, skills and attitude. Therefore, competences not only include professional competences but social and personal competences as well. External legitimacy is the key requirement for recognition.

This implies that professional competences acquired by learning on the job, in a home setting or in voluntary work are in principle comparable to those acquired in formal learning situations. In view of the considerable advantages of APL for all parties, its broad implementation should be stimulated by an independent organisation. This was the reason for the establishment of a Knowledge Centre APL (www.kenniscentrumevc.nl). Especially for a large group of older employees and migrants, with no formal education but with a lot experience, insight in competences creates extra self confidence, and the accreditation of competences legitimizes their experience in a broader context. It gives the possibility for a (voluntary or involuntary) career transition.

Company policies to improve and recognise the qualifications of low qualified workers.

A lot of initiatives are accomplished by companies. It is impossible to mention all, because most of the initiatives are not registered and/or published. For the greater part initiatives are accomplished and developed with trade unions or local authorities.

Good practice: Supermarket Apprenticeship

The Youth Unemployment Task Force launched the Supermarket Apprenticeship program together with the Central Bureau for the Foodstuffs Trade, the CWI, KC Handel (knowledge centre for vocational training in the retail and wholesale trade sector) and the trade union FNV. Under this scheme, young people up to the age of 20 without a (preparatory secondary or senior secondary) vocational education qualification who are registered with the CWI are considered for an apprenticeship in a supermarket. The apprenticeship lasts for two years and leads to a level 2 (basic vocational training) senior secondary vocational education qualification. It started as a pilot project this year in Amsterdam, Delft, Leiden, Rotterdam and Sittard. So far, 73 young people have entered the program.

The supermarkets pay the costs of training. Six months before the end of the contract the young people start looking for job opportunities with the help of their school and the supermarket. Once they have completed their training, they can transfer to another supermarket, take an ordinary job in another sector, or study for a level 3 (vocational training) senior secondary vocational education qualification in the retail trade. The CWI acts as a mediator between young people and employers. KC Handel established the cooperative arrangements in the pilot municipalities, and has now taken over project management from the task force.

Financial data at company level

Data on the use of national/regional budgets, private companies, European Social Fund amounts are not available. One of the reasons is that most of the financial support is a so called 'open ended agreement' and companies and local policies are responsible themselves for finding budgets. Some examples of financial supports are income tax reduction and subsidies. For companies it is possible to get income tax reduction if employees are trained and educated. The new European ESF program 2007-2013 also has a budget for employers to qualify their employees.

3. Positions of the actors

3.1. Low qualified workers as main actors

Finding a job is a problem especially for the young low qualified worker. Upon closer examination we find that lack of education and experience isn't the main reason why employers prefer other applicants for a job (Hoogtanders & Van der Sluis, 2006).

The main reasons are:

1. motivation and behaviour of the young job seekers;
2. lack of work experience and skills;
3. limited training and educational counselling of the employer;

There is some evidence of low qualified workers being unwilling to take up training opportunities (TNO, 2005).

The main reasons are (ranked at random):

1. it is no use learning something
2. circumstances at home, shift work
3. no 'learning abilities'
4. bad experiences
5. lack of loyalty

No longitudinal surveys or specific studies are available which have been carried out on the 'life circle' of low qualified.

3.2. Social Partners' actions

Together with trade unions or employer and employee representatives the Dutch government has developed a lot of initiatives to stimulate the labour market opportunities of low qualified workers. Apart from this, companies take their own responsibility at company level either alone or together with governmental organisations and Trade Unions. Therefore it is difficult to make a distinction between 'social partners' actions' and 'general actions'. It is impossible to mention all the initiatives, so this will be a brief overview.

Collective Labour Agreements

A Collective Labour Agreement (CA) is concluded between one or more employers, one or more employers' organisations and one or more organisations of employees (usually trade unions). CAs can be concluded per sector or per company.

Yearly, the ministry of Social Affairs and Employment analyses (and reports to the Parliament) which different topics are part of the CAs. In 2007 the findings have been released of a recent major survey of 122 Collective Labour Agreements (CAs). The next 'employment-related' topics were part of these CAs (SZW, najaarsrapportage CAO-afspraken, 2007).

Agreements about work (experience) places

Of the 122 investigated CAs 54 have employment agreements (= 47% of the employees), of which 45 CAs specify target groups. However, low qualified workers are not defined as a target group.

Education and employability

Of the 122 investigated CAs 119 have 'educational agreements'. In 46 CAs obligatory education and in 19 CAs legal ground for education are parts of the education agreements.

Employability instruments sometimes specified to target groups.

Target groups	Number of CAs	% Employees
Age	48	31
Inadequately qualified	8	2
Differentiated by position	7	3
Differentiated by education	1	0
'Flex workers'	1	1
Inadequately qualified	30	35
- unemployed	14	14
- extra employment jobs	26	33
- regular intake	10	13
Total*	69 (of 122)	56

* Some CAs have more than one agreement.

Education and Developments funds

A lot of sectors have 'Education and Development funds' (E&D-funds) to facilitate employers and employees for individual education. Most of these E&D-funds are funded by employers' organisations and organisations of employees (usually trade unions) and are signed up in CAs. E&D-funds don't only facilitate financially, but also by developing educational projects, courses and training. All E&D-funds have HR-managers, who advice companies. In the Netherlands over 100 E&D-funds are available.

Good practice: Trade Unions working together for disabled young people

Trade Unions participate in the projects of The Youth Unemployment Task Force. For example, the Task Force, working with the youth wings of the CNV and FNV trade unions, held a special job fair in 2007 for young people with a disability that makes it hard for them to work. The purpose of these activities is to add a regional component to efforts to reduce youth unemployment, without differentiating between individual groups of young people (www.fnv.nl / www.cnv.nl).

4. Commentary

The trend in the 2000-2007 period is that the relative number of low qualified workers seems to decrease. The total number of unemployed low qualified people increase. The government, social partners and companies work together on an approach where work and learning goes hand in hand. Especially projects which combine work experience, education, training, counselling, knowledge of the local labour market, budget, etc. are successful. This approach, used by the Youth Unemployment Task Force, is a 'good practice' how youth unemployment can be controlled.

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