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DG Employment, Social Affairs and Inclusion

Peer Country Comments Paper – the Netherlands

The erosion of the Dutch Poldermodel

Peer Review on “The organisation, outcomes and effectiveness of social dialogue”
Belgium, 23-24 October 2018
Mutual Learning Programme

DG Employment, Social Affairs and Inclusion

Directorate-General for Employment, Social Affairs and Inclusion
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1 Introduction

This paper has been prepared for the Peer Review on “The organisation, outcomes and effectiveness of social dialogue” within the framework of the Mutual Learning Programme. It provides a comparative assessment of the policy example of the host country Belgium and the situation in the Netherlands.

2 Background to collective bargaining in the Netherlands

During the 1970s and early 1980s, the Dutch economy performed poorly compared to other European countries and the country was regarded as a typical example of ‘Eurosclerosis’. After the abandonment of the guided wage policy in the 1960s, and in the wake of two oil crises, the country suffered from a vicious circle of low growth, high unemployment and non-employment, considerable wage increases, a high tax burden and high non-wage labour costs, this despite the revenue of the exploitation of natural gas reserves in the north of the country and the North Sea.

At the time, this viscosity was primarily attributed to the paralyzing effect of the social dialogue institutions of the country: the bipartite Foundation of Labour (Stichting van de Arbeid or Star) and the tripartite Socioeconomic Council (Sociaal Economische Raad or SER) that were blamed for failing to generate a commitment for necessary crisis management (Therborn, 1986). During the 1980s, however, a surprising turn took place and these very same institutions started to be praised for an exemplary cooperation between employers, trade unions and the government to tackle socioeconomic issues (Visser & Hemerijck, 1997). The Dutch consultative institutions came to be acclaimed as the ‘poldermodel’ (Delsen, 2002). The term serves as a metaphor for a community that must resist the rapid rising waters. Just like the dykes make it possible for a polder to exist in the first place, the consultative institutions are seen as a dyke that improves the market’s efficiency and the formation of trust, while at the same time reducing uncertainty and transaction costs (van Waarden, 1995). The system of collective wage agreements at industry level has been claimed to be more ‘market conforming’ than purely voluntaristic liberal systems, because it allows for wage settlements to be more responsive to changing economic conditions than fully decentralised wage bargaining (Teulings & Hartog, 1998). This kind of argument ran counter the findings of the widely cited hump-shaped curve model that Calmfors & Driffill published a decade earlier, which stated that there is a direct relationship between the centralisation of collective bargaining and the level of unemployment. This relationship is roughly that of an ‘inverted U’: as the degree of centralisation of trade unions increases from nil, unemployment increases, and then falls when centralised unions begin to exercise monopoly power. (Calmfors & Driffill, 1988).

2.1 The key actors in the social dialogue

2.1.1 Trade unions

While during the late 1970s one in three employees was affiliated to a trade union, this has declined to one out of six. Currently there are about 1.73 million trade union members for an active labour force of about 8.7 million. There are three major union confederations in the country: the FNV (that was created in 1982 by the merger of the Catholic KNV and the socialist NVV) has about 1.1 million members; the Calvinist CNV has about 0.26 million members; while the VCP (that represents the interests of professional and managerial staff) has about 0.15 million members. In addition, there are several enterprise-based or occupational unions, not affiliated to any confederation, that all together have about 0.22 million members.

2.1.2 Employers’ associations

On the employers’ side there is one federation: the VNO-NCW that came about after a merger in 1996 of the liberal VNO and the Christian NCW. Membership of this central organisation consists both of companies and of lower-level employer organisations, often organised at the industry level. The AWVN, an employers’ association affiliated to VNO-NCW, places an important role in collective bargaining (through its involvement in
two thirds of the collective wage agreements), either by negotiating directly on behalf of employers and employers’ associations, or by giving advice.

In addition, there is an association for small and medium sized enterprises (MKB Nederland) and an association for employers in the agricultural industry (LTO). VNO-NCW has about 160 branch organisations as members that organise 115,000 employers and cover nearly all large companies and 80 per cent of smaller enterprises. MKB Nederland is organised in about 135 branch organisations and 250 regional and local associations to which about 186,000 employers are associated.

2.1.3 Bipartite and tripartite institutional actors

At the national level, social dialogue takes place within the Star and the SER. The Star is a bi-partite institution established in 1945 under private law and is the main forum where trade union federations and the national employers’ associations meet to negotiate wages and discuss employment policies. It forms the main meeting place for concluding social pacts such as the renowned Wassenaar Agreement of 1982\(^1\). Twice a year the foundation meets with representatives of the government to give advice on legislative initiatives. Even though the Foundation has no statutory competences and the outcomes of its negotiations are not legally binding, it is considered to have a profound influence on public policymaking in general and on lower level collective agreement negotiations (Delsen, 2000).

The SER is a tripartite institution established under public law in 1950. It consists of an equal number of representatives of employers’ associations, trade unions and experts appointed by the government (these experts usually are professors of economics and always also include the president of the Dutch National Bank (DNB) and the director of the Bureau for Economic Policy Analysis (CBP). The SER advises the government and the parliament on major social and economic policies.

2.2 The system of collective bargaining

The Dutch system of collective bargaining is governed by two key laws on collective agreements: the 1927 Law on Collective Wage Agreements (Wet op de collectieve arbeidsovereenkomst) that makes an agreement binding for all workers in a firm\(^2\); and the 1937 Law on the Mandatory Extension of Collective Agreements (Wet tot het algemeen verbindend en het onverbindend verklaren van bepalingen van collectieve arbeidsovereenkomsten) that allows the Minister of Social Affairs to extend a collective wage agreement to the entire industry if the agreement covers a ‘substantial majority’\(^3\). As a result of this system of administrative extension, collective bargaining coverage in the Netherlands is high. During the past four decades it has fluctuated between 75 and 95 per cent. About nine out of ten wage agreements are concluded at the industry-wide level, with enterprise-based agreements covering about 10 per cent of wage earners with a collective wage agreement. The latter are primarily large multinational companies or companies with a mixed or hard-to-categorise industry profile. At the bargaining table, the most common situation is the presence of FNV and CNV unions jointly negotiating an agreement; about a third of the agreements are negotiated by the three confederations together and about 10 per cent only by the largest confederation (the FNV). Formally anyone can start a union and propose an employer to initiate negotiations. The employer is free to honour or ignore such a request. Employers can choose to negotiate with one union only, and can also use different channels, such as works councils. There are no statutory rules on representation or for the process of

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\(^1\) This is an agreement reached in 1982 between employers’ organisations and the main trade union confederations that sought to exchange wage restraint in return for the adoption of policies to combat unemployment and inflation (such as a modest reduction of the weekly working time and a facilitation of part time employment).

\(^2\) Formally, it is possible to negotiate in the agreement that contract terms only apply to union members, but, if so, this cannot be exclusively for a particular union: they should apply to members of any union.

\(^3\) To get extension, at least one of the parties that signed an agreement must send a request to the Ministry which, after checking some formal criteria, publishes the request to allow other parties to raise objections. Formally, the Ministry is obliged to ask the Wage Committee of the Foundation of Labour (Stichting van de Arbeid, see paragraph on main actors) for advice. In practice, advice is only asked when objections are raised.
bargaining (Teulings & Hartogh, 1998). In this respect, the Dutch system appears to be less formalised and juridified than the one in Belgium.

Parallel to collective wage bargaining, the Netherlands also know an important system of collective bargaining for second pillar pensions. Like with wage agreements, pension agreements tend to be primarily negotiated at the industry level and are almost invariably subject to administrative extension by the Government. This explains the uniquely high coverage of occupational pensions in the Netherlands: in 2004 around 9 out of 10 wage earners participated in an occupational pension plan (De Deken, 2017). As we will argue, pension bargaining is one of the last remaining bastions of the poldermodel.

3 Outcomes of collective bargaining

3.1 Bargaining coverage

Since the 1970s, the coverage rate has been stable at 80 per cent or higher with the overall majority of wage earners covered by an industry level agreement (Figure 1).

Figure 1. Coverage rate of collective agreements (% all wage earners) 1980-2017.


Since 2010, though, the coverage rate appears to be gradually eroding. In addition, one must bear in mind that since the 1990s, the number of (bogus) self-employed workers has been steadily rising (see below), at present making up some 12 per cent of the active labour force and falling outside the scope of the collective bargaining system. Nevertheless, the relative stability of the coverage rate is somewhat surprising in view of the steady decline of trade union density since the 1970s (Figure 2).

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4 This so-called verplichtstelling-procedure is comparable to the practice of administratively extending (algemeen verbindend verklaaren) collective wage agreements, typical of the Dutch industrial relations system (the main difference being that collective agreements are renegotiated at the latest after five years, whereas pension agreements have a much longer period of application).
Figure 2. The development of the absolute number of trade union members (left axis) and of the union density rate (right axis) 1975-2017.

Source: CBS Statline and OECD; author’s calculations.

The absolute number of members has remained relatively stable and even increased a bit during the 1990s. Hence the decline appears to be the consequence of the fact that employment growth of the 1990s was driven by a shift from manufacturing towards (private) services and led to the proliferation of non-standard forms of employment (see below).

3.2 Coordination of Wage Bargaining

During the 1980s, wage coordinators of VNO-NCW and FNV coordinated wage policies through the influential Wage Committee in the Star (Visser & Hemerijck, 1997). Even though during the 1990s the employers abandoned this practice, the unions, in particular the FNV, continued to coordinate wage bargaining by determining a so-called ‘maximum wage demand’ on an annual basis, composed roughly of productivity and inflation. The FNV’s maximum wage demand and the collectively bargained wage level coincided for years, and it is only after the FNV abandoned this practice and started to demand a ‘fair wage’ that the wage levels started to deviate from one another (Figure 3).
One of the reasons why the FNV increasingly has difficulties to get through its wage demands is, that during the past five years, employers concluded several industry agreements (e.g. retail, hospitality and even public services) without the FNV (the country’s largest union with the most bargaining power) but with the smaller rather tame Calvinist CNV and even smaller unions. According to the employers’ association AWVN, some 30 per cent of collective agreements (measured in terms of the number of employees covered) are currently concluded without the FNV (Het Financiële Dagblad 1.03.2018).

It is often claimed that underneath the relatively stable bargaining coverage, the nature of bargaining has changed significantly by shifting the locus from the industry-wide to the company level. There is some evidence for divergent wage developments between industries, in that the coefficient of variation of industry-level pay has increased during the past decades (Figure 4).

**Figure 3. Wage increase demands by the FNV and actual wage increases 1994-2017.**

![Figure 3](image)

*Source: de Beer and Keune, 2017.*

There has been an increasing number of industry-level agreements, with clauses that allow companies to deviate from the conditions in the collective agreement if the works council gives its consent. It is hard to get precise information on this, but a study of the Ministry of Social Affairs in 2014 reported that almost half of industry agreements only
set a minimum standard, and left the setting of the effective wage levels to actors within the company such as the works council or even individual employees (Ameele & Schaeps, 2014: 5).

### 3.3 Strike activity

The Dutch consensual model leads to a comparatively low strike activity. Hence the number of strike days has always been much lower than in Belgium (Figure 5. and Figure 3. in Host Country Discussion Paper). The low strike activity is not only a consequence of the social dialogue, but also because of labour regulation that until recently allowed courts to impose severe restrictions on striking activities.

What in other countries is a fundamental right, in the Netherlands depends upon the interpretation by the courts. The right to strike and the right to take part in collective action still do not appear in Dutch legislation or the Dutch Constitution. They are based solely on judicial case-law. A judge can prohibit a strike. That case-law approach has been criticised by the European Committee of Social Rights that oversees compliance with the European Social Charter on the ground that this allowed the judge to exercise the trade unions’ prerogative of deciding whether a strike was necessary.

If a judge has declared a strike illegal, an employee that continues to strike can be fired immediately.

A significant change took place in 2015 following a judgement by the Dutch Supreme Court. The Court found that case-law had to conform to the European Social Charter and case-law no longer can introduce other limitations than those listed in the Social Charter.

*Figure 5. Strike days 1982-2017.*

Source: CBS Statline.

### 3.4 Wage Moderation and Wage Share

With the Wassenaar agreement of 1982, the Netherlands pioneered internal devaluation long before the European Monetary Union (in part because its currency was already pegged to the Deutschmark). Wage increases negotiated in collective agreements have been consistently below productivity increases. Effective wages did increase by some

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5 Except for one outlier in 1995 when the unions in the construction industry launched a massive strike, through which they questioned the wage moderation policies pursued since the Wassenaar Agreement, and demanded significant pay rises.

6 The restrictions included such conditions as for instance that a strike had to be preceded by a sufficient notice period or could be triggered only as a last resort if a resolution has not been reached through collective bargaining. Blockades at the gate obstructing non-strikers to work are illegal, as are plant occupations and factory sit-ins. The courts also prohibit strikes that may fundamentally disrupt social life. As the right to strike derives directly from the European Social Charter, the Dutch Supreme Court considered within the scope of the Charter the case of strikes to pressure the government pertaining to labour-related issues, which are usually subject to negotiation between unions and employers, even though the employer may not be able to influence the decision of the government. An illustrative example, in this respect was a recent ruling of the Court of Appeal about the adjournment of the pension age by the legislator. The court ruled that as this impacts on the bargaining position of the unions, striking to put pressure upon the government did in this context fall within the scope of the Charter.
30 per cent since 1982, but this is only half of the increase in productivity of 60 per cent during that period (Figure 6).

**Figure 6. The development of productivity (with GDP deflator); negotiated and effective wages (with CPI deflator) between 1970 and 2016**

![Graph showing productivity and wages](image)

*Source: data from de Beer, Been & Salverda, 2017 (reorganised by the author).*

And even though the labour share appears to have remained relatively stable during that same period, the wage share continually went down from 59 per cent in 1975 to 48 per cent in 2016 (Figure 7).

**Figure 7. The development of the labour share and the wage share 1969-2016**

![Graph showing labour and wage shares](image)

*Source: Calculations based on CBS data by Paul de Beer AIAS*

Hence it is does not come as a surprise that in the Host Country Discussion Paper, the Netherlands ‘outperformed’ Belgium in terms of wage moderation, until the moment some wage drift started to occur in terms of effective wages compared to bargained wages. In any case, with the rise of (bogus) self-employment (see below), correctly assessing the labour share becomes increasingly difficult and the usefulness of the indicator can be questioned (van Bavel, 2016).

### 3.5 GDP Growth and Employment Growth

In Figure 4 of the Host Country Discussion Paper, the Netherlands performed well in GDP growth prior to the 2008 financial crisis, and became a laggard afterwards. This is not surprising as part of the apparent good performance in the early years was a
consequence of attenuating the purchasing power effects of a prolonged period of wage moderation with a policy of ‘privatised Keynesianism’ (Crouch, 2009; Becker, 2001). This led to a spiralling private debt (primarily in the form of interest-only mortgages). After the 2008 financial crisis this kind of ‘mortgage Keynesianism’ became no longer sustainable as a strategy to compensate for wage moderation. Throughout most often extended period of wage moderation, net take home pay was also stabilised via the financialisation of the earnings-related part of the retirement provision. In the wake of the stock market boom of the 1990s, generous pensions could be promised on the basis of low contribution rates, minimising non-wage labour costs (De Deken, 2018). But two financial crises (2000 and 2008) again dramatically changed this picture, and the funded nature of occupational pensions now operates more as a burden hollowing out purchasing power. Another way through which wage moderation did not lead to an excessive repression of domestic demand (and hence could have negatively affected economic growth), is that it coincided with the late entry of women in the Dutch labour market. Up to the 1980s, the Netherlands had one of the lowest female labour force participation rates in the OECD. Two decades later it scores well above the EU average, though in full time equivalent employment it remains a laggard (because most women entered the labour market only on a part-time basis). Nevertheless, the move from a single breadwinner model to a one-and-a-half breadwinner model allowed for a stabilisation of purchasing power during an era of protracted wage moderation. Wage moderation and flexibilisation of labour markets might indeed have created lots of new jobs. But some have argued that this happened at the expense of labour productivity growth (Kleinknecht et al., 2006). The Dutch welfare state has been able to partly mask this stagnation in productivity by making widespread use of the working age benefit system to oust less productive members of the labour force, in particular through its work incapacity scheme, that until recently was massively used for labour shedding and to hide the true extent of unemployment (De Deken & Clasen, 2011). Nevertheless, the Dutch experience demonstrates that it can be possible to compensate the negative effects of wage moderation by a policy of facilitating female labour force participation; this should not be in the form of part-time, unproductive and precarious jobs, however.

3.6 Insecurity and precariousness

Since the Wassenaar Agreement, the Netherlands have been pursuing a policy of flexibilisation of the labour market. This lead to a dramatic increase in part time employment and various forms of temporary employment and other flexible work arrangements (Table 1). The transition from temporary work to permanent contracts became increasingly difficult: if during the late 1990s, some 43 per cent of employees with a fixed-term contract still made this transition, by 2013 this percentage was down to a mere 12 per cent (Dijk at al., 2018).

Table 1. Share of Flexible Employment Relationships (x 1000) 2005-2016

<table>
<thead>
<tr>
<th>Employees</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>2014</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>with permanent contract</td>
<td>5626</td>
<td>5565</td>
<td>5559</td>
<td>4978</td>
<td>4959</td>
</tr>
<tr>
<td>with a flexible arrangement</td>
<td>1137</td>
<td>1455</td>
<td>1575</td>
<td>1882</td>
<td>2120</td>
</tr>
<tr>
<td>temporary prospect of permanent</td>
<td>158</td>
<td>227</td>
<td>232</td>
<td>230</td>
<td>291</td>
</tr>
<tr>
<td>temporary &gt;= 1 year</td>
<td>116</td>
<td>140</td>
<td>165</td>
<td>198</td>
<td>179</td>
</tr>
<tr>
<td>temporary &lt; 1 year</td>
<td>164</td>
<td>190</td>
<td>200</td>
<td>167</td>
<td>188</td>
</tr>
</tbody>
</table>

7 More than 70 per cent of employees with a part time contract are female, and more than 74 per cent of women only work part-time.

8 Even though the policy of introduction of more stringent criteria for work incapacity for middle aged and older workers (WAO and WIA scheme) and attempts to re-integrate them into the labour market via show some success (though the Netherlands still has a work incapacity rate of 2 or 3 times that found in other countries), there has been a surge in work incapacity amongst younger labour market entrants (Wajong scheme).
On average, employees working under flexible contracts or (bogus) self-employed tend to have a lower income than those with a standard employment contract. According to the estimates of the CBS, this gap can be up to 30 per cent.\(^9\) And even though part of the difference can be explained by the fact that flex workers are younger, tend to be more employed in the services industry, work less hours\(^9\), part of the explanation also lies in the contract itself (Boumans & Keune, 2018).

Self-employed workers also earn on average far less than those with a permanent employment contract. Moreover, one must bear in mind that the income distribution among the self-employed is far more unequal than among employees, with poorest (bogus) self-employed being much poorer than the poorest employees (Ministry of Finance, 2015).

### 4 Trends in collective bargaining

The previous sections of this report already discussed some of the trends in collective bargaining. In this section we will focus on the discussion highlighting a series of broader trends.

Despite apparent institutional stability, most notably the continued high coverage rate of collective wage bargaining masks a simmering gradual change that may ultimately end up radically changing the celebrated poldermodel. At the macro level one can observe a form of, what Wolfgang Streeck and Kathleen Thelen have termed, ‘institutional drift’ that the major institutions of social dialogue are undergoing (Streeck & Thelen, 2005). Even though the SER and the Star continue to produce a series of reports and advice, their effective influence on policy making appears to wear down (de Beer & Keune, 2018). This is in part a consequence of the fact that in the past years, the social partners were increasingly in fundamental disagreement on such topics as the reform of the dismissal system, the flexibilisation of the labour market or pension reforms. The past years, the SER only issued unanimous advice on areas that are not really part of its key competences (such as energy, housing or health care). This has led to a shift in that the government now increasingly seeks to implement reforms with

\(^9\) In 2015: the average gross income for an employee with an open-ended contract was €50,800; for an employee with a temporary contract with the prospect of tenure it was €35,800, for temporary agency workers it was €24,100, and for other temporary workers it was €23,400. On call employees on average earned a mere €9,300, (i.e. less than a fifth of permanent workers) (Boumans & Keune, 2018).
the consent of the social partners (in particular the unions, as the employers remain an ally of the neoliberal ‘reform’ programme of successive governments).

There is also ample evidence of what Streeck and Thelen have labelled ‘layering’, such as the decentralisation of collective agreements and ‘exhaustion’ (e.g. the use of flexible employment contracts, in particular bogus self employment), to circumvent statutory social protection).

One can also observe a disruption of the power balance in the system of industrial relations: the massive exit from standard employment relations; a shift from labour market and other social risks from employers to employees (e.g. changes in the organisation of occupational pensions); the conclusion of collective agreements that exclude the largest trade union federation.

The driving forces of these trends include the structural change from a Fordist to a post-Fordist economy: globalisation, technological change and the rise of neo-liberalism - external factors which are not unique to the Netherlands. There are a series of internal factors and home-made problems, however, including the declining trade union density; tensions within the trade unions (e.g. the conflict within the largest federation over increasing the retirement age); and even tensions within the employers’ associations (e.g. between multinational corporations and small and medium-sized employers). In general, the social partners appear to be losing their capacity to discipline their members (de Beer & Keune, 2018). The model of compensating internal devaluation and the adverse effects of persisting wage restraint with a form of privatised Keynesianism, based on a housing bubble and massive mortgage debt, also seems to have reached its limits with the 2008 financial crisis (even if the recent recovery of the Dutch economy appears to be in part fuelled by a new housing bubble). Finally, an important difference between the Netherlands and Belgium lies in the organisation of its pension system. The fully funded nature of the earnings-related part of their retirement provision, makes Dutch wage earners accomplices in the process of financialisation, that has rendered workers and their political representatives confused about their objective interests, turning them unintentionally into stakeholders of global finance, and encouraging them to pursue the same goals as activist investors (De Deken, 2018b). The polder model has facilitated ‘universal financialisation’ (Belfrage, 2008; De Deken, 2018a) and makes it harder for trade unions to defend workers’ interests. It effectively has persuaded Dutch labour to take over the risks and responsibilities of their employers and adjust their retirement expectations to defend the ‘competitiveness’ of their employers (a similar broader point is made by Streeck, 2008).
5 Questions

- Belgium scores very high on coordination and centralisation of collective bargaining (Figure), but to what extent is there a divergence between collectively bargained wages and real wages (are the real wages higher – like in the Netherlands because of the possibility for actors within the company such as the works council or even individual employees to negotiate additional compensation, or lower as in Germany because possibilities to opt out). How is the social dialogue impacted by the process of devolution of government?

- To what extent do the social partners continue to be national actors and how do these actors deal with a policy making that has been partly transferred to the level of regions?

- Was the development of the labour share in Belgium really that similar as in France, Luxemburg, Austria, Germany and the Netherlands (Figure 6.) Are there no data on for Belgium on its own?

- Do the real wage costs in Figure 5 take into account the ample fringe benefits that are part of the wage package in Belgium (company car, group insurances etc.)?

- What are the strategies of the social partners vis-à-vis the rise of flexible and precarious forms of employment (the report only discusses part-tie employment)?

- Are there measures being discussed to facilitate the move from part-time to full time employment for women?
6 List of references


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Annex 1 Summary table

The main points covered by the paper are summarised below.

**Background to collective bargaining in Netherlands**

- Extension procedures lead to very high coverage with comparatively low trade union density and high degree of organisation on employers’ side
- Most workers covered by industry-wide collective agreements
- Industry-level collective agreements embedded in bipartite (Star) and tripartite (SER) nationwide forms of social dialogue
- *Poldermodel* from ‘sick man of Europe’ to employment ‘miracle’?
- Occupational collectively bargained pension system as last bastion of *poldermodel*

**Outcomes of collective bargaining**

- High and relatively stable coverage rate
- Increase of clauses allowing companies to deviate from the conditions agreed in the collective agreement (effective wage setting by company level actors and individuals)
- Since 2010 contractual wage increases lower than wage demands and Increased variation of contractual wage increases by sector
- Above average female labour force participation, but still well behind in FTEs. Continued legacy of labour shedding through work incapacity scheme
- Declining wage share; effective wage increases lower than productivity increases; contractual wage increases lower than effective wage increases
- Compensation of purchasing power losses due to prolonged period of wage moderation through transition from single breadwinner model to one and-a-half earner model; ‘mortgage Keynesianism’ and financialisation of earnings related pensions’.

**Trends in collective bargaining**

- Trade union density decline might reach critical low point
- Widespread de-standardisation of employment relationship: massive increase in flexible potentially precarious employment relationships (that are not or less covered by collective bargaining) (in particular bogus self-employment) is used by employers to circumvent what is agreed in social dialogue
- Largest trade unions increasingly excluded from collective wage agreements
- Increasingly unequal power relations between the two social partners
- Displacement of social partners by the state
- Financialisation, in particular funded nature of occupational pensions, confuses trade unions about their objective interests

**Questions**
• Belgium scores very high on coordination and centralisation of collective bargaining (Figure), but to what extent is there a divergence between collectively bargained wages and real wages (are the real wages higher – like in the Netherlands because of the possibility for to actors within the company such as the works council or even individual employees to negotiate additional compensation, or lower as in Germany because possibilities to opt out). How is the social dialogue impacted by the process of devolution of government?

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