



# **Mutual Learning Programme**

DG Employment, Social Affairs and Inclusion

**Host Country Discussion Paper – the Netherlands**

## **Towards an inclusive labour market: ambitions of the Dutch Public Employment Service**

**Peer Review on “Employer service delivery”**

**26-28 October 2020**

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## **Executive summary**

In the Netherlands, income and re-integration support is decentralised to 35 labour market regions. In these labour market regions Dutch Public Employment Service (PES) cooperates with municipalities, employers, schools, temporary agencies, and others in order to help unemployed find a job. A Jobs Agreement requires the creation of 125 000 additional jobs for people who have an incapacity for work. Dutch PES provides re-integration support for people who receive unemployment benefits and people who have disability benefits. These groups consist of a wide range of different people, each needing to face different obstacles when searching for and transitioning to a job. PES has a range of instruments that support employers when hiring people with a work incapacity or long-term (older) unemployed. The key question is, however, how to further the cooperation between PES and employers, with the aim of increasing the number of employers that actually hire from target groups.

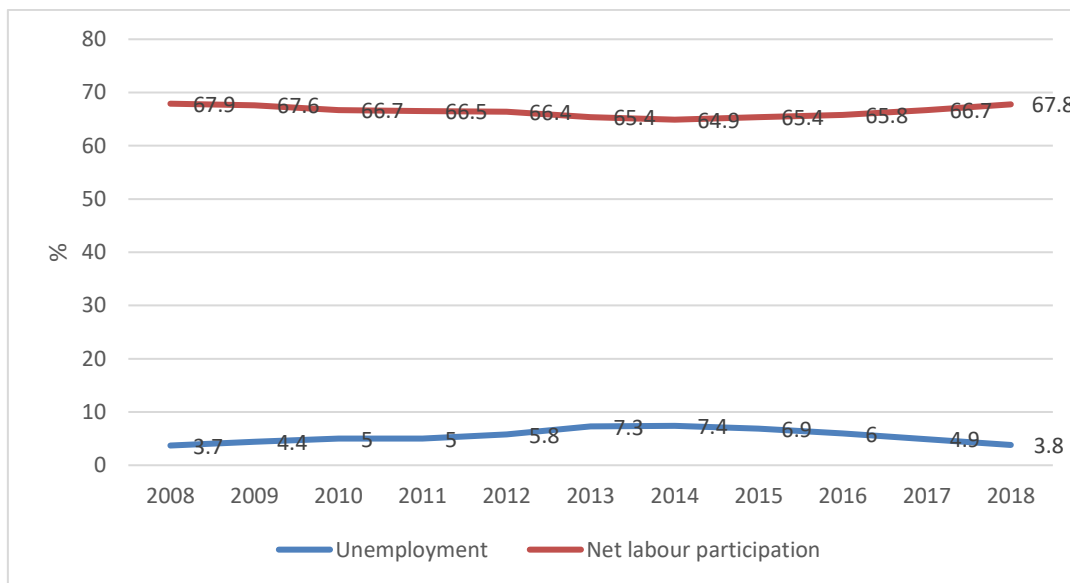
Sub questions include the (proactive) role of PES in reaching and facilitating employers and how to maintain future success, for instance when placing people with more complex challenges into jobs. Moreover, how may PES improve its services? Which instruments have the largest impact? How to improve the information employers have on the range of instruments that PES may use to support them? Lastly, questions concern how PES may facilitate the transition into sustainable jobs and prevent that people fall back into unemployment after a while.

## 1 Rationale for the introduction of services for employers

### 1.1 Labour market context

The Dutch labour market is currently very tight. Unemployment is low and the net labour participation rate is high (See Figure 1). During 2019 a record was set. For the first time more than 9 million employed people were registered, equalling a net labour participation rate of almost 69 percent (CBS, 2020). This rate is defined as the part of the age group of 15-75 years who have a paid job and excludes those who are unemployed and inactive. The tightness of the Dutch labour market is also visible when comparing the number of vacancies to the number of unemployed people. In the third quarter of 2019, there were approximately 90 vacancies for each 100 unemployed people, while the total number of vacancies increased slightly to 288 thousand (CBS, 2019).

Figure 1. Unemployment and net labour participation rate in the Netherlands (2008-2018 in percentages; age group 15-75 years)



SOURCE: STATISTICS NETHERLANDS

The Dutch labour market has some main characteristics that may also have an effect on the job opportunities for people who are distant from the labour market. The amount of part-time jobs is high (almost 50% of the employed work force), as is temporary employment and self-employment (amounting to 30% in 2018) (CBS 2020b; compare Borstlap 2020; Bekker et al. 2017; Cremers et al. 2017). On the one hand, flexible jobs might facilitate the access to employment, as employers have opportunities to hire people temporarily and thus have a large probation period to check whether the person fits the organisation. On the other hand, flexible jobs may lead to frequent and forced transitions to new jobs, with higher chances of becoming (repeatedly) unemployed (Bekker and van Deurzen 2019). In addition, both part-time employment, self-employment and temporary work may mean lower income, for instance because of low working hours per week or because of the wage penalty which is attached to working on a temporary basis (CBS 2020a). In the Netherlands, the hourly wage of employees with a temporary employment contract is 48% less than the hourly wage of people with an open-ended employment contract. Much of this 48% difference is explained by age and education level, however, 7 percent of the hourly wage difference is unexplained for (CBS 2020). Especially low skilled groups have a high chance of being in precarious employment (SPC 2015). Moreover, being in flexible employment for longer relates to lower reported health by young men (Van Deurzen and Bekker 2019), although people in employment (regardless the type of employment contract) feel healthier than unemployed (90% vs 76% stating to have good or excellent health) (CBS 2020d). The

wide incidence of flexible jobs influences the type of jobs that are available to benefit recipients, in terms of the height of salary and the stability of jobs (job security). This impacts also their likelihood of falling back into unemployment. For instance, people who have had a work incapacity as from a young age, tend to flow especially in part-time or fixed-term jobs (Kok et al 2018; Berenschot 2019).

Whilst there is a shortage of labour, the labour reserve is high as well. There are a number of people who would like to work or would want to increase their working hours per week. CBS (2018) distinguishes four different groups which could provide extra labour: unemployed (in 2018, 396 000 people), 253 000 people who are immediately available for a job, yet who have not actively searched in the past weeks; 151 000 people who were not immediately available to start a job, yet did search for one; and 402 000 part-time workers who would like to increase their working hours per week (CBS, 2018). Viewing the tight labour market, the conditions seem perfect for jobseekers to flow into a job. However, it is not always easy to make a good and quick match between labour demand and supply.

The Dutch government singles out a number of reasons for a mismatch (Ministry of Social Affairs and Employment, 2018):

- Companies and job seekers are unable to find each other (information mismatch);
- Starting to work and working more hours is unattractive to people, and transferring to another profession or another economic sector is not attractive enough;
- The skills and competencies of job seekers do not match with the skills that employers need;
- Employers and job seekers do not always operate within the same geographical area.

Finding a job is challenging especially for certain target groups (See next section).

## **1.2 Legal context and target groups**

In order to specify the questions for the peer review and the particular target groups involved, this section outlines the legal context and structure of re-integration and income support in the Netherlands. The Dutch social policy includes generic policies, which hardly ever define clear target groups, such as older unemployed or people with a migration background (van Gerven and Bekker 2017). More important to identify the public authority responsible for re-integration support, is the particular benefit a person receives (see also footnote 3). Re-integration activities are decentralised to a large extent to 35 labour market regions and municipalities. Both the Public Employment Service (PES; in Dutch: *UWV*) and the municipalities (about 400) are responsible for the re-integration activities of unemployed. However, they cater for different groups. The largest distinction may be labelled as PES supporting Unemployment Benefits (UB) recipients and disability benefit recipients and the municipalities supporting those who receive social assistance or have found employment in sheltered workplaces.<sup>1</sup> The group of UB recipients includes for instance long-term unemployed and older unemployed. The group of disability benefit recipients includes people who have had an incapacity for work as of a young age (e.g. a mental or a physical incapacity for work). The group of disability benefit recipients however also includes people who have gotten a disability while they had a job (e.g. after an accident, major illness (cancer) or burn-out).

The different re-integration facilities of PES may be separated between instruments that improve the skills and capacities of the unemployed (supply side) and instruments that

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1 Municipality and PES cater for other target groups as well, and at times target groups overlap, however, for the clarity of this paper we will use the main distinction described here.



facilitate employers when hiring unemployed (demand side) (see next sections). The Act SUWI (Structure of the Implementation of the Labour and Income Act of 2001) arranges the structure of the different public organisations that provide different types of social security, including the cooperation between PES and municipalities and the coordinating role of the 35 labour market regions. Dutch PES thus combines different roles: providing income support and facilitating re-integration.

PES and municipalities cooperate with other stakeholders in the framework of 35 labour market regions, which jointly cover the whole of the Netherlands (Bekker and Wilthagen 2015). Stakeholders may shape this cooperation according to their own ideas and needs. The set-up of having 35 labour market regions is rather new (since 2012) and fits the decentralization trends introduced by legislative changes. These changes occurred within a context of the economic crisis, meaning that decentralization went hand-in-hand with austerity measures. The largest legislative development was the introduction of the Participation Act in 2015. It aims at creating an inclusive labour market, which includes people who are furthest from the labour market or who have an incapacity for work. For Dutch municipalities, the Participation Act introduced a large change, as they have become larger and more complex tasks, including providing income and re-integration support to a very diverse group of people often with multiple and complex problems. This change needed to take place within a context of dwindling budgets (Bekker and Wilthagen 2015; SPC 2019). The Participation Act introduced changes for PES as well, such as changes in target groups, while shrinking budgets contributed to a digitalization of its services.

The current climate seems to have changed, not only due to post-crisis budget surpluses at the national level. A range of protests and strikes of (semi-) civil servants (e.g. in the education sector, judiciary system, police, health care sector; at times supported by their clients), combined with some striking examples of the shortcomings of public services, demonstrate the struggle to offer high-end services against low cost. A window of opportunity seems to be emerging to revalue the role of public institutions and services for peoples' welfare. Specifically, for PES short-term ambitions are returning to more personalised services and further developing the cooperation with stakeholders in the 35 labour market regions, including employers (UWV Jaarplan 2020). This includes more space for the employees of PES to do their own research, deliberate on cases and develop themselves as professionals.

Such ambitions could fit the cultural change which seems to underpin the development towards an inclusive labour market within the 35 labour market regions (Berenschot 2018). This entails the government changing from an independent actor (e.g. as a legislator) towards a cooperative actor for employers. This fits the need to have the commitment of employers in order to reach the ambition of an inclusive labour market (Berenschot 2018; see also Borghouts & Freese 2017). Employers, on their part, have to open up their organisations for people with an incapacity for work, for instance by changing tasks and jobs, in spite of any competitive pressure they may feel to be efficient and productive. Such changes go slow, as it takes time to change mind-sets (Berenschot 2018). Berenschot (2018) refers in this respect to recent history, where the Netherlands chose to rely on sheltered workplaces to employ people with an incapacity for work. In other countries, target groups have been hired more often in regular jobs. This means that Dutch employers have had less experience with and knowledge of hiring people with an incapacity for work (Berenschot 2018). After the introduction of the Participation Act this slowly, but steadily, seems to be changing.

Important steps towards developing an inclusive labour market includes the 2013 agreement of the government and social partners to create new jobs for target groups (*banenafspraak*), notably for people with an incapacity for work: the Jobs Agreement. The agreement foresees the creation of 125 000 extra jobs by 2026 (compared to 2013), of which 100 000 within the private sector and 25 000 in the public sector. If the targets are not met, a quota may be installed. Evaluations show that the private sector is on its way to reaching the target, while the public sector is lagging behind (Panteia 2019; UWV 2019a). Compared to 2012, by the second quarter of 2019, 45 185 regular jobs have

been created (3 320 in the public sector and 41 864 in the private sector), while 10 718 additional jobs have been created via temporary agencies or secondments (UWV 2019a).<sup>2</sup>

A second initiative is the integrated approach (*breed offensief*) (Ministry of Social Affairs and Employment 2019), which should lower the complexity of employers to hire people with a work incapacity, facilitate the link between employers and jobseekers, and facilitate the sustainable inflow into a job or employment. The Ministry of Social Affairs and Employment is preparing a proposal for improved wage cost subsidies. Moreover, the cooperation within labour market regions is further developed, including providing improved services to employers, for which the regions are developing plans of action. This includes improving the fit between (temporary or part-time) employment and income support systems on the (at times volatile) labour market.

The remainder of this paper focuses on the Dutch PES and its instruments for re-integrating UB and disability benefit recipients. Questions for the peer review address how PES may improve the cooperation of employers when moving towards an inclusive labour market. Which interventions and strategies are best?

#### *Main target groups of PES and trends in outflow to work*

The largest target groups receiving income and/or re-integration support at Dutch PES are UB recipients and disability benefit recipients (See table 1).<sup>3</sup> Each of these groups may be covered by a different legal arrangements (see footnote 3), meaning also that they may have different entitlements to and have to meet different preconditions for re-integrations and instruments facilitating this re-integration.

The number of UB recipients has been decreasing, probably due to the improved economic circumstances (see next section). The number of disability benefit recipients has been increasing slightly, yet overall, this population size is quite stable.

*Table 1. Number of benefit recipients (estimates \* 1 000)*

	2017	2018	2019
UB (after job loss)	330	263	224
Disability benefit (total)	807	812	817

*Source: UWV 2019b*

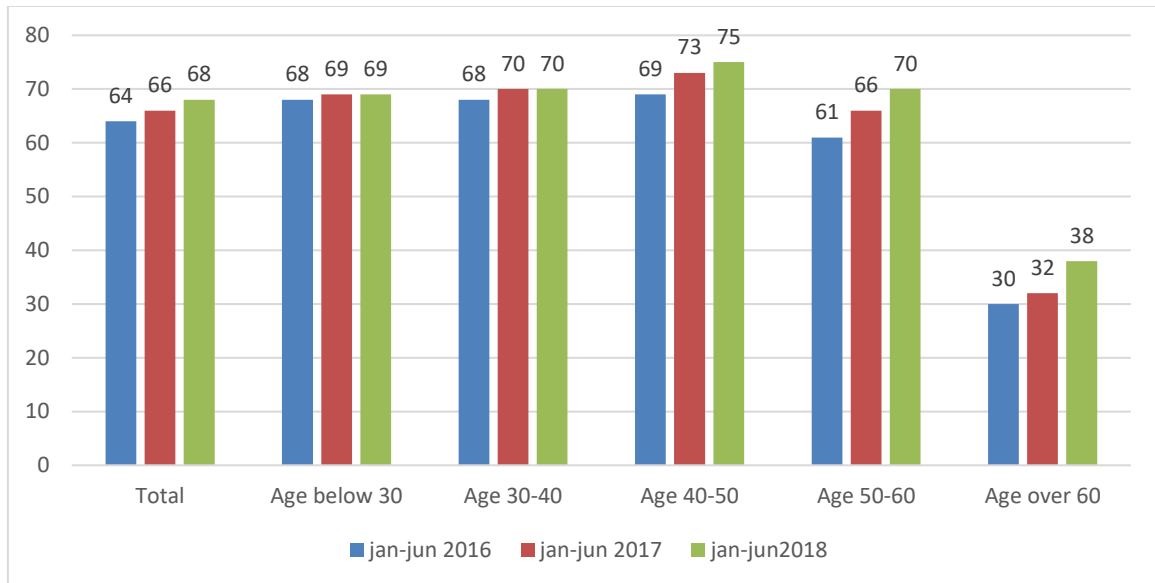
The length of UB depends on job tenure, meaning that older workers usually have longer UB entitlements than younger workers. The Dutch PES monitors regularly how large the inflow is into benefit schemes and the outflow into a job. The outflow from UB may have several reasons, including finding a new job, the end of UB entitlements or inflow into old-age pension. Figure 1 gives the outflow of UB recipients into work per age group. It shows that the outflow into a job increases in better economic conditions. Also, the outflow is higher for younger age groups. In 2018, the age group of 50-60 years still has an outflow of 70% into a job. For the age group of 60 years and older this outflow percentage into job is considerably lower and stand at 38%. This may be explained by

<sup>2</sup> The Dutch PES determines whether a person belongs to the target group, meaning that he or she is unable to earn the minimum wage level independently. The creation of a job is calculated as having at least 25.5 working hours per week.

<sup>3</sup> The distinction between UB recipients and disability benefit recipients is rather crude. They might exist of different target groups with different types of distances to the labour market. They might also fall within the scope of different legal facilities for income support and re-integration: UB benefits in table 1 are covered by the specific Acts: WW; IOW. Disability benefit recipients in table 1 are covered by the specific Acts: WIA, Wajong, WAO, WAZ.

the difficulty older age groups still have in finding a new job, however, another reason is that their outflow could be explained by an inflow into pension schemes.

Figure 2. Percentage of being employed, one month after leaving UB, per age group (2016; 2017; 2018 in%)



Source: UWV (<https://jaarverslag.uwv.nl/uwv-in-cijfers/>)

The outflow of people with a disability benefit into a job is much lower than the outflow of UB recipients. The outflow to work amounted to 13 300 people in 2018 (<https://jaarverslag.uwv.nl/uwv-in-cijfers/>).

## 2 Policy measure

### 2.1 Instruments

PES has had a range of instruments to support employers in their hiring of target groups, some of which have been existing quite some time while other are quite new. Some of these initiatives and instruments reach out to employers who want to hire target groups. Employers can get free advice about the options and arrangements PES and other institutes have, via regional (and national level) employer service desks. Within this employer service desk, PES cooperate with municipalities, schools, temporary work & recruitment agencies, knowledge centres (e.g. research and consultancy firms), among others. The regional partners offer one desk to employers. This also means that employers do not need to know beforehand which jobseeker target groups fall within the scope of PES or municipalities, or how a certain benefit relates to which area of re-integration instruments. Additionally, employers may post vacancies on PES's on-line vacancy site, be advised on existing subsidies and instruments to facilitate their hiring of target groups, at times combined with administrative support.

The following PES instruments may be used by employers when hiring target groups:

- a. Trial placements: An employer may use a trial placement for UB, disability benefit recipients, as well as personnel on (long-term) sick leave. The trial period may last up to two months in which the employer may check the match between job and employee. During this time, the employee maintains his or her benefits. Beforehand, the employer needs to expect to offer the employee employment for at least six months.
- b. Wage dispensation: Wage dispensation is an instrument which employers may use when hiring a specific target group: those who have had an incapacity for work from a young age (young disabled receiving a Wajong benefit from the department of Dutch PES that provides income support). The employer may apply for this if the young disabled person is less productive than a regular worker. If granted, the employer pays the individual less wages and the worker will keep receiving part of his or her Wajong benefit. In 2018 the wage dispensation was used more than 12 000 times (UWV 2019c).
- c. No-risk policy: No-risk policy applies for several target groups of PES: people who are ill, have an incapacity for work, are long-term unemployed or belong to the target population of the Jobs Agreement (see above). The instrument means that PES pay sickness benefits to the employer who has hired someone from these target groups, and who finds that the employee has become unwell again. Normally, an employer must pay for the first two years of illness of an employee. This might be too much of a risk when hiring someone who has a history of illness. The no-risk policy makes sure that employers do not need to continue paying for the largest part of wage costs, and the no-risk term lasts for five years (or it has no maximum duration if the employee falls within the group of young disabled or work within a sheltered work place). Similar no-risk facilities exist for older unemployed people. In 2019 about 12 000 people were covered by a no-risk policy (UWV, 2019b).
- d. On-the-job-coaching: On-the-job-coaching, provides support and guidance for people while being at work. This may be an external where someone works via a job coach organisation, or an internal job coach whereby this is arranged by the employer e.g. a colleague who has followed a specific course or training.
- e. Workplace adjustments: Workplace adjustment and personal facilities includes financial compensation for employers who need to adjust equipment, or tools, or change workplaces to meet the requirements for disabilities (e.g. installing facilities supporting reading braille). Employers may also receive financial support in cases where personal support is required, for example interpreters for sign language).

PES may also facilitate training and schooling in order to improve the chances of flowing out of benefits into work. PES may pay (part of) the expenses if the training is necessary to find new employment. The job seeker may then also request suspension of the obligation to apply for a job, for the duration of the training. If training or schooling is not directly necessary to find a job, permission is usually granted to engage in schooling, however, PES will not pay for it and the obligation to apply for jobs remains valid. This instrument mainly supports unemployed jobseekers and not directly employers. Additionally, the budgets allocated to this instrument are rather small: about 11 million EUR per year (UWV 2019c). The aim is to give people with a high chance of becoming long-term-unemployed (e.g. age group 45 and older) a (preferably) short training (maximum of 1 year), in order to flow into professions with a job guarantee, or into professions in which labour market shortages exist. For the latter group the maximum costs for schooling is set at 2 500 EUR (UWV 2019c).

### 3 Results

#### 3.1 Ambition to improve cooperation with employers

Borghouts and Freese (2017) point out that social policies that try to involve employers in hiring vulnerable groups may be labelled as quite innovative. This also means that connecting social policy and employers' hiring choices requires out-of-the-box thinking for both parties. Borghouts and Freese (2017) call this a paradox between desired social policy outcomes (e.g. job inclusion of vulnerable groups) and preferred Strategic HRM outcomes (e.g. high productivity, cost-efficiency and flexibility). As yet, little is known about the actual behaviour of employers and the conditions under which they hire and retain vulnerable employees, such as workers with a work incapacity (Borghouts and Freese 2017). Therefore, insights from social policy and Human Resources Management (HRM) literature should be combined, coming to a set of factors that play a role in the process of (not) offering jobs to disabled people: the inclusive HR model. Although in HRM literature much of the economic rationale prevails, more recent research argues that strategic HRM should also aim for social legitimacy, including wellbeing, integrity, fairness, participation and sustainability (e.g. Borghouts and Freese (2017) refer to Boselie et al. (2013). Building on such social legitimacy in HRM and business practices opens up possibilities to come to hiring strategies that focus more on including target groups in regular jobs. The arguments and paradox, as described above, are visible in the evaluations of Dutch schemes. These also show that first attempts to build bridges between social policy and employers are being created. However, they also demonstrate that additional actions are required.

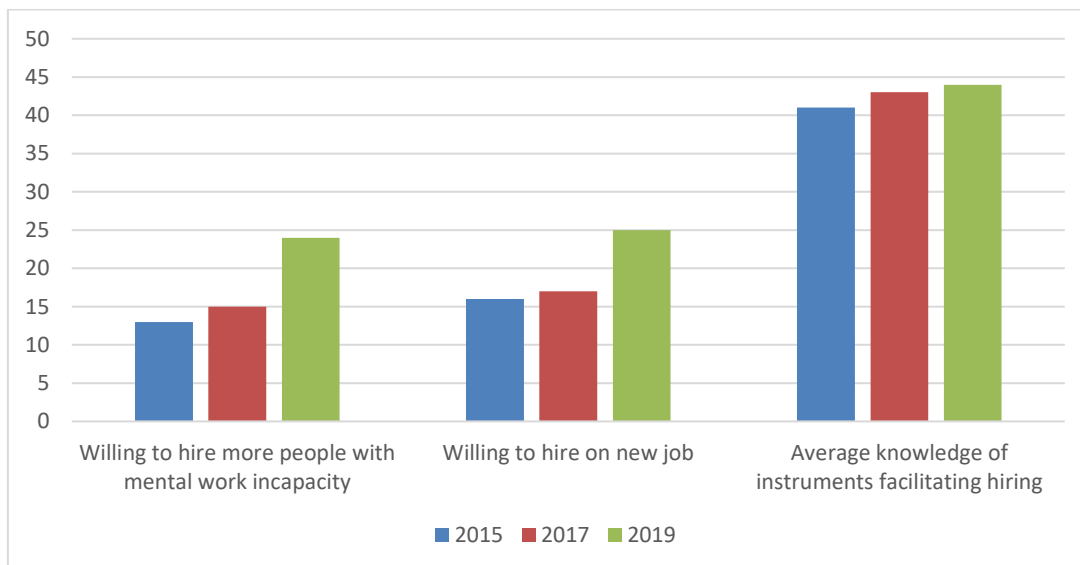
A first finding is that the Jobs Agreement, promising 125 000 new jobs for people with an incapacity for work, has stimulated the cooperation within labour market regions, including the cooperation between PES and employers (Panteia 2019). The agreement has also led to the fact that it has become normal to talk to employers about hiring from specific target groups (Panteia 2019; Cedris 2019). However, there is diversity among regions in terms of how close the cooperation between actors are.

Second, sometimes there seems to be a mismatch of what employers expect in terms of services or a good candidate. Whereas PES and municipalities are able to reach many employers and offer good services to them, some employers are dissatisfied with the services offered. Interviews with 400 employers show that 53% of employers have hired someone with a work incapacity in recent years, either via PES, municipalities or employer service desks. The majority of these employers are positive about the services provided (57% (very) satisfied vs 12 % (very) unsatisfied). Still, a relatively large group of employers find it difficult to find good candidates within the target group (21% (very) easy vs 39% (very) difficult). Employers who have good contacts with PES/municipality/employer service desk, e.g. having a single contact person, are among the most satisfied (Panteia 2019). Employers with very specific demands, for instance because they have specific skill demands, seek highly motivated workers, or want a large number of candidates, tend to find it more difficult to find good candidates. Moreover, some employers (36%) experience a lack of support when coaching their employees at work (job coaching), although 45% were satisfied with coaching-on-the-job (Panteia 2019). Another evaluation gives numbers for the services of PES only. The majority of employers find that PES provide a good level of support when searching for a good candidate (54%), while 23% of employers report a lack of support (n=44; Berenschot 2018). Employers define a good match as getting motivated candidates, a 'readiness' of the organisation, specific skills of the candidate and the degree in which the candidate feels 'at home' in the organisation. Research before the introduction of the Participation Act shows that employers tend to turn to one public institution when looking for potential employees. They get discouraged if there are no candidates, even if elsewhere in the region suitable candidates might exist (SPC 2019). In this sense it seems a good idea that single desks for services to employers have been created. Moreover, at times employers face administrative obstacles when hiring young disabled

(SPC 2019). Other research concludes that employers do not like red tape (SPC 2019; Bekker and Wilthagen 2014).

Third, there are a group of employers that are difficult to reach, while there is a large difference between the number of employers with good intentions and the number of employers that actually hire from specific target groups (SPC 2019). Not all employers seem to be aware of the existence of the services provided by PES and municipalities (SPC 2019). Almost half of employers are unaware of the no-risk policy or options to lower social security premium payment (SCP 2019). A third of employers are unaware of the wage dispensation or wage cost subsidy. 12 % of employers do not know a single instrument, which could help them when hiring from target groups. Generally, large companies are better informed than small companies. Simultaneously, the percentage of employers who know the Participation Act and/or the Jobs Agreement has grown to 72% in 2019 (Berenschot 2019 – see figure 2 for average knowledge on re-integration instruments). In addition, the percentage of employers that would be prepared to hire someone with a work incapacity has risen (to 61% of employers), whereas the percentage of employers that has undertaken some preparations for placement has grown to 59%. Larger employers especially consider hiring people with a work incapacity. For small and medium sized companies this is less of an issue that they think about. However only 19% of employers is really considering hiring someone from the target group within the next six months. Often, employers say that they do not have suitable jobs or vacancies (Berenschot 2019).

Figure 3. Percentage of employers who is willing to hire people with an incapacity for work, and average of percentage of employers who is aware of a particular re-integration instrument (2015-2019)



Source: Berenschot, 2019

There is a gap between employers seriously considering hiring and the group that actually hires someone. 19% of employers seriously considers hiring people with an incapacity for work, however, two years later only 23% has really hired someone from a target groups. A key question is thus how to convince employers to turn thoughts into hiring-actions. Pointing at other research Berenschot (2019) concludes that matching people to jobs is a continuous, non-linear, personal, process in which the different actors are dependent on each other. This means that the expertise of the different actors involved in crucial, as well as the quality of their interaction.

Fourth, the easiest placements are made first. Looking at the types of jobs that employers open up, it seems that most of these are existing jobs that are partially adjusted to the candidate (55%) (Berenschot 2019). Existing jobs (without alterations) are mentioned by 28%, while 25% of employers have created a new job especially for

target groups (Berenschot 2019). Moreover, people with a physical work incapacity are more often hired than people with a mental work incapacity.

Fifth, not all existing instruments that the PES has seem to be equally appealing to employers. For instance, instruments facilitating workplace adjustment do not really contribute to making employers decide that they want to hire from target groups (Berenschot 2019). Moreover, relevant instruments, such as advisory services to assist employers in finding out how to adjust tasks or jobs in order to make them fit for target groups (e.g. job carving or task analysis) seem underused. Many employers try to deliberate themselves whether target groups could fit to adjusted jobs (Berenschot 2019). Employers find coaching-on-the-job of importance, as well as having a financial safety net (Berenschot 2019).



## **4 Key findings and conclusions**

### **4.1 Difficulties and constraints**

The five main findings presented above lead to some suggestions for improvement.

#### **1. Proactive role PES in reaching and facilitating employers**

How can PES become more proactive in reaching and supporting employers. Although one fifth of employers seem willing to hire from target groups, only a small group actually hires people who have an incapacity for work. Berenschot (2019) suggests that the government could be more involved in advising employers in researching, preparing and realising placements. They could, for instance, assist more proactively in thinking about adjusting jobs to meet the requirements of the target group. Following Borghouts and Freese (2017) this would also require thinking in terms of social legitimacy that appeals to company's strategic HRM policies (e.g. corporate social responsibility). Dutch PES would like to know what experience other countries have in identifying and targeting employers that are likely to recruit people who have an incapacity for work. Do others have experience with marketing research, data-driven approaches or customer relationship management? Moreover, interesting to know is whether other countries have experience with unlocking employers' sense of social legitimacy. Is there perhaps experience awareness campaigns in order to influence the attitudes, motives and actual behaviour of employers? If, so do calculations of the net-value and costs of social entrepreneurship play a role in these campaigns?

#### **2. Preparing for future steps to keep up success**

A second challenge is to prepare for the next step: how to make sure that more difficult placements will also happen in the future? Can PES persuade employers to hire from groups that require larger adjustment of jobs, or to new jobs especially for target groups (Berenschot 2019)? Future challenges also include the willingness of employers to hire people with a work incapacity in times of economic downturn. Current successes are accomplished in good economic times and tight labour markets (Panteia 2019). Moreover, especially large employers are willing to hire people with a work incapacity. A next step would be to try to engage small and medium sized companies.

#### **3. Improving services**

Third, how can the service provision of PES be improved? This includes questions on how to raise employers' awareness and knowledge levels? Berenschot (2019) advises to develop services that meet the reality of matching processes as continuous, non-linear, personal processes in which the different actors are dependent on each other. They advocate that it is necessary to have high expertise and high-quality interactions of actors. To what degree does this match the experience of other countries? Are there any re-integration instruments that are especially successful when reaching out to employers?

#### **4. Having inclusive labour markets with sustainable jobs**

Fourth, the high volatility on the Dutch labour market in terms of the high incidence of flexible jobs is less accounted for in evaluations. Still, for vulnerable groups such flexibility also poses challenges. How to improve the sustainability of flowing into stable jobs?

### **4.2 Success factors and transferability**

On the success factors, it is clear that the introduction of the Participation Act and the Jobs Agreement has provided catalysed the cooperation of actors within regions. Such cooperation is key to find ways to bridge the aims of social policy and the strategic considerations of employers (Borghouts and Freese 2017). Other countries could think of implementing or adjusting policies that reach a similar effect. In the Netherlands the Jobs Agreement was made with the social partners, which signals wide support among trade unions and employers.

The different Dutch policies to include target groups have led to an increasing group of employers who know the Participation Act and the Jobs Agreement and their purposes. More importantly, it has normalised talking about hiring target groups. Being aware of the options and recognising that there is still a large labour reserve, even in times of labour shortage, might be a first step that eventually leads to inclusive labour markets. Other countries could start similar debates, leading to normalising thinking of hiring target groups.

A third success factor seems to be the steps taken towards revaluing the role of public services in achieving inclusive labour markets, and the room for professionals offering tailored services. Although this revaluation seems to be in the initial stages, these first steps coincide with questions on how to continue to be successful in creating job opportunities for people who might (at first sight) be more difficult to place into regular jobs.

A fourth success factor is the creation of a single desk for employers. This way, employers do not need to know whether to turn to a municipality or PES, or which specific benefit schemes and related job placement instruments belong to which target group. The employer can simply report that they wish to hire from target groups. After this first contact, it seems relevant that steps towards placement can be made with professional support from public services.

Fifth, is the idea to align the social security system with the reality of the flexible labour market however this is at an early stage in the Netherlands. Workers are making many more transitions from job to job, while the likelihood of becoming unemployed in-between jobs has grown.

## 5 List of references

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