

The Dutch system: An inclusive labour market

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Arend Pieterse, November 14 2019

 Cedris



Overview

- Introduction
- Numbers (of employment)
- Sheltered and supported employment organisations
- The Dutch system (Participation Act)
- What do we do (six instruments)
- Goals and results so far



The Netherlands: some facts about work



Total population: 17 million people



Total working pop.: 9 million people



Unemployment rate: 3.2%



Total persons w/a disability: 1.8 million



Total working: 600,000 persons



Unemployment rate: 9.7%

Introduction

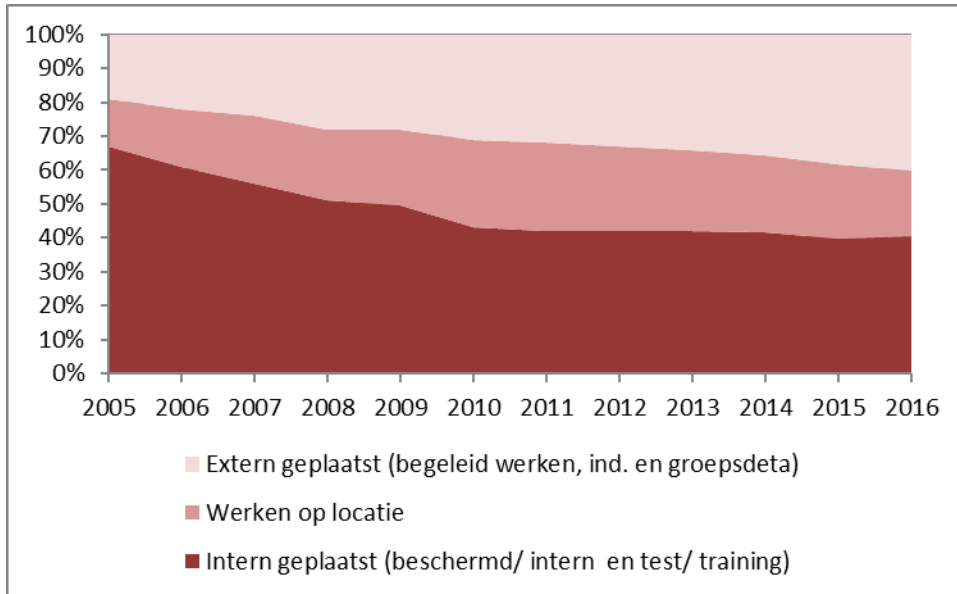
- Cedris is an umbrella organisation (an association) of 100 members.
- Most of them are sheltered and supported employment providers. They have on average > 1,000 employees working for them and they place employees (with subsidy) in organisations on the open labour market.
- Some members of Cedris are social enterprises. They are much smaller and focused on a specific product or service besides providing work for persons with a disability.
- Overall our members employ around 100,000 persons with a disability.

Sheltered and supported employment organisations (members of Cedris)

- The companies work for (and are almost always owned by) one or more municipalities.
- The companies supply work within their company (sheltered employment) and they place people in other companies via placement (supported employment).
- (Political) emphasis since early 2000's on placing people in the open labour market, direct or via placement (on average >40% of the employees).
- The work they provide has been shifting from production towards more service orientated activities.

Sheltered and Supported Employment Act

- Started in 1969. From 1998 onwards more emphasis on trying to get persons with a disability in the open labour market.



Participation Act

- Introduced in 2015
- Up tot 2015 we had the Sheltered and supported employment Act (Wsw)
- Goals of the Participation Act:
 - More persons with a distance to the labour market on the open labour market.
 - Extensive economic measures.
 - Political responsibility from the national level to the local level (municipalities).

Definitions

- In The Netherlands the UWV (Employee Insurance Agency) is the deciding organisation which determines who is eligible to enter the system (the Participation Act).
- The persons who are under the system of the Participation Act are defined as not being able to earn the legal minimal wage on their own. They are considered to be able to work but need support (short term or long term) to reach the labour market.
- And persons have a physical, intellectual/cognitive or psychological handicap or in other ways can not reach the labour market on their own (e.g. long term unemployment).

Outlines Participation Act

- The Supported Employment Act is closed off for new persons per 2015.
- New group (P-Act) is for everybody who is able to work but needs assistance to be able to work.
- Sheltered places only if necessary
- Otherwise: wage cost subsidy possible for persons who are not capable of earning the legal minimum wage on their own. Employees will receive minimum wage (or more).
- Employers receive wage cost subsidy (difference between level of productivity and minimum wage) for employees who's earning capacity is below 100% of the legal minimum wage.
- Employers have promised 125,000 jobs in 2024 and there will be a monitoring system for quota jobs.
- Quota for regular employers now on hold. Five percent of the employees must be people with a distance to the labour market or pay a fine (€5,000 per unfilled position).

The mission of Cedris

- The Participation Act caused us to reconsider our mission.

Our mission is:

- To increase labour participation (paid work) of persons with a greater distance to the labour market (persons who are not capable of earning the minimum wage on their own). If possible on the open labour market, when necessary at a social enterprise or in a sheltered environment.
- By gaining and promoting knowledge and expertise on instruments and infrastructure that promote labour participation.
- By developing and influencing policy.
- By developing and delivering services to members.

Six instruments to achieve an inclusive labour market

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Six instruments

- 1. Tailored work:** Specialists advise employers on how to make adjustments so that the work fits the candidate.
- 2. Sheltered work:** For people whose disabilities limit their regular employment opportunities, there are sheltered work places: jobs accompanied by personalised assistance and modified workspaces.
- 3. Matching and guidance:** Job brokers who ensure a good match between employer and employee. They explore the needs of the employer and job coaches support the employee on the job.

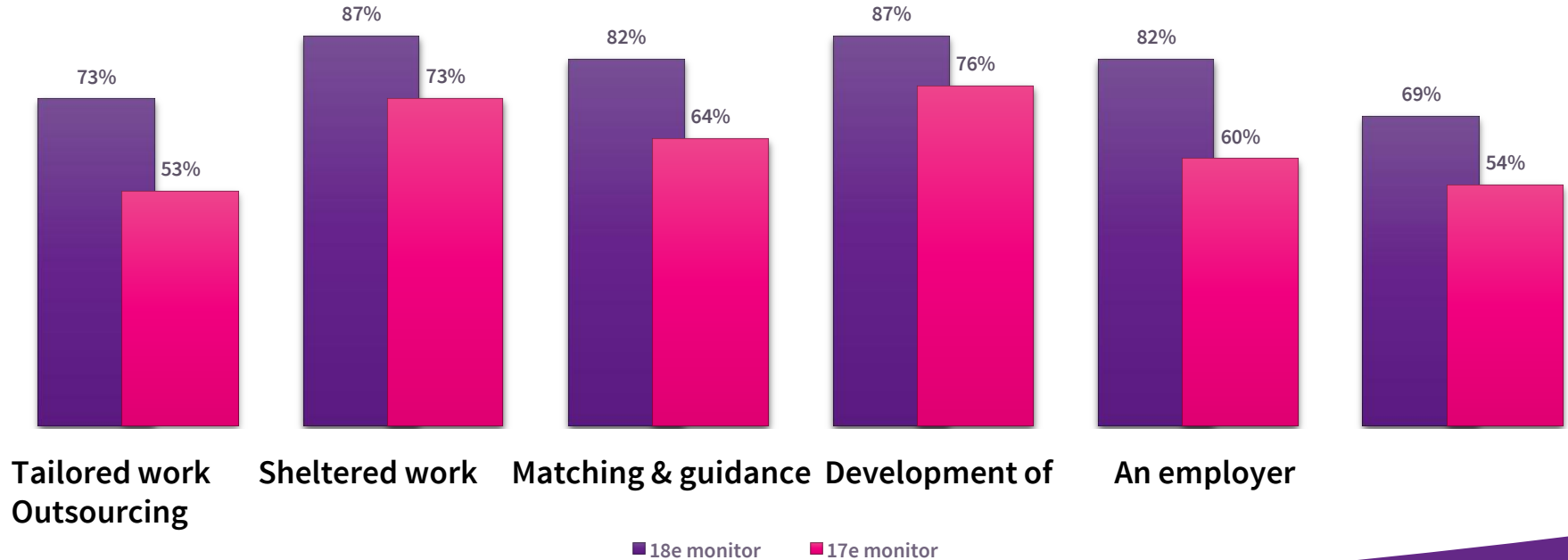
Six instruments

- 4. Development of employee skills:** Not every candidate is ready for the working world. In order to make them more employable, they first need to work, for example. In some cases also they can get specific diplomas and certifications for a potential job.
- 5. An employer network:** There are plenty of employers who would like to give an opportunity to not easily employable people. But how to locate them? And how do they find the right candidates? It's important to understand and speak the language of entrepreneurs and to build a network of regional businesses.

Six instruments

6. **Outsourcing:** When it's too big a step to take on a new employee right away, it's possible to hire through temporary placement services. The employer then avoids administrative burdens and is not the one taking on the risk. Sometimes this can be just the extra nudge needed to give it a try.

6 SER instruments: % 'sufficiently present'



Goals and results of social policy

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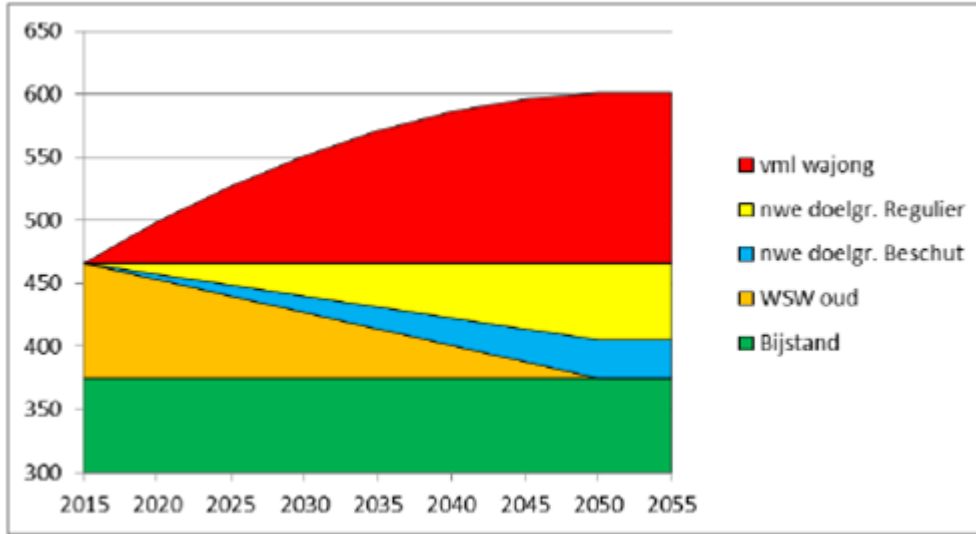
Goals

- Overall goal: More persons with a distance to the labour market in the open labour market.
- By 2024/2026 125,000 jobs for this group at employers at the open labour market.
- By 2045 30,000 places in a sheltered environment.

Results

- Report from SCP October 2019
- Despite the economic growth and a high demand on the labour market there has been over the last couple of years no increase in the number of workplaces for persons with a distance to the labour market.
- Employers feel a responsibility for hiring persons with a distance tot the labour market but only 17% of employers have someone in employment. These numbers are similar to 2015/2016.

Different groups and their development



X 1000

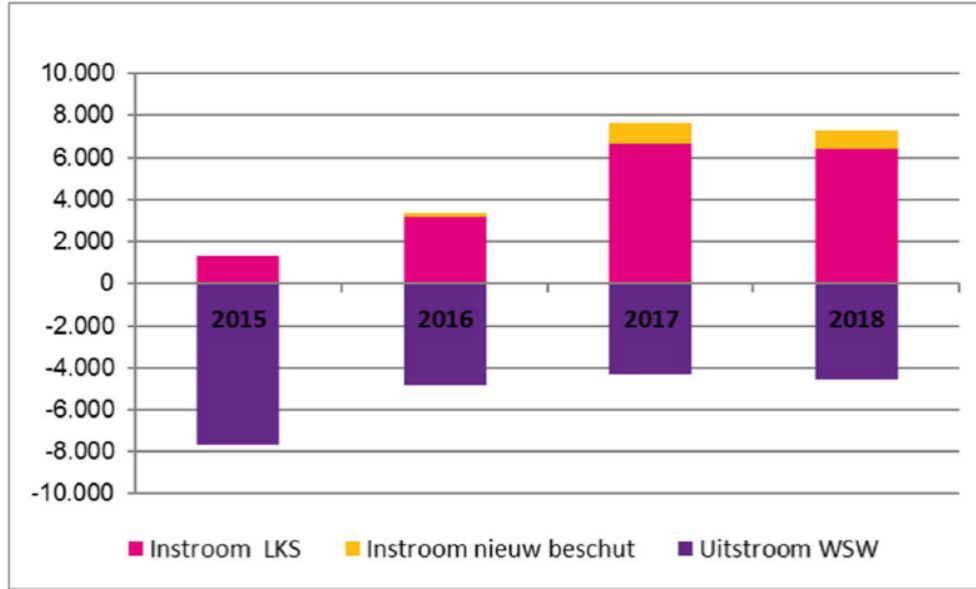
Vml wajong = former Wajong
Nwe doelgr. Regulier = new target group with wage cost subsidy

Nwe doelgr. Beschut = new target group sheltered employment

WSW oud = persons in the sheltered and supported Act
Bijstand = persons on welfare

In- and outflow of persons

FIGUUR 3: INSTROOM EN UITSTROOM GEMEENTELIJKE DOELGROEP MET BEPERKING



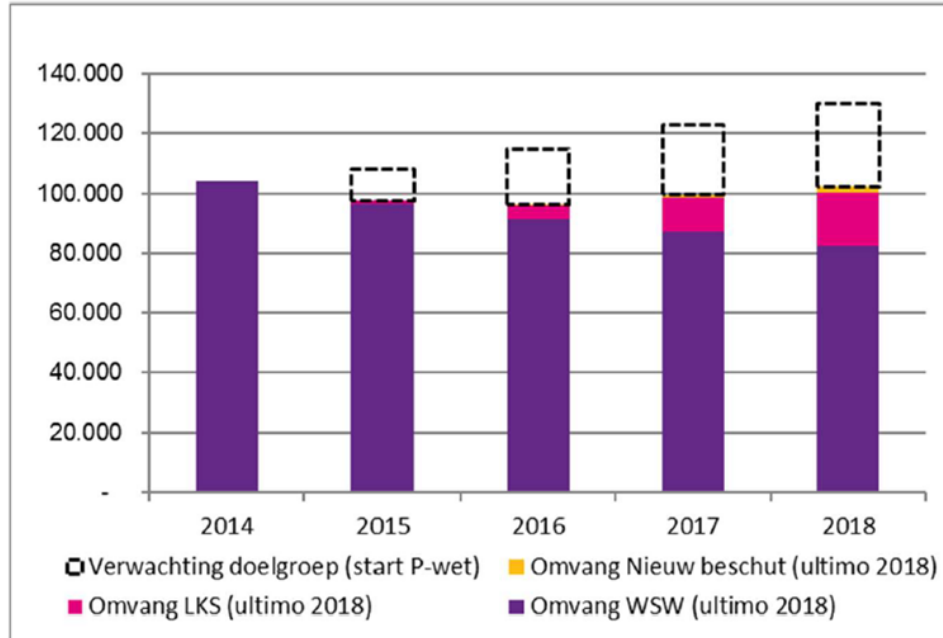
Instroom LKS = inflow of persons with wage cost subsidy

Instroom nieuw beschermt = inflow of persons in new sheltered work

Uitstroom WSW = outflow former WSW Act

Yearly development of number of persons

FIGUUR 4: JAARLIJKSE ONTWIKKELING GEMEENTELIJKE DOELGROEP MET BEPERKING



Is it a success?

- Introducing a new system needs time.
- We are still helping many people who can't reach the labour market on their own.
- There is, however, room for improvement. We can do better and now is the time to do it.

SBCM: Labour market development for sheltered employment

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SBCM:

- Is governed jointly by the Employers organisation and the Labour Unions. They draw up the agenda and annual activities.
- Contributes towards an appropriate and as regular sustainable labour for all people who are not able to earn independently the Dutch legal minimum wage.
- Works closely with Cedris.

SBCM designs:

Tools, training and best-practises on the topics of:

- diagnostic and training the target group.
- creating decent work for the target group.
- maintaining a job, such as jobcoaching.
- better labour standards (absenteeism and working conditions).

Type of activity for each actor concerned

Target group	Type of knowledge as an instrument or activity
Employee / Jobseeker	<ul style="list-style-type: none">• E-learning (WORK-portal)• Instructional films and roadshows• Works council training and meetings
Employer / supervisor	<ul style="list-style-type: none">• Guideline measures• Skills & Knowledge sessions• Business cases
Professionals	<ul style="list-style-type: none">• Training portal• Tutorials• Skills & Knowledge sessions
In general	<ul style="list-style-type: none">• Monitoring and research• Subsidy schema for innovative approaches

Questions?

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