

# NEGOTIATING FLEXIBILITY AND SECURITY

*Party politics, union strategies, and the shift toward  
nonstandard employment in the Netherlands, 1964-2023*



**JEROEN VAN VELDHOVEN**



# **Negotiating flexibility and security**

Party politics, union strategies, and the shift toward nonstandard  
employment in the Netherlands, 1964-2023

## **Onderhandelen over flexibiliteit en zekerheid**

Partijpolitiek, vakbondsstrategieën, en de verschuiving naar flexwerk in Nederland,  
1964-2023

(met een samenvatting in het Nederlands)

### **Proefschrift**

ter verkrijging van de graad van doctor aan de Universiteit Utrecht  
op gezag van de  
rector magnificus, prof. dr. H.R.B.M. Kummeling,  
ingevolge het besluit van het college voor promoties  
in het openbaar te verdedigen op

vrijdag 7 maart 2025 des middags te 12.15 uur

door

**Jeroen van Veldhoven**

geboren op 8 juli 1994  
te Oosterhout

**Promotoren:**

Prof. dr. A.F. Heerma van Voss

Dr. L.J. Touwen

**Beoordelingscommissie:**

Prof. dr. E.J.V. van Nederveen Meerkerk

Dr. D.M. Oude Nijhuis

Prof. dr. M.R. Prak

Prof. dr. O.P. van Vliet

Prof. dr. R.A.A. Vonk

Dit proefschrift werd mogelijk gemaakt met financiële steun van Instituut Gak.

*For Jeannette van Bussel*

Copyright 2025 © Jeroen van Veldhoven

ISBN: 978-94-6506-886-2

All rights reserved. No parts of this thesis may be reproduced, stored in a retrieval system or transmitted in any form or by any means without permission of the author.

Provided by thesis specialist Ridderprint, [ridderprint.nl](https://www.ridderprint.nl)

Printing: Ridderprint

Layout and design: Tara Schollema, [persoonlijkproefschrift.nl](https://www.persoonlijkproefschrift.nl)

Cover image: Canva Creative Studio

# Contents

<b>List of tables and figures</b>	7
<b>List of abbreviations</b>	10
<b>Acknowledgments</b>	13
<b>Chapter 1 Introduction</b>	15
Literature review	17
Regulating labor in the Netherlands	34
Research design	41
<b>Chapter 2 Exploring dutch dualization</b>	55
Nonstandard employment in the Netherlands	56
Dutch dualization in international comparison	61
Breakdown of economic sectors, age, and citizenship	67
Why so gendered? Breadwinner policies and segmentation	73
Conclusion	88
<b>Chapter 3 Party politics on agency and on-call work</b>	95
The consensus against commercial intermediation before 1964	96
Constraining agency work	98
The supply-side turn and nonstandard employment	103
Exchanging flexibility and security	115
Problematizing dualization	122
Conclusion	132
<b>Chapter 4 Party politics on own-account work</b>	141
Why fiscal policy is key	143
Reducing deficits to employees	146
Building the ‘entrepreneurial society’	153
Problematizing treatment differences between workers	161
Conclusion	168
<b>Chapter 5 Union responses to nonstandard employment</b>	175
Labor divided on agency work	176
On-call workers as vocal outsiders	182
The Flexibility and Security Exchange	187
Tough love. Unions and own-account workers	191
Putting nonstandard employment back on the agenda	194
Conclusion	198

<b>Chapter 6 Conclusion</b>	203
Core findings	204
Breadwinner policies	206
Power relations	206
Insider-outsider dynamics	212
Policy paradigms	215
<b>References</b>	221
Publications	222
Archival sources	236
Newspaper articles	244
Summary	246
Samenvatting	260
Curriculum vitae	274



## List of tables and figures

### Tables

Table 1.1	Core propositions of current scholarship	45
Table 2.1	Overview of key childcare and income tax reforms by cabinet	91
Table 2.2	Alignment of findings Chapter 2 with theoretical propositions	92
Table 3.1	Overview of key agency and on-call work reforms by cabinet	135
Table 3.2	Alignment of findings Chapter 3 with theoretical propositions	136
Table 4.1	Overview of key own-account work reforms by cabinet	171
Table 4.2	Alignment of findings Chapter 4 with theoretical propositions	173
Table 5.1	Alignment of findings Chapter 5 with theoretical propositions	199
Table 6.1	Alignment of findings with proposition breadwinner model theory	207
Table 6.2	Alignment of findings with proposition power resources theory	208
Table 6.3	Alignment of findings with proposition insider-outsider theory	213
Table 6.4	Alignment of findings with proposition policy paradigm theory	219

### Figures

Figure 1.1	The Dutch decline of union density in European perspective, 1960-2019	40
Figure 1.2	Comparison of weighted and unweighted nonstandard employment development, 2000-2020	49
Figure 2.1	The expansion of flexible labor contracts in the Netherlands, 1970-2021	57
Figure 2.2	Labor market segmentation in the Netherlands, 1985-2020	58
Figure 2.3	Nonstandard employment development in the Netherlands, 1985-2002	59
Figure 2.4	Nonstandard employment development in the Netherlands, 2003-2021	60
Figure 2.5	Temporary employment share across Europe in 2022 (% of total employment)	61
Figure 2.6	Temporary labor contracts and own-account work across Europe in 2022	62
Figure 2.7	The Dutch boom of temporary employment in European perspective, 1992-2022	63
Figure 2.8	Change in the temporary employment share of selected EU countries between 1992 and 2022	64
Figure 2.9	On-call contracts across Europe in 2004	65

Figure 2.10	Dutch agency work development in European perspective, 2006-2022	66
Figure 2.11	Development of the EPL index for open-ended labor contracts across selected OECD countries	67
Figure 2.12	Sectoral development of agency and on-call work in the Netherlands, 1985-2014	68
Figure 2.13	Sectoral development of temporary employment in the Netherlands, 1993-2008	69
Figure 2.14	Sectoral development of temporary employment in the Netherlands, 2009-2022	70
Figure 2.15	Age breakdown of agency and on-call work in the Netherlands, 1985-2014	71
Figure 2.16	Age breakdown of temporary employment in the Netherlands, 1992-2022	72
Figure 2.17	Nonstandard employment in the Netherlands by country of birth, 1985-2014	73
Figure 2.18	Gender breakdown of agency and on-call work in the Netherlands, 1985-2020	74
Figure 2.19	Gender breakdown of temporary employment in the Netherlands, 1992-2022	75
Figure 2.20	Number of half- and full-day childcare centers in the Netherlands, 1965-2004	79
Figure 2.21	Public childcare expenditures per inhabitant in selected EU countries, 1995-2015	80
Figure 2.22	Net labor participation rate in the Netherlands by gender, 1969-2021	85
Figure 2.23	Part-time employment by gender across Europe in 2022	88
Figure 3.1	Composition of cabinets adjusting the maximum job assignment length of agency work between 1973 and 1986	103
Figure 3.2	Vote share of Christian democracy, Social democracy, and Liberal bloc in consecutive elections of the Second Chamber, 1971-1998	104
Figure 3.3	Registered unemployment in the Netherlands between 1970 and 1990	107
Figure 3.4	Development of agency and on-call work in selected sectors Netherlands, 1985-2014	107
Figure 3.5	Composition of cabinets leading up to the Flexibility and Security Exchange, 1986-1998	116

Figure 3.6	On-call contracts in the Netherlands by age group, 1996-2010	119
Figure 3.7	Composition of cabinets behind major agency and on-call work reforms between 1994 and 2023	124
Figure 3.8	Vote share of Christian democracy, Social democracy, and Liberal bloc in consecutive elections of the Second Chamber, 1971-2021	130
Figure 4.1	Change in own-account work share between 1992 and 2022 in selected EU countries	142
Figure 4.2	Own-account work development between 1992 and 2022 in selected EU countries	144
Figure 4.3	Composition of cabinets supporting the Self-employed Tax Deduction between 1970 and 1983	149
Figure 4.4	Composition of cabinets supporting tax relief for own-account workers between 1982 and 2010	156
Figure 4.5	Cabinets of similar composition implementing contradictory fiscal policies regarding own-account work between 1982 and 2023	166

## List of abbreviations

AAP	Labor supply panel ( <i>Arbeidsaanbodpanel</i> )
ABU	General Temporary Work Agencies' Association ( <i>Algemene Bond Uitzendondernemingen</i> )
AR	Labor accounts time series ( <i>Tijdreeksen Arbeidsrekeningen</i> )
ARP	Anti-revolutionary Party ( <i>Anti-revolutionaire Partij</i> )
CBA	Central Labor market intermediation Board ( <i>Centraal Bestuur voor de Arbeidsvoorziening</i> )
CBS	Statistics Netherlands ( <i>Centraal Bureau voor de Statistiek</i> )
CDA	Christian democratic Appeal ( <i>Christen-democratisch Appèl</i> )
CHU	Christian Historical Union ( <i>Christelijk Historische Unie</i> )
CLA	Collective labor agreement
CNV	Christian Trade union Confederation ( <i>Christelijk Nationaal Vakverbond</i> )
CPB	Centraal Planbureau ( <i>Netherlands Bureau for Economic Policy Analysis</i> )
CPN	Netherlands' Communist Party ( <i>Communistische Partij van Nederland</i> )
CU	Christian Union ( <i>ChristenUnie</i> )
D66	Democrats 66 ( <i>Democraten 66</i> )
EBB	Labor force survey ( <i>Enquete Beroepsbevolking</i> )
EPL	Employment Protection Legislation
ESSPROS	European system of integrated social protection statistics
EU_LFS	European Labor Force Survey
EZK	Ministry of Economic Affairs ( <i>Ministerie van Economische Zaken</i> )
ICTWSS	Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts
FIN	Ministry of Finance ( <i>Ministerie van Financiën</i> )
FNV	Dutch Labor movement Confederation ( <i>Federatie Nederlandse Vakbeweging</i> )
FTE	Full-Time Equivalent
IISH	International Institute of Social History
ILO	International Labor Organization
KVP	Catholic People's Party ( <i>Katholieke Volkspartij</i> )
MHP	Confederation for Middle and Higher Level Personnel ( <i>Vakcentrale voor Middelbaar en Hoger Personeel</i> )
MKB	Small- and medium-sized enterprises ( <i>Midden- en kleinbedrijf</i> )

NBBU	Dutch Association of Work and Placement Agencies ( <i>Nederlandse Bond van Bemiddelings- en Uitzendondernemingen</i> )
NA	Netherlands National Archive ( <i>Nationaal Archief</i> )
NCW	Dutch Christian Employers' Confederation ( <i>Nederlands Christelijk Werkgeversverbond</i> )
NKV	Dutch Catholic Trade Union Confederation ( <i>Nederlands Katholiek Vakverbond</i> )
NVV	Dutch Association of Trade Unions ( <i>Nederlands Verbond van Vakverenigingen</i> )
OECD	Organization for Economic Cooperation and Development
PPR	Radicals' Political Party ( <i>Politieke Partij Radikalen</i> )
PSP	Pacifist Socialist Party ( <i>Pacifistisch Socialistische Partij</i> )
PvdA	Labor party ( <i>Partij van de Arbeid</i> )
PVV	Freedom Party ( <i>Partij voor de Vrijheid</i> )
SCP	Sociaal en Cultureel Planbureau ( <i>The Netherlands Institute for Social Research</i> )
SDAP	Social Democratic Workers' Party ( <i>Sociaal-Democratische Arbeiderspartij</i> )
SER	Social and Economic Council ( <i>Sociaal-Economische Raad</i> )
StvdA	Labor foundation ( <i>Stichting van de Arbeid</i> )
SVR	Social Insurance Council ( <i>Sociale Verzekeringsraad</i> )
SZW	Ministry of Social Affairs and Employment ( <i>Ministerie van Sociale Zaken en Werkgelegenheid</i> )
VCP	Confederation for Professionals ( <i>Vakcentrale voor Professionals</i> )
VNO	Confederation of Dutch Industries ( <i>Verbond van Nederlandse Ondernemingen</i> )
VNO-NCW	Merger of VNO and NCW
VVD	People's Party for Freedom and Democracy ( <i>Volkspartij voor Vrijheid en democratie</i> )
WRR	The Netherlands Scientific Council for Government Policy ( <i>Wetenschappelijke Raad voor het Regeringsbeleid</i> )
ZZP'er	Own-account worker ( <i>Zelfstandige Zonder Personeel</i> )



## Acknowledgments

Over the course of my PhD, numerous people helped me to progress with the writing of my dissertation and to improve its quality. First and foremost, I want to thank my supervisors, Lex Heerma van Voss and Jeroen Touwen. Thank you for investing so much in the improvement of my research despite your hefty workload. I greatly enjoyed the wide-ranging discussions we had as a research group and the *Flex or tenure conference* we put together.

My PhD thesis also benefited enormously from the advice and criticism of the fellows and PhD candidates at the N.W. Posthumus Institute, my colleagues from the Huygens Institute, Utrecht University and Leiden University, and commentators at conferences I visited. For these contributions, I thank Timon de Groot, Rosa Kösters, Saskia Boumans, Ad Knotter, Maximilian Kiecker, Joris Oddens, Marijke van Faassen, Marc Dierikx, Ronald Sluiter, Corinne Boter, Richard Zijdeman, Oscar Gelderblom, Ben Gales, Marlou Schrover, Robert Keenan, Weixuan Li, Tim Riswick, Ayodeji Akinnimi, Lukas Haffert, and Beverly Silver.

A special word of gratitude to Dennie Oude Nijhuis whose teaching at university inspired me to conduct research into labor market development and whose advice helped me get through a tough writing phase. Also a shout-out to my colleagues from the 'corner office', Sietske van der Veen and Floor Buschenhenke. I was really fortunate to be able to exchange experiences with you on the highs and lows of our PhD projects. Furthermore, I am thankful to the Instituut Gak for funding my project and to the staff of the International Institute of Social History and the National Archives of the Netherlands for helping me with my archival research.

Finally, I have to thank my friends and family. In addition to the conventional struggles of a big writing project, the pandemic came with its own particular challenges. My frustrations about closed archives must have been tiresome; thank you for hearing me out in spite of that. Overlooking my PhD project, I am especially grateful for the support and advice I received from Esther. Thank you for sharpening my ideas in writing this book and keeping me sane and motivated along the way.





# **CHAPTER 1**

## **Introduction**

Over the last half-century, the Dutch labor market has become the epitome of segmentation. In international comparison, the Netherlands records high levels of own-account work, on-call work, agency work, fixed-term labor contracts, and part-time employment. As the employment protection of open-ended labor contracts remained relatively strict, the fragmentation of work arrangements led to stark inequalities between workers. Scholarship on the Netherlands' development path has paid ample attention to the rise of part-time work and its subsequent regulation, while the case of nonstandard employment is understudied. I define alternative work arrangements (or nonstandard employment) as employment relationships that enable employers to deviate from the conditions of the regular labor contract in attracting labor. These alternative work arrangements - agency work, on-call contracts, and own-account work - are the focus of my analysis. The lack of attention to nonstandard employment is remarkable, as alternative work arrangements are more critical for differences in labor conditions among Dutch workers. Consequently, overemphasizing part-time employment and underestimating the importance of these employment relationships informs an overly solidaristic view of the Netherlands' trajectory (e.g., Thelen, 2014: 7).

Although I am interested in the rise of nonstandard employment in the Netherlands, providing an overarching explanation for their development is too ambitious for a single research project. Instead, my research sheds light on one aspect: the role of politics. The central research question of this dissertation is how (and why) political parties and trade unions have regulated nonstandard employment in the Netherlands between 1964 and 2023. Whereas the empirical objective of this analysis is to increase our understanding of the role of politics in the expansion of alternative work arrangements in the Dutch case, its theoretical goal is to contribute to the academic literature on country-specific variation in labor market segmentation by assessing the explanatory power of theories on party politics and union strategies. I conduct a process tracing analysis based on archival sources to achieve these research goals. In the case of party politics, the analysis draws on parliamentary documents and the archives of the Council of Ministers. Regarding union strategies, I rely on the archives of the largest trade union confederation, the largest trade union in the service sector, and the central meeting platform between trade unions and employers' associations. Policy reports, newspaper articles, and secondary literature constitute important sources for party politics and union strategies.

Chapter 2 of this dissertation explores labor market segmentation in the Netherlands and examines the connection between breadwinner policies and nonstandard employment. In Chapters 3 and 4, I analyze how social democratic, Christian democratic, and liberal political parties have shaped the regulation of alternative work arrangements and to what extent changing regulation can be attributed to power relations, insider-outsider dynamics, policy paradigms, and economic conditions. Whereas Chapter 3 focuses on agency and on-call work, Chapter 4 addresses own-account work. Finally,

Chapter 5 examines union responses to agency, on-call, and own-account work. In this chapter, I reconstruct union responses when these alternative work arrangements emerged and explain why unions changed their strategies over time. The following section further positions this dissertation in the academic literature.

## Literature review

Academic scholars have resorted to three approaches in explaining nonstandard employment and labor market segmentation patterns. Firstly, they have looked at the micro-based motivations of employers and workers for alternative work arrangements to understand the static use of these employment relationships. Secondly, they have analyzed structural factors to account for changes over time. Thirdly, they have developed political explanations to address country-specific variation. With its focus on politics, this dissertation primarily engages with the third literature. Nevertheless, this review also includes micro-based motivations and explanations of temporal variation to position the dissertation in broader scholarship.

## Motivations for employers and workers

Traditionally, scholars have pointed to internal and external volatility as the main reason for businesses to prefer alternative work arrangements (Houseman, 2001: 155; Atkinson, 1985: 11; Kalleberg, 2000: 347, 353; De Beer, 2018: 63). Internally, employers use the employment relationships to cope with a continuously changing availability of personnel, for instance, due to sickness and holidays. The temporary need for specialized skills and fluctuations in government funding are other common motivations. Externally, businesses face fluctuating demand for their goods and services, for example, due to seasonal differences and business cycles. When stocking is no feasible option, companies can use a buffer of alternative work arrangements to match the demand and avoid the strict(er) dismissal procedures of permanent workers (Brown and Sessions, 2005: 299; Remery et al., 2002: 480–1; Kalleberg, 2013: 72, 74).

Nonstandard employment can also function as a ‘screening device’ to test the quality and fit of new entrants (Segal and Sullivan, 1997: 128–9; Kvasnicka, 2009: 338; Hagen, 2003: 7–8). In this vein, employers can use the arrangement to extend the probationary period of their employment relationships. Additionally, employers can use alternative work arrangements to incentivize high performance with the prospect of a permanent labor contract or an extension of a contract for services (Gebel and Giesecke, 2011: 20; Euwals et al., 2016: 12). While surveys of employers confirm the importance of these factors, they also suggest that businesses use alternative work arrangements to lower their costs (e.g., wages), avoid the administrative burden of permanent contracts, and pass on employment risks (e.g., sickness pay) (Stavenuiter et al., 2016: 15–6; Houseman,

2001: 157–9, 164; Van der Aa et al., 2015: 118–9; Goudswaard et al., 2014: 19; Josten et al., 2014: 11, 13). For these factors, the relative liabilities of alternative work arrangements in comparison to open-ended labor contracts have considerable influence (Bolhaar et al., 2018: 407; Gebel and Giesecke, 2011: 32–3; Hoekstra et al., 2016: 12, 22; Kalleberg, 2000: 342, 353; Kösters and Smits, 2015: 129).

Compared with employers, workers' motivations regarding nonstandard employment are more ambiguous. Surveys indicate that most people working under an alternative work arrangement do so involuntarily (ILO, 2016: 58; Van der Aa et al., 2015: 121; Houseman, 2001: 150). At the same time, they find a substantial minority within the group that willingly operates under such an employment relationship. Intrinsically, workers may prefer to work under an alternative work arrangement as it enables a higher degree of personal autonomy, which is particularly common for own-account work (Kalleberg, 2013: 7, 160; *Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 25, 33; TNO and CBS, 2019: 51–2; Van der Aa et al., 2015: 121, 123). These workers desire to be (more) in charge of their work relationships, activities, and schedules. The possibility of combining paid work with other social responsibilities, commitments, or life goals constitutes another important motivation (Josten et al., 2014: 24; Engbersen et al., 2020: 130, 134; ILO, 2016: 186; Commissie Regulering van Werk, 2020: 26).

Regarding extrinsic motivation, studies indicate that alternative work arrangements are generally relatively unattractive to workers. Flexible workers experience less job and income security than permanent employees; despite these higher risks, they mostly receive lower wages (Booth et al., 2002: F197; Brown and Sessions, 2005: 307; Euwals et al., 2016: 12–3; Kremer et al., 2017: 39–40). Consequently, they are associated with higher unemployment and poverty risk, even when the causality between the risks and nonstandard employment is plausible in both directions. Studies also have repeatedly pointed out that flexible workers undergo less training than permanent workers (Fouarge et al., 2012: 181, 184–5; Kvasnicka, 2009: 338–9; Commissie Regulering van Werk, 2020: 32, 38). Human capital theory explains this fact by suggesting that companies are, *ceteris paribus*, more likely to invest in vocational training of permanent workers due to an extended period of returns (Hagen, 2003: 7; Fouarge et al., 2012: 180–1). A much-debated issue is whether alternative work arrangements can benefit workers who cannot get a permanent contract. The core argument in this discussion is that by enabling easy entry to the labor market for newcomers and the unemployed, nonstandard employment functions as a 'stepping stone,' increasing their network and human capital and, therefore, their chances of obtaining a permanent job (Korpi and Levin, 2001: 128; De Graaf-Zijl et al., 2011: 111; Dekker, 2007: 42–3). Most studies confirm that, for the unemployed, the acceptance of fixed-term or agency work has a positive effect on their long-term employment duration and their probability of eventually getting an open-

ended contract (Addison and Surfield, 2009: 1083–4; Hartman et al., 2010: 656; Ichino et al., 2008: 314–5; Jahn and Rosholm, 2014: 113–4). Yet, the positive impact of agency work on labor market advancement is controversial. Several influential studies have either found opposite results or have shown that agency work is less effective in promoting labor market advancement than fixed-term labor contracts (Amuedo-Dorantes et al., 2008: 153–4; Kvasnicka, 2009: 359).

In Dutch surveys on job satisfaction, own-account work deviates from other work arrangements. Satisfaction of own-account workers with their employment relationship is comparatively high (TNO and CBS, 2019: 51–2, 79; Josten et al., 2014: 24; Van der Aa et al., 2015: 121). They particularly stress the importance of autonomy, as discussed earlier, and primarily view themselves as entrepreneurs rather than workers. Nevertheless, a minority, typically under 20 percent of own-account workers, reports dissatisfaction. Since the work arrangement often escapes the labor regulations that apply to labor contracts, bargaining power determines who benefits from the resulting flexibility. When own-account workers have a strong bargaining position, for instance, due to highly specialized and valued skills, they can use the generally less-regulated arrangement to get a higher return on their labor, as it enables them to avoid social contributions, taxation, or other forms of regulation such as the wage scales in collective labor agreements (Bosch et al., 2011: 26; Milanez and Bratta, 2019: 14; *Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 44–5; Kalleberg, 2013: 78). Yet, when they have a weak bargaining position, for instance, due to a lack of human and social capital, there is a risk that some employers force workers into this type of employment relationship, making them work under lower wages or less social protection than a labor contract would offer for the same work (Josten et al., 2014: 18; Kremer et al., 2017: 29; Milanez and Bratta, 2019: 15; Van den Berg, 2017: 150). Despite its small size, the gig economy has symbolized this phenomenon. International surveys in the US, UK, and Italy show that workers are more likely to enter own-account work from unemployment than from other work arrangements (Boeri et al., 2020: 183). Scholars interpret this as evidence that workers often opt for own-account work out of necessity rather than free will.

## **Globalization and technological development**

While these motivations provide ample explanatory power regarding the static use of alternative work arrangements, they cannot account for changes over time. Therefore, these motivations are inadequate to explain the swift expansion of alternative work arrangements in advanced market economies since the 1970s. Instead, scholars have suggested that economic globalization and technological development exacerbate business interests in alternative work arrangements. In this literature, four structural explanations are prevalent.

Firstly, economic globalization and technological development have stimulated a systemic shift in the occupational structure of developed economies since the 1970s, from middle-quality employment in manufacturing to low-quality jobs in the service sector, enhancing job polarization and the use of alternative work arrangements (Kalleberg, 2013: 30; Kremer et al., 2017: 27–8; Engbersen et al., 2020: 156). Followers of the routine-biased technological change hypothesis argue that computerization has been the driving force behind this structural shift (Autor and Dorn, 2013: 1559, 1578–9; Goos et al., 2009: 58, 61–2; Berger and Frey, 2016: 12–3; Akerman et al., 2015: 1818–21). Computerization was (initially) biased toward automating routine-based tasks with well-defined procedures, which were common in manufacturing. Consequently, people moved to jobs less vulnerable to computerization, as they required complex physical skills, knowledge-intensive problem-solving, or interpersonal communication. These jobs are characteristic of the service sector. Scholars have also pointed to the role of import competition in reducing low-skill work in the manufacturing industry in advanced economies (e.g., through off-shoring) to explain the structural changes in this period (Acemoglu et al., 2016: 158–161, 173–4; Autor et al., 2013: 2147; Goos et al., 2014: 2521–2, 2524). These studies find a clear link with the decline of work in manufacturing but are unable to account for the subsequent rise of jobs in the service sector, such as the phenomenon of services off-shoring.

Secondly, the increasing rate of technological development has directly stimulated employers to increase the adaptability of their organizations to innovative changes in the production process, for instance, by using nonstandard employment (OECD, 1994: 7, 29, 46–7; De Beer, 2018: 63–4; Scheer et al., 2016: 25). Thirdly, product market integration, partly driven by technological innovation, has increased the competitive pressures on companies and amplified their sensitivity to demand shocks, motivating them to reduce costs and pass on employment risks through alternative work arrangements (Kalleberg, 2009: 2–3, 5, 8; Hoekstra et al., 2016: 10; Kremer et al., 2017: 25–6). Fourthly, the integration of capital and labor markets, reinforced by technological innovation, has stimulated this development. Capital market integration has enhanced the capability of businesses to reallocate production across countries and create complex supply chains, increasing the competition between policy regimes and harming the bargaining position of primarily nationally organized labor movements (Furceri and Loungani, 2018: 139, 141; Jayadev, 2007: 432–4; Hacker and Pierson, 2002: 282–3). Meanwhile, labor market integration has made it easier for companies to attract labor through immigration (Kalleberg, 2013: 51, 57; Commissie Regulering van Werk, 2020: 25; Engbersen et al., 2020: 199). Current evidence suggests that migrants mostly complement the workforce (De Graaf-Zijl et al., 2011: 23; Foged and Peri, 2016: 20–2; Van den Berge et al., 2018: 28). Yet, some studies indicate that a negative wage or substitution effect might (slightly) dominate for subsets of workers. Despite a limited general impact on labor conditions, D.

Raess and B. Burgoon (2015: 103–5) found a significant effect of immigration on the use of agency work and temporary labor contracts. A possible way to square these findings is that low-skilled immigration drives a segmentation process, where immigrants end up in complementary, nonstandard employment at the margin, providing the firms of the receiving country with flexibility while core workers remain relatively unaffected (Afonso and Devitt, 2016: 597). In this way, companies can attract cheap labor without relocating to low-wage countries.

Due to the global nature of these trends, these explanations can only partly account for country-specific variation in nonstandard employment (Oesch, 2013: 13; OECD, 2019: 20; Hoekstra et al., 2016: 12). The increase in alternative work arrangements in the Netherlands has been remarkably swift, even from an international perspective. One could argue that a relatively small, open economy like the Netherlands may be more affected by globalization and technological development, pointing to the relatively fast growth of its international trade since 1975 (Touwen, 2014: 42–3; OECD, 2019: 27). Although the open nature of the Dutch economy has probably played a role, quantitative studies indicate that it is far from a sufficient explanation for the Netherlands' extraordinary trajectory (OECD, 2019: 20, 27; De Beer, 2018: 75, 80–1; Scheer et al., 2016: 32, 41–2). Instead, the literature suggests that domestic actors have significant discretionary space in dealing with the pressures from globalization and technological development (Davidsson and Emmenegger, 2012: 208, 210; Engbersen et al., 2020: 226; OECD, 2019: 20). Reviewing the literature, the OECD (2019: 20) stated that '...the growth and the level of nonstandard employment in the Netherlands are exceptional, which suggests a more significant role for institutional factors. The implication of this is that the level of nonstandard work is, to a large extent, a result of historical policy choices and can be influenced by future policy choices.'

### **Political explanations for country-specific variation**

I identify three research fields within the literature providing explanations for country-specific policy choices: scholarship on welfare state typologies, party politics, and union strategies. This study's theoretical objective is to test the relative explanatory power of the underlying causal mechanisms. In the following sections, I discuss each research field separately.

#### **Welfare state typologies**

G. Esping-Andersen's welfare state typology of the 1990s constitutes one of the most influential attempts to understand the differences between welfare states. His seminal work distinguishes three welfare state ideal types: (1) the liberal, Anglo-Saxon, (2) the conservative, Continental European, and (3) the social democratic, Scandinavian model (Esping-Andersen, 2013: 26–7, 1999: 17–8).

The conservative ideal type, Esping-Andersen (1999: 18, 2013: 27) argues, provides social security without redistribution, preserving status differences. Social provisions typically focus on passive (e.g., unemployment insurance) rather than active labor market policy (e.g., vocational training) and follow an insurance principle, where the level of benefits depends on past contributions (Bussemaker and Van Kersbergen, 1999: 18, 23; Esping-Andersen, 1999: 18, 81–2). The build-up of the welfare state in Continental European countries typically draws on a coalition between Christian democrats and social democrats (Manow and Van Kersbergen, 2009: 21–2). Due to the strong influence of Christianity, the regime rests on breadwinner principles. Different family members are thought of as playing distinctive, naturally given roles, resulting in a norm of a male breadwinner and a full-time carer who takes care of children and elderly family members (Bussemaker and Van Kersbergen, 1999: 23; Esping-Andersen, 1996: 75–6; Van Kersbergen, 1995: 187, 190). This conception of the family, in turn, informs a socio-economic agenda that enables the male breadwinner to play his ‘natural’ role as the financial provider of the whole household, often referred to as the ‘family wage’ (Van Kersbergen, 1995: 185, 189–90; Esping-Andersen, 1996: 69, 75–6, 1999: 83). Taxes, benefits, and lacking public social services all reinforce the traditional division of labor within the household (Bussemaker and Van Kersbergen, 1999: 18–9, 23–4; Esping-Andersen, 2013: 27, 1999: 18, 51, 83, 153; Pontusson, 2011: 98). Although social insurance and job security were relatively generous, they were, therefore, directed at the breadwinner. The financial underpinnings of these welfare state provisions, in turn, put a relatively high marginal tax burden on secondary income earners (Esping-Andersen, 1999: 65, 72; Van Kersbergen, 1995: 171–).

Although the Dutch welfare state has constituted a mix of Esping Andersen’s ideal types, it resembled the conservative model regarding the extent of breadwinner policy. In the Netherlands, the discouragement of female labor market participation went as far as explicit rules and practices forcing women to leave the labor market upon motherhood or marriage (Bussemaker and Van Kersbergen, 1999: 19). When the Dutch government faced an increase in full-time employment by women, it decided to stimulate part-time jobs as an alternative to guarantee the sustainability of the breadwinner model (De Groot, 2022: 12–3).

Despite criticism by multiple authors of Esping-Andersen’s classification (Arts and Gelissen, 2002: 142, 146), the typology remains a valuable analytical tool (Vrooman, 2012: 457–8). For this dissertation, the commentary that the welfare regimes do not sufficiently incorporate the role of gender is particularly relevant. Critics emphasized the importance of the organization of care, divided between family, state, and market, for the access of women to the labor market, which should, therefore, receive more attention in welfare state classifications (Orloff, 1993: 312–4, 318; Lewis, 1997: 162, 170, 172; Arts and Gelissen, 2002: 147–8). This point is critical for the link between breadwinner



policies and labor market segmentation. Scholars have identified the 1960s and 1970s as the crucial window for shaping the post-industrial labor market. In these years, social democratic countries turned toward gender-egalitarian policies (Pontusson, 2011: 95; Esping-Andersen, 1996: 79, 123). They aimed to enhance individual independence and the emancipation of women by reducing the care burden on them through public care provisions (Esping-Andersen, 2013: 28; Bussemaker and Van Kersbergen, 1999: 19). Individual taxation, parental leave, public child care, universalistic social security were the typical policies to promote equal dual-earner households (Lewis, 1997: 168–9; Orloff, 1993: 316). According to E. Huber and J.D. Stephens (2001: 19–20), the implementation of gender-egalitarian legislation depended on the rule of social democratic parties and extensive organization of women in movements and associations to call for such policies.

In contrast, conservative countries continued to promote dependence on the family for such services, relying on the unpaid work of women (Esping-Andersen, 2013: 28; Bussemaker and Van Kersbergen, 1999: 19). They kept insider job security and wages intact, as the countries resorted to labor supply restriction, such as early retirement, to cope with the oil shocks and structural adjustment (Esping-Andersen, 1996: 76–7, 1999: 84, 130, 153; Hemerijck et al., 2000: 108–9). In this way, the breadwinner principles of conservative welfare states persisted well into the 1980s. Due to the focus on labor market exit instead of entrance, they often struggled with a vicious cycle of inactivity and labor costs (Bussemaker and Van Kersbergen, 1999: 19–20; Esping-Andersen, 1996: 79–80). Between the 1960s and 1980s, studies find a strong, negative correlation between the strength of Christian democratic parties and female labor market participation (Van Kersbergen, 1995: 144–6). In these decades, women's employment took off much more quickly in social democratic than in conservative welfare states (Pontusson, 2011: 93, 95). Esping-Andersen argues that the trajectories of the welfare regimes also produced a qualitative difference. Whereas social democracies moved to relatively equal dual-earner families, conservative welfare states produced an insider-outsider divide across gender lines (Esping-Andersen, 1999: 18, 123, 153, 1996: 80–1). Due to the focus on labor supply reduction and the lack of social services, women could not attain permanent, full-time labor contracts. Instead, employers increasingly used nonstandard employment to circumvent the comparatively high labor costs and rigidities of insiders in the conservative welfare states on the European continent. Using these work arrangements undermined the financial foundation of the welfare state and kept outsiders stuck in financial dependency while insiders resisted a downward correction of their protection (Esping-Andersen, 1996: 80–1). According to Esping-Andersen, this explains the observation that 'the growing gap between labor-market "insiders" and "outsiders" is first and foremost a continental phenomenon' (Pontusson, 2011: 91).

In other words, differences in the dispersion and persistence of breadwinner policies across welfare states explain why some countries' labor markets became more segmented

than others. At first, policymakers designed breadwinner welfare regimes to support a traditional division of labor in the household. Although breadwinner norms changed in conservative welfare states, the adopted welfare regime had a path-dependent effect: gendered labor market segmentation across conservative welfare states.

Although there has been little debate on the link between breadwinner policies and labor market segmentation, P. Emmenegger challenged the idea that catholic parties were responsible for the high employment protection of labor market insiders on the European continent and uniquely drawn toward insider job security (Emmenegger, 2010: 24–5, 29–31). Alternatively, he argued that the different policy trajectories resulted from the path dependency enacted by (early) labor strength. This work emphasizes trade unions' preference to maximize control over employment protection regulation (Emmenegger, 2014: 48, 125). Due to this inclination, employment protection has generally taken the form of collective labor agreements in countries where the labor movement was united and strong (i.e., social democratic welfare states). Where trade unions were fragmented and weak, they took the form of labor law instead (i.e., conservative welfare states). During the major upheavals of the twentieth century, these collective labor agreements and labor law traditions had paradoxical consequences. In periods of left political dominance during great economic and political crises, Emmenegger (2014: 52–3, 122–3) argues that employment protection legislation could be extended without employers' consent in countries with a statutory tradition but not in countries relying on collective labor agreements. As a result, job security became more extensive in conservative welfare states with a weak, fragmented labor movement than in social democratic countries with strong, united trade unions. Hence, the correlation between the prominence of catholic parties and employment protection and the weak correlation of job security legislation with labor strength, despite a preference of trade unions for more extensive employment protection. Although Emmenegger's empirical work is impressive, it draws on a narrow interpretation of breadwinner policy, negating the role of welfare provisions and fiscal incentives.

## Party politics

Contrary to the literature on breadwinner policies, most political accounts look at reforms ensuing the acceleration of globalization and technological development. In these studies, divergent policy responses explain country-specific variation in nonstandard employment and labor market segmentation. Scholars typically attribute these different reactions to the internal dynamics of party politics or industrial relations, taking either a power-centric or idea-centric approach.

According to traditional power resources theory, variation in the balance of power between capital and labor is the main explanation for country-specific differences in welfare state regimes and labor market outcomes (Korpi, 2019: 18–9; Shalev, 1983: 317,

320–1; Esping-Andersen, 2013: 16; Huber and Stephens, 2001: 3, 17). These classes engage in conflicts on ‘resource and risk distribution’ in the labor market (Korpi, 2006: 174), for which they can form coalitions with other social groups, such as Christian democratic or Agrarian parties, to get the upper hand (Esping-Andersen, 2017: 36–7; Manow, 2009: 103, 109). The approach views labor market institutions as ‘outcomes of recurrent conflicts of interest, where the parties concerned have invested their power resources in order to secure favorable outcomes ... the ways in which they were created and function reflect the distribution of power in society. When the distribution of power resources is altered, the form and functioning of such institutions and arrangements are also likely to change’ (Korpi, 2019: 19). In this way, alternative work arrangements result from a distributive class struggle, where employers and workers negotiate managerial flexibility (Emmenegger and Marx, 2011: 734–5). In capitalist democracies, this perspective has traditionally viewed social democratic parties as the most important representatives of the working class in the legislative channel (Shalev, 1983: 319; Esping-Andersen, 2017: 3). On the European continent, moreover, liberal parties constitute the traditional representatives of capital. Therefore, changing power resources of social democratic parties relative to liberal parties are crucial to understanding legislative reforms that affect nonstandard employment. Where social democratic parties are strong compared to liberal parties, power resources theory expects employers to have less managerial flexibility due to more restrictions on nonstandard employment.

According to Rueda, power resources theory can only explain the general direction of change but cannot account for the increasing differences between workers with and without open-ended labor contracts in post-industrial labor markets. Instead, he argues that the power dynamics between labor market insiders and outsiders are crucial to explaining this dualization process (Rueda, 2007: 2, 15). As insiders have a secure employment relationship with good labor conditions, employment protection is the primary concern for this group. Instead, outsiders prefer active and passive labor market policies, as they experience little job security or unemployment. Yet, such policies are not in insiders’ interest for two reasons. Firstly, labor market outsiders, particularly those with alternative work arrangements, function as a buffer for labor market insiders, protecting the latter against dismissal during economic shocks (Rueda, 2007: 25–6, 148). Secondly, active and passive labor market policies increase the competitive and fiscal pressures on labor market insiders. Strict employment protection, however, damages outsiders’ interests by making it harder to get a job or achieve a promotion to an open-ended labor contract. As insiders tend to be the core constituency of social democratic parties, D. Rueda (2007: 90–1) argues that these parties are primarily concerned with employment protection rather than active and passive labor market policies. To maintain the employment security of insiders, particularly under the strain of globalization and technological development, these parties have introduced more flexibility in the work

arrangements of outsiders (Rueda, 2007: 136). According to D. King and D. Rueda, employers' need for cheap labor explains the high incidence of nonstandard employment in countries with high protections for the regular labor contract. They argue that employers use labor contracts to attract cheap labor whenever these insiders are not well-protected (King and Rueda, 2008: 287–8, 290). Where such protection exists, they use alternative work arrangements to attain cheap and flexible labor, resulting in a dual labor market.

A fundamental criticism of Rueda's theory is that Christian democratic rather than social democratic parties have historically been dominant in countries with dual labor markets. J. Pontusson (2011: 108, 111) argues that Rueda reaches the wrong conclusion because he misses the critical distinction between Europe's social democratic and conservative welfare states. Whereas the first have been relatively successful in limiting labor market segmentation since the 1990s, the latter have experienced a substantial expansion of differences between insiders and outsiders. As discussed earlier, sticky breadwinner policies might serve as an explanation. Yet, some scholars have suggested that Christian democratic parties have also stimulated dualization in their responses to globalization and technological development. Proportional representation systems with a dominant Christian democratic party at the center of the political spectrum have traditionally typified European, conservative welfare states (Manow and Van Kersbergen, 2009: 21–2). W. Carlin and D. Soskice (2009: 93) argue that German reforms promoting labor market flexibility resulted from a shift by this central Christian democratic party from a left- to a right-wing alliance.

A more general critique of insider-outsider theory focuses on its rationalist fundamentals. Insider-outsider theory adopts a traditional rationalist view where the attitudes of workers and interest groups fully align with their material interests. Idea-centric approaches criticize such perspectives for assuming that policymaking is an efficient process where actors have information on their decisions' (long-term) effects. In his influential article on policy paradigms and social learning, P.A. Hall (1993: 275–6) argues that institutional design is often like a puzzle with high uncertainty, where ideas heavily determine how political players perceive their interests and formulate their policy positions. Although power relations play a considerable role, differences in policy paradigms and their adoption can, therefore, explain country-specific divergence. The policy paradigm shift surrounding the two oil shocks from a demand-side perspective on the economy to a supply-side orientation constitutes the central example in the idea-centric literature. With this change, policymakers became more critical of the employment protection of open-ended labor contracts (Carlin and Soskice, 2009: 68). OECD recommendations against 'labor market rigidities' illustrate this shift (Armingeon, 2004: 228).

While agreeing on the importance of this policy paradigm shift, scholars have heavily debated the causal mechanism behind the transformation. Hall's pivotal study argues that the social learning of policymakers can lead to a paradigm shift when the current policy paradigm no longer provides a sufficient explanation for the most salient issues (Hall, 1993: 278–80). For the supply-side turn, this was the inability of demand-side policies to remedy the stagflation of the 1970s and 1980s effectively. As social learning indicates to policymakers that a policy paradigm decreases in value due to increasing anomalies, they become open to alternative perspectives that provide better understanding and solutions concerning the issues at hand. Politicians are central in establishing the policy paradigm shift (Hall, 1993: 285–7). C. Hay (1996: 254–5, 2001: 203–4) added to Hall's perspective by emphasizing the crucial role of narratives in establishing a policy paradigm shift. According to Hay, policy failures and theoretical contradictions of a paradigm are not enough to enact such fundamental change. For this to occur, there needs to be a moment of decisive intervention based on the widespread perception that something has to change and an alternative narrative that key actors must discursively construct and adopt. Here, media coverage plays a central role (Hay, 1996: 265–6, 271, 273). The success of an alternative narrative depends on its capacity to speak to the perceptions of the crisis, assign responsibility for it, and necessitate a specific policy response (Hay, 2001: 204, 1996: 255). Contrary to Hall, Hay suggests that the empirical validity of this alternative is not of critical importance.

According to M. Blyth, Hall's theory overlooks the unique type of uncertainty required for policy paradigm shifts, such as the shift from Keynesianism to monetarism. Blyth argues that 'Knightian uncertainty' typifies the crises required for paradigm shifts, as actors cannot identify their interests (Blyth, 2002: 31–3). Under such circumstances, he suggests that ideas are essential for reducing uncertainty by constructing the causal story of the crisis and formulating policy solutions based on this insight. If successful, the new policy paradigm has a path-dependent effect by constraining policymakers' cognitive frameworks until a similar period of uncertainty and change takes hold. Regarding the shift from demand-side toward supply-side ideas, Blyth argues that organized business played a key role in generating and spreading the supply-side alternative through funding pro-business think tanks and political campaigns (Blyth, 2002: 155–6, 215).

Some scholars have fundamentally challenged theories based on policy paradigm shifts. They note that such a perspective views the development of ideas as a process of punctuated equilibrium, where policy ideas merely shift from one paradigm to the next (Carstensen and Matthijs, 2018: 433–4; Clift, 2020: 285–6). Instead, M.B. Carstensen and M. Matthijs (2018: 439–41) show how consecutive British governments since the 1970s have steered the dominant policy paradigm toward their agenda. Whereas price stability remained the core policy goal, the 'ideational power' of the cabinets allowed enormous change in the pursued role of the state while adhering to the neoliberal paradigm. By

highlighting the continuities of UK and US monetary policy since the 1970s, B. Clift (2020: 296–7), moreover, argues that accounts on policy paradigms overstate the radical nature of shifts in policy ideas and the intellectual coherence of paradigms.

The policy paradigms debate has also impacted scholarship on the Dutch case. In their seminal work on the ‘Dutch miracle,’ J. Visser and A. Hemerijck (1997: 61) argue that Hall’s theory is too state-centric due to its British focus. The theory fits the majoritarian political systems of the Anglo-Saxon world, suited to more radical political change. Yet, change is much more gradual in the Dutch proportional system with coalition-building and corporatist policymaking. Therefore, they postulate the alternative framework of corporatist policy learning where organized interests are critical in paradigmatic change (Visser and Hemerijck, 1997: 78–9). In this framework, state pressure on organized interests or a changing power balance between capital and labor drives change. Their theory, thus, leans heavily on power relations in explaining changing policy paradigms. Recent scholarship has put more emphasis on the transformative role of ideas. Whereas J. Touwen (2014: 268–70, 2008: 451, 453–4) underlines the importance of business leaders and government reports, particularly by the tripartite Wagner Committee, in the Dutch turn toward supply-side policies, M. Oudenampsen and B. Mellink (2021: 23–4, 40–1) highlight the role of public officials in this process.

When linking the supply-side turn to labor market segmentation, scholars tend to look for deregulation. Yet, the limited scholarship on the Dutch own-account work boom suggests that an alternative mechanism might be more vital for this work arrangement: fiscal incentives. Of all the alternative work arrangements, own-account work has arguably contributed the most to dualization in the Netherlands. Yet, deregulation only became an important factor after 10 years into the own-account work boom, making it an implausible explanation for the whole process. At the same time, decomposition analyses of the Dutch own-account work suggest that government policy played an important role. A decomposition analysis of the Dutch increase in self-employment between 1992 and 2006 constitutes the first example. Accounting for gender, age, household structure, education, citizenship, and economic sector, F. van Es and D.J. van Vuuren (2011: 1667–8) found that the included year dummies still had by far the largest impact on the development of own-account work, indicating a major role of institutional or sociocultural factors. Given the relatively high year dummies late in the sample (2004–2006) and the gradual nature of sociocultural trends, the authors suggested that government policy likely was the most influential factor. Indeed, it is plausible that the abolition of compulsory disability insurance, the introduction of the Work Arrangement Declaration Act in 2004, and the substantial increase in the Self-employed Tax Deduction in 2005 had a major impact. Yet, the study’s data were insufficient to estimate such an effect. A later decomposition analysis of own-account work growth between 1996 and 2010 led to similar results: birth cohort accounted for most of the

change, indicating a considerable impact of sociocultural or institutional developments (Bosch et al., 2012: 9–10). Again, data was inadequate to separate these two effects.

Economic studies on own-account work also emphasize the explanatory power of fiscal incentives (Boeri et al., 2020: 170–1). From an entrepreneurial narrative, the 1990s and 2000s comprised fierce competition based on the tax pressure on companies (Genschel and Schwarz, 2011: 356). Small countries especially corrected their corporate tax rates downward. The conventional explanation for this difference is that smaller countries are more likely to offset the domestic base's tax revenue loss from a corporate tax cut by the additional inflow from corporations abroad (Genschel and Schwarz, 2011: 341–2). Policy reports that specifically analyzed the Dutch case, moreover, have pointed to the extreme fiscal treatment gap between employees and own-account workers as an explanation for the deviant trajectory of the Netherlands (Milanez and Bratta, 2019; OECD, 2019; Commissie Regulering van Werk, 2020: 21; *Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 46). When the European Commission advised the Dutch government on its response to the swift expansion of own-account work, it therefore recommended '...reducing tax distortions favoring self-employment...' and '...promoting access of the self-employed to affordable social protection' (European Commission, 2017: 5). Despite studies' inability to accurately estimate the effects of policy reforms on the Dutch own-account work boom, the decomposition analyses and policy reports make it sufficiently plausible that government policy played an important role. Yet, there is surprisingly little research on why the Dutch parliament enacted fiscal reforms and deregulation in the first place. Chapter 5 of this dissertation specifically delves into the political process underlying these policy changes.

## Union strategies

As with party politics, the power resources approach has traditionally dominated research on the role of trade unions. Whereas social democratic parties and liberal parties constituted the representatives of capital and labor in the party political arena, trade unions and employers' associations did so in industrial relations. For this reason, scholars have linked increasing managerial flexibility to declining union power (Baccaro and Howell, 2017: 18, 20, 22–3). Power resources also play a central role in the solidarity literature, which focuses on labor responses to precarious work (Doellgast et al., 2018; Carver and Doellgast, 2021). While recognizing examples of exclusive union responses (i.e., insider-focused), these studies find that inclusive strategies, representing insiders' and outsiders' interests, have constituted the dominant union strategy, particularly in the long run. The literature's primary goal is understanding the conditions for successful solidaristic union responses. A recent literature review identified two paths to solidarity: conflict-based and social partnership (Carver and Doellgast, 2021: 374–6). The conflict-based path tends to take place when the institutional power of trade unions is low and

the associational power among workers is high. In contrast, the social partnership path occurs when trade unions leverage their existing role in institutions to improve the labor conditions of outsiders. Whereas associational power is at the center of the conflict-based path, worker-to-worker identification and cohesion are also weighty for the success of union strategies along the social partnership trajectory.

In contrast, the dualization literature seeks to explain country-specific variation in labor market segmentation despite a general trend toward more labor market flexibility. Within this strand are two dominant theories on exclusive union strategies to explain widening insider-outsider divides in the context of low labor power. The first account builds on Rueda's insider-outsider theory. Rather than social democratic parties, this perspective attributes a central role to trade unions in the dualization process (Emmenegger, 2014: 47–8, 192). According to Emmenegger (2014: 67–8, 196, 273, 288–9), trade unions oppose any form of labor market deregulation. Yet, they prefer the promotion of flexibility among labor market outsiders over a more minor but general introduction across the labor market, often accompanied by the loss of their role in the administration of dismissals. Therefore, they can pragmatically drop their resistance against nonstandard employment as a last-resort option to protect their organization and their primary constituency: workers with open-ended labor contracts. The argument suggests that trade unions are not merely motivated by the interests of their membership but particularly consider how labor market policies affect the future capability of the organization to exert influence (Davidsson and Emmenegger, 2013: 354–5, 2012: 207, 211–2). Emmenegger (2014: 68–9) argues that labor contributions to dualization are more limited when trade unions are more encompassing. Encompassingness is high when union density is high, union fragmentation is low, and no specific groups of labor (e.g., low-wage service workers) are underrepresented.

The second perspective in the dualization literature constitutes a blend of insider-outsider theory and the Varieties of Capitalism literature (Thelen, 2012; Hassel, 2014; Palier and Thelen, 2010). Understanding the approach, therefore, requires a short discussion on the foundations of the latter perspective. The Varieties of Capitalism literature distinguishes between liberal and coordinated market economies in which firms apply different strategies to enhance their institutional comparative advantage. In liberal market economies, companies mainly coordinate their enterprises through market mechanisms and make more use of general skills (Hall and Soskice, 2001: 8, 17; Iversen and Soskice, 2009: 445–6; Hall and Gingerich, 2009: 452–3; Estévez-Abe et al., 2001: 173, 176). In coordinated market economies, non-market relationships are more prevalent in firms' coordinative processes, and companies rely more on skills specific to a particular job. Other things equal, such specific-skills investments are relatively unattractive to workers. They are not easily transferrable to other companies and, therefore, provide less employment and income security than investments in general



skills (Estévez-Abe et al., 2001: 150–1, 153, 173–4; Hall and Soskice, 2001: 51; Iversen and Soskice, 2009: 445–6). Therefore, coordinated market economies compensate workers for the lower employment and income security associated with specific-skills investments by offering higher social protection. More permanent contracts with stricter employment protection can also function as a ‘commitment device’ (Bosch et al., 2011: 19–21; Estévez-Abe et al., 2001: 151).

In early contributions to the Varieties of Capitalism approach, the strategy of individual firms tends to follow structure. The perspective emphasizes the complementary nature of institutions, which increases the benefits of a set of other arrangements once a particular institution is adopted (Hall and Gingerich, 2009: 450, 468–9, 471; Hall and Soskice, 2001: 17–8). This re-inforcing tendency explains the clustering of countries around the institutional profiles of either liberal or coordinated market economies as they represent the two alternative models in which complementary institutions are optimal, maximizing institutional comparative advantage and enhancing economic performance. This explanation of institutional development has received much criticism. Implicitly, it portrays the past as an efficient, rational process, leading to the current division between liberal and coordinated market economies (Streeck, 2010: 22–3, 27, 30–1; Blyth, 2003: 219; Pontusson, 2005: 164–5; Howell, 2003: 110, 112; Streeck and Thelen, 2005: 5). The premise is that political decision-making aligns with the homogeneous, future economic interests of a country’s firms as it maximizes a country’s international competitiveness. Consequently, there is little room for institutional change once the structures of liberal and coordinated market economies are in place.

This critique spurred a new strand within the Varieties of Capitalism literature arguing that cross-class coalitions explain institutional change within coordinated and liberal market economies instead (Hall and Thelen, 2009: 14–5; Thelen, 2014: 12). This notion of cross-class coalitions drew inspiration from the business interests literature arguing that power resources theory misrepresents the role of business in the expansion of welfare state provisions and labor market regulation (Swenson, 2002; Mares, 2003). Emphasizing that trade unions and employers’ associations consist of subgroups with distinct interests, the business interests literature suggests that cross-class coalitions between these subgroups rather than class-based conflict often explain durable labor market policy outcomes. In the context of labor market segmentation and the Varieties of Capitalism literature, several scholars argue that cross-class coalitions between employers’ associations and trade unions in the manufacturing sector explain the dualization typical of conservative, coordinated market economies (Thelen, 2014; Hassel, 2014; Palier and Thelen, 2010). Whereas large manufacturing companies had previously set the national standards for labor conditions in France and Germany, the economic crises of the 1970s and 1980s led to a restructuring of the industrial sector aimed at reducing the workforce and increasing productivity to stimulate the

competitiveness of manufacturing companies (Palier and Thelen, 2010: 122–3). As the bargaining process tended to become more decentralized and the organizational strength of labor declined, the large industrial employers formed a cross-class coalition with a shrinking, skilled core of the workforce to ensure their social protection in exchange for higher productivity and working-time flexibility (Thelen, 2014: 50, 54, 130; Palier and Thelen, 2010: 124). According to B. Palier and K. Thelen (2010: 131), labor market insiders heavily opposed general liberalization of the labor market but tolerated the gradual introduction of more flexibility in the arrangements for labor market outsiders. Around the core workforce, nonstandard employment slowly emerged for new hires, particularly for low-skilled jobs, stimulated by the rise of the service sector where unions were weaker, outsourcing, and a plethora of small policy changes (Palier and Thelen, 2010: 124, 127, 129; Thelen, 2014: 51, 134, 140). The result was a dual labor market where the more vulnerable end of the labor market, rather than the whole labor market, had been liberalized (Palier and Thelen, 2010: 126–7; Thelen, 2014: 134). A. Hassel (2014) similarly argues that pressures for flexibility in the labor movement forced strong trade unions to turn inward and negotiate agreements with employers to protect workers with open-ended labor contracts in their specific sectors. Due to the exclusive nature of these arrangements, employers could implement alternative work arrangements around this well-protected core workforce for cost-cutting purposes. However, Hassel (2014: 66) argues that the cost-cutting strategy itself relied on ‘union cooperation.’

Whereas the dualization and solidarity literature are often presented as an academic debate, C. Benassi and L. Dorigatti (2015: 537–8) have tried to square the findings of both literatures by framing inclusive and exclusive union responses as equally viable policy alternatives. They argue that the perceived alignment of core workers’ interests with flexible workers or management determines the nature of union responses. In the context of declining bargaining power and high institutional power, this perspective suggests that trade unions are initially likely to cooperate with management to pass the adverse effects of their deteriorating power onto workers with alternative work arrangements (Benassi and Dorigatti, 2015: 538). Contrary to the dualization literature, however, this approach suggests that unions eventually view nonstandard employment as threatening insider interests when such contracts disperse, motivating trade unions to represent outsider interests over time.

Studies applying organizational learning theories to trade unions have also addressed changes in union strategies over time. According to this literature, effective responses to new challenges require organizations to collectively adjust their policies and unlearn no longer appropriate strategies (Hyman, 2007: 200–1). Facing new challenges, unions tend to be conservative, responding ‘in directions which will not threaten shared ideas, values, and habits’ (Hyman, 2007: 202). In this way, identity shapes initial union responses. R. Hyman (2004: 2–4) distinguishes between three types of unionism with

a different ideological foundation: unions as regulators of the wage-labor relationship, unions as integral parts of society, and unions as agents of class struggle. Unions who perceive themselves as integral parts of society aim to gradually improve social policy within the economic system through social dialogue with employers' associations as collective representatives of workers and employers. Although unions never purely follow one of these ideal types, a relative emphasis leads to particular challenges and learning. According to Hyman (2007: 203, 205–6), the right balance between internal democracy and leadership is crucial for unions in overcoming conservative reflexes and designing more encompassing strategies. Whereas such learning requires some central coordination, it should not be imposed from above but resulting from intense social deliberation within the organization. As discussed earlier, policy paradigm theory underlines the path-dependent effect of the ideas shared by policymakers. Yet, this literature also suggests that conditions of high uncertainty can cause a fundamental shift in the policy ideas that guide them. S. Boumans (2022) recently applied policy paradigm theory to trade unions and labor market liberalization. She argues that the neoliberal policy paradigm had a much more significant effect on unions' policy ideas than is currently suggested by the literature.

How unions contribute to regulation also depends on the corporatist structures and practices in place. In a corporatist model, employers' associations and trade unions are essential in determining labor conditions through collective bargaining and influencing public policy, often through advisory commissions (Emmenegger, 2014: 46; Martin and Swank, 2012: 156). Scholars have adopted conflicting views on the impact of corporatism on insider-outsider dynamics. Some argue that corporatism between peak employers' associations and centralized trade unions leads to more solidaristic outcomes (Martin and Swank, 2012: 155–7; Olson, 1982: 48, 50, 90). As the associations become more encompassing, their awareness of the macro-level effects of policies increases, and they can better solve collective action problems, motivating them to act more in alignment with the general interest. Following this logic, sectoral bargaining is more likely to induce exclusive union strategies than centralized bargaining and policy development. Yet, the contrasting perspective postulates that corporatist structures and practices allow trade unions and employers' associations to shape policies even more aligned with their membership's interests (Rueda, 2007: 30, 65–6, 102–3). Several scholars have suggested that the state has to guide the concertation process to ensure the effectiveness of the corporatist model, leaving space for organized interests to negotiate and motivating them to reach an outcome in the public interest (Thelen, 2014: 23–4; Visser and Hemerijck, 1997: 66, 71, 100–1). The degree to which trade unions can contribute to regulating nonstandard employment also depends on policy traditions (Bonoli, 2003: 1010–2, 1026). While some nations have traditionally relied more on statutory legislation, others have emphasized corporatist bargaining processes to determine the legal framework of

labor relationships. In Europe, Scandinavian countries have typically depended more on collective bargaining, while their Mediterranean counterparts have generally used labor law, and Central and North European countries followed a mixed path.

In research on macro-corporatism in the Netherlands, the Wassenaar Agreement of 1982 has taken center stage. Visser and Hemerijck (1997: 81) argue that, facing an inactivity crisis, trade unions recognized the need to restore private profitability to promote employment growth and, therefore, struck a deal on wage moderation with employers' associations. Some scholars have criticized this argument for overstating the consensual nature of the agreement and its subsequent execution in sectoral bargaining (Becker, 2001: 461; Kösters, Mellink, et al., 2021: 10–1). Wage moderation, they argue, was forced upon labor instead. In contrast, Boumans (2022: 8–9, 15–6) has recently argued that the Wassenaar Agreement was part of a larger policy paradigm shift of trade unions toward labor market flexibility. Inspired by the neoliberal ideas of the social democratic Third Way, she argues that the main Dutch trade confederation, the FNV, reinforced the liberalization of industrial relations, including promoting alternative work arrangements. With the Wassenaar Agreement, trade unions started to adopt elements of the neoliberal worldview. Yet, Boumans argues that labor's actual turn toward labor market flexibility occurred in the early 1990s. Other recent articles indicate that the role of trade unions in the rise of nonstandard employment remains open for debate. Firstly, trade unions extensively attempted to regulate on-call contracts through sectoral bargaining in the late 1980s (Kösters, Van Diepen, et al., 2021: 131–3). The authors attribute the limited overall effects of these efforts to a lack of central coordination but also find that nonstandard employment became less prominent on the labor agenda in the early 1990s. Secondly, during the 1980s and 1990s, bipartite regulation of part-time employment resulted in relatively generous conditions compared to full-time labor contracts (De Groot, 2021: 774–6).

## **Regulating labor in the Netherlands**

In the Dutch policy context, statutory legislation (the legislative channel) and collective labor agreements (the corporatist channel) constitute the primary sources of labor market regulation (Van Peijpe, 1998: 22).

### **Parliamentary democracy**

The Netherlands is a parliamentary democracy with a multi-party system based on proportional representation (Andeweg et al., 2020: 61–2, 144–5). Parliament comprises the First Chamber (*Eerste Kamer*) and the Second Chamber (*Tweede Kamer*). Confusingly, the Second Chamber is the most important body, as it has the monopoly on proposing and revising statutory legislation. In contrast, the First Chamber merely has

the power to accept or refute it. The Christian democratic, social democratic, and liberal party families characterized the pillarized political landscape of the twentieth century. While needing to build coalitions with the other party families, the Christian democratic parties constituted the most prominent political force; the Kok I cabinet (1994-1998) was the first post-war government without Christian democratic representation (De Liagre Böhl, 2013: 344; Oude Nijhuis, 2018: 254–5). From the 1970s onwards, the power position of the traditional party families has eroded, giving way to parties with an alternative foundation. Between 1981 and 2010, the combined vote share of the Christian democratic CDA, social democratic PvdA, and liberal VVD decreased from 84 to 55 percent (Pellikaan et al., 2018: 232). As there is no vote threshold other than the proportional vote share required for a single seat, it is relatively easy for new political parties to enter parliament (Andeweg et al., 2020: 86–7). New parties and an increasingly volatile electorate have fueled fragmentation, undermining the political center (Pellikaan et al., 2018: 249–50). Consequently, forming coalitions has become more difficult.

### **Corporatist tradition**

The eminence of deliberative policymaking between representatives of the state, business and labor is typical of the Dutch institutional context in the post-war period, as reflected by the popularization of this system under the ‘polder model’ concept in the 1990s and the common practice to refer to trade unions and employers’ associations as the ‘social partners’ (Prak and Van Zanden, 2013: 10–12, 23, 256; Tros et al., 2006: 22; Van Waarden, 2003a: 9–10, Van 2003b: 71, 73–4, 81; Hall and Soskice, 2001: 11; Touwen, 2014: 153; Thelen, 2014: 158; Hemerijck, 2003: 49). The corporatist model builds upon the Netherlands’ Christian democratic tradition (Touwen, 2014: 160–1; Van Kersbergen, 2009: 132) and attributes a relatively strong role to the state (Hemerijck, 2003: 47; Thelen, 2014: 23; Touwen, 2014: 171; Tros et al., 2006: 84; Van Waarden, 2003a: 76). Its deliberative processes take place at meeting platforms on the firm, sectoral and national level, where representatives discuss socio-economic issues and negotiate agreements on policies, particularly regarding the labor market (Heerma van Voss, 2010: 101–2; Van Waarden, 2003b: 73–4; Van Kersbergen, 2009: 132).

The functioning of this model depends on the legitimacy of the negotiating parties and the deliberative structures in regulating labor issues. It requires a shared understanding between trade unions and employers’ associations of the relevant topics, a certain level of trust between the negotiators, and the willingness to reach an agreement, typically through a compromise (Prak and Van Zanden, 2013: 12; Touwen, 2014: 188; Van Waarden, 2003a: 26). Yet, the deliberative tradition does not imply that Dutch stakeholders usually reach a middle ground without any conflict, stalemates, or public guidance (Prak and Van Zanden, 2013: 15–6). If the social partners reach a compromise, it may result from tough negotiations and be skewed toward one of the

parties' preferences due to differences in bargaining power. Due to its relatively strong position in the Dutch industrial relations system, the cabinet, moreover, can guide the bargaining system, for instance, by motivating the social partners to reach an agreement by threatening with public intervention (Hemerijck et al., 2000: 117; Jaspers, 2010: 135; Thelen, 2014: 162; Touwen, 2014: 179–80). In general, industrial peace in the Netherlands is high, however, as indicated by the few missed working days due to industrial action by international standards (Heerma van Voss, 2010: 101; Touwen, 2014: 154–5; Tros et al., 2006: 23, 39, 83–4, 95; Visser and Hemerijck, 1997: 135).

### **Peak corporatist institutions**

On statutory labor regulation, trade unions and employers' associations tend to be incorporated in policymaking, serving as another source of institutional power. Whereas trade unions and employers' associations use their established role to influence legislation, they are a tool for the cabinet to attract expertise and to increase societal support for policy reforms (Oude Nijhuis and Ornstein, 2020: 12, 14; Jaspers, 2010: 15–6). Since 1950, two major consultative institutions have co-existed on the peak-level: the Social and Economic Council (*Sociaal-Economische Raad*; SER) and the Labor Foundation (*Stichting van de Arbeid*; StvdA). The SER is a tripartite advisory council for the government with a public law foundation that enables representatives of employers and workers to discuss policies with independent members appointed by the state (crown members) and to impact a wide variety of socioeconomic affairs (De Haan, 2010: 46; Fortanier et al., 1983: 19, 176; Jaspers, 2010: 15–6; Jaspers and Pennings, 2010: 134–5, 146, 159–60; Windmuller et al., 1990: 107). In 1995, the government removed its obligation to ask the SER for advice on socioeconomic affairs. Still, the council kept a valuable role in the policymaking process, particularly by increasing societal support on contentious socioeconomic issues (De Haan, 2010: 46; Heerma van Voss, 2010: 102; Peet, 2010: 239–41; Visser and Hemerijck, 1997: 91). Contrary to the SER, the StvdA is a private organization with a bipartite structure containing workers' and business' representatives. This platform is typically used for formal negotiations on labor conditions between the social partners on the central level, possibly resulting in national agreements with guidelines and recommendations for the subnational bargaining platforms (Heerma van Voss, 2010: 102; Touwen, 2014: 153–4; Van Peijpe, 1998: 24; Visser and Hemerijck, 1997: 90–1). Therefore, the StvdA functions as the peak organization of the corporatist channel. Sometimes, the Labor Foundation negotiates a central agreement that also includes proposals for statutory legislation regarding the labor market. In this way, the social partners can significantly impact the legislative process in parliament.

## Collective bargaining

Due to the decentralization of collective bargaining in the 1980s (Hemerijck, 2003: 56; Touwen, 2014: 130, 144, 174–5; Tros et al., 2006: 33; Windmuller et al., 1990: 266), employers' associations and trade unions on the sectoral level are arguably of more importance than their peak-level counterparts. Since the change in the bargaining level, these sectoral institutions have primarily been in charge of negotiating the collective labor agreements that effectively shape a large share of the labor conditions of the Dutch workforce (Fortanier et al., 1983: 79, 81; Hemerijck, 2003: 56; Tros et al., 2006: 99–100, 108). Nonetheless, the central social partners still influence sectoral bargaining by agreeing on bargaining guidelines in the Labor Foundation.

The Dutch collective bargaining model also attributes a relatively strong role to the state, giving it the power for public wage interventions and control over the statutory extension of CLAs on which the model is built (Touwen, 2014: 166, 171; Thelen, 2014: 23–4). The statutory extension instrument gives the Social Affairs Minister the possibility to broaden the coverage of collective labor agreements to a whole sector upon request of (one of) the social partners if the number of employees under the signatory companies exceeds a particular share of the sectoral total (Fortanier et al., 1983: 17, 81–2; Touwen, 2014: 165; Tros et al., 2006: 102, 104; Van Peijpe, 1998: 24–5; Windmuller et al., 1990: 76–7). Earlier legislation from 1927 ensures that labor agreements apply similarly to trade union members and unorganized workers (Fortanier et al., 1983: 77–8; Tros et al., 2006: 102–3; Windmuller et al., 1990: 74–5). Under this system, CLA coverage in the private sector was around 80 percent of workers between 1980 and 2013 (OECD/AIAS ICTWSS, 2023). The agreements often do not cover workers with high wages, while companies are allowed to request dispensation from sectoral collective labor agreements (Tros et al., 2006: 100–1, 106, 112; Van Peijpe, 1998: 24). Companies typically receive dispensation based on a collective labor agreement on the company level, requiring approval from the labor side. In practice, only large multinational corporations opt to negotiate a collective labor agreement on the company level, as they have the required resources (Tros et al., 2006: 101). Since the introduction of decentralized bargaining for public-sector workers in 1993 (Tros et al., 2006: 123–4), the coverage of civil servants has been close to 100 percent, skewing the figure for the total workforce.

On the company level, works councils function as the leading deliberative institution between capital and labor (Schippers, 2010: 72; Touwen, 2014: 120, 153, 158; Tros et al., 2006: 23, 133; Van Peijpe, 1998: 22, 25; Van Waarden, 2003b: 74; Windmuller et al., 1990: 361–2). Over the years, the threshold of employees at which works councils become obligatory changed repeatedly, from 100 in 1971 to 35 in 1981 and finally 50 in 1998 (Bakels et al., 2019: 343; Fortanier et al., 1983: 182, 185; Tros et al., 2006: 136). The Works Council Act of 1979 gave the bodies more tools to impact firm decisions through consultation and co-determination (Bakels et al., 2019; Fortanier et al., 1983: 187–8;

Visser, 1995: 81, 98). The legislation introduced mandatory consultation of the works councils on critical strategic issues and the right to appeal decisions of the company board that disregarded such advice.

Contrary to the central and sectoral level, the role of trade unions and employers' associations on the company level is limited in international comparison except for those businesses with company-specific CLAs (Tros et al., 2006: 22, 33, 133, 143–4, 146; Windmuller et al., 1990: 361). In the 1970s, trade unions attained an important role in collective dismissal procedures, obliging employers to announce plans for restructuring to trade unions and works councils (Emmenegger, 2014: 161; Fortanier et al., 1983: 77, 173; Tros et al., 2006: 255–6; Van Peijpe, 1998: 28; Visser, 1995: 83; Windmuller et al., 1990: 383). Dutch trade unions also directly exercise influence on businesses through activism. Although the Dutch labor movement is primarily organized along sectoral lines, the trade unions also comprise a complex network of occupational departments (e.g., *Bedrijfsledengroepen*) and geographical offices on the local or regional level. The sectoral trade unions can exploit the information-gathering capacities of these structures to target branches of companies and government with campaigns, strikes, or legal challenges to improve labor conditions, such as fewer alternative work arrangements. Such activism is more likely to be successful in economic sectors and branches where trade unions are deeply embedded. The following section shows how labor's position, in this sense, has steadily deteriorated in the last decades.

## Organized business and labor

On the business side, the corporatist landscape has been relatively stable since the 1980s. In 1982, the Netherlands contained two major peak employers' associations: the liberal VNO (*Verbond van Nederlandse Ondernemingen*) and the Christian NCW (*Nederlands Christelijk Werkgeversverbond*), uniting protestant and catholic employers. These associations merged into VNO-NCW in 1995 (Van Waarden, 2003b: 72; Touwen, 2014: 111–2; Van Peijpe, 1998: 23; Visser and Hemerijck, 1997: 90; Windmuller et al., 1990: 348–9). Among small- and medium-sized enterprises, KNOV and NCOV united in 1995 to form MKB-Nederland, while LTO Nederland has been the dominant player in the agricultural sector (Fortanier et al., 1983: 173; Tros et al., 2006: 52–3; Van Peijpe, 1998: 24; Visser and Hemerijck, 1997: 90; Windmuller et al., 1990: 345–6). Interestingly, the agency work sector contains two competing employers' associations: the ABU (*Algemene Bond Uitzendondernemingen*), created in 1962 by the founder of Randstad, Frits Goldschmeding, and the NBBU that emerged in 1994 (*Nederlandse Bond van Bemiddelings- en Uitzendondernemingen*) as part of MKB-Nederland (Touwen, 2014: 133). Considering the size of the Dutch economy, many multinational corporations (partly) have historical roots in the Netherlands (e.g., Royal Dutch Shell, Philips, Unilever, ASML) (Van Waarden, 2003b: 72; Touwen, 2014: 100). These large, mostly industrial employers

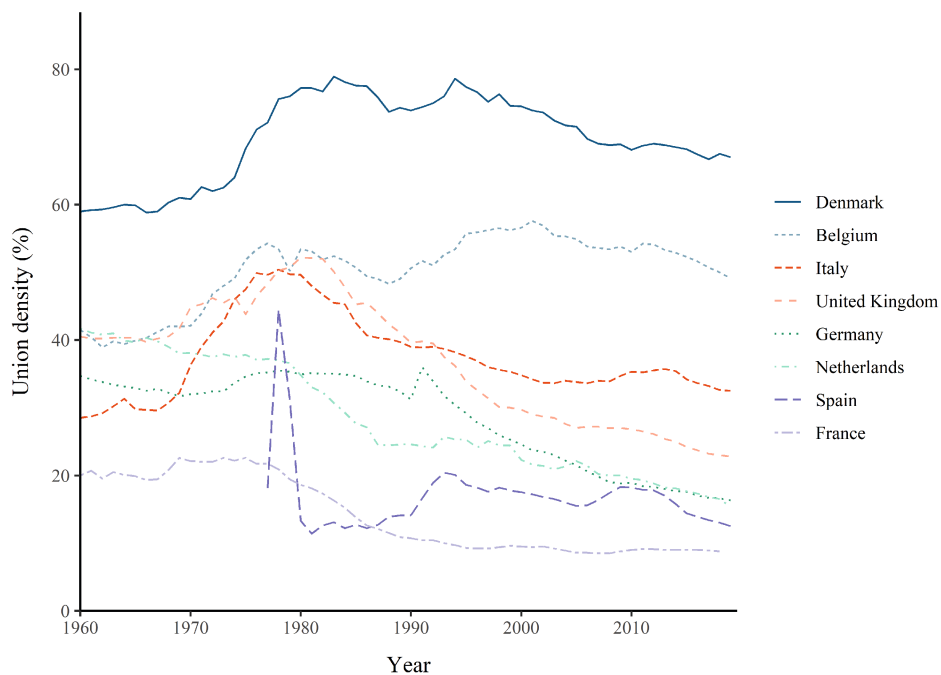


have had a comparatively large say in the business side of the bargaining process in contrast to the small- and medium-sized enterprises that have exerted relatively little influence despite a more substantial role as a provider of employment (Touwen, 2014: 100, 102).

On the workers' side, there have been three main trade union confederations over the last decades: the FNV (*Federatie Nederlandse Vakbeweging*) created by a merger of the socialist NVV and catholic NKV in 1981, the protestant CNV (*Christelijk Nationaal Vakverbond*) and the MHP (*Vakcentrale voor Middelbaar en Hoger Personeel*; from 2014 onwards the VCP (*Vakcentrale voor Professionals*)) targeted at workers with higher education (Fortanier et al., 1983: 170–1, 173; Tros et al., 2006: 29, 42; Van Peijpe, 1998: 23; Van Waarden, 2003b: 72; Windmuller et al., 1990: 268, 301–2). Since the 1980s, the FNV has by far been the largest trade union confederation, consistently covering more than 60 percent of trade union members, followed by the CNV with a score of 15 to 20 percent and the MHP generally organizing around 10 percent of the total membership (OECD/AIAS ICTWSS, 2023). In contrast to the MHP, trade unions in the FNV and the CNV unite workers with significantly different income and risk profiles, making sectoral rather than occupational organization the dominant structure of the Dutch labor movement (Oude Nijhuis, 2009: 302–3, 2013: 50; Touwen, 2014: 158; Tros et al., 2006: 30; Visser and Hemerijck, 1997: 84; Windmuller et al., 1990: 289–90, 302). Within the FNV and CNV confederations, agency work falls under the sectoral organization for the service sector.

Despite the high institutional power of Dutch trade unions, union density in the Netherlands has historically been comparatively modest (Tros et al., 2006: 22, 45, 55–6; Visser and Hemerijck, 1997: 83, 87; Windmuller et al., 1990: 306, 308, 338). The primary scholarly explanation for this difference is the equal treatment of union and non-union workers enforced by law since 1927, making free-riding attractive to workers as they can avoid individual contributions to trade unions through membership fees while enjoying the benefits of representation by trade unions through collective labor agreements (Tros et al., 2006: 34, 48). Union density has sharply decreased since the 1980s, but this process is far from unique to the Netherlands (see Figure 1.1). Yet, the organization rate of workers in the Netherlands has become remarkably low, 15.4 percent in 2019, when considering the importance of the labor movement in the deliberative policymaking processes, undermining the legitimacy of the trade unions (Tros et al., 2006: 22, 44). The rise of temporary employment partly accounts for the Dutch decline of worker organization, as the union density for these arrangements hovered around 10 percent between 1992 and 2016 (OECD/AIAS ICTWSS, 2023). The de-industrialization process is also a contributing factor, as the organization rate of workers in industry is higher than in the service sector. This difference was roughly 12 percent in 1980, eight percent in 2000, and six percent in 2016 (OECD/AIAS ICTWSS, 2023). Yet, the gap is higher in

the private sector, as these numbers include the well-represented group of public-sector workers who significantly augment the average of the service sector.



**Figure 1.1.** The Dutch decline of union density in European perspective, 1960-2019.

*Note:* The database operationalizes union density as the proportion of employees who are members of a trade union among all employees.

*Source:* OECD/AIAS ICTWSS version 1.1.

The limited ICTWSS data available on the organization rate of employers in the Netherlands indicates that the Dutch business community is still highly organized. Between 1997 and 2013, the companies covered by employers’ associations in the private sector employed around 80 percent of the total workforce (OECD/AIAS ICTWSS, 2023). Given its reliance on the statutory extension mechanism and the prohibition on discrimination between union and non-union workers, the collective organization of employers rather than workers is crucial for the functioning of the Dutch collective bargaining system, explaining why the model continues to generate high coverage despite the sharp decrease in union density (Van Peijpe, 1998: 22, 25). Due to the difference in organization rate, the viability of the bargaining model now greatly depends on the (collective) willingness of employers.

## Research design

### Research question

To recap, the research question of this dissertation is how (and why) political parties and trade unions have regulated nonstandard employment between 1964 and 2023. The empirical objective of this analysis is to increase our understanding of the role of politics in the expansion of alternative work arrangements in the Netherlands. Its theoretical goal, moreover, is to contribute to the academic literature on country-specific variation in labor market segmentation. In this undertaking, this study addresses the two channels of labor market regulation in the Netherlands as outlined in the previous section: the corporatist (collective labor agreements) and legislative (statutory legislation) arenas.

Contrary to political parties and trade unions, there is no specific chapter analyzing employers' associations for two reasons. (1) Practically, the employers' associations' archives were inaccessible, hampering a multi-level reconstruction of preferences, strategies, and outcomes as could be performed for trade unions. (2) Theoretically, moreover, trade unions and political parties have been at the center of the labor market segmentation literature, as they are considered critical in explaining the dual structure of post-industrial labor markets. As employers and their associations nonetheless constitute a critical factor in understanding the regulation of nonstandard employment, their involvement still receives ample attention in the empirical chapters focused on political parties and trade unions, albeit mostly based on secondary sources.

The year 1964 serves as the starting point of my empirical analysis. This is when societal discussions on regulating alternative work arrangements kicked off, as parliament debated a new permit system for commercial intermediaries and compulsory social insurance coverage for agency work. Given the recent upsurge in political developments surrounding nonstandard employment, 2023 constitutes the endpoint. In this year, the Rutte IV cabinet announced new initiatives to constrain the use of on-call contracts and its willingness to re-introduce compulsory disability insurance for own-account workers, but the cabinet fell while the reforms had not yet passed the legislative process. The analysis's recent end date has some limitations, which I address in the next section on method and sources.

As noted earlier, I define alternative work arrangements (or nonstandard employment) as employment relationships that enable employers to deviate from the conditions of the regular labor contract in attracting labor. Dualization, then, is a process of deepening divisions between workers with full-time, open-ended labor contracts (labor market insiders) on one side and workers with alternative work arrangements (labor market outsiders) on the other. Given the far more limited yet relevant distinction between fixed-term or part-time labor contracts and their full-time, open-ended counterparts, I view the former employment relationships as a separate labor market segment between both poles. The following paragraphs describe how the alternative work arrangements

are currently embedded in Dutch law. Chapter 2, moreover, delves into the relative importance of these employment relationships in the Dutch labor market and visualizes their development over time.

The first category, agency work, contains workers who have a labor contract, either closed- or open-ended, with a work agency rather than the organization for which they perform job tasks (Van Houte, 2017: 90, 92–3; Burri et al., 2018: 5; Commissie Regulering van Werk, 2020: 30). In turn, the work agency has a contract for services with the user organization. By functioning as the intermediary between the user organization and the employee, the work agency is the party that (partly) accounts for the employment risks of the worker. In the Dutch policy tradition, CLA coverage primarily occurs through separate collective agreements for the agency sector. Since the late 1990s, the agency work arrangement has functioned as a ‘special labor contract’, providing comparatively little protection to the agency worker during an initial phase (Christe, 2002: 195, 203; Van Houte, 2017: 90). Under this system, the difference between the agency work arrangement and other labor contracts becomes smaller with tenure.

In the second category, on-call contracts (*oproepovereenkomst*), two types are of major interest in the Dutch context: zero-hours contracts and min-max contracts (Van Fenema, 2017: 23–4; Burri et al., 2018: 5, 7; Commissie Regulering van Werk, 2020: 30). These on-call provisions are legally part of open-ended, fixed-term, and agency work arrangements with corresponding CLA coverage. Although not formally an alternative work arrangement, the academic literature generally recognizes them as a distinct category because of their practical relevance in the labor market. For the same reason, my analysis addresses on-call provisions as a separate work arrangement. Whereas zero-hours contracts stipulate no minimum number of working hours, min-max contracts contain such a clause. The label of min-max contracts is somewhat misleading since the agreements generally do not define a maximum of working hours. Both types of on-call contracts can either be a preliminary agreement or a labor contract with a future work obligation. Firstly, the preliminary agreement is exactly that and not (yet) a labor contract (Burri et al., 2018: 5–6; Van Fenema, 2017: 23). Under this work arrangement, the employer has no obligation to offer work when available, while it is not compulsory for the worker to work upon request by the employer, at least formally. The agreement only turns into a temporary labor contract with the employer when the worker starts working for the length of the call. Secondly, the contract with a future work obligation obliges the employer to offer the worker employment when available and forces the worker to accept this offer (Van Fenema, 2017: 34; Burri et al., 2018: 5–6).

Own-account workers constitute the third category. They are self-employed, have no personnel, and often function as independent contractors for organizations (*Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 8–10; Van den Berg, 2017: 151, 153–4). In the latter scenario, the own-account workers have a

contract for services with the user organization. Under Dutch law, such agreements have typically taken the form of an *aanneming van werk* in the case of material job tasks (e.g., construction) and an *overeenkomst van opdracht* (earlier *overeenkomst tot het verrichten van enkele diensten*) for immaterial activities (e.g., consultancy) (Verhulp, 2002: 11; Van den Berg, 2017: 158). Although own-account workers can practically offer their labor to companies like fixed-term employees and agency workers, they are different in formally having no labor contract with either an employer or an intermediary organization. As a result, they have to cover employment risks themselves but are also more in control of the taxes and premiums they pay (Euwals et al., 2016: 7; Bolhaar et al., 2018: 405; *Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 10). Whereas it is legally possible to include own-account workers in Dutch CLAs, the agreement needs to state so explicitly, which is seldom the case (Smitskam, 1989: 205; Verhulp, 2002: 19; Van den Berg, 2017: 174). The Dutch national tax office introduced the label *Zelfstandige zonder personeel* (ZZP'er) to refer to own-account workers in the 1980s. Nowadays, this is the standard term for the work arrangement in the Netherlands.

## Method and sources

To achieve my project's empirical and theoretical objectives, a small-N (case) study rather than a large-N analysis is the most appropriate research design. Firstly, case studies are more suitable for analyzing the role of actors in the transformation of policies as they allow for the development of an understanding of their underlying motivations and their capacity to translate these preferences into outcomes (Blatter and Haverland, 2012: 6; Toshkov, 2016: 299–300). Due to the strategic nature of political agents' behavior, a lack of understanding of the actors' perceptions in policymaking is likely to misrepresent their influence on outcomes. Secondly, the role of trade unions and political parties in the development of alternative work arrangements is challenging to analyze with cross-national, large-N designs because of the importance of small, country-specific regulatory details, which are generally not captured by the indices used to compare different countries, such as the OECD Employment Protection Legislation index (EPL) (Hoekstra et al., 2016: 13–4; Bolhaar et al., 2018: 407). Both of these points illustrate that the execution of a thorough, context-sensitive empirical analysis of nonstandard employment development in a single country rather than a large-N study enlarges the internal validity of the findings on the role of party politics and trade unions (Schimmelfennig, 2014: 101–2; Blatter and Haverland, 2012: 8, 20). At the same time, the choice to focus on a single country reduces the external validity of the results (Toshkov, 2016: 304; Bennett and Checkel, 2014: 13). This limitation is a sacrifice worth making, however, since the focus of this study is on understanding the (causal) pathway linking the state and trade unions to changes in regulation on nonstandard employment in the Netherlands rather than measuring the statistical effect of (certain characteristics of)

trade unions and political parties on such reforms or nonstandard employment levels (Mahoney and Thelen, 2015: 15, 18; Schimmelfennig, 2014: 103–4; Toshkov, 2016: 291, 305; Blatter and Haverland, 2012: 104). Thirdly, case studies are also an effective method for realizing the theoretical goal of this study since they allow the testing of the relative explanatory power of multiple theories with various approaches in a single research project (Blatter and Haverland, 2012: 7–8).

The next step is to choose which case study design to adopt. Whereas co-variational analysis focuses on the effect of a single independent variable by comparing different cases, process tracing aims to achieve a holistic understanding of the combination of factors that led to a particular outcome within a single case (Bennett and Checkel, 2014: 6; Blatter and Haverland, 2012: 23–4, 80, 88; Toshkov, 2016: 285–6). Following this conceptualization, this research project applies the process tracing approach rather than the co-variational analysis. By adopting the process tracing design, this study presupposes that the Dutch case of nonstandard employment regulation can only be fully explained by a configuration of multiple variables in a specific time frame (Blatter and Haverland, 2012: 24, 81, 88, 93). As discussed in the literature review, this is a critical consideration when studying labor market segmentation. Independently, political dynamics cannot fully account for the rise of alternative work arrangements in the Netherlands since the 1970s. While being of major influence, the same goes for the well-studied globalization, technological development, and de-industrialization processes and their interaction with employer decisions. This research project inductively examines how and why political parties and trade unions have regulated nonstandard employment in response to these developments. Such an analysis provides insights into whether we should perceive the state and trade unions as a contributing factor to rising levels of nonstandard employment and labor market segmentation (Mahoney, 2015: 203). Similar to the choice between a large-N and small-N design, the decision to implement a process tracing strategy rather than a co-variational analysis is likely to increase the internal validity of the empirical results, especially because of the importance of detailed information on the development of perceptions and motivations within trade unions and the cabinet (Blatter and Haverland, 2012: 79, 81; Schimmelfennig, 2014: 101–2; Streeck, 2009: 17). The thorough nature of the process tracing design requires extensive source material which means that accessibility is a significant concern (Bennett and Checkel, 2014: 29; Blatter and Haverland, 2012: 25, 102, 105–6). As the archives of employers' associations were inaccessible, it is impossible to make claims with similar certainty about employers and their associations, explaining why there is no specific chapter on the role of business. The choice for internal validity reduces the external validity of the research findings, however, as it merely allows for possibilistic generalizations on the combinations of factors that may lead to a certain outcome rather than statistical generalizations on the effect of a certain variable (Schimmelfennig, 2014: 103–4; Bennett

and Checkel, 2014: 13–4; Streeck, 2009: 17; Blatter and Haverland, 2012: 31–2, 82, 135–6; Toshkov, 2016: 290, 304).

After reconstructing the role of political parties and trade unions, I compare the outcome with the causal mechanisms expected from current scholarship to fulfill my theoretical objective. This step comprises a deductive test of the relative explanatory power of the different country-specific perspectives in the theoretical framework by comparing their core propositions with the empirical findings of the process tracing analysis (Blatter and Haverland, 2012: 24, 30–1, 144–5, 150; Hall, 2008: 391–2; Toshkov, 2016: 285). Drawing on my literature review, I identify four core propositions to be tested (see Table 1.1). Based on these propositions, I formulate expectations for my specific case study. In assessing whether sticky breadwinner policies backed by Christian democratic parties explain segmentation along gender lines (breadwinner model theory), I look at the two following expectations: (1) due to the backing of Christian democratic parties, employment protection in conservative welfare states is directed at male breadwinner jobs, causing labor market segmentation along gender lines; (2) due to the backing of Christian democratic parties, the organization of social services and income tax in conservative welfare states favors unequal labor market participation between primary and secondary earners, causing labor market segmentation along gender lines.

**Table 1.1.** Core propositions of current scholarship.

Theory	Proposition
Breadwinner model theory	Sticky breadwinner policies backed by Christian democratic parties explain segmentation along gender lines
Power resources theory	Power relations between capital and labor explain adjustments to labor market regulation
Insider-outsider theory	Power dynamics between labor market insiders and outsiders explain segmentation
Policy paradigm theory	Policy paradigm shifts explain adjustments to labor market regulation

In evaluating whether power relations between capital and labor explain adjustments to labor market regulation (power resources theory), I also focus on two expectations: (1) adjustments to nonstandard employment regulation result from conflicts of interest between the representatives of labor and capital in party politics and industrial relations; (2) changes in the power relations between the representatives of labor and capital in party politics and industrial relations align with adjustments to nonstandard employment regulation. Changing power relations and adjustments to nonstandard employment regulation are in alignment when there is a positive relationship between labor power relative to capital and restrictions on alternative work arrangements. The assessment

of power dynamics between labor market insiders and outsiders as an explanation of segmentation (insider-outsider theory) is, again, based on two expectations: (1) social democratic parties and trade unions prioritize insider interests over outsider interests when regulating work arrangements, resulting in labor market segmentation; (2) in the context of declining labor power, social democratic parties and trade unions contribute to segmentation by reducing restrictions on nonstandard employment to avoid deregulation of open-ended labor contracts. Whereas power resources theory and insider-outsider theory both expect restrictions on nonstandard employment to decrease in the context of decreasing labor power, there is, therefore, a marked difference between both approaches in the underlying mechanisms explaining this relationship. Finally, I evaluate the proposition that policy paradigm shifts explain adjustments to labor market regulation by testing the following expectations: (1) policy paradigm shifts affect the attitudes and policies of policymakers regarding nonstandard employment; (2) during the dominance of a policy paradigm, there is no room for the popularization of policy narratives on nonstandard employment regulation that contradict with the dominant framework. Although ideas play a crucial role in breadwinner model theory and policy paradigm theory, how they are used to explain rising levels of nonstandard employment and labor market segmentation diverges fundamentally between both theories. Whereas breadwinner model theory centers attention on the path-dependent effect of traditional Christian democratic policies, policy paradigm theory resorts to fundamental shifts in policy ideas to account for these developments.

Due to my project's limited resources, this analytical strategy is an effective way of providing a theoretical contribution while maximizing the internal validity of the research (Rueschemeyer, 2008: 310–1, 318; Hall, 2008: 7; Mahoney, 2008: 361–3; Schimmelfennig, 2014: 104). The large variety and number of empirical observations in this approach facilitate the testing of diverse theoretical propositions (Bennett and Checkel, 2014: 29–30; Blatter and Haverland, 2012: 144; Rueschemeyer, 2008: 318–9). In this assessment, the goal is not only to validate or falsify the propositions but also to evaluate to what extent the underlying causal mechanisms hold up under the scrutiny of a thorough process tracing study. This approach has even more potential for this case since other studies in the academic debate on labor market segmentation have tended to apply either a large-N (Rueda, 2007) or a co-variational design (Emmenegger, 2014; Thelen, 2014).

The theoretical contribution of my analysis depends on the relevance of the studied case (Toshkov, 2016: 285, 290; Bennett and Checkel, 2014: 29; Blatter and Haverland, 2012: 32; Schimmelfennig, 2014: 105). From this perspective, the Dutch trajectory of nonstandard employment regulation is critical to analyze, as the Netherlands moved from a relatively standardized labor market to one characterized by segmentation (see Chapter 2). Between 1964 and 2023, the country experienced many adjustments



to nonstandard employment regulation. Due to the variety in the composition of parliament and the cabinet in this period, the case also provides ample opportunity for testing the role of political parties (Rueda, 2007: 7). Similarly, the time frame contains much variation in economic conditions, policy ideas, union power, and the adoption of breadwinner policies. Theoretically, the segmentation of the Dutch labor market is remarkable given the sectoral organization of the Dutch trade unions which is expected to lead to more solidaristic outcomes (Oude Nijhuis, 2009: 302, 305–6, 2013: 11–2, 50). At the same time, this structure enables a comprehensive investigation of cross-class coalitions. The rise of nonstandard employment is, therefore, an appropriate case for testing the relative explanatory power of the core propositions in current scholarship.

The importance of political preferences in my research design comes with three methodological challenges: analyzing revealed preferences, addressing the changeability of political attitudes, and measuring their impact on policy outcomes. The problem of revealed preferences concerns the difficulty with observing the first-order preferences of political parties and trade unions as they are likely to change their positions in anticipation of the political challenges they face (Hacker and Pierson, 2002: 283; Oude Nijhuis, 2020: 3; Bennett and Checkel, 2014: 32; Blatter and Haverland, 2012: 118). As a first strategy, this analysis exploits diachronic variation to disentangle the first-order and lower-order preferences of actors by examining the preferences of the social partners over an extended timeframe with much variety in the political context. The study period includes times of labor strength (the 1970s) and weakness (the 1980s and 1990s), different compositions of parliament and cabinet, and economic fluctuations. Additionally, the time frame contains three periods in which employers applied specific types of alternative work arrangements on a much broader scale: (1) agency work in the 1970s, (2) on-call contracts in the 1980s, and (3) own-account work in the 1990s. Looking at the positions of the same political actors in different strategic circumstances over such a long time frame makes it possible to observe how their attitudes change in line with the political context (Paster, 2014: 24–5). A high degree of consistency across these political challenges suggests first-order preferences, while sudden changes in policy positions point to strategic behavior. The agenda-setting of policies is also indicative of genuine support for a particular work arrangement, while a decision to back an arrangement in the end phase of the policymaking process is likely to be an expression of strategic behavior (Korpi, 2006: 181–2; Hacker and Pierson, 2002: 285; Paster, 2014: 24, 2013: 422).

In addition to strategic behavior, actors change their preferences as they learn (Katznelson, 2008: 278; Bennett and Checkel, 2014: 32; Hacker and Pierson, 2002: 285–6). The attitudes of political parties and trade unions are not merely responsive to the acute political challenges they face but also susceptible to the broader historical context consisting of a wide array of factors such as structural trends (e.g., de-industrialization, dominant policy ideas) and short-term changes (e.g., recession). Past policy decisions,

moreover, are likely to enact path dependency, as they shape the interests and objectives of actors by determining their political and economic positions and constraining the stock of politically salient policy reforms (Pierson, 2000a: 259; Skocpol, 1992: 58; Katznelson, 2008: 297; Mahoney and Thelen, 2015: 20–1; Pierson, 2015: 135–6).

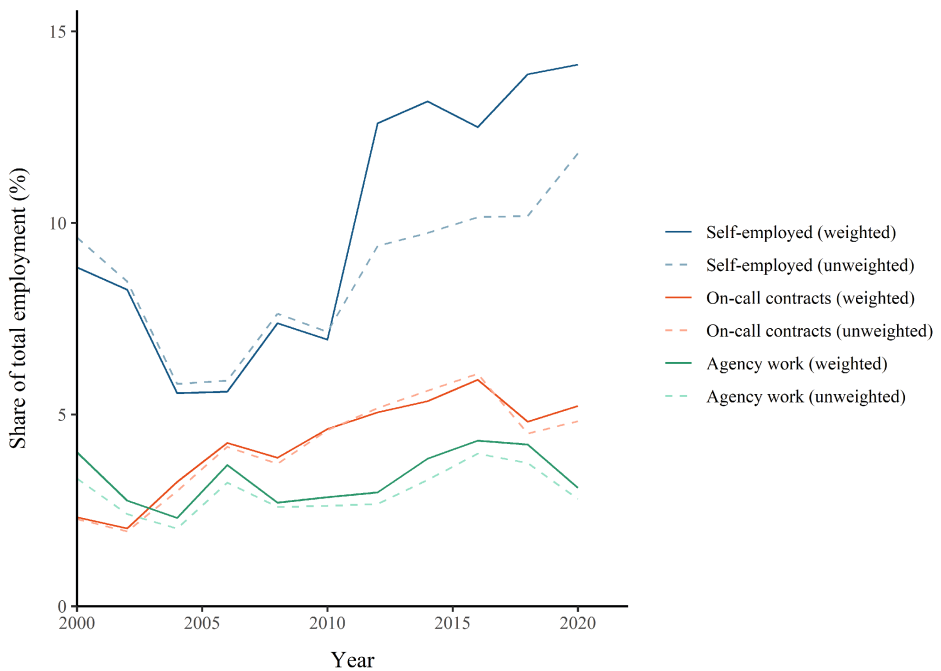
To address the changeable and possibly revealed nature of preferences, this study applies a thorough, multi-level design, enabling the study of the operations of trade unions and political parties on different organizational levels. Comparing minutes of internal meetings with external publications (including interviews) and voting behavior mitigates the problems of revealed and changeable preferences (Oude Nijhuis, 2020: 4; Toshkov, 2016: 121–2, 300; Bennett and Checkel, 2014: 33). It is no absolute solution, but the best available method to increase the certainty about the causal mechanisms behind the preference formation given these issues. In fact, this is a strong aspect of this research design, as it enables an empirical test of the findings of earlier studies with a comparative approach, necessarily leading to a less thorough study of the causal mechanisms behind the preference formation of the political actors observed. In this reconstruction, I often rely on quotations from the actors involved. Given the language of this dissertation, I translate quotations derived from Dutch sources into English.

After establishing the preferences, I examine how these positions relate to the policy outcomes. In my research design, labor market regulation is the primary outcome of interest. The research project closely reconstructs how political parties and trade unions shape labor market regulation through statutory legislation and CLAs, linking preferences to outcomes. Due to the limited availability of information and discretionary space in the interpretation and enforcement of regulation, the practical effect of policy changes is not necessarily consistent with the initial intent of its designers (Mahoney and Thelen, 2010: 10–1, 13; Pierson, 2000b: 483; Streeck, 2009: 15, 121, 238; Streeck and Thelen, 2005: 14–6). In the context of industrial relations, this is particularly relevant for the behavior of employers who tend to have a significant amount of discretionary space at the workplace level, providing them with possibilities to work around (the spirit of) labor market regulation (Emmenegger, 2014: 64–5, 135–6, 290). Knowing about the practical effects of regulation is particularly important for contributing to our broader understanding of the role of trade unions and political parties in the Netherlands' nonstandard employment development. For this reason, I will shortly reflect on the practical effect of the discussed regulation based on policy evaluation reports and academic publications.

Building on this general method, I discuss the methodological choices and sources specific to my empirical chapters in the following sections.

## Exploring Dutch dualization

Chapter 2 discusses the development of nonstandard employment over time and breaks it down for gender, sector, age, and citizenship. I use the *Enquete Beroepsbevolking* (Labor force survey; EBB) from Statistics Netherlands (CBS) and the *Arbeidsaanbodpanel* (Labor supply panel; AAP) currently managed by The Netherlands Institute for Social Research (SCP) as the main data sources for this analysis. Between 1970 and 2003, data on alternative work arrangements is fragmented and subject to methodological inconsistencies. Whereas the Labor force survey has become the typical source for developments since 2003, the Labor supply panel is comparatively rich before this period. I address the data quality concerns by being more cautious with interpreting the data before 2003 and focusing on medium- and long-term developments rather than short-term changes.



**Figure 1.2.** Comparison of weighted and unweighted nonstandard employment development, 2000-2020.

Source: SCP Arbeidsaanbodpanel, own elaboration.

The figures in this dissertation based on the *SCP Arbeidsaanbodpanel* are unweighted due to the lack of a weight variable before 2000. Researchers use these weight variables to improve the external validity of their analyses. The weight variable, introduced in 2000, draws on age cohorts. In Figure 1.2, I compare weighted and unweighted data to give an

impression of the consequences of unweighted data for the resulting figure. The graph indicates that the unweighted data underestimates self-employment growth after 2010, due to a lack of representativeness. Therefore, I rely on the EBB and Eurostat data when analyzing recent shifts in own-account work. On agency and on-call work, the picture is less dramatic and data quality is sufficient to give valuable insights into the historical development of these work arrangements.

Next to mapping domestic developments, I use Eurostat's Labor Force Survey to put the Dutch trajectory in an international perspective. For the Netherlands, this data is based on the EBB discussed earlier. I draw on secondary sources to put the figures in a historical context, particularly showing how breadwinner policy shaped early labor market segmentation and had a path-dependent effect on employment patterns along gender lines.

## Party politics

Chapters 3 and 4 address the role of party politics in regulating nonstandard employment. Theoretically, the chapters examine to what extent power relations, insider-outsider dynamics, and policy paradigms explain the observed changes in regulation and assess the underlying role played by economic conditions. Although the academic literature primarily focuses on social democracy and Christian democracy, I also analyze the liberal party family because of its importance in the Dutch policy context. Firstly, I use the minutes of parliamentary proceedings, advisory reports, election manifestos, and explanatory notes of acts to trace legislative proposals, political discussions, and voting behavior. Due to feasibility concerns, I focus on plenary parliamentary proceedings rather than policy development within the parliamentary committees. Secondly, I analyze the archives of the Council of Ministers and the election manifestos of cabinet parties to examine differences within the cabinet. Unfortunately, the government only releases the archival files of the Council of Ministers to the public after 25 years. Consequently, the material after 1997 was not yet available for this research project. Thirdly, my analysis relies on secondary sources and articles from reputable Dutch newspapers to provide context and fill the remaining gaps. I search for newspaper articles using the Delpher platform (<https://www.delpher.nl/>) of the Netherlands' National Library.

In Chapter 4 on own-account work, I point out that the fiscal treatment gap between the self-employed and employees is more important for understanding the impact of public policy on own-account work than the regulation of the work arrangement in the strict sense. In this way, the party politics of own-account work differs from the dynamics of agency and on-call work. Consequently, Chapter 4 on own-account work focuses more on fiscal policy than Chapter 3 on agency and on-call work. Although many policies affect the fiscal position of own-account workers, two kinds of schemes are essential for understanding the treatment gap: income tax deductions and compulsory

social insurance. To keep the research feasible, I prioritize the most relevant schemes. In the case of the tax deductions, these are the *Zelfstandigenaftrek* (Self-employed Tax Deduction) and *MKB-winstvrijstelling* (SME Profit Exemption). For compulsory social insurance, my analysis focuses on disability and unemployment insurance. Private pension contributions are also a difference-maker. Next to a public pay-as-you-go pension, many sectoral collective labor agreements oblige workers to engage in additional private pension schemes. Own-account workers are typically excluded and tend to save less for their retirement. Yet, as there was little policy development on the issue, I chose not to address pension coverage in the analysis.

## Trade unions

Chapter 5 analyzes the role of trade unions in regulating alternative work arrangements. I explain why union responses to nonstandard employment have changed fundamentally since the emergence of alternative work arrangements. Similar to Chapter 3 and 4, the theoretical goal of Chapter 5 is to assess the explanatory power of power relations, insider-outsider dynamics, and policy paradigms. Most research in this chapter has already been published in an article in the *Journal of Industrial Relations* (Van Veldhoven, 2024), resulting in significant overlap between both pieces. The article's contents also made their way into other parts of the dissertation, particularly Chapter 6 which contains the conclusion of this dissertation. I included the research of the journal article in this dissertation with the approval of the journal's publisher.

The reconstruction draws on the archives of the Labor Foundation, the largest trade union confederation (NVV, later FNV), the most prominent services union (Mercurius NVV, later FNV Dienstenbond), a semi-structured interview series of the International Institute of Social History (IISH) with former FNV president L.J. de Waal, reports from the Social and Economic Council, and newspaper articles derived from *Delpher*. Due to feasibility concerns, I decided to focus on the union archives of the NVV and FNV. In 1970, 37 percent of trade union members were part of the NVV, while the FNV, resulting from a merger between the socialist NVV and Roman catholic NKV, organized 60 percent in 1977 (Windmuller et al., 1990: 306–7). After the merger, the protestant CNV became the second-largest trade union confederation, organizing 15 percent of trade union members in 1977. Where possible, the analysis also addresses the positions of this confederation, relying on their external publications, the sources of the Social and Economic Council and Labor Foundation, and historiography.

Despite the importance of societal discussions on the central level for the Dutch case, I acknowledge the dangers of methodological nationalism (Doellgast et al., 2018: 4–5). For this reason, the analysis also addresses the largest union in the service sector (Mercurius NVV, later FNV Dienstenbond). I selected this union because of its central role in the negotiations of Agency CLAs and the prevalence of nonstandard employment

in the service sector. To keep the research feasible, the analysis excludes the workplace level and focuses on the Agency CLA on the sectoral level. The study relies on trade union reports and secondary sources to identify shifting trends regarding alternative work arrangements in CLAs other than agency work. The analysis aims to retrieve the dominant union response in the corporatist and legislative channels at a particular time. As trade unions are complex organizations, it may well be that some initiatives, such as activism on the workplace level, deviate from this dominant approach. The selected archives were typically accessible up to the late 1990s, shortly after the critical Flexibility and Security Exchange. Most of the analysis, therefore, addresses union strategies up to this point. Yet, using the other sources mentioned above, my study also briefly touches upon unions' involvement after this period.







# CHAPTER 2

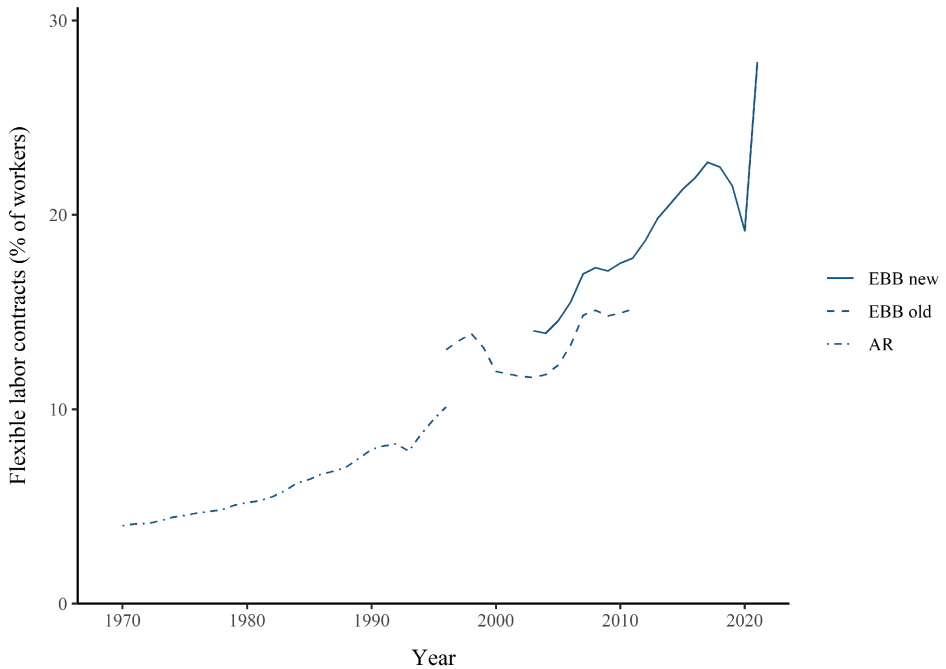
## Exploring Dutch dualization

## **Nonstandard employment in the Netherlands**

In 1907, the Labor Contract Act introduced open-ended labor contracts in the Netherlands. At the time, employers could still dismiss permanent workers without just cause (Van Arkel, 2007: 168, 183; Van Peijpe, 1998: 125). The job security currently associated with open-ended labor contracts only emerged with the Extraordinary Decree on Labor Relations of 1945 (Hoogenboom and Knegt, 2017: 285, 287–8). In the aftermath of the Second World War, this emergency legislation prescribed a preventive dismissal assessment for labor contracts, forcing employers to acquire ex-ante permission from a government body for layoffs on the grounds of just cause (Albers and Konijn, 1987: 18; Van Arkel, 2007: 176–7). In 1953, reforms kept the preventive assessment intact but introduced ex-post compensation for ‘obviously unreasonable’ layoffs through local courts (Raijer, 2014: 233–4; Van Peijpe, 1990: 49–50; Hoogenboom and Knegt, 2017: 287). De facto, the regulation created a double dismissal system, allowing employers to choose between the slower ex-ante procedure and the costlier ex-post route.

With the creation of a well-protected labor market segment of full-time, open-ended labor contracts, alternative work arrangements deviating from this employment standard became relevant. Since the 1970s, the share of workers with flexible labor contracts has risen at an accelerating pace (see Figure 2.1). The multitude of statistical approaches necessitates some caution when comparing the data, particularly as the operationalization of flexible labor contracts has tended to become looser over time. Yet, even when considering a reasonable margin of error, the trend toward more flexible work arrangements remains clear. Even within the different datasets used in the figure, the share of flexible labor contracts strongly expands over time.

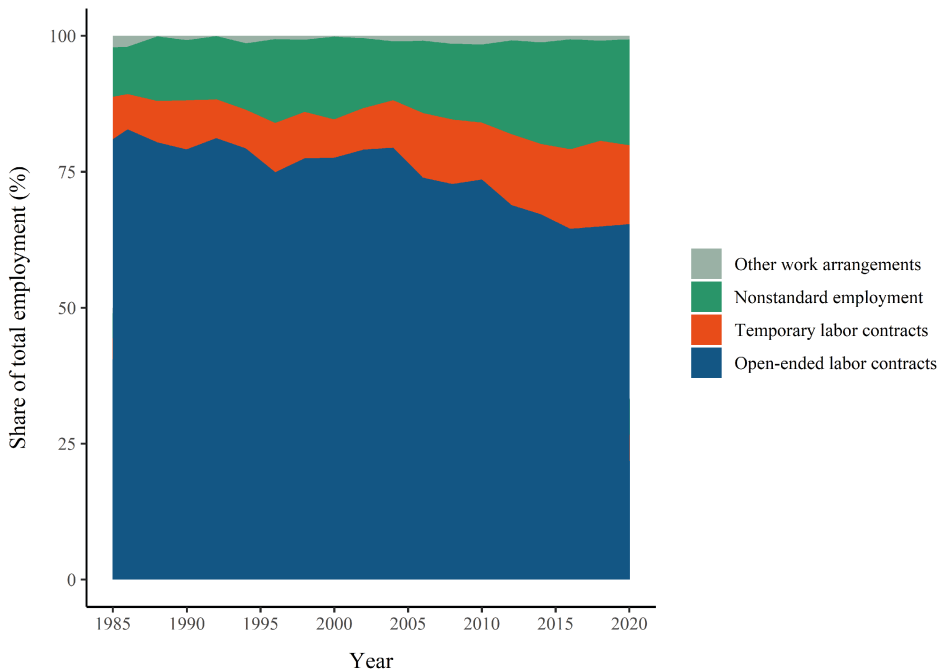
In 1985, alternative work arrangements already contributed substantially to labor market segmentation (see Figure 2.2). Unfortunately, the data does not allow a breakdown of nonstandard employment further back in time. Of the alternative work arrangements, own-account work has had the most prolonged presence in the Dutch labor market. The expansion of own-account work started in the 1970s and experienced a strong acceleration in the 1990s (Aerts, 2007: 215). Agency work in its current form emerged shortly after the Second World War among female typists in the administrative sector (Van Driel and Koene, 2011: 569, 577). Whereas agency work quickly expanded in the late 1960s and 1970s, on-call work only became more prominent during the 1980s (Smitskam, 1989: 69). Consequently, nonstandard employment was already firmly established in the Dutch labor market in 1985 (see Figure 2.3). Since 1985, the long-term trend of all alternative work arrangements has been upward, with particularly strong growth of agency and on-call work around the mid-1990s.



**Figure 2.1.** The expansion of flexible labor contracts in the Netherlands, 1970-2021.

*Note:* In its *Tijdreeksen Arbeidsrekeningen* (AR), the CBS defines flexible labor contracts as labor contracts that either (1) have a duration of less than one year without foresight on a permanent contract, or (2) contain variable working hours. In the *Enquête Beroepsbevolking* (EBB), for the old and new method, the CBS operationalizes flexible labor contracts as (1) labor contracts with a limited duration or (2) variable working hours. Whereas the statistics of the EBB for the old and new methods have been collected from people between 15 and 65 years of age, the AR had no age limit. Another difference between the AR and the EBB is that the latter only reports the primary work arrangement of a worker, while the former reports all labor relationships, possibly leading to the double-counting of workers with multiple jobs in its reports on total employees. The weighting procedure constitutes the main difference between the old and the new EBB methodology.

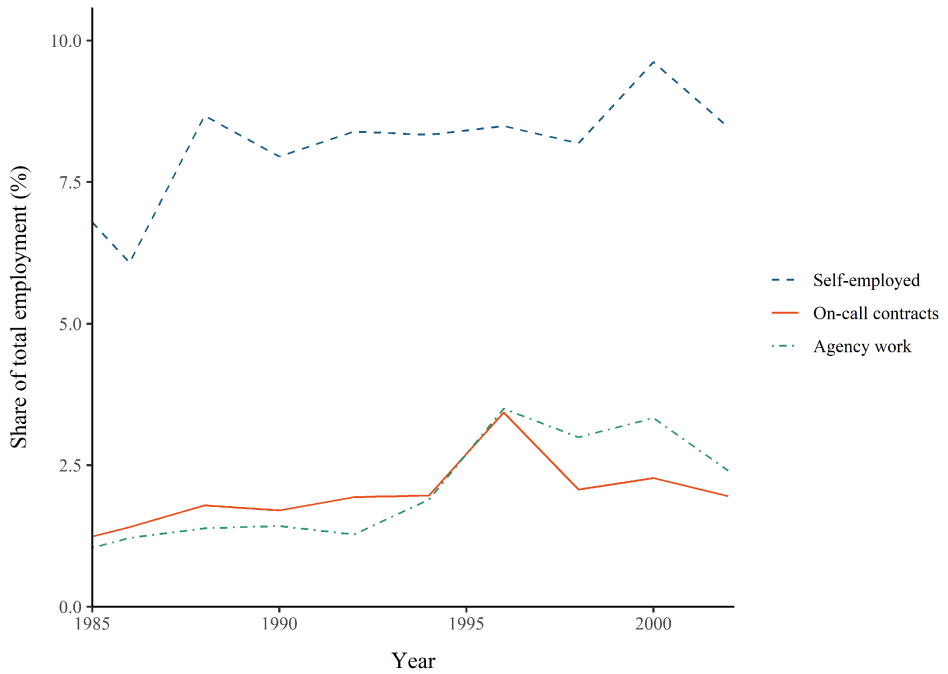
*Source:* CBS Statline *Tijdreeksen Arbeidsrekeningen* (AR, 1970-1995); CBS Statline *Enquête Beroepsbevolking* old method (EBB old, 1996-2011); CBS Statline *Enquête Beroepsbevolking* new method (EBB new, 2003-2021).



**Figure 2.2.** Labor market segmentation in the Netherlands, 1985-2020.

*Note:* Nonstandard employment is calculated as the sum of self-employment, on-call contracts, and agency work. I use the broader category of self-employment rather than own-account work as there is no specific data on own-account work in the early waves of the AAP dataset. Respondents could select work arrangements other than temporary labor contracts, open-ended labor contracts, on-call contracts, agency work, and self-employment in the underlying questions. I have combined these additional work arrangements into the category 'other'. If respondents did not answer the relevant questions or filled in that they did not know their work arrangement, they were excluded.

*Source:* SCP Arbeidsaanbodpanel, own elaboration.

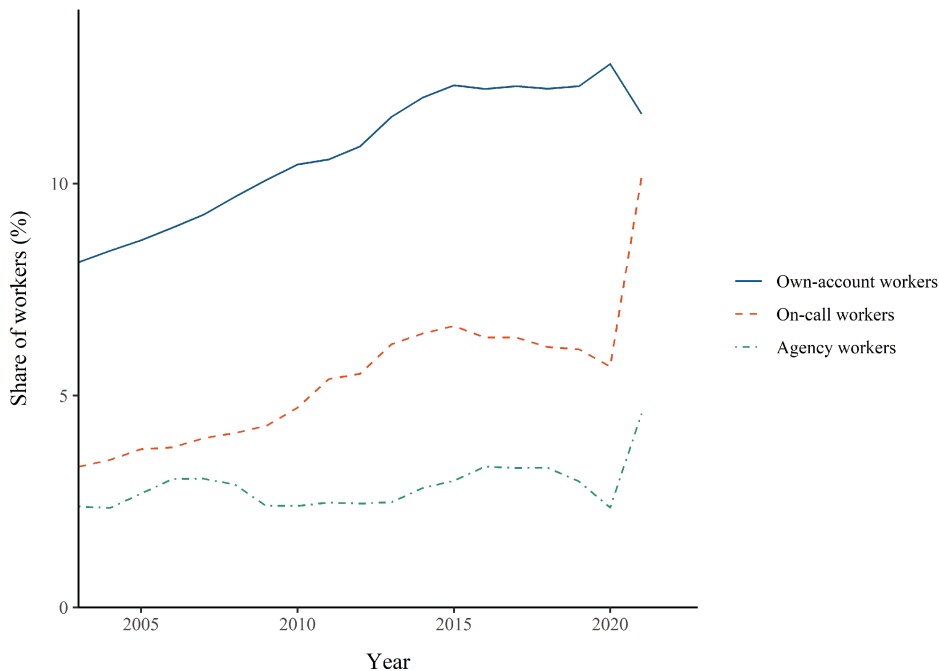


**Figure 2.3.** Nonstandard employment development in the Netherlands, 1985-2002.

*Note:* Nonstandard employment is calculated as the sum of self-employment, on-call contracts, and agency work. I use the broader category of self-employment rather than own-account work as there is no specific data on own-account work in the early waves of the AAP dataset.

*Source:* SCP Arbeidsaanbodpanel, own elaboration.

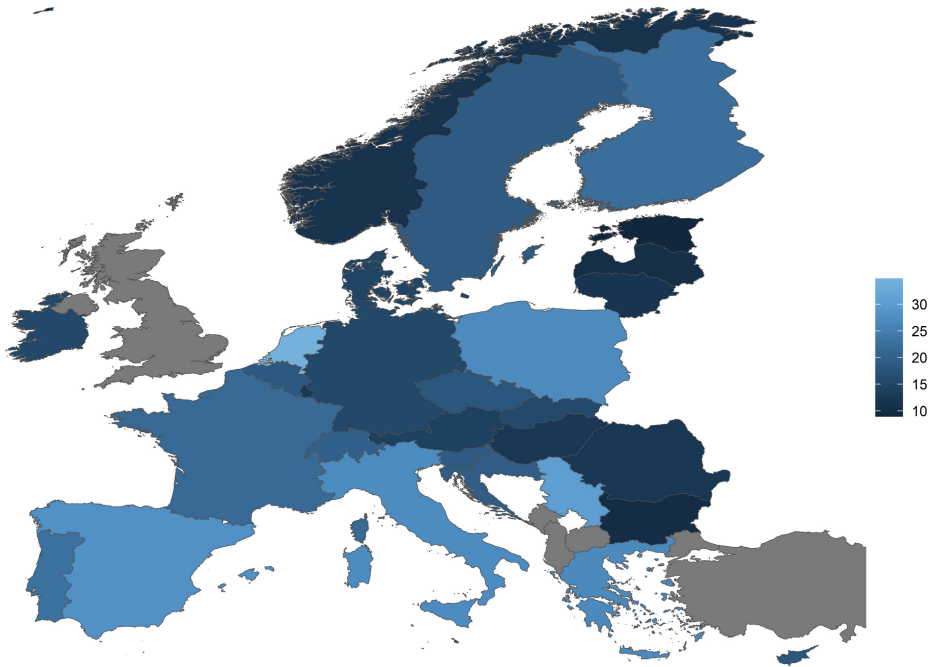
From 2003 onwards, all job growth has been flexible. Whereas the total number of Dutch workers increased from 7.8 to 9.3 million between 2003 and 2021, those primarily working under an open-ended labor relationship decreased from 5.7 to 5.2 million (CBS Statline, 2022a). Instead, new jobs increasingly took the form of nonstandard employment (see Figure 2.4). The COVID pandemic accelerated labor market segmentation, as the employment share of agency and on-call work remarkably increased.



**Figure 2.4.** Nonstandard employment development in the Netherlands, 2003-2021.  
 Source: CBS Statline Enquête Beroepsbevolking new method.

## Dutch dualization in international comparison

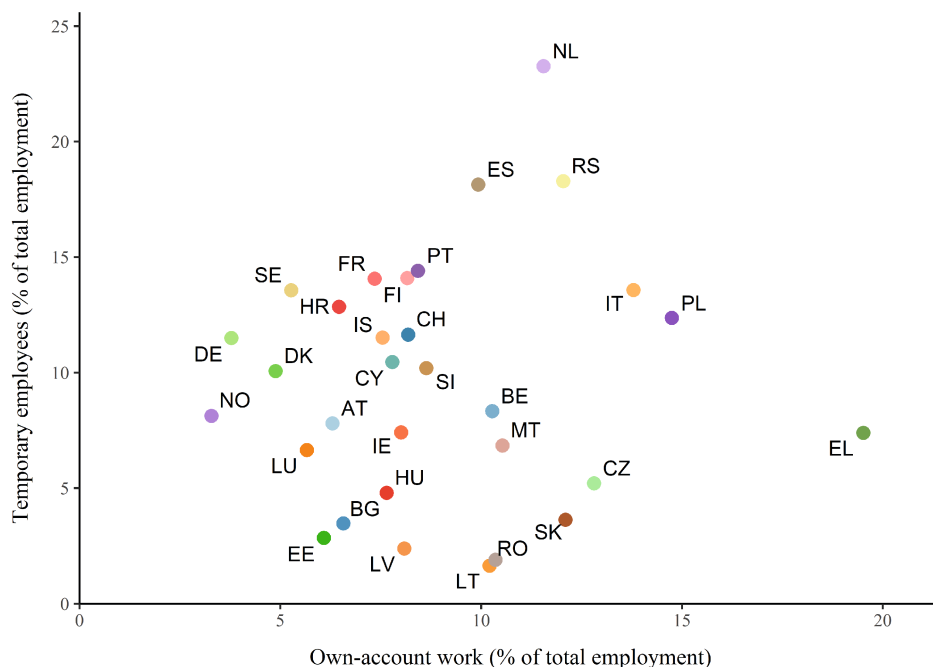
Internationally, this segmentation process sets the Netherlands apart from other European countries. Compared to its direct neighbors in Northwest Europe, the Dutch labor market comprises markedly higher rates of temporary employment (see Figure 2.5). From this perspective, the Netherlands is more aligned with Southern European countries such as Spain, Italy, and Greece than with Belgium, France, Germany, and the Scandinavian countries. Due to the acceleration of segmentation after the COVID pandemic, the Dutch rate of temporary employment has also surpassed the Southern European countries. In 2022, the Netherlands had by far the highest incidence of temporary labor contracts in the European Union (see Figure 2.6). On own-account work, the Dutch labor market also scored relatively high but significantly lower than Greece (EL), Poland (PL), and Italy (IT).



**Figure 2.5.** Temporary employment share across Europe in 2022 (% of total employment).

*Note:* Temporary employment is calculated as the sum of temporary labor contracts and own-account work. In this graph, a lighter blue color indicates a higher temporary employment share. When no data was available for a country in the dataset, it gets a grey color.

*Source:* Eurostat European Labor Force Survey.



**Figure 2.6.** Temporary labor contracts and own-account work across Europe in 2022.

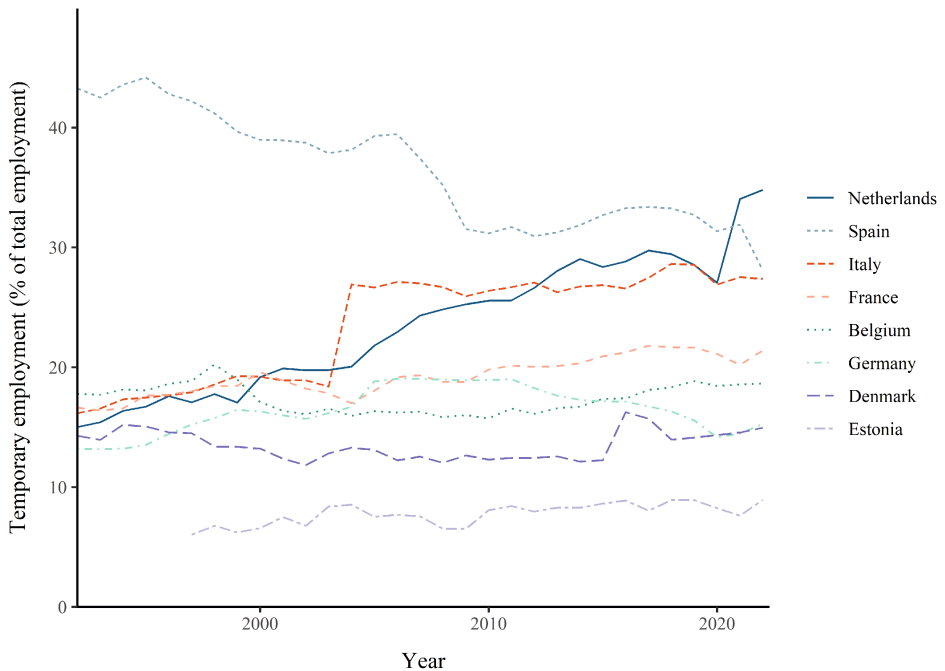
*Note:* This scatter plot refers to the European countries by their Eurostat country code. The employment statistics were collected from people between 15 and 64 years of age. Total employment is computed as the sum of the total number of employees and the self-employed. Eurostat codes in alphabetical order: Austria (AT), Belgium (BE), Bulgaria (BG), Cyprus (CY), Czech republic (CZ), Germany (DE), Denmark (DK), Estonia (EE), Greece (EL), Spain (ES), Finland (FI), France (FR), Croatia (HR), Hungary (HU), Iceland (IS), Ireland (IE), Italy (IT), Lithuania (LT), Luxembourg (LU), Latvia (LV), Malta (MT), Netherlands (NL), Poland (PL), Portugal (PT), Romania (RO), Serbia (RS), Slovenia (SI), Slovakia (SK), Sweden (SE) and United Kingdom (UK).

*Source:* Eurostat European Labor Force Survey.



## The Netherlands' remarkable trajectory

The prominence of temporary employment in the Netherlands becomes even more striking when moving further back in time. Although the Netherlands was the European country with the highest temporary employment share in 2022, the Dutch labor market was not particularly flexible in 1992 (see Figure 2.7). The expansion in temporary employment over the next three decades was, therefore, not only remarkable from an absolute standpoint but also in a relative sense.

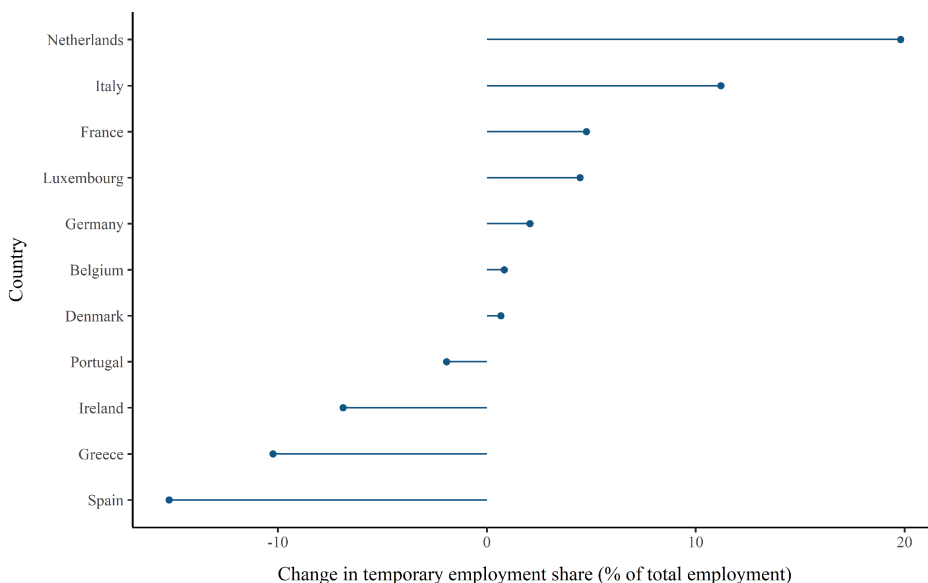


**Figure 2.7.** The Dutch boom of temporary employment in European perspective, 1992-2022.

*Note:* The employment statistics were collected from people between 15 and 64 years of age. Temporary employment is calculated by adding up the number of temporary employees and own-account workers. Total employment is computed as the sum of the total number of employees and the self-employed. As including all countries would hamper the readability of the graph, I selected representative countries from the European temporary employment distribution.

*Source:* Eurostat European Labor Force Survey.

Contrary to what one might expect, an increasing temporary employment share between 1992 and 2022 is far from evident from a European perspective (see Figure 2.8). Instead, many countries with a high temporary employment share – Greece, Spain, and Portugal – saw a substantial decline. In the same period, the Netherlands experienced a spectacular increase. Of the countries where data was available, only Italy recorded a similar expansion.

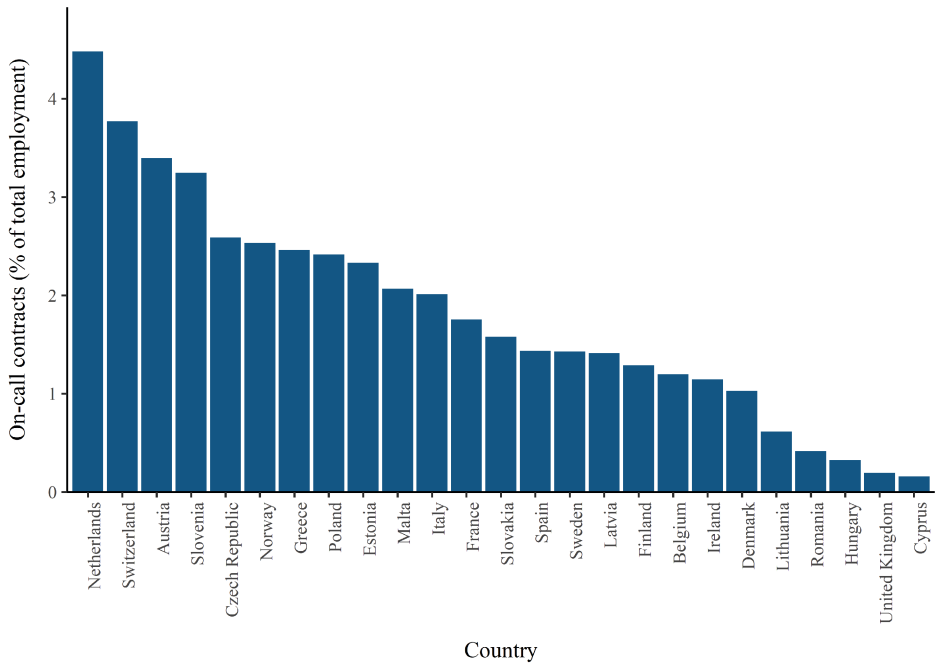


**Figure 2.8.** Change in the temporary employment share of selected EU countries between 1992 and 2022.

*Note:* The employment statistics were collected from people between 15 and 64 years of age. Temporary employment is calculated by adding up the number of temporary employees and own-account workers. Total employment is computed as the sum of the total number of employees and the self-employed. The graph includes all European countries for which data was available throughout this period.

*Source:* Eurostat European Labor Force Survey.

As discussed earlier, labor market segmentation has not only taken place through temporary labor contracts and own-account work but also via agency and on-call work. Unlike temporary employment, however, there is very little internationally comparable data on on-call work (ILO, 2016: 83, 85). The limited data available suggests that the Netherlands had the highest on-call work share in the EU in 2004, followed by several Central European countries – Switzerland, Austria, Slovenia, and the Czech Republic. As the incidence of on-call work steadily increased in the Dutch labor market after 2004 and vastly expanded after the COVID pandemic, it is plausible that the on-call work share in the Netherlands is still very high by European standards. Regarding agency work, the Dutch labor market has, again, been one of the most flexible in Europe. Yet, the Netherlands scores lower than Montenegro, Slovenia, and Slovakia on the employment share of this work arrangement. Post-COVID, agency work development has varied a lot across European countries. Whereas there are sharp rises in agency work in Slovenia, the Netherlands, and Sweden, development is more gradual in countries like Spain, France, Italy, and Hungary.

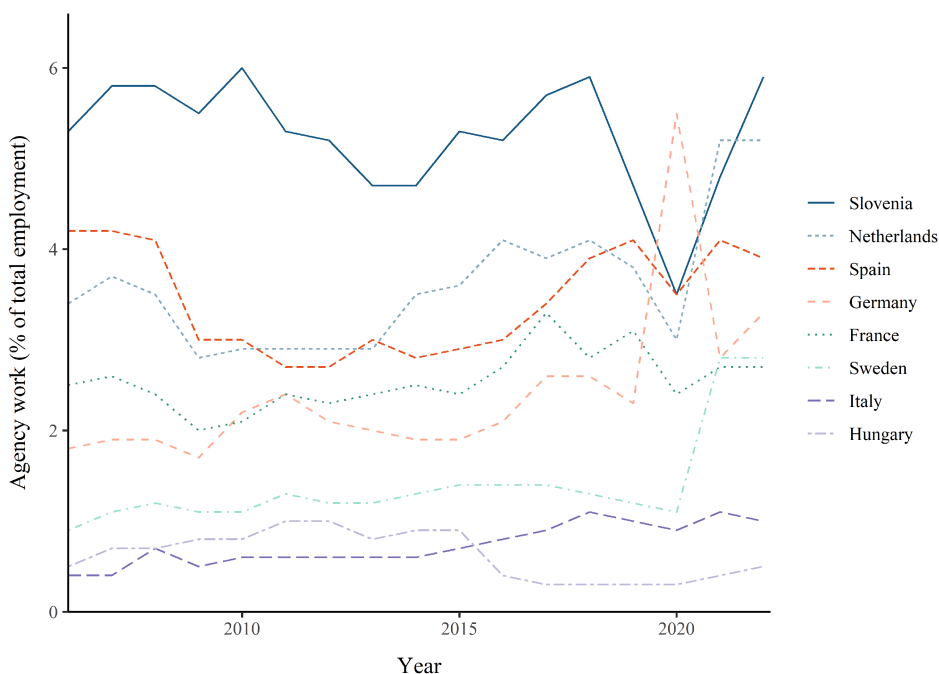


**Figure 2.9.** On-call contracts across Europe in 2004.

*Note:* The European Labor Force Survey once addressed the work arrangement in 2004. As part of its ad-hoc module on work organization and working time arrangements, Eurostat added several questions, enabling a static international comparison of the incidence of on-call work in the EU in 2004. The survey provides no observations for Portugal, Luxembourg, Germany, Croatia, and Bulgaria. The employment statistics were collected from people between 15 and 64 years of age. Total employment is computed as the sum of the total number of employees and the self-employed.

*Source:* Eurostat European Labor Force Survey.

In short, the Dutch development path is remarkable from a European perspective for two reasons: (1) the expansion of temporary employment in the Netherlands since the early 1990s has been much stronger than in other European countries. Whereas temporary employment was relatively moderate in the early 1990s, the Netherlands developed into the labor market with the highest temporary employment share by 2022. (2) The available European data indicates that the Netherlands is among the countries with the highest employment shares for temporary labor contracts and all varieties of nonstandard employment: agency, on-call, and own-account work. Therefore, employers' use of flexible work is not bound to a single work arrangement. Instead, it occurs through various work arrangements, segmenting the Dutch labor market.



**Figure 2.10.** Dutch agency work development in European perspective, 2006-2022.

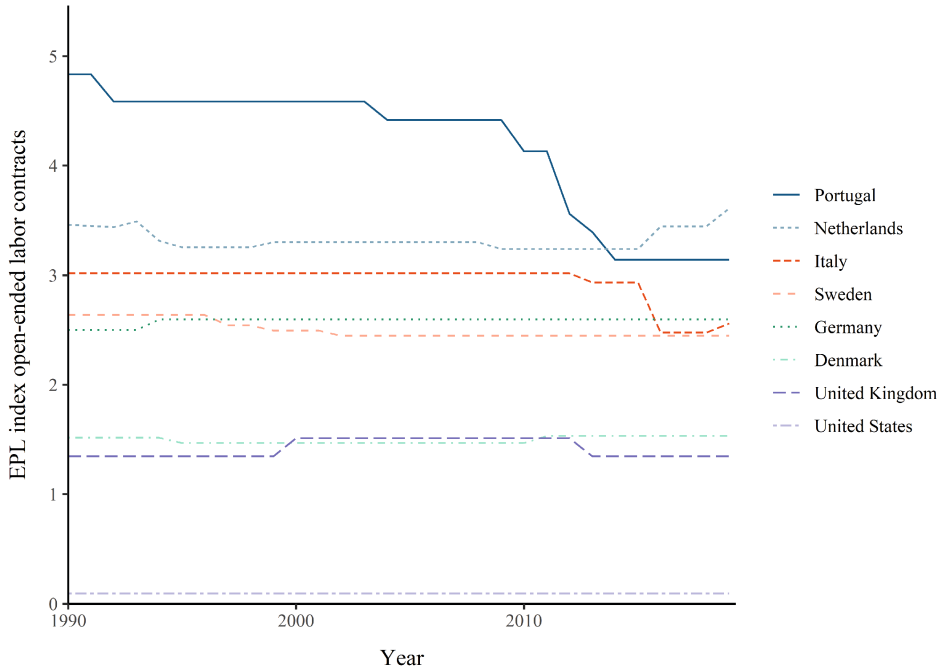
*Note:* Eurostat has provided agency work data as part of the European Labor Force Survey from 2006 onwards. The employment statistics were collected from people between 15 and 64 years of age. Total employment is computed as the sum of the total number of employees and the self-employed. As including all countries would hamper the readability of the graph, I selected representative countries from the European agency work distribution.

*Source:* Eurostat European Labor Force Survey.

### Preservation of insider protection

The stability of employment protection for open-ended labor contracts constitutes another striking element of the Dutch trajectory. Although it is a crude measure, the EPL index of the OECD enables a rough international comparison of employment protection. The current index of the Netherlands is not the highest ever recorded. The EPL index of Portugal throughout the 1990s and 2000s by far tops the dataset, suggesting severe dismissal protection for open-ended labor contracts (see Figure 2.11). Since 2010, however, the employment protection of insiders in Portugal has decreased and is now well below the Dutch level. Other countries traditionally characterized by strict dismissal protection, such as Italy, followed a similar development pattern. Despite this tendency, the employment protection of open-ended labor contracts in the Netherlands remained high. As a result, the Dutch EPL index is currently the highest among the measured countries. While the Dutch nonstandard and temporary employment shares continued to rise, the index suggests that insider protection in the Netherlands remained intact

and even increased slightly during recent years. Due to the combination of these trends, the Netherlands has arguably become the prime example of labor market segmentation in the global north.



**Figure 2.11.** Development of the EPL index for open-ended labor contracts across selected OECD countries.

*Note:* This figure draws on the EPL index for individual and collective dismissals for open-ended labor contracts. As including all countries would hamper the readability of the graph, I selected representative countries from the EPL index distribution.

*Source:* OECD EPL index v1

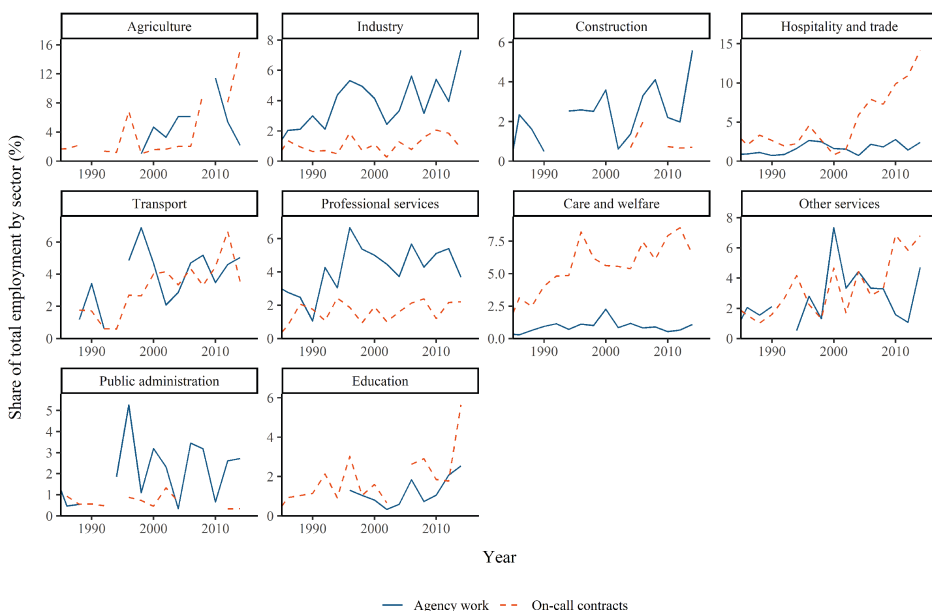
## Breakdown of economic sectors, age, and citizenship

Differences across economic sectors, age groups, and citizenship statuses are key to understanding nonstandard employment development. The following sections break down the expansion of alternative work arrangements in the Netherlands based on these variables.

### Economic sectors

Traditionally, the hospitality and trade industry and the care and welfare sector have constituted strongholds of on-call work (see Figure 2.12). Within hospitality and trade, retail was particularly early in adopting on-call work (*Nieuwsblad van het Noorden*,

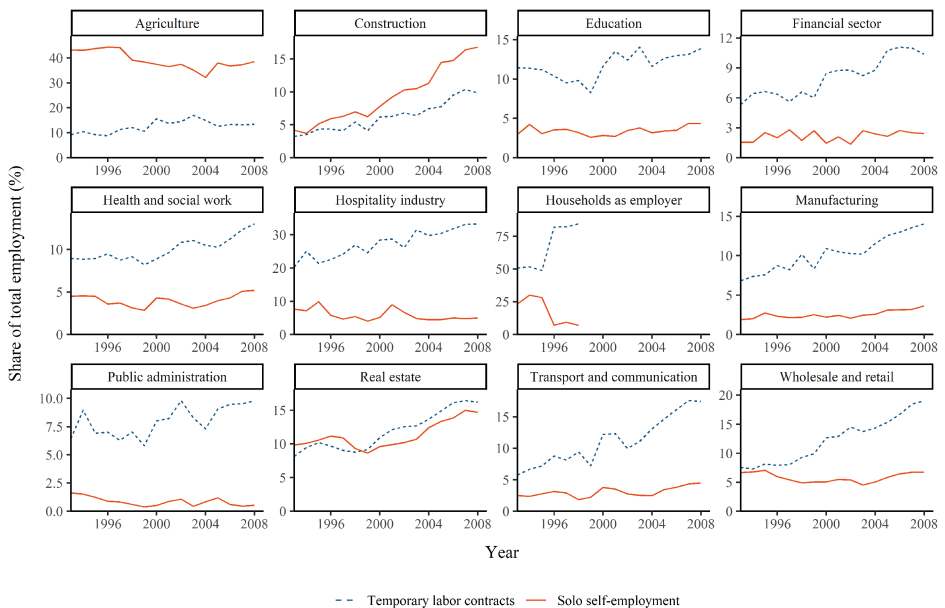
1984). In care and welfare, hospitals were pivotal. In the late 1980s, Social Affairs Minister De Koning warned about the impact of the widespread adoption of on-call work in hospitals on the quality of care (*NRC Handelsblad*, 1988a). Although on-call work increased in more sectors throughout the 2000s and 2010s, the on-call work boom in hospitality and trade was unparalleled. Recently, a similar trend seems to have taken hold in education. Agency work, furthermore, was initially concentrated in industry, construction, and professional services. In the transport sector, on-call and agency work shares have been high since the mid-1990s. Similarly, the agricultural sector seems to have been a late but dramatic adopter.



**Figure 2.12.** Sectoral development of agency and on-call work in the Netherlands, 1985-2014.  
*Note:* The economic sectors shown in the figure are based on the SBI classification system of Statistics Netherlands. Note that the y-axis is not the same for the subfigures.  
*Source:* SCP Arbeidsaanbodpanel, own elaboration.

Whereas agency and on-call work spread relatively late in agriculture, own-account work rates have traditionally been extremely high. In the sector, temporary labor contracts are also common (see Figure 2.13). Recently, own-account work in agriculture seems to have made way for temporary labor contracts (see Figure 2.14). In contrast, own-account work kicked off late in the construction sector but followed a steady growth trajectory due to the increasing use of subcontracting (Kasper, 2017: 41–2). Nowadays, high rates of own-account work characterize the sector. Historically, the temporary employment shares in education, health and social work, and public administration were modest. Yet, as in

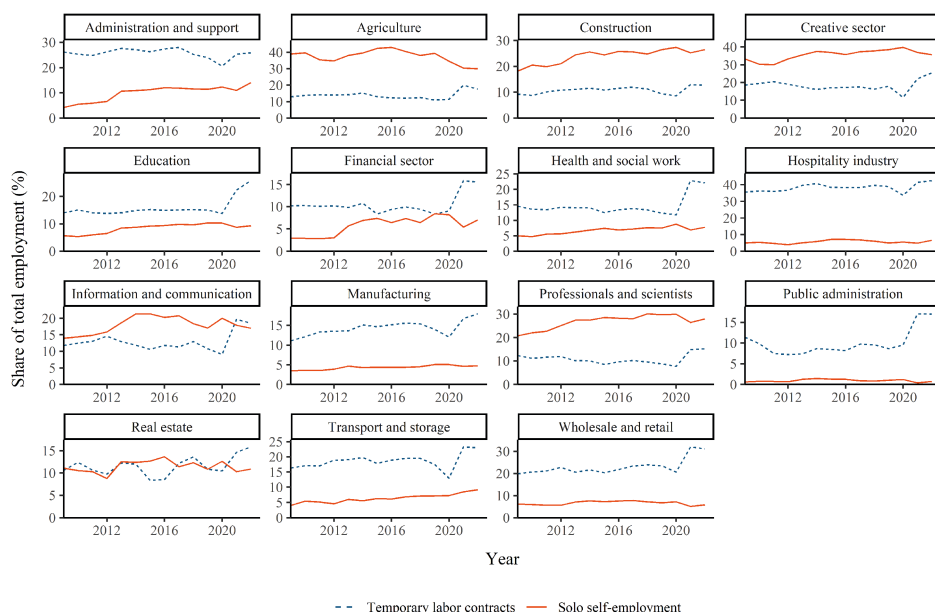
other industries, the incidence of temporary labor contracts in these sectors has increased significantly since the outbreak of the COVID pandemic. In wholesale and retail, fixed-term labor contracts have expanded more steadily. Unfortunately, historical data on own-account work in creative occupations is lacking. Yet, it is common knowledge that journalism has a tradition of freelancing. The available data for creative occupations, professionals, and scientists (since 2008) indicates extremely high own-account work rates and reasonably high levels of temporary labor contracts. Own-account work is also very common in the platform economy. In 2021, own-account work constituted 73 percent of work arrangements in this labor market segment (Klijs et al., 2022: 558). Yet, the size of the platform economy is limited. In 2021, 0.7 percent of Dutch citizens between 15 and 75 reported working more than one hour for a platform in the last month (Klijs et al., 2022: 555). Conversely, the financial sector conventionally hires relatively few own-account workers and temporary employees. Finally, temporary labor contracts are typical of the hospitality industry, but the sector comprises comparatively few own-account workers.



**Figure 2.13.** Sectoral development of temporary employment in the Netherlands, 1993-2008.

*Note:* The economic sectors shown in the figure are based on the letters of the NACE Rev. 1 classification. Sector A\_B = Agriculture, F = Construction, M = Education, J = Financial sector, N = Health and social work, H = Hospitality industry, P = Domestic personnel, D = Manufacturing, L = Public administration, K = Real estate, I = Transport and communication, and G = Wholesale and retail. Note that the y-axis is not the same for the subfigures.

*Source:* Eurostat European Labor Force Survey, own elaboration.

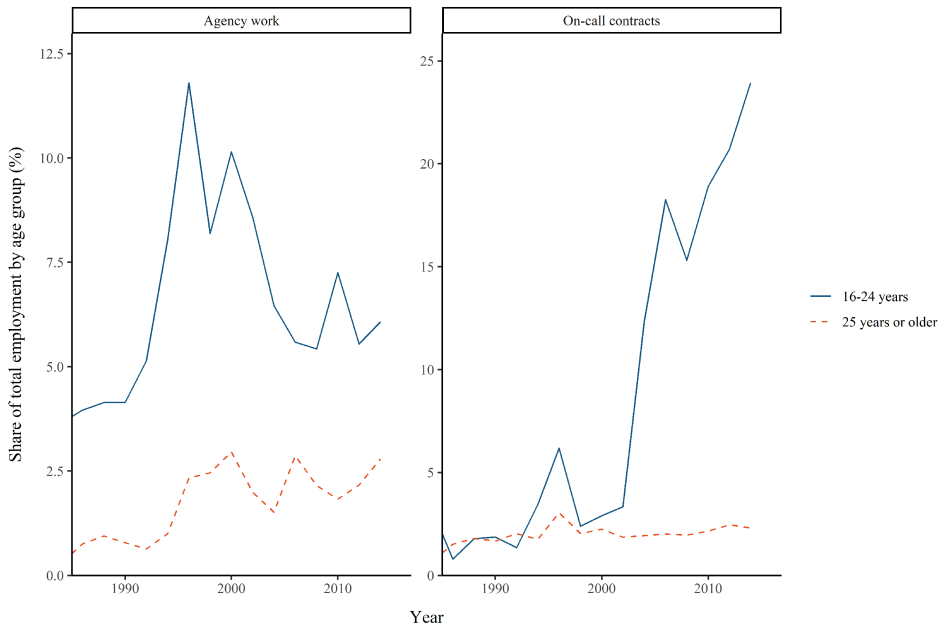


**Figure 2.14.** Sectoral development of temporary employment in the Netherlands, 2009-2022.  
*Note:* The economic sectors shown in the figure are based on the letters of the NACE Rev. 2 classification. Sector N = Administration and support, A = Agriculture, F = Construction, R = Creative sector, P = Education, K = Financial sector, Q = Health and social work, I = Hospitality industry, J = Information and communication, C = Manufacturing, M = Professionals and scientists, O = Public administration, L = Real estate, H = Transport and storage, and G = Wholesale and retail. Note that the y-axis is not the same for the subfigures.  
*Source:* Eurostat European Labor Force Survey, own elaboration.

## Age

Nonstandard employment also varies significantly across age groups. Since the mid-1980s, workers under 25 years old have been far more likely to have agency work arrangements than their older counterparts (see Figure 2.15). Conversely, on-call work shares were comparable for these age groups by 1985. As will be discussed later in this chapter, many early on-call workers were married women with children. Over time, however, the age groups dispersed as employers increasingly used on-call constructions for young workers. The growth of young on-call workers from the mid-2000s onwards is nothing short of spectacular. Consequently, the gap between young and old workers has become far more dramatic for on-call contracts than agency work.



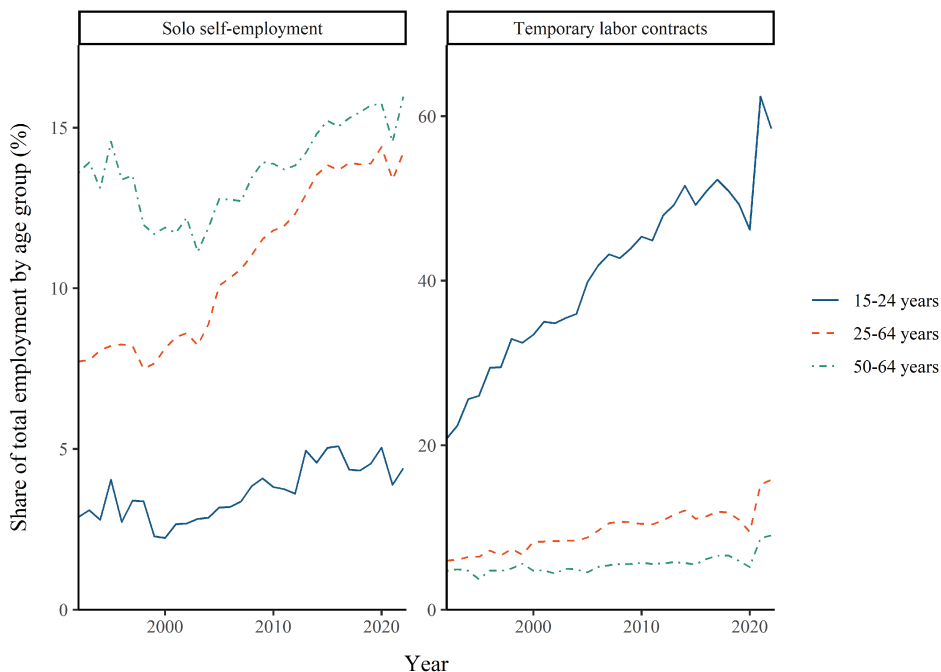


**Figure 2.15.** Age breakdown of agency and on-call work in the Netherlands, 1985-2014.

*Note:* The y-axis is not the same for the subfigures.

*Source:* SCP Arbeidsaanbodpanel, own elaboration.

Own-account work gives the reverse picture of on-call work. Despite the emergence of the gig economy, own-account work is still relatively uncommon among workers between 15 and 24 years of age from a macro perspective (see Figure 2.16). In contrast, the incidence of the work arrangement is much higher for older age groups. This gap, moreover, has increased over time and is even larger when focusing on workers between 50 and 64 years of age. The literature gives two explanations for the difference in own-account work shares between young and old workers: (1) own-account work is more suitable to older workers because of the experience and networks they build up throughout their careers, and (2) old workers are forced to become own-account workers as it is more difficult for them to attain a labor contract after they lose their jobs (Bosch et al., 2012: 6). Finally, people between 15 and 24 years of age are far more likely to work under temporary labor contracts than the working population above this age. The gap is even larger when focusing on workers between 50 and 64 and has grown tremendously over time. Currently, around 60 percent of workers between 15 and 24 years of age have a temporary labor contract, while workers above this age are well below the 20 percent mark.



**Figure 2.16.** Age breakdown of temporary employment in the Netherlands, 1992-2022.

*Note:* The y-axis is not the same for the subfigures.

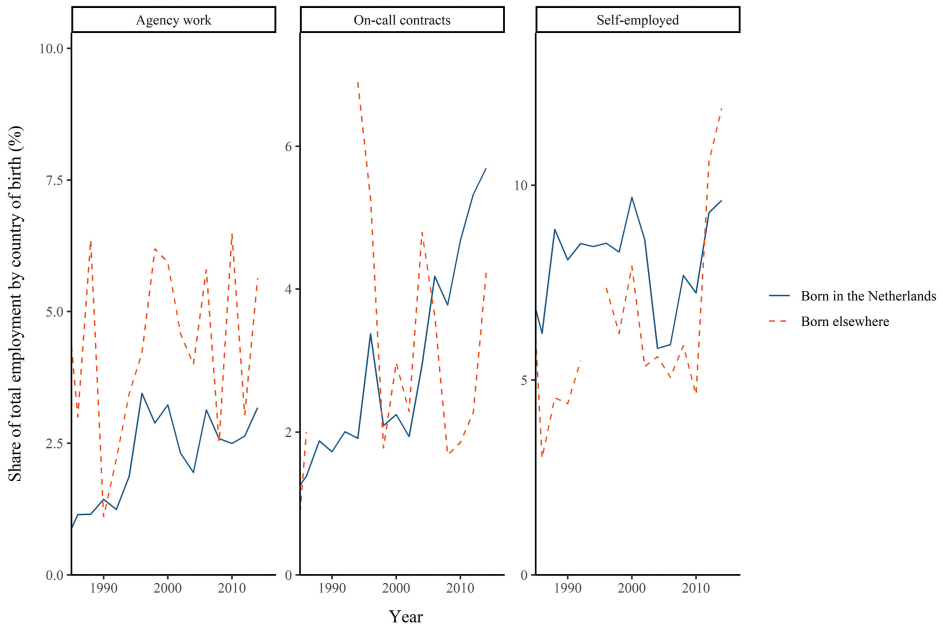
*Source:* Eurostat European Labor Force Survey.

## Citizenship

Finally, patterns of alternative work arrangements also diverge based on citizenship status. Unfortunately, the quality of historical data on this variable is low and does not allow for analysis like in the previous sections. The limited data indicates that workers born in the Netherlands were traditionally more likely to be self-employed than workers born elsewhere (see Figure 2.17). Recently, this gap does not seem to have persisted. The increasing employment of migrants in the platform economy might account for some of this shift. As discussed earlier, own-account work is the dominant work arrangement in this labor market segment. The platform economy is more accessible to disadvantaged workers, such as migrants, than traditional sectors (Rözer et al., 2021: 44–5). Its rise, therefore, serves as a likely explanation for (some of) this change.

Regarding on-call work, the data provides no clear picture. Yet, there is a consistent gap in agency work between workers born elsewhere and those born in the Netherlands. Policy reports even suggest that labor migration plays a much more significant role than this figure indicates. According to the agency industry, 49 percent of labor migrants, excluding students, worked under an agency work arrangement in 2019 (ABU and NBBU, 2021). In the same year, the employment share of agency work for the whole

working population was roughly three percent (see Figure 2.4). Most labor migrants with an agency work arrangement came from other countries within the European Union, particularly Poland. They often worked in logistics, horticulture, and the food industry. In 2020, 65 percent of labor migrants working under an agency work arrangement received housing from the work agency (ABU and NBBU, 2021). The high dependency of the workers on these intermediaries via housing increases the risk of exploitation.



**Figure 2.17.** Nonstandard employment in the Netherlands by country of birth, 1985-2014.

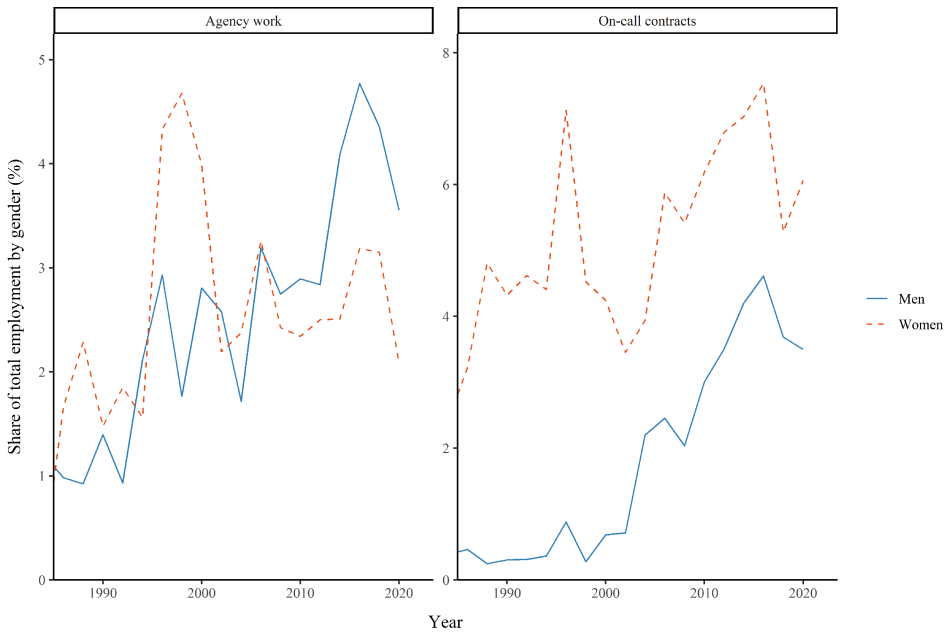
*Note:* The y-axis is not the same for the subfigures.

*Source:* SCP Arbeidsaanbodpanel, own elaboration.

## Why so gendered? Breadwinner policies and segmentation

When breaking down early nonstandard employment development across demographic characteristics, gender is arguably the most conspicuous variable. Most of the initial agency workers were female typists. Up to the mid-1960s, women remained overrepresented. According to Maarten van der Woude, the Director of the largest employers' association in the sector, married women accounted for 80 percent of revenue in the agency industry in 1962 and 1963 (Van Driel and Koene, 2011: 576). Between the mid-1960s and mid-1980s, agency work became increasingly normalized. As the scope of the work arrangement expanded, the gender distribution converged. By 1985, agency

work shares of men and women had become much more alike (see Figure 2.18). At the time, on-call work development was still at an early stage, contrary to agency work. Similar to agency work, however, women were most of the early on-call workers. Until 2000, the gender imbalance in on-call work was remarkable, as the work arrangement remained almost exclusive to women; it was rare for a man to work on call. As I will discuss later, the work arrangement was extremely insecure in this period. Since the 2000s, the incidence of on-call work has sharply increased for men and women. Whereas convergence has taken place, a substantial gap remains between both groups.

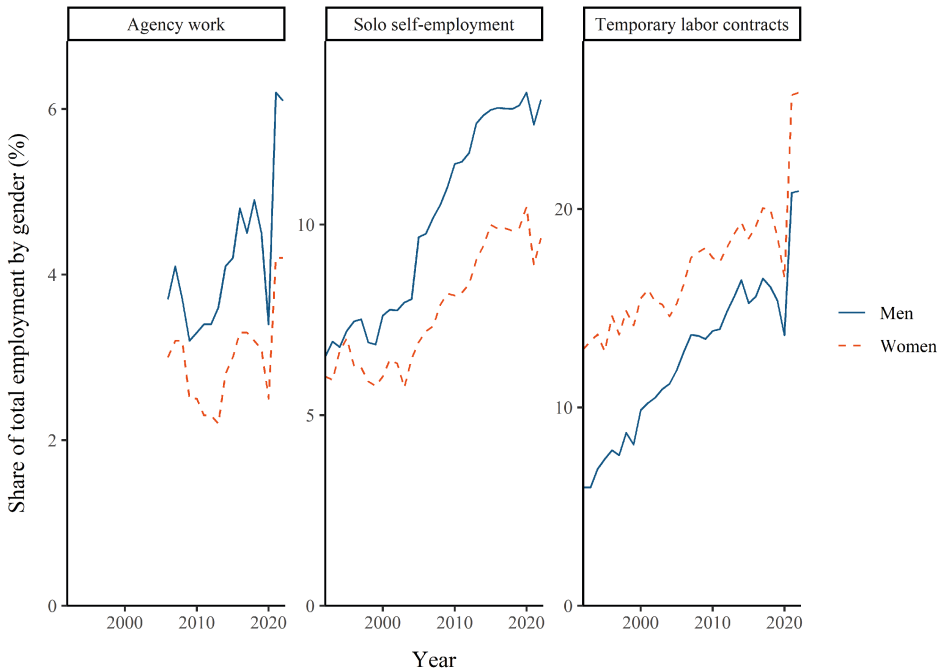


**Figure 2.18.** Gender breakdown of agency and on-call work in the Netherlands, 1985-2020.

*Note:* The y-axis is not the same for the subfigures.

*Source:* SCP Arbeidsaanbodpanel, own elaboration.

Recently, the gender distribution of agency work has increasingly tilted toward men. Despite the early concentration of the work arrangement among women, men are now significantly more likely to be agency workers. The same goes for own-account work (see Figure 2.19). The gender distribution of own-account work was relatively even during the early 1990s but has become increasingly unequal over time. Nonetheless, the incidence of the work arrangement increased dramatically across both groups in this period. Finally, the picture of temporary labor contracts is similar to on-call work. Women are traditionally more likely to be temporary employees than men. In recent decades, the share of fixed-term labor contracts expanded substantially, but the gender imbalance remained.



**Figure 2.19.** Gender breakdown of temporary employment in the Netherlands, 1992-2022.

*Note:* The y-axis is not the same for the subfigures.

*Source:* Eurostat European Labor Force Survey.

## The role of family policy

How did the Netherlands end up with such a gendered, dual labor market? Although this study focuses on party politics and union responses toward nonstandard employment since 1964, the Dutch labor market constituted no blank slate by that time. The gender distribution of agency work was heavily imbalanced and a similar pattern would occur for on-call contracts in the following decades. Therefore, it is essential to delve into the historical processes that drove early segmentation along gender lines before moving on to the politics of regulation.

Esping-Andersen (1999, 2013) links gendered labor market segmentation to conservative welfare states such as the Netherlands. The strong correlation between the employment protection of open-ended labor contracts and the strength of Christian democratic parties (rather than social democratic parties) has constituted the critical observation for his thesis, seemingly contradicting the important role attributed to social democratic parties and trade unions in conventional scholarship. While Esping-Andersen's work suggests a causal relationship between Christian democracy and employment protection, Emmenegger argues that the correlation results from historical contingencies. Emmenegger (2010, 2014) challenges the idea that Christian democratic

parties were responsible for the traditionally high employment protection of labor market insiders in conservative welfare states and that the religious were more inclined to support insider job security.

Emmenegger's argument seems to be particularly valid for the Dutch case. The strict employment protection of open-ended labor contracts in the Netherlands came about around the Second World War as part of emergency legislation (Hoogenboom and Knecht, 2017: 285, 287–8; Albers and Konijn, 1987: 18; Van Arkel, 2007: 176–7). Ever since, the dismissal protection of permanent labor contracts has largely remained intact. Yet, Christian democratic support cannot account for the stability observed. In Chapter 3, I discuss how Christian democrats even became one of the foremost critics of the strict dismissal protection of labor contracts in the 1980s. The chapter also shows that cabinets without Christian democrats, such as the Kok I and Kok II cabinets, maintained insider job security. Esping-Andersen's case for the connection between Christian democracy and dualization is convincing for the Netherlands when following a broader interpretation of breadwinner policy, however. The organization of care, divided between family, state, and market, is essential for the access of women to the labor market (Orloff, 1993: 312–4, 318; Lewis, 1997: 162, 170, 172; Arts and Gelissen, 2002: 147–8). In a society that heavily relies on women to perform unpaid care, social services, and fiscal incentives are arguably more critical to this dynamic than insider job security. Regarding these policies, there is a fundamental difference between conservative and social democratic welfare states. '...though the Nordic social democratic do have generous transfer systems', Huber and Stephens (2001: 2–3) state, 'it is public delivery of a wide range of social services that is their most distinctive aspect.' In contrast, conservative welfare states have traditionally relied on women's unpaid work within households for such care provisions (Esping-Andersen, 2013: 28; Bussemaker and Van Kersbergen, 1999: 19).

Scholars identify the 1960s and 1970s as the critical window for the divergence in care organization between social democratic and conservative welfare states. In these years, social democratic welfare states turned toward gender-egalitarian policies (Pontusson, 2011: 95; Esping-Andersen, 1996: 79, 123). They aimed to enhance the individual independence and emancipation of women by reducing their care burden through public care provisions (Esping-Andersen, 2013: 28; Bussemaker and Van Kersbergen, 1999: 19). Public child care, individual taxation, parental leave, and universal social insurance were the typical policies to promote equal dual-earner households (Lewis, 1997: 168–9; Orloff, 1993: 316). In conservative welfare states, public policy continued to facilitate a traditional division of labor within households with a male breadwinner and female carer (Bussemaker and Van Kersbergen, 1999: 23). This pattern was not only enforced by family norms. As female labor market participation increased, childcare shaped the work arrangements available to mothers. Without sufficient childcare, mothers typically had no time to pursue a full-time career covered by an open-ended labor contract. Under

such circumstances, part-time employment and alternative work arrangements enabled mothers to combine paid work and care tasks (Hipp et al., 2015: 359–61).

Although the Dutch welfare state has constituted a mix of the ideal types, it was predominantly conservative when focusing on family policy. Due to generous social transfers via social assistance, child allowances, and housing benefits, poverty among single mothers was historically comparatively low in the Netherlands (Bussemaker and Van Kersbergen, 1999: 28). Yet, public care provisions were very scant. Traditionally, childcare drew on the efforts of private religious institutions (Huber and Stephens, 2001: 166). The conservative nature of Dutch family policy is unsurprising, as Christian democracy traditionally constituted the dominant political party family. Consequently, there were Christian democrats in every cabinet between the Second World War and the early 1990s. The women's movement challenged breadwinner policies throughout the 1970s and 1980s (Outshoorn, 1995: 170; Van Eijl, 1997: 121–2; Huber and Stephens, 2001: 166). In the early 1970s, these campaigns called for childcare to facilitate full-time labor market participation for mothers. Despite growing demand by women for childcare and the popularization of playgroups for children between two and five years old, they were not yet able to overhaul government policy on the half-day and full-day childcare centers required for facilitating paid work (Tijdens and Houweling, 1993: 14–5). Up to the 1990s, the lack of childcare coverage in the Netherlands was even more extreme than in other conservative welfare states. In 1990, only two percent of children under three years of age were in subsidized childcare (Bussemaker and Van Kersbergen, 1999: 36). This figure was only slightly higher in Germany. Yet, coverage was small compared to Belgium and France. The combination of generous family benefits and scant childcare in the Netherlands stimulated single mothers to be full-time carers. The childcare development of the 1970s fits the broader pattern of breadwinner policies in the decade. Although ties were close between the women's movement and the social democratic PvdA, the largest coalition party from 1973 to 1977, actual reforms of breadwinner policies were limited (Outshoorn, 1995: 168–9, 172; Huber and Stephens, 2001: 166). Instead, change centered around the creation of a special department dedicated to gender-egalitarian policy within the Ministry of Social Affairs.

During the 1980s, childcare finally became a pressing issue in the legislative channel. In 1982, the Second Chamber adopted a motion calling for a more extensive public childcare policy: 'the Chamber...requests the government, given the need to expand the number of childcare facilities, to develop a single legal and financial regulation for as many forms of childcare as possible' (*Gewijzigde motie Van Es. Rijksbegroting 1982*, 1982). The motion received broad support in parliament; merely a few MPs with a fundamentalist Christian orientation opposed the proposal (*Tweede Kamer 1981-1982 Handelingen 9 March*, 1982: 2561). The initiative led to an advisory committee consisting of representatives of multiple ministries. In its 1984 advice, the committee objected to

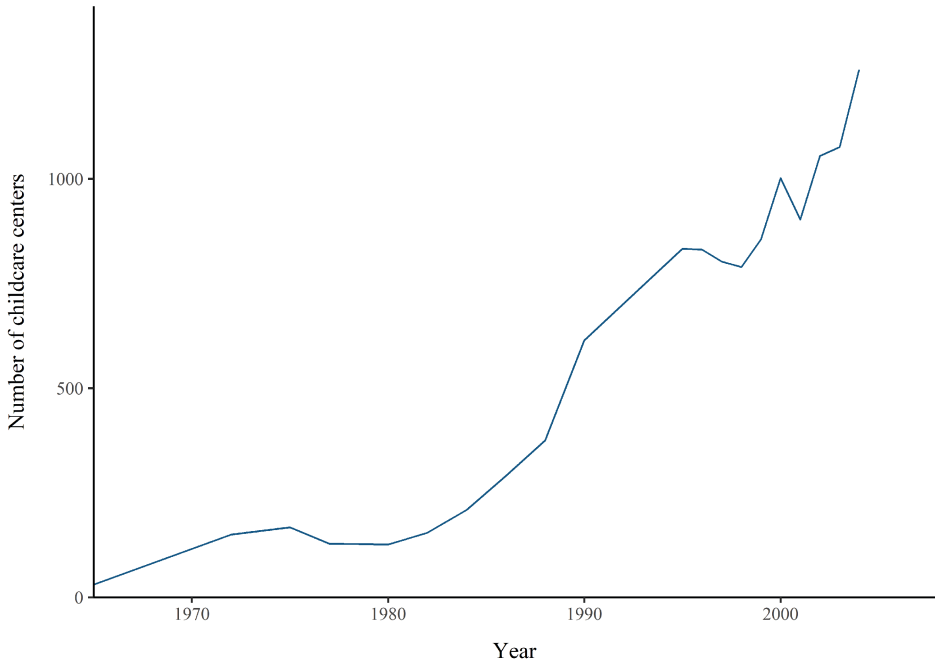
expanding childcare through public stimulation, arguing that it was too costly (Tijdens and Houweling, 1993: 20). Instead, it suggested that the resources required for expansion had to come from parents themselves. Accordingly, the Lubbers I cabinet (1982-1986), comprising the Christian democratic CDA and liberal VVD, decided not to increase direct expenditures on childcare centers but to opt for an indirect approach via parents (Cabinet Lubbers I, 1984: 5-6). The government allowed dual-earner households with children under 12 years old to partially deduce childcare costs from income tax. Yet, the tax deduction was not particularly effective in increasing coverage, as the shortage of childcare centers remained (Tijdens and Houweling, 1993: 20-21). In the following years, the number of half- and full-day childcare centers fell further behind the quickly increasing demand, leading to ever-longer waiting lists.

Frustrated with the slow progress in the legislative channel, unions started to address childcare via collective bargaining during the second half of the 1980s, resulting in childcare clauses in more than 150 collective labor agreements in 1990 (Lieon, 1993: 57-8, 64; Van Eijl, 1997: 272-4). Where clauses were most developed, employers provided childcare to workers by reserving places in childcare centers. These initiatives primarily resulted from efforts by unions from the social democratic FNV confederation, as the protestant CNV argued that childcare had to be the responsibility of parents and municipalities (Lieon, 1993: 58). In 1986, the Christian democratic-liberal Lubbers II cabinet (1986-1989) changed position. Policymakers increasingly viewed childcare as a tool to increase labor market participation (Tijdens and Houweling, 1993: 19, 21). In a study commissioned by the Ministry of Social Affairs, a third of women without a job yet willing to work reported that lacking childcare facilities kept them out of the labor market (Wilbrink-Griffioen et al., 1987: 63). Given the Netherlands' struggle with labor market inactivity in this period, the second Lubbers cabinet, again consisting of CDA and VVD, was particularly sensitive to this policy perspective.

The Lubbers III cabinet (1989-1994), in which the social democratic PvdA replaced the liberal VVD, announced childcare reforms in 1989. With the package, the government moved from indirect stimulation through a tax deduction to direct subsidies for the mostly private childcare centers (Moss, 1990: 27; Tijdens and Houweling, 1993: 22; Bussemaker and Van Kersbergen, 1999: 37-8; Lieon, 1993: 57-8). As the government built upon the financing structure set up by trade unions and employers' associations, Dutch childcare funding became tripartite, based on parent, employer, and government contributions. In this model, municipalities became responsible for coordinating the state funds. The share of children under three years of age in subsidized childcare increased from two percent in 1990 to eight percent in 1993 (Bussemaker and Van Kersbergen, 1999: 37). In 1996, the government also made childcare costs partly tax deductible for employers (Lewis et al., 2008: 272). This measure was effective, as childcare funding increasingly leaned on employer contributions. Between 1990 and 1999, the share of



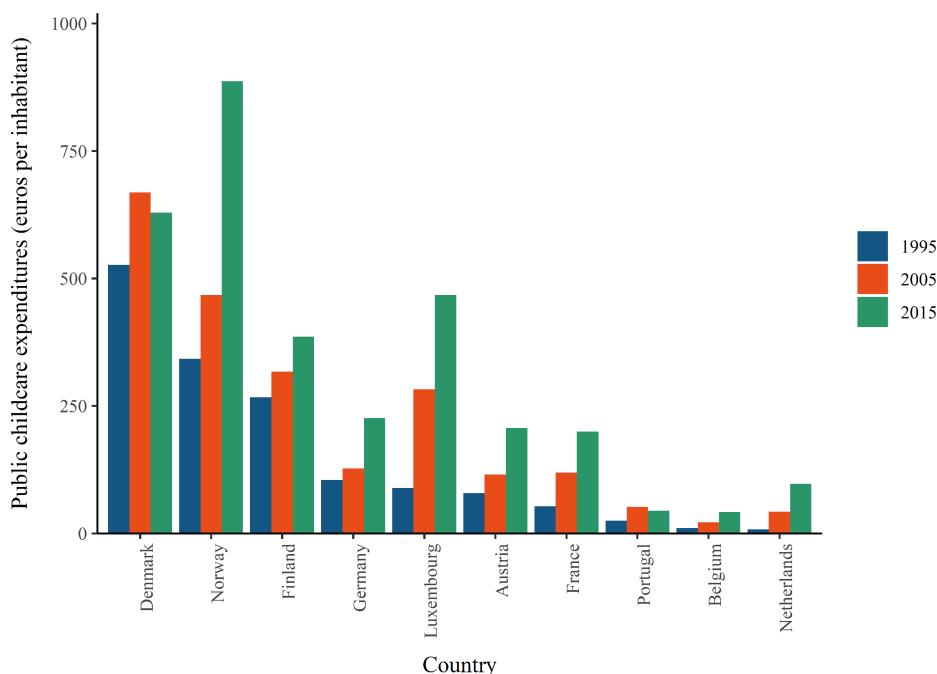
childcare funding paid by employers more than tripled, from 14 to 49 percent (Knijn and Saraceno, 2010: 451).



**Figure 2.20.** Number of half- and full-day childcare centers in the Netherlands, 1965-2004. *Source:* Tijdens and Houweling, 1993: 15, 23 (1965-1990); CBS Statline Kindercentra (1986-1990, 1995-2000); CBS Statline Welzijnswerk en kindercentra (2001-2004).

Consequently, half- and full-day childcare center development finally kicked off (see Figure 2.20). Between 1965 and the mid-1970s, childcare centers had emerged onto the scene. Yet, there was a slight drop in the number of centers in the second half of the 1970s. From the late 1970s onwards, growth returned at a modest rate. The expansion of childcare centers, then, accelerated with the institutional changes of the late-1980s and early-1990s.

In international comparison, Dutch childcare facilities nevertheless remained limited. In 1995, public childcare spending per inhabitant in the Netherlands was negligible compared to Denmark, Norway, and Finland (see Figure 2.21). As expenditures were significantly higher in Germany, France, and Austria, Dutch spending was even low for a conservative welfare state. Only in Belgium was childcare spending comparable at the time. As discussed previously, there are two explanations for the lack of public expenditures: (1) the relatively small number of childcare facilities in the Netherlands in general and (2) the importance of employer contributions in the Dutch childcare model.



**Figure 2.21.** Public childcare expenditures per inhabitant in selected EU countries, 1995-2015. *Note:* Expenditures per inhabitant are calculated in euros at 2010 constant prices. Countries are selected based on their representativeness in the distribution and ordered based on 1995 childcare expenditures per inhabitant. *Source:* Eurostat ESSPROS.

In 2005, the second Balkenende cabinet (2003-2006), comprising Christian democrats (CDA) and liberals (VVD and D66), largely moved coordination from the municipalities to the market (Knijn and Saraceno, 2010: 451). Whereas the reform attempted to stimulate competition between childcare providers, financing took place via a subsidy to parents and a tax break for employers, continuing the tripartite funding model (Lewis et al., 2008: 273). The government also introduced statutory legislation ruling that employers had to pay at least one-sixth of childcare costs to stimulate business contributions (Knijn and Saraceno, 2010: 451). Despite relatively strong growth between 1995 and 2015, Dutch public childcare spending in 2015 remained low compared to most neighboring countries, albeit higher than Belgium and Portugal.

Next to social services, fiscal incentives affect the use of work arrangements (Hipp et al., 2015: 359; Jaumotte, 2003: 13, 18). The structure of taxation and social insurance shapes the marginal earnings of different household members (Portegijs et al., 2008: 27; Sainsbury, 1999: 192). Here, whether income taxation is individual or based on (joint) household income is crucial. H. Dearing et al. (2008: 473–83), for instance, found that

the income taxation structure partly explains the diverging part-time employment shares of mothers in Austria and Germany despite relatively equal female labor market participation. The underlying mechanism comes down to the marginal earnings of the secondary earner within the household. With joint income taxation, the additional income of the secondary earner is taxed at a higher rate than with individual income taxation, making it less financially attractive to work more hours. Historically, these secondary earners have predominantly been women. The structure of social insurance also plays an important role. Social protection schemes dependent on earnings similarly affect marginal income, shaping incentives to work full-time or via a work arrangement with fewer hours (Jaumotte, 2003: 14).

Traditionally, taxation and social insurance in the Netherlands depended on household income (Huber and Stephens, 2001: 166). In 1973, income tax treatment became individual but with a substantially higher tax exemption for the primary income earner (Sainsbury, 1999: 201). In social insurance, discrimination against married women was often more explicit. Married women were not entitled to a public pension (Sjerps, 1988: 102). They were also not eligible for long-term unemployment benefits unless they showed that they were the primary income earner of a household (Van Eijl, 1997: 221). For men, there was no such demand. The insurance schemes against unemployment, disability, and sickness contained minimum benefits for the breadwinner, designed to preserve family income (Sjerps, 1988: 101–2). Next to the women's movement and their ties with left-leaning parties (Bussemaker and Van Kersbergen, 1999: 27), policy directives from the European Community (and later the EU) were vital in pushing Dutch governments to institutionalize the equal treatment of men and women (Outshoorn, 1995: 174; Bussemaker and Van Kersbergen, 1999: 24, 26). The 1978 EC policy directive prescribed equal treatment of men and women in social insurance and gave member states six years to align national legislation. After the deadline, the FNV went to court to challenge formal discrimination in the long-term unemployment scheme. The European and domestic courts ruled that the Dutch government could no longer make the distinction between married men and women after 1984 based on the directive (*NRC Handelsblad*, 1986; *NRC Handelsblad*, 1988b). Throughout the 1980s, consecutive cabinets removed most of the direct gender discrimination from social insurance, individualizing entitlement except for health care (Huber and Stephens, 2001: 286; Visser, 2002: 33). Consequently, Dutch married women became eligible for a public pension and received the same entitlement to unemployment insurance as men and unmarried women (Bussemaker and Van Kersbergen, 1999: 25–6; Sjerps, 1988: 102).

Formally, married women now experienced coverage against old age, unemployment, and disability risks. Yet, the difficult economic circumstances of the time posed an additional challenge to what was de facto an extension of welfare coverage. In the aftermath of the oil shocks, the Netherlands faced stagflation and spiking unemployment.

In response, the Christian democratic-liberal Lubbers I and Lubbers II cabinets adopted a welfare state retrenchment agenda (Oudenampsen, 2020: 781; De Liagre Böhl, 2013: 330–1). They reduced general benefits and introduced means-testing based on household income to combine the goals of equal treatment and welfare state retrenchment (Huber and Stephens, 2001: 283, 286; Bussemaker and Van Kersbergen, 1999: 25). In this way, they kept some of the breadwinner structure intact. The government also made unemployment benefits dependent on employment history. Although means-testing and the link to employment history were not directly discriminatory, they often meant, in practice, that married women received little or no benefits (Sjerps, 1988: 102–3). Regarding income tax, the Lubbers I cabinet equalized the income tax exemption between primary and secondary earners in 1984 (Sainsbury, 1999: 201). As the exemption was made transferable between household members, the measure was ineffective in increasing work incentives for secondary earners. In 1990, the third Lubbers cabinet, consisting of the CDA and PvdA, lowered these work disincentives to secondary earners by generally reducing the income tax exemptions (Visser, 2002: 33). Ultimately, the 2001 tax reform ended the transferability of the tax exemption (Portegijs et al., 2008: 36).

Since the 2000s, the creation of a complex web of benefits for housing rent, health care, child care, and raising children has nevertheless heavily impacted work incentives (Commissie inkomstenbelasting en toeslagen, 2013: 77). As benefits typically stop at a certain income threshold, they discourage families just beneath the threshold to work more hours, especially if they are eligible for multiple benefits at once. Combined with income taxation based on total income, they also encourage workers with relatively high hourly earnings to work comparatively little, enabling them to stay just under the income threshold where benefits start to fade away. In 2006, 19 percent of part-time workers experienced a marginal pressure of at least 60 percent for working more hours (Taner and Hendrix, 2007: 36). These workers would lose at least 60 percent of the resulting gross income increase to higher taxes, premiums, and a reduction of social benefits.

### **Promoting and regulating part-time employment**

Whereas childcare facilities and tax incentives have indirectly impacted female labor market participation, breadwinner policies sometimes also directly obstructed women's access to employment. In some sectors, legislation forced working women to leave the labor market upon motherhood or marriage (Bussemaker and Van Kersbergen, 1999: 19; Van Eijl, 1997: 36). The government set the example, followed by many employers in the private sector (De Groot, 2022: 4). In the public sector, a motion passed by parliament in 1955 created a small opening for careers of married women. Female civil servants would continue to be fired upon marriage unless (1) they were over 30, (2) they had been civil servants for at least 10 years without interruption, or (3) were in a prominent job (Plantenga, 1998: 56). Although the compulsory dismissal of women upon motherhood

or marriage in public administration ended in 1958, it would take until 1976 for statutory legislation prohibiting such dismissals across the labor market to be implemented (Van Eijl, 1997: 36; Visser, 2002: 28).

To the extent that married women were allowed to work, De Groot (2022) points out that tripartite policy guided them toward work arrangements with fewer working hours, fueling early labor market segmentation along gender lines. In the postwar decades, employers in the industrial sector increasingly hired married women to remedy labor shortages (Portegijs et al., 2008: 22). From 1947 to 1960, the number of married women working in industry almost tripled (De Groot, 2022: 6). Many of these women worked full-time. In the Netherlands' breadwinner society, the increase in full-time work of married women in industry met with resistance, particularly from organized Catholics. From their perspective, the high working hours of married women in industry challenged the traditional role of women as carers within the household. During the 1960s and 1970s, part-time employment for married women emerged as the compromise between employers' associations, trade unions, and policymakers (De Groot, 2022: 17, 19, 23, 2021: 764–5). For opponents of paid work by married women, part-time work served as a second-best alternative, allowing married women to combine paid work with their 'domestic duties'. For proponents, more opportunities for part-time employment at least facilitated partial labor market participation.

As the dominant view in society still considered paid work by married women as something voluntary and additional, there was little support for improving the labor conditions of part-time work compared to full-time, open-ended labor contracts (De Groot, 2022: 18, 2021: 766). Consequently, various precarious work arrangements developed under the umbrella of part-time employment. Regarding agency work, policy attitudes were similar during its early gendered development. As pointed out earlier, married women were responsible for the great majority of revenue in the agency industry in the early 1960s. The agency industry used this very fact to argue against government intervention. According to the ABU, work agencies 'added labor potential to the market by "mobilizing" a hidden reservoir of agency workers, mainly married women working only part-time to earn some extra money for the household. These workers did not infringe on regular employment' (Van Driel and Koene, 2011: 571–2). Whereas the opportunities of married women for paid work increased, they, thus, were not considered a part of the core workforce and often only had access to precarious work arrangements.

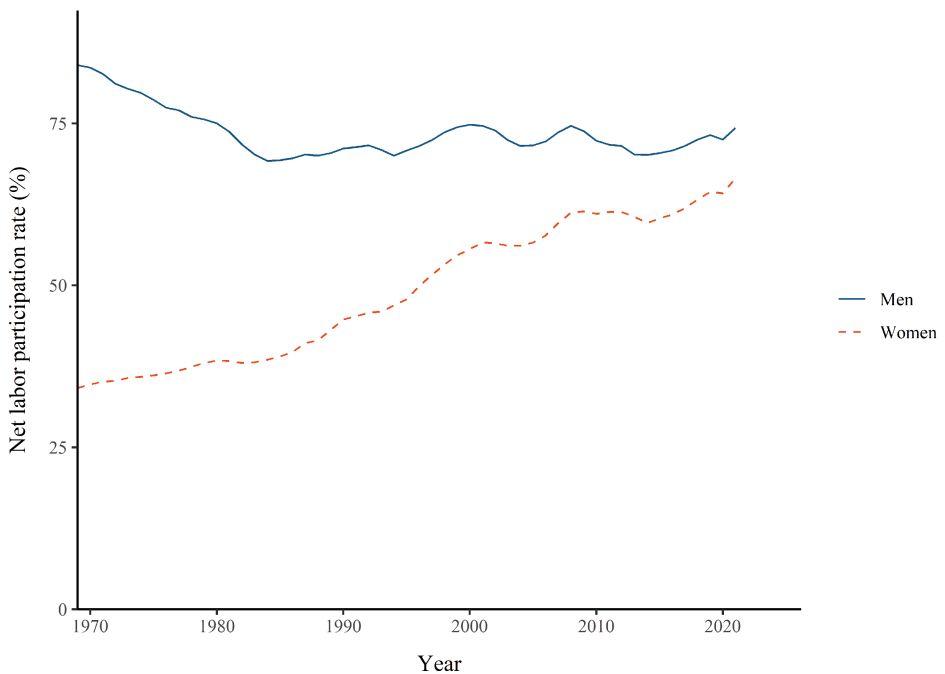
In this early phase, distinguishing between the various work arrangements with lower working hours is challenging. As all of these work arrangements were poorly regulated and part-time workers were not considered crucial for the functioning of the breadwinner model, discerning them was of little interest to policymakers. For analysis' sake, it is important to distinguish three part-time work arrangements: (1) part-time employment with relatively stable working hours above 1/3 FTE, (2) part-

time employment with relatively stable working hours under 1/3 FTE, and (3) part-time employment with unstable working hours typically under 1/3 FTE (e.g., on-call contracts). In historical policy discussions and contemporary scholarship on this phase, authors typically discuss these work arrangements as a single category. Yet, the third work arrangement is of primary interest to this dissertation. Separating the categories becomes critical with the Minimum Wage Act of 1968. This law, establishing a minimum wage in statutory legislation, ruled that the minimum wage would not apply to work arrangements under 1/3 FTE (SER, 1976a: 3). Afterward, the threshold also became a way of limiting the target population in collective labor agreements and welfare provisions. Throughout the 1970s and 1980s, work arrangements under 1/3 FTE were more precarious for the workers involved and much cheaper for employers. Due to lacking regulation on working hours flexibility and on-call constructions, this was even more true for the work arrangements under 1/3 FTE with volatile working hours.

The differences among part-time arrangements are also essential when considering the timing of increasing participation by women in the Dutch labor market. During the 1970s and 1980s, there was a significant drop in the employment share of men caused by the economic downturn surrounding the two oil shocks (see Figure 2.22). The typical response by conservative welfare states to the oil shocks was to restrict the labor supply while keeping insider wages and employment protection intact (Esping-Andersen, 1996: 76–7, 1999: 84, 130, 153; Hemerijck et al., 2000: 108–9). The Netherlands fitted this pattern, restricting supply by channeling workers into disability and early retirement schemes (Oude Nijhuis, 2018: 186–7; De Liagre Böhl, 2013: 329–30; Hemerijck et al., 2000: 117–8). Due to the focus on labor market exit instead of entrance, conservative welfare states like the Netherlands struggled with a vicious cycle of inactivity and labor costs (Bussemaker and Van Kersbergen, 1999: 19–20; Esping-Andersen, 1996: 79–80). While labor costs were increasing, intensifying international competition, higher interest rates, and decreasing domestic demand put further pressure on the profitability of Dutch companies, causing many bankruptcies (Touwen, 2014: 262; Sluyterman, 2003: 251). The second oil shock, in particular, hit the Dutch labor market hard.

In the 1960s, women's labor market participation in the Netherlands was comparatively low, even compared to other conservative welfare states (Bussemaker and Van Kersbergen, 1999: 32–4). Between the 1960s and 1980s, this figure increased much quicker in social democratic than conservative welfare states (Pontusson, 2011: 93, 95). Nevertheless, female participation in the Netherlands increased slowly but steadily until the mid-1980s, while male employment declined (see Figure 2.22). Due to the introduction of the birth control pill, facilitating fewer kids per household, and technological innovations, such as the semi-automatic washing machine, the care burden on women decreased (Portegijs et al., 2008: 26). Still, female labor market participation in the Netherlands remained at a comparatively low level. The mid-1980s constituted a

critical juncture, kicking off a dramatic increase in female labor market participation. Whereas the structure of work arrangements is usually relatively stable, the enormous number of new entrants facilitated an overhaul of the Dutch labor market. From the first oil shock onwards, employers were looking for ways to cut costs and pass on employment risks to restore profitability and meet budgets in the context of peaking labor expenses. In response to economic turmoil, employers, therefore, often narrowed their core workforce and increasingly used other work arrangements with less labor expenses and employment risks (SZW, 1986: 1). Additionally, employers in retail increasingly opened on Saturday while their core workforce only worked weekdays (De Groot, 2021: 767). They used small, part-time contracts to solve the mismatch between contract and opening hours.



**Figure 2.22.** Net labor participation rate in the Netherlands by gender, 1969-2021.

*Note:* In this dataset, Statistics Netherlands (CBS) operationalizes net labor participation as ‘the share of the employed labor force [age 15-64] in the total population.’ Workers are considered employed if they have paid work irrespective of working hours.

*Source:* CBS Statline Arbeidsdeelname

Meanwhile, an increasingly large group of women wanted paid work. While the view that mothers with young children should not engage in paid work rapidly lost support, women with unemployed spouses increasingly continued their jobs upon marriage

and motherhood to maintain employment within the household (Portegijs et al., 2008: 29). Many women entering the labor market had children and were married. Whereas roughly 10 percent of mothers with pre-school children participated in the labor market in 1973, more than 50 percent had paid work in 1998 (Visser, 2002: 27). Most mothers with young children worked part-time. In 1988, the part-time employment share for working mothers with a child under 10 years old was 84 percent (Moss, 1990: 24). Crucially, many of the newly created part-time jobs had relatively low working hours. Although part-time work increased across the board, the share of part-time work with 15 or fewer contract hours in total part-time employment increased from 27.2 percent in 1977 to 41.2 percent in 1990 (De Groot, 2021: 774). In absolute numbers, these jobs expanded from 178,000 in 1977 to 870,000 in 1990. Due to the burden of care tasks, scant child care, tax incentives, and lack of work experience, mothers often had to settle for these small, precarious jobs under 1/3 FTE (CNV, 1987: 4; FNV-Secretariaat van Vrouwelijke Werknemers, 1985: 9–10). This dynamic drove the strongly gendered, early development of on-call work, supporting the proposition that sticky breadwinner policies explain segmentation along gender lines. Contrary to the post-war development in industry, the women (re-)entering the labor market in the late 1970s and 1980s, thus, often ended up in small, part-time jobs rather than full-time employment. In the context of spiking unemployment, employers no longer facilitated paid work by married women to remedy labor shortages, but rather to limit labor expenses.

With the rising incidence of part-time employment, calls for regulating the precarious part-time work arrangements increased. In the resulting policy discussions, the one-third criterion was a crucial issue. In 1976, the Social and Economic Council advised against abolishing the one-third criterion (SER, 1976a: 6–7). Yet, there was no consensus. A substantial minority in the council advocated for abolition, arguing that the criterion resulted in undesirable treatment differences between workers. Trade unions called for improving the quality of part-time work by introducing the same pro rata labor conditions as full-time employment (De Groot, 2021: 772). In addition to union representatives, politicians were increasingly calling to turn part-time employment into a well-regulated labor market segment next to full-time jobs. In 1978, the Christian democratic Social Affairs Minister Albeda warned that part-time employment should not become another labor market segment characterized by precarious female work (De Groot, 2021: 770). Instead, it had to grow into a reasonable alternative to full-time employment for both men and women. As the social partners desired, the government left the initiative for developing regulation to organized interests during the 1980s (Portegijs et al., 2008: 31; De Groot, 2021: 773–4). Although willing to bargain improvements for part-time workers, employers strongly opposed statutory legislation, contrary to trade unions (Portegijs et al., 2008: 31; Van Eijl, 1997: 249). The social partners also remained divided on removing the one-third criterion. For trade unions, abolition of the clause

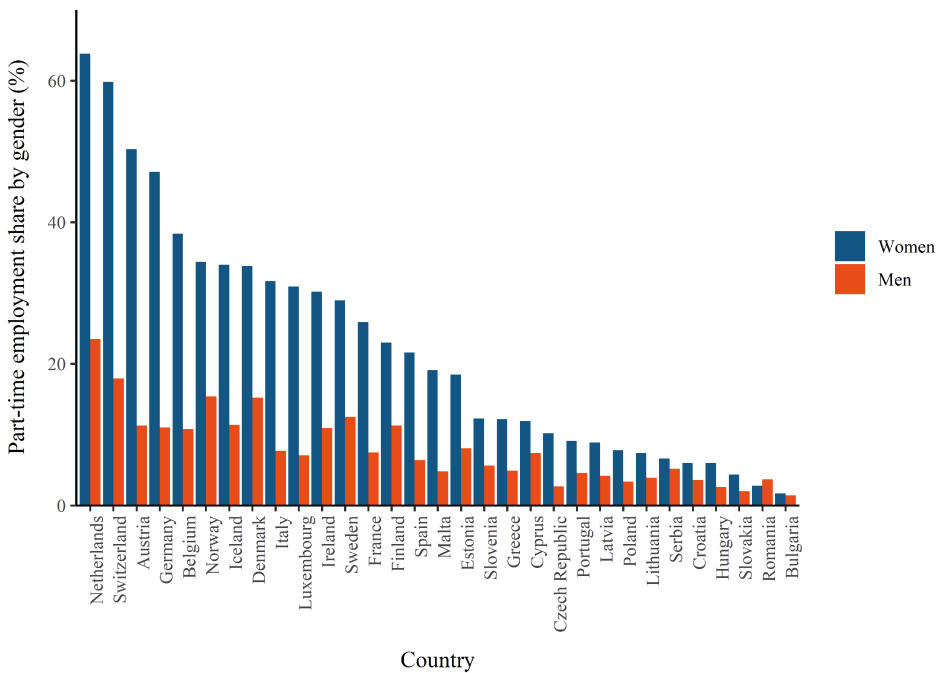


was essential to reduce the financial incentives for small, part-time jobs, hampering workers' ability to earn sufficient income to be financially independent (De Groot, 2021: 774). Instead, labor aimed to stimulate part-time jobs over 20 hours a week.

During the late 1980s and early 1990s, policy views on paid work by women shifted. Increasing female labor market participation became an explicit public policy goal (Plantenga, 1998: 57). Despite a recent upward trend, the labor market participation of single mothers was still relatively low in the Netherlands in the 1990s (Bussemaker and Van Kersbergen, 1999: 28). Government reports explicitly challenged breadwinner policies for hampering female employment (WRR, 1990: 199–200). In the next decade, the government stopped facilitating a pure version of the breadwinner model. Social assistance reform, for instance, required people to search for a job actively (Knijn and Van Wel, 2001: 238–9, 241). This obligation also applied to single mothers, who constituted more than half of social assistance recipients. The 1990s also comprised a breakthrough for stable part-time employment regulation (De Groot, 2021: 774–5). Coinciding with a general minimum wage reduction, parliament removed the one-third criterion from the act in 1993 (Visser, 2002: 33; De Groot, 2021: 775). Soon after, similar abolitions followed for welfare policies (Huber and Stephens, 2001: 286). In the same year, the employers' associations and trade unions also agreed on guidelines for pro rata protection of part-time work compared to full-time employment in collective labor agreements, facilitating further differentiation of working hours (StvdA, 1993: 16–7). In their elaboration on equal treatment across working hours, their agreement also openly questioned the one-third criterion in sectoral CLAs and called for reforms: 'It should be noted that several CLAs still contain threshold clauses particularly for small part-time workers (for example, those who work less than one-third of regular working hours). In general, the [Labor] Foundation believes that such a distinction, especially when based solely on different working hours, does not fit with the development toward increasing differentiation of working hour patterns' (StvdA, 1993: 17). In the subsequent years, legislation forbidding discrimination based on working hours completely ended such practices in collective labor agreements (Portegijs et al., 2008: 36; Visser, 2002: 33).

Stable part-time employment was now well-protected and continued to expand. In the following decades, normalization occurred to such an extent that the open-ended part-time labor contracts arguably became a standard employment relationship just as full-time, open-ended labor contracts. Nowadays, the Netherlands has the highest incidence of part-time employment in the EU (see Figure 2.23). More than 60 percent of Dutch working women had a part-time arrangement in 2022. Although the female part-time share is much higher, part-time employment is also more common for Dutch men than their counterparts in other European countries. Survey data, moreover, suggests that involuntary part-time work is relatively low. In 2022, the involuntary share of part-time employment in the Netherlands was only 2.2 percent, the lowest in the EU

(Eurostat, 2023). With the removal of the one-third criterion from the minimum wage, social insurance, and CLAs, the 1/3 FTE threshold was no longer a relevant marker for precarity within the part-time category. Despite the reforms, the highly volatile part-time segment occupied by on-call contracts remained relatively precarious. Compared with stable part-time employment, employers’ associations were more reluctant to bring nonstandard jobs up to the standards of open-ended full-time labor contracts (Van Eijl, 1997: 249). Unlike stable part-time employment, these work arrangements still allow employers to deviate from the full-time, open-ended labor contract standards. The next chapters address the policy discussions on these alternative work arrangements.



**Figure 2.23.** Part-time employment by gender across Europe in 2022.  
*Source:* Eurostat European Labor Force Survey.

## Conclusion

Since the 1970s, alternative work arrangements have occupied an increasingly large share of the Dutch labor market. The Netherlands’ development path is remarkable from an international perspective. Throughout the last half-century, temporary and part-time employment has expanded more rapidly in the Netherlands than in other European countries. Nowadays, the Netherlands is among the countries with the highest employment shares for all varieties of nonstandard employment: agency, on-

call, and own-account work. Meanwhile, the employment protection of open-ended labor contracts remained comparatively strict. As a consequence, the Netherlands has arguably become the prime example of labor market segmentation in the global north.

Whereas the hospitality and trade industry and the care and welfare sector have constituted traditional strongholds of on-call work, agency work has been concentrated in industry, construction, and professional services. Own-account work, moreover, is common in agriculture, creative occupations, construction, and the gig economy. Young workers are more likely to be agency workers. Own-account workers, however, are typically in the later stages of their careers. By 1985, the distribution of on-call work was relatively similar for young and old workers. Yet, the age groups dispersed as employers intensified their use of on-call constructions for young workers, particularly in the 2000s. Divergences based on citizenship status, moreover, are particularly high for agency work. In the Netherlands, people born elsewhere are far more likely to be agency workers than people born in the Netherlands. Initially, own-account workers were typically people born in the Netherlands, but recently the own-account work shares of this group and people born elsewhere have converged.

Gender has played a vital role in labor market segmentation, particularly at an early stage. From the beginning, women were strongly overrepresented among agency, on-call, and part-time workers. Scant childcare facilities, fiscal incentives, breadwinner norms, and hiring practices obstructed the access of married women and mothers to regular, full-time employment. Although reforms decreased the eminence of breadwinner policies throughout the 1980s and 1990s (see Table 2.1), childcare facilities continued to be scant in international comparison. During the 1970s, female labor market participation in the Netherlands was comparatively low, increasing slowly but steadily until the mid-1980s. The mid-1980s constituted a critical juncture, kicking off a dramatic increase in the number of women pursuing paid work. This shift occurred at a time when employers were looking for ways to cut costs and pass on employment risks to restore profitability and meet budgets in the context of peaking labor expenses. Accordingly, they increasingly hired workers under precarious work arrangements. Due to the burden of care tasks, scant childcare, tax incentives, and lack of work experience, mothers often had to settle for precarious, part-time jobs, such as on-call contracts. The rising incidence of these precarious part-time work arrangements, in turn, led to calls for regulation. Yet, the impact of these initiatives diverged between stable, part-time employment and on-call contracts. By the mid-1990s, stable, part-time employment had become well-regulated, but on-call contracts remained insecure.

From the Second World War onwards, employment protection was strongly directed at labor contracts. The strict employment protection of labor contracts resulted from emergency legislation and, once in place, proved sticky in governments with and without Christian democrats. Contrary to the expectation of breadwinner model theory (see

Table 2.2), Christian democracy was not the driver of the strong insider job security in the Netherlands. Instead, Christian democrats became one of the severest critics of the strict dismissal protection of labor contracts. At the same time, the reconstruction of the role of childcare facilities and tax incentives in the rising coverage of nonstandard employment among women supports the proposition that sticky breadwinner policies backed by Christian democracy explain segmentation along gender lines. This is particularly true for the development of on-call work in the 1980s. At a later stage, the explanatory power of breadwinner model theory is limited, as the eminence of breadwinner policies decreased. Throughout the last quarter of the twentieth century, political support for breadwinner policies gradually dwindled, also among Christian democratic parties. Nevertheless, the slow departure from breadwinner policies has had a path-dependent effect on employment patterns and childcare provision.

**Table 2.1.** Overview of key childcare and income tax reforms by cabinet

Cabinet	Governing party/families	Childcare reforms	Income tax reforms
Den Uyl (1973-1977)	Social and Christian democrats		<ul style="list-style-type: none"> <li>Individual tax treatment with high exemption for primary earner (1973)</li> </ul>
Lubbers I (1982-1986)	Christian democrats and liberals	<ul style="list-style-type: none"> <li>Childcare costs partially deductible from income tax (1984)</li> </ul>	<ul style="list-style-type: none"> <li>Equal, transferable income tax exemption between primary and secondary earners (1984)</li> </ul>
Lubbers III (1989-1994)	Christian democrats and social democrats	<ul style="list-style-type: none"> <li>Direct subsidies to childcare centers replace tax deduction (1989)</li> </ul>	<ul style="list-style-type: none"> <li>Income tax exemptions reduced (1989)</li> </ul>
Kok I (1994-1998)	Social democrats and liberals	<ul style="list-style-type: none"> <li>Childcare costs partially tax deductible for employers (1996)</li> </ul>	
Kok II (1998-2002)	Social democrats and liberals		<ul style="list-style-type: none"> <li>Transferability of income tax exemptions stopped (2001)</li> </ul>
Balkenende II (2003-2006)	Christian democrats and liberals	<ul style="list-style-type: none"> <li>Privatization of childcare centers (2005)</li> <li>Childcare subsidy to parents in addition to tax break for employers (2005)</li> <li>Employers have to finance at least one-sixth of childcare costs (2005)</li> </ul>	

**Table 2.2.** Alignment of findings Chapter 2 with theoretical propositions.

Theory	Proposition	Supportive findings	Conflicting findings
Breadwinner model theory	Sticky breadwinner policies backed by Christian democratic parties explain segmentation along gender lines	<ul style="list-style-type: none"> <li>Scant childcare facilities and tax incentives drove women toward alternative work arrangements, particularly into on-call contracts in the 1980s</li> </ul>	<ul style="list-style-type: none"> <li>Christian democracy was not the driver of the strict dismissal protection of open-ended labor contracts in the Netherlands</li> </ul>
Power resources theory	Power relations between capital and labor explain adjustments to labor market regulation		
Insider-outsider theory	Power dynamics between labor market insiders and outsiders explain segmentation		
Policy paradigm theory	Policy paradigm shifts explain adjustments to labor market regulation		







# **CHAPTER 3**

**Party politics on agency and  
on-call work**

In the following two chapters, I analyze how (and why) political parties have molded agency, on-call, and own-account work regulation. Given their central role in creating statutory legislation, many scholars have studied political parties to explain variation in nonstandard employment and segmentation across European labor markets. Drawing on this literature, the chapters examine to what extent power relations, insider-outsider dynamics, and policy paradigms explain the observed changes in regulation. Throughout most of the study period, policy discussions on agency and on-call work occurred separately from deliberations on own-account work. Similarly, Chapters 3 and 4 discuss them disjointly. This chapter focuses on agency and on-call work.

## **The consensus against commercial intermediation before 1964**

Nonstandard employment regulation only became a big political issue in the second half of the twentieth century. Yet, labor market intermediation was already the subject of policy discussion before the Second World War. Nowadays, commercial work agencies and the special labor contract for agency work are widely perceived as legitimate. Yet, historically, Dutch policymakers were more favorable toward alternative forms of organizing intermediation without a profit motive: municipal, tripartite, bipartite, and unilateral (by employers or a trade union). The first non-profit alternatives appeared in the late 19th and early 20th century as local employment offices emerged in municipalities across the country (Fortanier et al., 1983: 198; Sol, 2000: 38–9, 42; Van Bakkum, 1996: 166–7, 182, 211). At first, the variety of employment offices provided no fundamental challenge to the established position of commercial intermediaries, as they tended to operate in different economic sectors and to be more limited in size (Sol, 2000: 40, 44; Van Bakkum, 1996: 169–70, 172, 213–4). Eventually, however, they became a substitute, as for-profit intermediation increasingly came under societal pressure due to exploitative practices in the industry.

In the early twentieth century, the idea of making labor market intermediation exclusively non-profit became the dominant view among policymakers. They saw employment offices as a tool in the struggle against unemployment that should not be commercially exploited (Sol, 2000: 44, 48; Van Bakkum, 1996: 242–3). The consensus against commercial intermediation was such that it was not up for debate. Instead, the discussion focused on whether the government or organized interests had to exercise labor market intermediation. In 1913, the State Commission on Unemployment recommended moving to a primarily public, more centralized model with a tripartite structure (Sol, 2000: 52–3; Van Bakkum, 1996: 170, 247, 249). Its concrete proposals were to phase out commercial intermediaries through a strict permit system, to oblige every municipality to create a local employment office, and to make these municipal

institutions part of an overarching framework on the regional and national level (Sol, 2001: 86; Van Bekkum, 1996: 250, 252). Given the broad Christian democratic support for self-government through organized interests, the commission did not go as far as to advocate a public monopoly on labor market intermediation and left the possibility for a private non-profit structure open (Sol, 2000: 53). In 1919, the Unemployment Convention of the International Labor Organization (ILO) similarly endorsed the prohibition of commercial intermediation and recommended a permit system for countries with such intermediaries for the transition (Sol, 2001: 86; Van Bekkum, 1996: 276). The deeply held conviction behind the resolution was that labor was not a commodity and, therefore, unsuitable for a standard, profitable market transaction (Sol, 2000: 59).

The Labor Market Intermediation Act of 1930 introduced the permit system for commercial intermediation in the Netherlands. In parliament, a majority voted for an amendment ruling that permits would only be available to natural persons who had been commercial intermediaries before the law's introduction (Sol, 2001: 86, 2000: 59; Van Bekkum, 1996: 361–2). As proposed by the State Commission, the practical application of the act was so restrictive that it severely repressed for-profit intermediation in the formal sector. Due to the Christian democratic influence, the legislation left room for private, non-profit intermediaries, but bipartite employment offices never really took off (Van Bekkum, 1996: 300–1). Formally, the reform, therefore, nearly installed a public intermediation monopoly (Sol, 2000: 64). Yet, the practice on the work floor deviated from the formal institutional landscape. The (public) employment service, still primarily organized on the municipal and regional level, was fragmented and underfunded, while commercial alternatives persisted (Sol, 2001: 85–6; Van Bekkum, 1996: 367–9). Companies could work around the permit system by employing a worker under a regular labor contract and leasing the worker to other companies, typically for a single fee (Van Driel and Koene, 2011: 570). At the same time, the marginality of the public employment offices should not be overstated. The reported number of job placements by the public service grew steadily, from 144.300 in 1920 to 310.200 in 1938 (Sol, 2000: 80). Despite rising support for centralization, the system remained unchanged until the Second World War (Sol, 2000: 78–9).

During the war, the Nazi regime centralized the public employment service, introducing a well-equipped central institution and strong regional subsidiaries (Fortanier et al., 1983: 198; Van Bekkum, 1996: 450–1, 455). The occupiers, moreover, made the permit system more restrictive by extending its scope to private non-profit intermediaries and allowing the ending of previously issued permits. After the war, the strict permit system persisted (Sol, 2000: 93–4; Van Bekkum, 1996: 508). The view that commercial intermediation was illegitimate remained dominant among policymakers, as indicated by the ban on commercial intermediation in the ILO Convention of 1949 (Sol, 2001: 86).

## Constraining agency work

Although the government issued few permits, labor shortages and the guided wage system induced a boom in commercial intermediaries in the 1950s and 1960s (Sol, 2000: 100, 2001: 86–7; Van Driel and Koene, 2011: 570–1). The Dutch economy quickly expanded, causing a tight labor market. Under these circumstances, commercial intermediaries could earn high fees and pay workers relatively high wages by offering their services to third companies, undermining central wage restrictions (SER, 1961: 4; Windmuller et al., 1990: 227). The intermediaries often violated social insurance, taxation, and safety regulations, further fueling the bad societal reputation of commercial intermediation. In this economic context, entrepreneurs also established the first work agencies, hiring out typists in the administrative sector (Van Driel and Koene, 2011: 569, 577). Although agency workers were in a triangular employment relationship with the work agencies and user organizations, they formally accepted job assignments as freelancers (StvdA, 1970: 1; Christe, 2002: 194). This arrangement enabled the work agencies to avoid the legal definition of an intermediary and the liabilities of permanent labor contracts, obscuring the legal status of the agency worker. In 1960, Dutch courts ruled that the ban on commercial intermediation did not apply to agency work (Emmenegger, 2014: 162). Work agencies also had a different business model. Whereas commercial intermediaries typically earned a one-time fee for matching workers and employers, the work agencies received a sustained share of the payment from the user organization (Van Driel and Koene, 2011: 563).

## Permits and social insurance

Regulation of labor market intermediation returned to the political agenda in the late 1950s. In the Second Chamber, the social democratic MP Th.J.A.M. van Lier (PvdA) problematized the practices of commercial intermediaries (*Memorie van toelichting. Wet op het ter beschikking stellen van arbeidskrachten*, 1964: 1). At the time, the PvdA governed with the Christian democratic KVP, CHU, and ARP in the Drees III cabinet. MPs who shared Van Lier's concerns asked the cabinet for a policy response, which, in turn, requested advice from the Social and Economic Council (SER) (SER, 1961: Attachment I). The variety of work arrangements used by commercial intermediaries made it challenging to design apt regulation. Work agencies merely constituted one of many types of commercial intermediaries. A SER majority recommended the government to introduce a new permit system for labor market intermediation (SER, 1961: 9–10). Under this system, labor market intermediation without a permit would not be allowed unless specified otherwise. In contrast, a SER minority opposed such a permit system, arguing that it severely hampered the freedom of employers (SER, 1961: 12).

H. van Driel and B. Koene (2011: 571–2) have documented how work agencies tried to distance themselves from other commercial intermediaries to achieve legitimacy and

avoid regulation. In response to the societal disapproval of commercial intermediation, the largest employers' association of the agency industry (ABU) portrayed work agencies as a contributive rather than a subversive force. The ABU argued that work agencies were not harming the interests of the core workforce. Instead, they linked new labor market entrants, mostly married women, to office jobs with few working hours, providing an additional economic impetus. Even though the work agencies claimed to be socially responsible actors in the labor market, they had no labor contracts with their workers, contrary to some of their 'dubious' counterparts. As a result, their workers had no social insurance coverage or job security. Work agencies defended the unregulated work arrangement by arguing that it gave the workers the freedom they needed (Van Driel and Koene, 2011: 572–3). According to the agencies, the very reason that these workers had not entered the labor market before was that they had a specific need for flexibility. The lack of regulation enabled these workers to easily quit or adjust their working schedules.

The freelance construction used by work agencies came under pressure during the early 1960s. In addition to the permit system for commercial intermediaries, policymakers debated compulsory social insurance coverage for agency workers. After a government request, the tripartite Social Insurance Council (*Sociale Verzekeringsraad*; SVR), which monitored social insurance, advised the cabinet to introduce social insurance for work agencies through statutory legislation (*Memorie van toelichting. Verzekering van door middel van uitzendbureaus tewerkgestelde personen*, 1964: 1). In its recommendation, the SVR stressed the similarities between agency workers and employees. Workers who voluntarily opted for agency work because of its freedom had to be 'protected against themselves' (*Memorie van toelichting. Verzekering van door middel van uitzendbureaus tewerkgestelde personen*, 1964: 1). Conversely, the ABU argued that agency workers did not require insurance as they were not the breadwinners on whom a large share of family income depended (Van Driel and Koene, 2011: 575–6). Social insurance coverage would merely decrease the wages of the agency workers, reducing the number of new labor market entrants introduced through the work arrangement.

The Cals cabinet (1965–1966), comprising Christian (KVP, ARP) and social democrats (PvdA), followed the advice of the Social Insurance Council and introduced compulsory social insurance for work agencies in 1965 (*Memorie van toelichting. Verzekering van door middel van uitzendbureaus tewerkgestelde personen*, 1964: 1; *Tweede Kamer 1964–1965 Handelingen 19 May*, 1965: 1459). The law was politically controversial. During the parliamentary proceedings, the Christian democratic CHU and the liberal VVD opposed the initiative (*Tweede Kamer 1964–1965 Handelingen 19 May*, 1965: 1440, 1445). Their statements suggest that they were sensitive to the argument of the agency industry that agency workers primarily worked for supplemental income. The act was similarly contentious within the Christian democratic cabinet parties, the KVP and ARP. Among conservative Christian democrats, ABU's logic appealed to reactionary

views on the division of labor within households. MP A.D.W. Tilanus from the CHU, for instance, argued: ‘... the Minister is giving a somewhat peculiar presentation of things at this point. For he says in the explanatory memorandum: it concerns persons who have to earn a significant part of their income from these activities. Of course, Mr. President! A married woman needs nothing else than supplemental income [...] She needs no other income, because as a woman she has her main task in the household and falls back on her husband’s income. In this way, a student falls back on his parents or his guardians. So this is supplemental and not the main part of an income’ (*Tweede Kamer 1964-1965 Handelingen 19 May, 1965: 1440–1*). In contrast, the PvdA underlined that agency work constituted the primary job for married women (*Tweede Kamer 1964-1965 Handelingen 19 May, 1965: 1443*). The parliamentary debate on the insurance bill, thus, exposed conflicting visions on female work and nonstandard employment regulation. The preferences of political parties, by and large, followed traditional political divides. On one side, the liberal VVD and the right wing of the Christian democratic parties opposed regulation. On the other, the social democratic PvdA and the left wing of the Christian democratic block supported it. As the adherents of the reform controlled the cabinet, the law eventually passed parliament (*Algemeen Handelsblad, 1965b; Tweede Kamer 1964-1965 Handelingen 19 May, 1965: 1459*), supporting the proposition of power resources theory.

On the same day, the Second Chamber also discussed the new permit system for labor market intermediation. This reform proved less controversial within parliament, as it passed the legislative process without problems (*Tweede Kamer 1964-1965 Handelingen 19 May, 1965: 1457–8; Algemeen Handelsblad, 1965a; Ministerraad 1964 Notulen 17 April, 1964: 6*). With the Labor Provision Act of 1965 and its implementation in 1970, commercial intermediaries such as work agencies entered the formal sphere (SER, 1994a: 6, 11; Christe, 2002: 193). In implementing the permit system, the government followed the Labor Foundation’s advice. According to Finance Minister H.J. Witteveen of the VVD, the employers’ associations were responsible for delaying the execution of the law until 1970: ‘speaker laments the fact that the employer representatives in the Labor Foundation have held up the realization of this advice for so long’ (*Ministerraad 1970 Notulen 4 September, 1970: 3*). Under the new system, the Ministry of Social Affairs (SZW) issued the permits and agreed yearly on their general guidelines, advised by the Labor Foundation. The resulting guidelines were relatively strict, attempting to limit commercial intermediation to nonstandard, temporary work, and designed to bring the labor conditions of the workers involved close to those of regular employees (Sol, 2001: 91; Fortanier et al., 1983: 202–3). Firstly, companies had to prove that permanent workers could not perform the task to be eligible for a permit. Secondly, the ministry only issued licenses to intermediaries for one year. Thirdly, agencies had to ensure that their workers paid taxes and social contributions. Fourthly, there were geographical and

sectoral limitations. Due to experiences with malpractices, commercial intermediation was not allowed in the metal and construction sectors and the Rotterdam port area.

Although the work agencies had lost the deliberation on social insurance coverage, the formal recognition of commercial intermediation was a major achievement. In redesigning the permit system for commercial intermediaries, policymakers had transitioned from prohibition to regulation. The two reforms legitimized agency work among potential user organizations and workers. Despite higher fees resulting from compulsory social security contributions, the work arrangement boomed between 1966 and 1980 (Sol, 2001: 92–3; Van Driel and Koene, 2011: 576–7). Next to married women, men and unmarried women increasingly engaged in agency work. Between 1965 and 1985, the agency work incidence of men and women converged. Although early development was very gendered for agency and on-call work, differences between men and women by 1985 were much more significant for on-call contracts (see Figure 2.12).

Nonetheless, the statutory position of agency workers remained unclear. Policymakers, organized interests, and legal specialists debated whether agency workers were employees of the work agency or the user organization (Sol, 2001: 91–2, 94). If agency workers served as employees of the user organizations, they fell under the restrictive dismissal regime of open-ended labor contracts. This rigid system would make the services of the work agency rather unattractive to user organizations. If agency workers were employees of the work agencies and hired out to user organizations, the agencies' operations would conflict with the ban on commercial intermediation in national legislation and the ratified ILO covenant. As work agencies kept on operating in this regulatory gray area, agency workers were generally not covered by civil labor law and experienced little job security as a result (Sol, 2001: 94). Yet, they fell under public labor law prescribing conditions such as safety standards. The first Agency CLA of 1971 introduced additional protection for agency workers without classifying the agency work arrangement as a labor contract. Interestingly, the agency industry initiated the collective bargaining on this CLA, fostering its campaign for self-regulation rather than public intervention (Mercurius NVV, 1971c: 6; Van Driel and Koene, 2011: 580). Although the CLA only covered the office sector, the government used the statutory extension mechanism to broaden its scope to agency work across all industries. In 1976, collective bargaining in the sector took a hit as the largest union confederation (FNV) left the negotiations on the Agency CLA (FNV, 1976b: 9; *Volkskrant*, 1976). A decade later, in 1986, the FNV re-entered collective bargaining in the sector, quickly resulting in the first agency CLA covering all economic sectors (Van Driel and Koene, 2011: 590). Chapter 5 delves deeper into the role of trade unions in regulating agency work.

## Regulation through assignment length

Throughout the 1970s and 1980s, public policy targeted at agency work primarily attempted to affect the use of the work arrangement by introducing and tweaking the maximum duration of job assignments. Although work agencies could avoid the limitation given the unclear legal status of agency work, they generally complied with the maximum term (Sol, 2001: 92). The government used the limits to contain agency work, loosening or tightening these conditions depending on the dominant perception of the impact of the work arrangement on labor contract coverage. Whether agency work replaced regular labor contracts was crucial in this assessment. Surrounding the first oil shock, agency work continued to expand despite rising unemployment. This development increased concerns that agency work arrangements were replacing labor contracts, fueling opposition by unions and the social democratic PvdA against the agency industry (Van Driel and Koene, 2011: 581–2, 584–5). In response, Social Affairs Minister J. Boersma of the ARP limited the length of job assignments via agency work to six months in 1974 (Fortanier et al., 1983: 202; *Volkscrant*, 1974). Although this reduction restricted agency work, the broad political support for banning such commercial intermediaries had dissipated. When PvdA MP H. Hartmeijer put forward a motion involving the phasing out of work agencies, the suggestion of a ban on agency work was quickly dismissed by the cabinet, confirming the transition from prohibition to regulation (*Trouw*, 1976; *Tweede Kamer 1976-1977 Handelingen 8 December*, 1976: 1881).

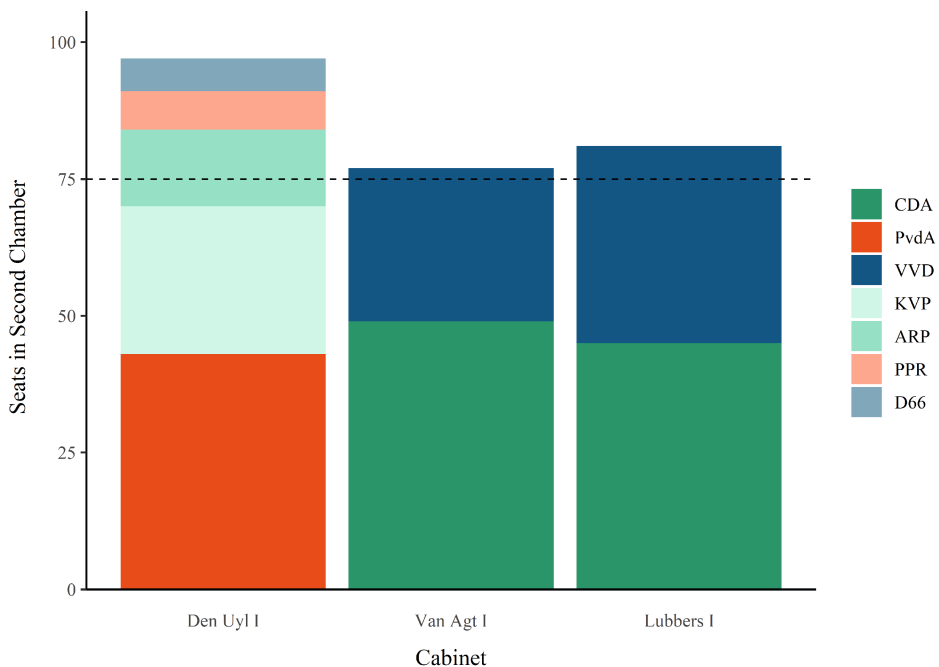
After the second oil shock, Boersma's successor further constrained agency work by reducing the maximum length of job assignments. According to Minister of Social Affairs W. Albeda, the consistent expansion of agency work assignments beyond three months and the higher wages of agency workers compared to employees proved that the work arrangement replaced labor contracts (Van Driel and Koene, 2011: 586). This observation moved him to further reduce the maximum term of agency work from six to three months in 1980 (*Parool*, 1980). After this intervention, the extension of job assignments beyond three months required public approval. Albeda was a member of the CDA, resulting from the merger of the Christian democratic KVP, CHU, and ARP in 1980. His decision to limit job assignments to three months sparked fierce opposition from work agencies. In the next years, the incidence of agency work dropped similar to labor contracts in the context of the economic downturn. The agency industry used this development to argue that agency work was not replacing regular employment (Van Driel and Koene, 2011: 586–7). The agency industry's campaign resonated with Social Affairs Minister J. de Koning of the CDA, who loosened the restrictions on agency work. From 1983 onwards, the government automatically approved extension after three months (Fortanier et al., 1983: 202–3; *Volkscrant*, 1983). This was formalized in the guidelines for 1985, as De Koning abolished the need to request permission to extend from three to six months (*NRC Handelsblad*, 1984). In the same announcement, De Koning also declared



that he wanted to end the ban on agency work in the metal sector. He argued that such prohibitions no longer made sense, as they were designed for a tight labor market (*Vrije volk*, 1984). Under conditions of high unemployment, the previous malpractices in the industry were not a salient issue anymore.

## The supply-side turn and nonstandard employment

Theoretically, the policy break between Social Affairs Ministers Boersma and Albeda on one side and De Koning on the other is intriguing. They all had a political background in the ARP and joined the CDA after the merger of 1980. In such a scenario, power relations likely explain the observed discontinuity. Yet, the differences in cabinet composition do not align with the policy break (see Figure 3.1). Whereas Boersma was part of the left-oriented Den Uyl cabinet (1973-1977), Albeda and De Koning were members of the right-oriented Van Agt I (1977-1981) and Lubbers I (1982-1986) governments, which contained precisely the same political parties.

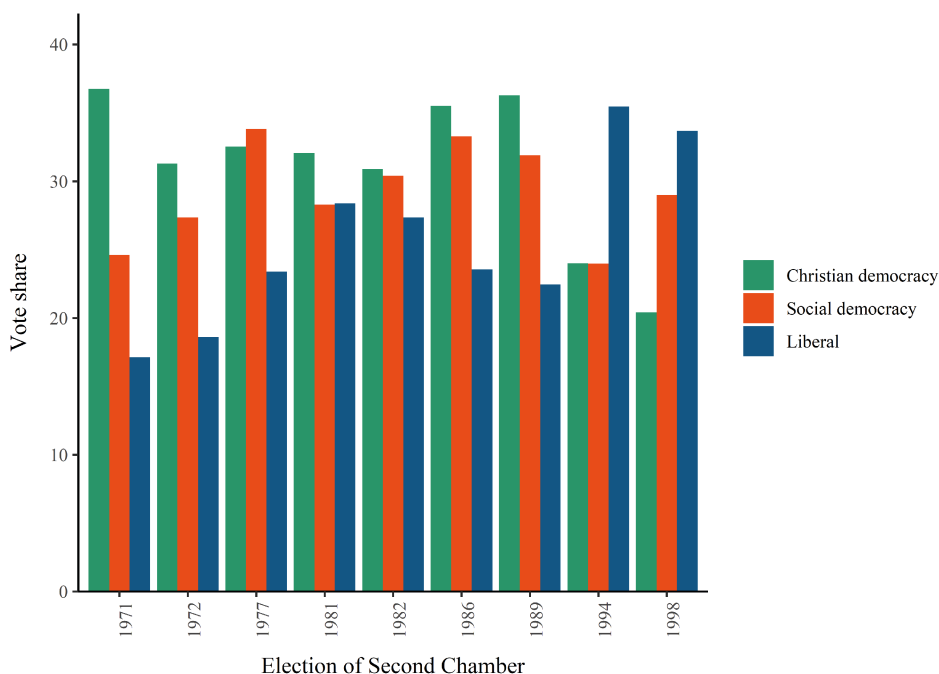


**Figure 3.1.** Composition of cabinets adjusting the maximum job assignment length of agency work between 1973 and 1986.

*Note:* For every cabinet, the cabinet parties are stacked based on their size in the Second Chamber. The bar starts with the largest cabinet party and ends with the smallest one. The black dashed line reflects the number of seats required for a political majority in the Second Chamber.

*Source:* ParlGov.

A policy paradigm shift constitutes another potential explanation. In the 1970s and early 1980s, supply-side ideas became increasingly prominent among Dutch policymakers through (1) the propagation of market-oriented reforms by senior civil servants, particularly at the Ministry of Economic Affairs and Ministry of Finance, (2) the increasing vote share (see Figure 3.2) and cabinet participation (see Figure 3.1) of liberal parties (the VVD and D66), and the (3) supply-side turn of the Christian democratic CDA (Oudenampsen, 2020: 10–3; Oudenampsen and Mellink, 2021: 40–1). These changes culminated in the first Lubbers cabinet, which confirmed the new policy consensus. The government aimed to recover business profitability, decrease real wages, and increase the use of market coordination. De Koning’s initiatives to loosen restrictions on the agency industry fit the timing and substance of this supply-side shift, supporting the proposition that policy paradigm shifts explain adjustments to labor market regulation.



**Figure 3.2.** Vote share of Christian democracy, Social democracy, and Liberal bloc in consecutive elections of the Second Chamber, 1971-1998.

*Note:* The classification of the party families is based on the ParlGov database. Following this classification, the ARP, CHU, KVP, RPF, and CDA constituted the Christian democratic parties in this period. The PvdA was the only social democratic party, while the VVD and D66 formed the liberal party family together.

*Source:* ParlGov.

Overall, however, the connection between the supply-side policy paradigm and views on nonstandard employment was not as straightforward as one might expect. The following sections delve deeper into this relationship. I show that the labor market flexibility narrative, which was part of the supply-side policy paradigm, focused on employment protection reforms for labor contracts, primarily affecting political preferences concerning these work arrangements. Chapter 4 explains why the supply-side policy paradigm also had a profound impact on preferences and policy regarding own-account work. This connection was weaker yet substantial for agency work. As discussed, more lenient views on the maximum length of job assignments constituted the most noteworthy shift of the 1980s. Support for the permit system only dwindled during the early 1990s. In this process, enforcement issues played a major role. Yet, changing views on market coordination also had an important impact. For on-call work, the connection of preferences and policies with the supply-side policy paradigm was the weakest, contradicting the proposition of the policy paradigm literature. In the mid-1980s, an alternative narrative on on-call work regulation emerged which conflicted with the dominant supply-side policy paradigm. Due to the success of this narrative, broad political support emerged for *more* regulation, not *less*.

### Challenging labor market ‘rigidities’

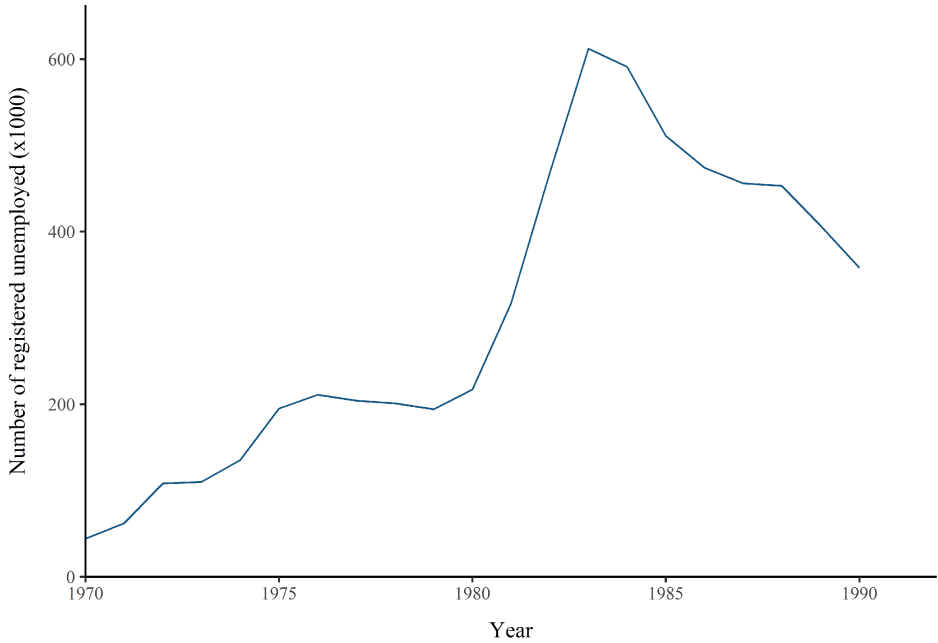
Following the second oil shock, high labor costs and increasing interest rates put enormous pressure on Dutch employers in the context of falling demand, causing many companies to go bankrupt (Touwen, 2014: 262; Sluyterman, 2003: 251). Automatic compensatory mechanisms between prices, wages, and social benefits created a vicious inflationary spiral (Windmuller et al., 1990: 248, 258; Visser and Hemerijck, 1997: 13, 133–4). In a few years, unemployment tripled (see Figure 3.3). In the industrial sector alone, employment decreased with 300.000 full-time jobs, with the textile and shipping sector hit particularly hard (Visser and Hemerijck, 1997: 13).

In this economic context, the most influential policy reports centered around rejuvenating the Dutch industry and job growth (Adviescommissie inzake het industriebeleid, 1981; WRR, 1980). Policymakers advised the government to make the industrial sector more self-reliant by giving them more room to make profits and invest and stopping rescuing operations (Touwen, 2014: 268–70; Schippers, 2010: 79–80; Windmuller et al., 1990: 251–2, 258–9; Visser and Hemerijck, 1997: 99–100; Tros et al., 2006: 90). According to Touwen (2014: 270), ‘The Wagner Report provided the turning point and signified the paradigmatic change’. In this report, the Wagner Committee identified the mismatch between labor demand and labor supply as one of the ‘main bottlenecks to industrial development’ (Adviescommissie inzake het industriebeleid, 1981: 23). The increasing need to adapt quickly to international markets, the commission stated, required a more flexible labor market. Yet, such flexibility

would not entail unregulated, alternative work arrangements. Whereas the Wagner Committee underlined the useful role of work agencies in matching supply and demand, it called for government regulation to improve the legal position of agency workers and avoid malpractices: 'However, the government should regulate the accompanying excesses ... and the limited legal position of the workers' (Adviescommissie inzake het industriebeleid, 1981: 24). On-call work was not part of this discussion, which the report's focus on industry might explain. In this sector, agency work was historically more common than on-call contracts, in contrast to the hospitality and trade sector and care and welfare sector where early on-call work development was concentrated (see Figure 3.4).

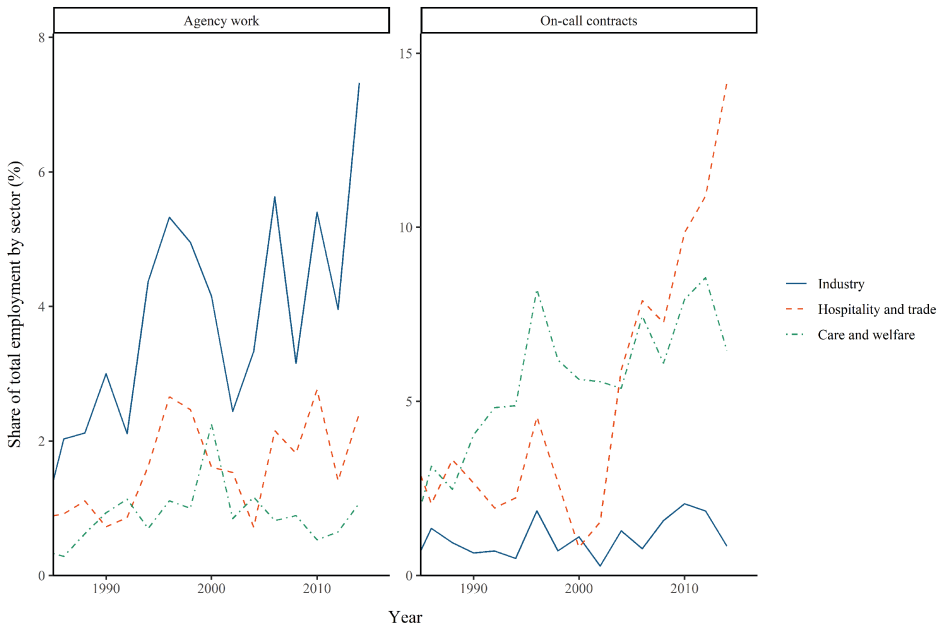
Studies point to the OECD to illustrate the policy paradigm shift at the international stage. During the mid-1970s, the OECD recommendations fundamentally changed from a demand-side perspective to a supply-side orientation (Armingeon, 2004: 228). Whereas the OECD reports on the Netherlands initially advocated demand management and stimulation of investment to reduce labor market inactivity, the recommendations of the 1980s promulgated austerity measures and larger wage differences (Binnema, 2004: 115). In the supply-side analysis of the 1980s, the OECD (1985: 18–9) presented labor market flexibility as the solution for the extraordinary levels of inactivity. From this perspective, the regulation of work arrangements was a 'rigidity', constraining the adaptability of employers to changing circumstances. Nevertheless, the resulting policy recommendations focused on social spending cuts, the lowering of the minimum wage, and decentralized bargaining rather than deregulating employment protection (OECD, 1985: 44–5; Binnema, 2004: 115). Alternative work arrangements were not yet part of the discussion.

In the OECD reports of the 1990s, nonstandard employment received more attention. The 1994 OECD Jobs Study (1994: 29, 34–6) portrayed labor market rigidities, such as inflexibility of working time, strict dismissal protection, high social spending, and minimum wages, as causes of unemployment by discouraging the hiring of new workers. As part of the solution, the OECD advocated to allow for more variation within collective bargaining agreements and to open up the possibility of agency work and fixed-term labor contracts (OECD, 1994: 46–7). The organization advised limiting the difference in labor conditions between fixed-term and permanent labor contracts, at least in the early stages of the work relationship. Doing so would avoid the widespread implementation of temporary employment. Whereas the OECD advocated for more flexible work arrangements, career paths with long periods of consecutive alternative work arrangements were not what the OECD had in mind.



**Figure 3.3.** Registered unemployment in the Netherlands between 1970 and 1990.

Source: CBS Statline Historie arbeid.



**Figure 3.4.** Development of agency and on-call work in selected sectors Netherlands, 1985-2014.

Note: The economic sectors shown in the figure are based on the SBI classification system of Statistics Netherlands. The y-axis is not the same for the subfigures.

Source: SCP Arbeidsaanbodpanel, own elaboration.

In the mid-1980s, key policymakers in the Netherlands had the same outlook on the Dutch labor market as the OECD (De Neubourg, 1990: 55). The Christian democratic Finance Minister H.O.Ch.R. Ruding arguably was the protagonist of the supply-side policy paradigm in Dutch politics. In the context of consecutive international conferences of the OECD, the International Monetary Fund, and the World Bank, one of the largest Dutch newspapers, *NRC Handelsblad*, wrote an article on the changed policy consensus visible in these meetings. Ruding's position in this larger shift was evident: 'Our own minister Onno Ruding, who feels at home in the international financial circuit, speaks of: "the triumph of supply-side economics". He is a staunch supporter of it. Since 1982, Dutch policy has increasingly followed this direction: "After the bad experiences with old-fashioned Keynesian stimuli, we must combat the structural rigidities in the economy", Ruding believes' (*NRC Handelsblad*, 1985).

Yet, the influence of the supply-side policy paradigm on Dutch policymaking reached much further than the vocal finance minister. The Director of the Netherlands Central Bank, Wim Duisenburg, for instance, expressed a similar view. In a speech to the Dutch Chamber of Commerce, he underlined the hampering effect of too much regulation on the recovery of labor market activity. Despite his social democratic background, Duisenberg warned against 'too high and inflexible wages, and against excessive regulation of dismissals and establishment [of businesses]' (*Volkskrant*, 1985). According to Duisenberg, the Netherlands could learn from the flexible labor market of the US: 'If Dutch production growth had been as labor intensive as in the US due to higher flexibility, "we would now be dealing with 150.000 unemployed people instead of 800.000"' (*Volkskrant*, 1985). This is not to say that these policymakers advocated copying the US model. Instead, they pushed for (partial) deregulation, which would put the Netherlands closer to Anglo-Saxon labor markets. Similar to the OECD reports of the 1980s, these calls for flexibility did not contain a comprehensive vision of nonstandard employment regulation. Rather, the spread of the supply-side diagnosis informed a critical attitude toward the relatively strict employment protection of labor contracts in the Dutch case, as illustrated by Duisenberg's statements.

The preventive dismissal assessment was at the epicenter of criticism on the employment protection of labor contracts, ruling that employers required ex-ante permission from a government body on the grounds of just cause to discharge individual workers. In 1982, the Christian peak employers' association called for the abolition of the ex-ante assessment, stressing the negative impact of the strict dismissal regime on the international competitiveness of Dutch business (*NRC Handelsblad*, 1982). Unsurprisingly, the plea sparked fierce opposition from trade unions and resonated with policymakers who increasingly adhered to the supply-side analysis of the problems of the Dutch labor market. The broad support within the CDA for the appeal indicates the supply-side turn of the Christian democratic party. In this way, Christian democrats

became one of the foremost critics of the strict dismissal protection of labor contracts in the 1980s, contrary to the proposition of breadwinner model theory. Under the premise that excessive socio-economic regulation was inhibiting economic development, the Christian democratic-liberal Lubbers I cabinet set up a Deregulation Committee led by CDA member W.Ch.L. van der Grinten (Raijer, 2014: 44, 236; Van Peijpe, 1990: 49–50). In its end report, the Committee advocated the abolition of the preventive assessment (Minister EZK Van Aardenne, 1983: 49). Rather than the employer motivating its dismissal, the worker or government body would have to argue why the discharge would be unlawful through an ex-post mechanism.

Upon recommendation by the Deregulation Committee, the government commissioned another report specifically on wage formation and labor market deregulation (Minister SZW De Koning and Minister EZK Van Aardenne, 1984: 1). This report proposed deregulating fixed-term contracts as part of the dismissal reforms. At the time, the renewal of fixed-term labor contracts was formally possible. Yet, after renewal, the fixed-term contracts would no longer automatically end at the end of the contract period (Albers and Konijn, 1987: 46–7; De Neubourg, 1990: 100). Instead, the contracts had to be formally terminated after renewal, giving them much of the liabilities of the open-ended labor contract (e.g., the preventive assessment). Employers often avoided this rule by hiring the worker through a work agency between both contracts, but this was a cumbersome procedure (Van Peijpe, 1998: 136). The report proposed to allow for one renewal of fixed-term contracts for the same duration as the first contract without additional dismissal requirements (De Minister SZW De Koning and Minister EZK Van Aardenne, 1984: 12). Given the controversial nature of employment protection reforms, the government asked the Social and Economic Council for further advice on the proposals. Although the SER argued that discharges had to become less cumbersome for employers, it wanted to maintain the preventive assessment (SER, 1988: 16, 26). Instead, the council agreed with the proposal to allow one renewal for fixed-term contracts without additional dismissal requirements, albeit at maximum six months. This part of the policy process indicates that there was more room for societal compromise on the employment protection of labor contracts with a fixed duration than for their open-ended counterparts.

After two CDA-VVD coalitions, the social democratic PvdA replaced the liberal VVD in the third Lubbers cabinet (1989-1994). It took a few years before the new government addressed the sensitive issue of the preventive assessment. Despite the social democratic cabinet presence, CDA Minister of Social Affairs B. de Vries boldly proposed abolishing the ex-ante mechanism in 1993 (Emmenegger, 2014: 261; Van Peijpe, 1998: 128). Contrary to the earlier SER recommendation, the initiative exposed divisions among the social partners regarding the preventive assessment. Trade unions remained highly skeptical of the dismissal reforms (SER, 1994b: 20, 31). Yet, the peak

employers' association, dominated by large employers, now supported abolition, referring to benefits for the international competitiveness of Dutch companies (SER, 1994b: 31, 34; Klamer, 1994: 30). Remarkably, labor representatives found the associations of small- and medium-sized enterprises (SMEs) on their side. Although critical of the rigid employment protection, these business representatives feared that the abolition of the cheaper ex-ante dismissal route would leave their members worse off (SER, 1994b: 35, 37). After abolition, employers would no longer have the choice between a cheaper and a faster route.

Before the proposal could pass the legislative procedure, the government fell (Emmenegger, 2014: 261; Van Peijpe, 1998: 128). The parliamentary elections resulted in a shocking loss for the former governing parties: the CDA went from 54 to 34 seats, while the PvdA went from 49 to 37. Whereas both parties experienced major losses, the PvdA became the largest political party. The liberal bloc obtained many of the seats lost by the Christian democracy and social democracy (see Figure 3.2). The VVD grew from 22 to 31 seats and D66 from 12 to 24, turning the liberal bloc into the largest party family by a wide margin. Despite opposing ideological views between the social democratic PvdA and the liberal parties, there was a strong political desire, particularly within D66, to govern without the Christian democrats that had been part of every post-war government (De Liagre Böhl, 2013: 344; Oude Nijhuis, 2018: 254–5). The resulting social democratic-liberal Kok I government (1994-1998), in which the PvdA supplied both the Prime Minister and the Social Affairs Minister, changed course and opted for reforming rather than abolishing the preventive assessment (Minister SZW Melkert, 1994: 1–2). In this decision, the criticism by trade unions and the employers' association of SMEs on the proposal for abolition played an important role. This is not to say that there was unanimous agreement on the shift within the cabinet. The Ministry of Economic Affairs headed by G.J. Wijers (D66) still preferred abolition but settled for reform for the time being (Holtslag, 1994; *Ministerraad 1994 Notulen 18 November*, 1994: 20–1, 23). Leading up to the Flexibility and Security Exchange, the liberal Economic Affairs Minister continued to push for further deregulation of employment protection supported by the liberal parties and large employers' associations.

### **Pushing back against on-call work**

Despite the increasingly critical view of policymakers on labor market regulations as 'rigidities' in the mid-1980s, this time frame also saw rising interest in stricter on-call work regulation. In the context of the economic turmoil of the early 1980s, employers had increasingly used nonstandard employment, particularly on-call work, to save costs and pass on employment risks (SZW, 1986: 1). The precarity of these work arrangements was such that it sparked broad societal concern, motivating the creation of a policy committee within the Ministry of Social Affairs focused entirely on flexible labor relationships. The



women's movement played an important role in the preceding agenda-setting of on-call work regulation (see Chapter 5). The outlook on labor market flexibility underlying the newly created SZW Flexible Work Committee diverged substantially from the reports by the OECD, WRR, and Wagner Committee discussed earlier. The government instructed the committee to assess labor market flexibility as a potential issue rather than a solution to an employment problem. As part of its research, the SZW Flexible Work Committee surveyed the manifestos of the four largest political parties and the social partners for the 1986 elections. In the election manifestos for the 1986-1990 campaign, the CDA and PvdA both addressed on-call contracts. Whereas the Christian democratic CDA (47 seats) rather vaguely stated that temporary workers and on-call contracts required special attention, the social democratic PvdA (45 seats) advocated the prohibition of zero-hours contracts and the abolition of the one-third criterion (SZW, 1986: Attachment I 12-3). The election manifestos of the liberal parties suggest that they were not as concerned with the spread of alternative work arrangements. Whereas the VVD (36 seats) left the issue untouched, D66 (6 seats) advocated more possibilities for temporary employment and a more prominent role for work agencies. Regarding organized interests, the committee stated that the two largest employers' associations (VNO and NCW) gave little attention to the issues of alternative work arrangements (SZW, 1986: Attachment I 9-12). Instead, they emphasized the importance of enhancing labor market flexibility in line with the supply-side policy paradigm. On the labor side, the FNV and the CNV stressed the need to regulate alternative work arrangements via CLAs, particularly for on-call contracts.

The committee's output, in turn, profoundly impacted the legislative process during the next decade. Whereas the SZW Flexible Work Committee generally advocated leaving the primary responsibility for labor regulation to the social partners, its report called for government intervention to provide minimal security for on-call workers. Similar to agency work, the legal status of on-call workers was not sufficiently regulated, allowing employers to evade the liabilities of the labor contract. If workers felt that their work arrangement satisfied the labor contract's legal requirements, they needed to prove this to a court, often perceived as a significant hurdle. The commission proposed introducing a legal presumption to mitigate the issue (SZW, 1987: 50-1). If an on-call worker worked for an employer for a certain number of hours per week for a certain period, the legislator would presume that the worker had a labor contract. Although the employer could contest the assessment, this legislation would effectively place the burden of proof on the employer instead of the worker. The proposed legislation countered business arguments that the worker's discretion to reject a call or assignment rendered the work arrangement unsuitable for labor contract coverage (SZW, 1987: 46-7). Instead, labor contract coverage would result from the presence of a hierarchical relationship. Additionally, the SZW Flexible Work Committee sought to set outer limits to working hours flexibility. Next to the corresponding wage insecurities, the lack of an established

foundation of working hours hampered on-call workers' eligibility for legal provisions and social insurance. If the work arrangements specified no working hours, the SZW Flexible Work Committee suggested introducing a presumption of at least 20 working hours per month (SZW, 1987: 53–4). Yet, employers could still issue contracts with fewer working hours when explicitly stated in the work arrangement.

The competing narratives on nonstandard employment as a tool for flexibility and a cause of precarity resulted in complex political attitudes regarding alternative work arrangements, making it challenging to develop a coherent policy agenda. This tension is perhaps most visible in the CDA of the 1980s due to its traditional positioning in the middle of the political spectrum on socioeconomic issues. In this regard, the attitude of CDA Minister of Social Affairs De Koning is illustrative: 'I am in favor of flexibilization,' he remarked, 'It suits the people and also the needs of many companies. But I am also for limits to flexibility' (*Nieuwsblad van het Noorden*, 1988). In his perception, on-call contracts were one of these excesses. De Koning openly criticized the spread of on-call work in health care for hampering the labor market position of women and the quality of care, advocating for labor contracts instead (*NRC Handelsblad*, 1988a). In 1988, he received permission from the Council of Ministers to develop legislation to channel 'his efforts to eliminate so-called zero-hours contracts' (*Ministerraad 1988 Notulen 2 December*, 1988: 25). With this initiative, the cabinet catered to a broadly shared political concern about the extreme insecurity of on-call contracts.

Minister De Koning proceeded to request advice from the StvdA and SER on on-call work regulation. Labor representatives advocated a minimum of three hours per call (StvdA, 1989a: 2; SER, 1991: 18–20, 24; StvdA, 1988b: 9–10). Employers' representatives, however, resisted statutory legislation with a classic contract freedom argument (SER, 1991: 26–7; StvdA, 1988a: 6, 1989a: 6). Questioning whether on-call work had even become problematic, they suggested that education and collective bargaining could solve arising issues instead. Although De Koning wanted to eliminate zero-hours contracts, he was wary of the unintended consequences of public intervention. He, for instance, opposed the earlier proposal by the SZW Flexible Work Committee of a legal labor contract presumption for on-call contracts, arguing that the provision would also apply to other work arrangements that did not require such regulation, such as own-account work: 'The disadvantage is that it must be feared that this legal presumption will also be declared applicable to work arrangements for which this is not intended' (StvdA, 1989a: 17).

As the Council of Ministers had agreed on the need for an intervention and the Labor Foundation remained divided, SZW Minister De Koning looked for a societal compromise. In a letter to the Council of Ministers, he wrote that his contact with employers' associations indicated that they were willing to accept a legislative intervention on zero-hours contracts if the cabinet would drop the other proposals of the SZW Flexible Work Committee (Minister SZW De Koning, 1989: 2–4). De Koning proposed building

on one of the recommendations of the SZW Flexible Work Committee as a compromise: a monthly wage floor at the level of 70 percent of the hourly wage for 20 days. The wage floor was controversial in the cabinet. Minister EZK De Korte (VVD), in particular, opposed the reform. In the Council of Ministers, he advocated for a quarterly rather than a monthly wage floor to preserve as much of the flexibility of the on-call contracts as possible (*Ministerraad 1989 Notulen 10 February*, 1989: 19). In this way, De Korte closely resembled the attitude of the employers' associations. Nevertheless, the cabinet eventually approved the monthly version of the wage floor (*Parool*, 1989). Trade unions jointly criticized the reform and continued to pressure the cabinet as they strove for more fundamental regulation to tackle the legal status and working hours flexibility of on-call work (StvdA, 1989a: 2–4, 17, 1989b: 2–3). Still, the introduction of the wage floor at a time when the supply-side policy paradigm dominated among policymakers contradicts the proposition that policy paradigm shifts explain adjustments to labor market regulation.

Although not specifically targeted at this work arrangement, the push to remove the one-third criterion from the minimum wage, social insurance, and occupational pension schemes further improved the position of on-call workers in the early 1990s (Visser, 2002: 33; De Groot, 2021: 775; Huber and Stephens, 2001: 286). In these years, political support for more statutory legislation concerning on-call work also increased. In 1992, the parliamentary committee on social affairs explored the options for such regulation. Again, the PvdA and Greenleft party pushed for a minimum of three hours per call, adopting the same position as the labor movement (Minister SZW De Vries, 1993b: 1–3). Although employers still resisted statutory legislation, the largest opposition party, the liberal VVD, surprisingly expressed its support for a less stringent minimum of two hours, making it a likely case of strategic accommodation. The slightly lower limit, the VVD argued, would be more in alignment with the demands of certain businesses such as cinemas. Rather than the VVD, the CDA hesitated to introduce such statutory legislation, as it wanted to allow the social partners to bargain a solution themselves. In response to the broad support for a legal minimum of hours per call, CDA Minister De Vries agreed to investigate statutory legislation. Nine months later, the Lubbers III cabinet, comprising Christian democrats and social democrats, agreed on supporting a minimum of three hours per call for employees working less than eight hours per week (*Ministerraad 1993 Notulen 25 June*, 1993: 21; Minister SZW De Vries, 1993c: 4). When De Vries expressed the cabinet position to parliament, he also repeated the cabinet support for more flexible labor relationships (Minister SZW De Vries, 1993c: 1). In the Council of Ministers, De Vries explained how the policy position was a balancing act between the societal push for more labor market flexibility and the campaign against the insecurity of nonstandard employment: 'Minister De Vries notes that the proposals are not made from the angle of promoting employment. The proposals are designed to provide better legal protection for socially questionable labor contracts...On the one hand, they take

into account the desirability of doing something about certain forms of labor contracts that border on exploitation. On the other hand, they take into account the desirability of flexibilization at the bottom of the labor market' (*Ministerraad 1993 Notulen 25 June*, 1993: 17). With lower concerns about job quantity, a window of opportunity emerged for policies on job quality. The minimum hours per call proposal would soon play a role in the Flexibility and Security Exchange.

### The breakdown of the permit system

Agency work regulation returned to the political agenda due to an overhaul of the public labor market intermediation system in 1990. The reforms of the third Lubbers cabinet, comprising Christian (CDA) and social democrats (PvdA), centered around creating a centralized public employment service. They received broad support in parliament from the left (PvdA, Greenleft party), Christian democrats (CDA), and liberal parties (VVD, D66) (*Tweede Kamer 1989-1990 Handelingen 21 December*, 1989: 1159–1160). The legislation of 1990 also put the central organization in charge of the permit system for commercial intermediation (*Staatsblad. Arbeidsvoorzieningswet*, 1990: 22–4). Its board, the *Centraal Bestuur voor de Arbeidsvoorziening* (CBA), had to issue yearly permits for work agencies and monitor their activities (Van Peijpe, 1990: 42–3). Yet, the body lacked the resources to deal with the rising number of applications and enforce the permit system among commercial intermediaries with and without permits.

To facilitate part-time employment, the 1990 legislation allowed agency workers to spread the hours of their six-month assignment over a whole year, but the CBA could not control work agencies for these workers' hours. (Van Driel and Koene, 2011: 590). As a result, the maximum term of job assignments practically became one year rather than the legally determined six months. Rising incidences of secondment further undermined the permit system. Intermediaries increasingly hired workers under a labor contract in sectors with weak CLA protection and sent them out, avoiding the permit system and allowing companies in other industries to escape CLA provisions (Industriebond FNV, 1995: 3–5). In response, the agency industry complained that they faced unfair competition from commercial intermediaries without permits and called for a secondment CLA similar to agency work (ABU, 1995: 7, 9).

Facing the enforcement issues, cabinet support for the permit system quickly eroded. The cabinet's reasoning indicates that the supply-side policy paradigm also played an important role in lowering political approval for the permit system. In 1990, Minister of Economic Affairs Andriessen already called for a 'generous licensing policy', enabling work agencies to get more involved with matching workers with a difficult labor market position to employers (*NRC Handelsblad*, 1990). Three years later, the cabinet concluded that it was time to propose abolishing the permit system altogether. With cabinet approval (*Ministerraad 1993 Notulen 12 November*, 1993: 47), Social Affairs Minister

De Vries sent a request for advice to the SER in 1993, arguing that the permit system no longer fitted the ‘... current understanding of the division of responsibility between the public and the private domain ... The public domain needs to focus on its core duties ...’ (Minister SZW De Vries, 1993a: 1–2). Abolishing the permit system, thus, fitted the extension of market coordination propagated by the supply-side policy paradigm, in line with the proposition of the policy paradigm literature.

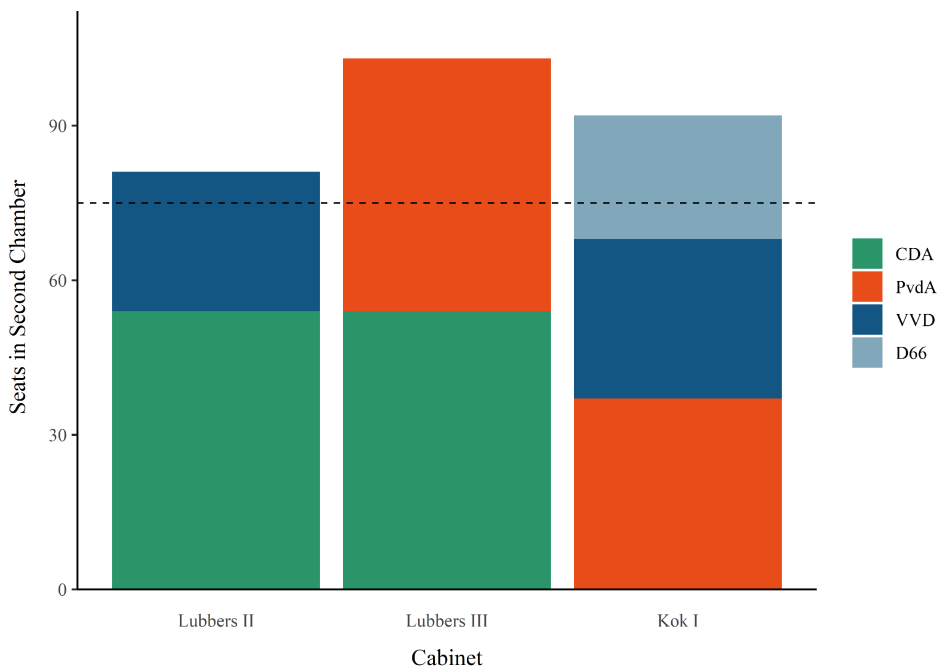
The government’s proposal for the abolition of the permit system caused far less controversy than the similar announcement on the preventive assessment in the same year. In 1994, the Social and Economic Council agreed that ‘maintaining a permit system is no longer necessary’ except for several specific sectors (SER, 1994a: 49). The abolition of the permit system was now a matter of time. Without the permit system, the agency industry realized that the agency work arrangement would not be allowed to remain unregulated (Van Driel and Koene, 2011: 591). Consequently, agency work regulation became one of the most pressing policy issues leading up to the Flexibility and Security Exchange.

## **Exchanging flexibility and security**

The policy debates on agency and on-call work regulation and the deregulation of labor contracts paved the way for the Flexibility and Security Exchange of the late 1990s. The reform package consisted of the Flexibility and Security Act (1998), Labor Market Intermediaries Act (1998), and Agency work Covenant (1996).

Facing (1) the pressure for dismissal reforms, (2) the breakdown of the permit system for agency work, and (3) calls for statutory legislation on on-call contracts, the Kok I cabinet, comprising the social democratic PvdA and the liberal VVD and D66, looked for a package deal that could square the pressures by employers’ associations for more flexibility and by trade unions for more security. Minister of Social Affairs A.P.W. Melkert (PvdA) took the initiative to design such an agreement and sent a first draft proposal to the Council of Ministers in 1995. Contrary to the Lubbers cabinets, the first Kok government was polarized on socioeconomic issues between a left social democratic and a right liberal bloc (see Figure 3.5). Melkert’s proposal tried to cater to the liberal cabinet parties by deregulating fixed-term labor contracts and extending the probation period of labor contracts (SZW, 1995a: 31). A chain of fixed-term labor contracts without additional dismissal requirements would become possible for at maximum three consecutive contracts, with less than three months in between and a total duration of at most two years. To satisfy trade unions and social democratic backbenchers, the proposal maintained the preventive dismissal assessment, introduced the legal labor contract presumption, and a presumption of contract hours for highly variable work arrangements (SZW, 1995a: 24, 27). If an employer hired someone on a weekly basis or

for at least 20 hours per month for three months, the legislator now presumed that there was a labor contract between both parties. A minimum of three hours per call would further restrict working hours flexibility (SZW, 1995a: 38). Additionally, the proposal contained an onset for re-regulating agency work (SZW, 1995a: 26, 34–6).



**Figure 3.5.** Composition of cabinets leading up to the Flexibility and Security Exchange, 1986-1998.

*Note:* For every cabinet, the cabinet parties are stacked based on their size in the Second Chamber. The bar starts with the largest cabinet party and ends with the smallest one. The black dashed line reflects the number of seats required for a political majority in the Second Chamber.

*Source:* ParlGov.

On the one hand, Melkert’s initiative would end the permit system for work agencies. On the other, the proposal advocated labor contract coverage for agency work, equal pay legislation, and sickness pay coverage beyond six months. The Minister of Social Affairs quickly received a shared response from the Ministry of Economic Affairs, Ministry of Justice, and Ministry of Finance headed by Wijers (D66), W. Sorgdrager (D66), and G. Zalm (VVD) arguing that the deal was imbalanced, tilting ‘...heavily toward additional security at the expense of flexibility’ (Ministry of Economic Affairs et al., 1995: 1). On on-call work, they stood against the legal labor contract presumption and minimum of three hours per call (*Ministerraad 1995 Notulen 24 November, 1995: 28–9; Ministry of Economic Affairs et al., 1995: 4–6*). On agency work, they challenged

equal pay regulations and sickness pay contributions beyond six months. Instead, the ministries advocated more deregulation of fixed-term labor contracts by allowing even longer chains of consecutive temporary contracts. Finally, they argued for incorporating reform of the preventive dismissal assessment in the package (*Ministerraad 1995 Notulen 3 November, 1995: 28; Ministerraad 1995 Notulen 24 November, 1995: 28–9*). Yet, Social Affairs Minister Melkert was not willing to give in. In his counter-response, he stuck to his initial proposal on the critical issues mentioned above (Minister SZW Melkert, 1995). As both parties refused to settle, an impasse emerged between the liberal and the social democratic bloc within the cabinet.

### The role of the social partners

The cabinet reached out to the social partners to break the stalemate, who eventually agreed on a compromise. Similar to Melkert's proposal, the bipartite deal contained the legal labor contract presumption, a minimum of three hours per call, and mild reforms of job security legislations for open-ended contracts that left insider employment protection largely unaffected (StvdA, 1996b: 4–6, 1996a: 27, 30–1; Minister SZW Melkert, 1996: 4, 10). Yet, the accord went further in the deregulation of fixed-term contracts: consecutive fixed-term contracts could last up to three years instead of two (Minister SZW Melkert, 1996: 4; StvdA, 1996a: 17). As in the initial proposal, employers' associations and trade unions would be allowed to adjust the length of these chains through CLAs. The Labor Foundation, moreover, refuted the proposed extension of the probation period for labor contracts and agreed upon adding working hours to the labor contract presumption based on the average of the last three months (StvdA, 1996c: 7–8, 1996a: 15, 28, 1996b: 6; Minister SZW Melkert, 1996: 4, 10). On agency work, the social accord would abolish the permit system and the maximum term of job assignments (StvdA, 1996a: 20–1, 1996c: 2–3; Minister SZW Melkert, 1996: 5), recognizing agency work as a legitimate employment relationship governed by a separate CLA. For the new regime of agency work regulation, the Labor Foundation relied on the covenant that the social partners in the agency sector had recently signed. The crux of this agreement was the legislative proposal to turn the agency work arrangement into a special labor contract, with deviating conditions during the first 26 weeks (ABU et al., 1996: 2; StvdA, 1996c: 4). In this initial period, work agencies could still dismiss workers upon the end of a job assignment. Afterward, the arrangement became a fixed-term labor contract. Once again, there was discretionary space for sectoral bargaining on the initial period's duration.

In its advice to the cabinet, the Labor Foundation warned that the selective adoption of its proposals could break the unanimous support by employers' associations and trade unions for the social accord (Montizaan, 1996: 1). Although the agreement addressed far more issues than the cabinet had requested, Social Affairs Minister Melkert proposed to the Council of Ministers '...to follow the unanimous advice of the Labor Foundations

to the greatest extent possible...’, due the balanced nature of the package, the resulting societal support for the reforms, and the impetus a successful social accord would bring for labor relations (Minister SZW Melkert, 1996: 1). In the meeting, Minister EZK Wijers (D66) and Finance Minister Zalm (VVD) complained that the social partners had extended their advice beyond the cabinet request (*Ministerraad 1996 Notulen 10 May*, 1996: 24). Yet, Minister SZW Melkert stressed that adopting most of the broad social accord would resolve the stalemate within the cabinet and benefit relations with the social partners: ‘Minister Melkert points out that the unanimous advice of the Labor Foundation has made it easier for the cabinet to address a number of problematic issues... For the sake of relations with the Labor Foundation, the cabinet would be well-advised to consider the unrequested advice as well’ (*Ministerraad 1996 Notulen 10 May*, 1996: 24–5). Ultimately, the Council of Ministers agreed to follow most of the social accord (*Ministerraad 1996 Notulen 10 May*, 1996: 27).

### **The exchange’s aftermath**

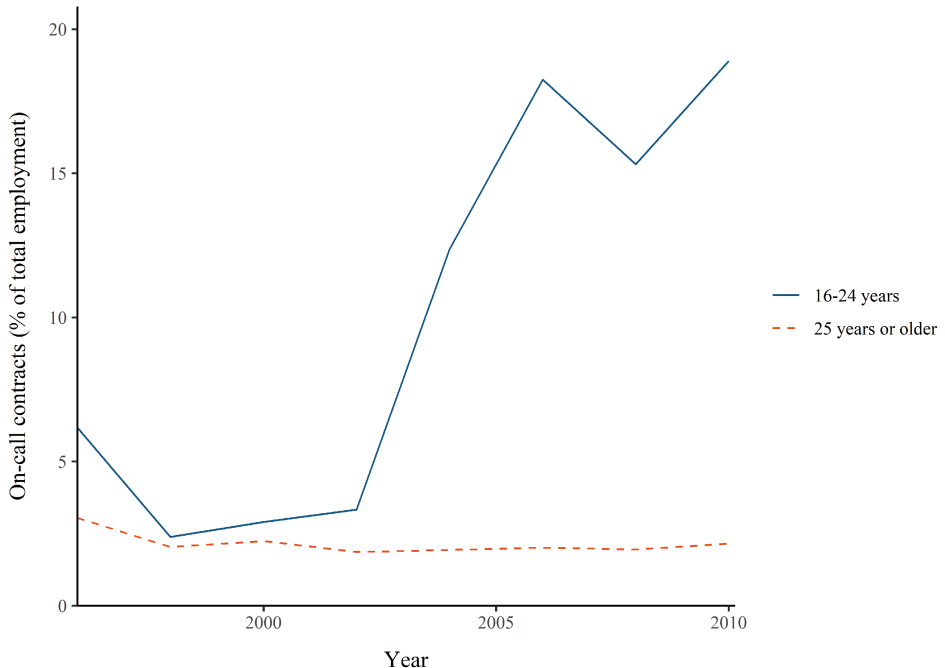
In subsequent years, the Kok I cabinet translated most of the proposals for statutory legislation in the bipartite agreement into the Flexibility and Security Act (1998) and Labor Market Intermediaries Act (1998), while the Agency work Covenant (1996) provided the basis for the next Agency CLAs (*Memorie van toelichting. Flexibiliteit en Zekerheid*, 1997: 2–3). The reforms were particularly successful in containing the rise of agency work. After the legislative changes, work agencies had to increase their prices to user organizations by seven to 10 percent (Sol, 2001: 116). In the first year of the work arrangement, work agencies could still fire their workers at the end of a job assignment.

Conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations had characterized the negotiations leading up to the Flexibility and Security Exchange, supporting the proposition of power resources theory. Given their power position in the legislative and corporatist channel, the social democratic PvdA and trade unions had to offer concessions in exchange for nonstandard employment regulation to the liberal parties and employers’ associations. Therefore, the on-call and agency work improvements came at the cost of deregulating fixed-term labor contracts and work agencies. In the exchange’s aftermath, these concessions turned out to be rather costly. Employers renewed fixed-term labor contracts more often than policymakers had anticipated (Van den Toren et al., 2002: vii). The possibilities for deviation through sectoral bargaining resulted in a longer, highly flexible phase for agency work (Sol, 2001: 100; Van Driel and Koene, 2011: 593) and extensions of the maximum consecutive period of fixed-term contracts in many sectors (Van den Toren et al., 2002: 22). In 2020, workers could, therefore, work up to 5,5 years with a temporary labor contract through the agency work route (Commissie Regulering van Werk, 2020: 33). Some work agencies also evaded the open-ended labor contract by transferring



workers to daughter companies, resetting the counted length of the work arrangement (Van Dijk et al., 2018: 41). Evading the regulation on consecutive temporary labor contracts, moreover, remained possible by using a work agency, only now employers had to do so for three months instead of one. Additionally, the liberalization of work agencies caused uncontrolled growth of these intermediaries, leading to the spread of malpractices, for instance, in the agricultural sector (Minister SZW Vermeend, 2002: 5, 17; Sol, 2001: 116–7).

Stimulated by the trade unions, the PvdA had steered away from fundamental adjustments to the preventive assessment. Yet, exchanging the deregulation of fixed-term labor contracts rather than the relatively strict employment protection of open-ended contracts opened up yet another labor market segment. Therefore, the exchange was ineffective in curbing dualization and, arguably, even increased insider-outsider differences through the subsequent development of fixed-term contracts, supporting the proposition of insider-outsider theory. At the same time, the negotiations did not align with the more substantial claim of insider-outsider theory that social democratic parties contribute to segmentation by reducing restrictions on nonstandard employment to avoid the deregulation of open-ended labor contracts. After all, stricter regulation of agency and on-call work were part of the exchange.



**Figure 3.6.** On-call contracts in the Netherlands by age group, 1996-2010.

Source: SCP Arbeidsaanbodpanel, own elaboration.

With the enactment of reforms, the societal salience of agency and on-call work regulation quickly dissipated. Whereas the Flexibility and Security Exchange was effective in providing on-call workers with labor contract coverage, insecurity about the volume of the contract remained and zero-hours contracts persisted, contrary to the lawmakers' intention (*Memorie van toelichting. Wet arbeidsmarkt in balans*, 2018: 21–2). After the reforms, employers' use of on-call work briefly dropped. In the 2000s, however, on-call contracts bounced back spectacularly as employers increasingly implemented them when hiring young workers (see Figure 3.6).

### **Sickness pay as a business motivation**

While not part of the Flexibility and Security Exchange, the late 1990s and early 2000s reforms of sickness pay dramatically altered the attractiveness of nonstandard employment to employers (Commissie Regulerend van Werk, 2020: 35). A survey of HR professionals at Dutch employers in 2016 found that employment risks constituted an important motivation for 36.8 percent of employers in hiring external flexible workers such as agency workers, payrollers, and own-account workers (Stavenuiter et al., 2016: 16). Similar to the preventive assessment, employer contributions to sickness pay set the regulation of work arrangements in the Netherlands apart from other European countries.

Understanding the Dutch sickness pay trajectory requires a short discussion of the response by organized interests to the economic downturn surrounding the two oil shocks. Particularly after the second oil shock, the Dutch economy was in a dire state, facing high levels of unemployment and inflation. The combination of low demand, high interest rates, and high labor costs forced many companies to lay off workers (Touwen, 2014: 262; Sluyterman, 2003: 251). Due to its generous terms, sickness and disability insurance was an attractive way for trade unions and employers' associations to establish structural adjustment by dismissing relatively expensive older workers. The workers involved received a higher benefit than they would have had in the unemployment scheme and the construction allowed individual employers to cheaply lay off workers (Oude Nijhuis, 2018: 186–7; De Liagre Böhl, 2013: 329–30; Hemerijck et al., 2000: 117–8). Although the practice benefited both parties on the micro-level, the costs it induced on a societal scale were enormous. The facilitation of the practice by the social partners who managed the social insurance schemes and the complete disregard for reintegration fueled a vicious cycle of inactivity. With higher enrollment in social insurance, taxes and premiums increased, forcing employers to dismiss even more workers (Visser and Hemerijck, 1997: 137–8).

In 1987, the second Lubbers cabinet introduced substantial reforms to the disability scheme without receiving advice from the social partners through the Social and Economic Council. The Christian democratic-liberal coalition reduced the generosity of

benefits and introduced stricter requirements for a full disability assessment (Hemerijck, 2003: 59; Oude Nijhuis, 2018: 193–4, 229–30). Yet, these measures could not counter the increase in recipients, which soon crossed the 700,000 mark. In the early 1990s, the Court of Auditors (*Algemene Rekenkamer*) and the parliamentary *Buurmeijer* Committee laid bare the misuse of social insurance by the social partners (Visser and Hemerijck, 1997: 144–5; Oude Nijhuis, 2018: 250). Their reports damaged the reputation of corporatist decision-making and informed a broad political consensus for structural reforms. Afterward, the Lubbers III government, comprising Christian democrats and social democrats, and the Kok I cabinet, consisting of social democrats and liberals, put the state more in control of social insurance schemes, shifted the payment of disability and sickness premiums to the employers, and further tightened eligibility criteria (Oude Nijhuis, 2018: 247, 253, 255–6; Hemerijck, 2003: 60–1; Sol, 2001: 104–5; Van den Berg, 2010: 46). Although the social partners strongly opposed these changes, they were no longer in a societal position to prevent the reforms. Individual employers became financially responsible for (up to) 52 weeks of sickness pay at a replacement rate of 70 percent. Only after this sickness pay period would workers come to fall under the collective disability insurance scheme. With this structure, policymakers wanted to stimulate employers to invest in prevention and reintegration. Private insurance schemes emerged but were expensive, as they had to cover the enormous financial risk that individual employers now faced. As part of a reform package that decreased the general generosity of social insurance, the Balkenende II cabinet (2003–2006), consisting of Christian democrats (CDA) and liberals (VVD, D66), doubled the maximum length of sickness pay obligations for employers in 2004 (Oude Nijhuis, 2018: 269; Van den Berg, 2010: 22, 47).

The looming threat of these sickness pay contributions has, in turn, created incentives for employers to attract labor via work arrangements that do not come with this obligation. As workers transition from sickness pay to disability insurance upon the end of a labor contract, the newly created regime of sickness pay and disability insurance has made open-ended labor contracts more unattractive to employers compared to fixed-term labor contracts and nonstandard employment. In this regard, alternative work arrangements have been even more appealing than fixed-term labor contracts. By hiring agency workers, payrollers, and own-account workers, individual employers can pass on the financial risk of sickness pay, as they are no longer the formal employers of the worker. The legislation on sickness pay, furthermore, allows sectoral employers' associations and trade unions to exclude on-call and agency workers from sickness pay by CLA for long periods, currently up to 78 weeks (*Memorie van toelichting. Wet arbeidsmarkt in balans*, 2018: 19, 21, 33). In practice, such extensions are widespread.

## **Problematizing dualization**

Agency and on-call work regulation returned as a major political issue during the 2010s. The spread of the dualization narrative which problematized differences in labor conditions between open-ended labor contracts and nonstandard employment, in particular, sparked societal interest in inequalities between work arrangements. Whereas policy debate on own-account work regulation had previously occurred separately from agency and on-call work, policymakers now increasingly integrated these alternative work arrangements in a single discussion. Chapter 4 delves deeper into the deliberation focused on own-account work.

## **The emergence of payrolling**

After the Flexibility and Security Exchange, payrolling emerged as a controversial variation of agency work. Whereas traditional work agencies select their employees themselves, payroll companies usually delegate the hiring process to user organizations (Zwemmer, 2017: 119). After the payroll companies employ the selected workers, they (exclusively) send the workers out to the user organization that picked them in the first place. This construction *de facto* allows employers to hire workers while passing on the corresponding employment risks and the operational burden of personnel management. In 2009, payroll companies employed 144,000 payrollers (StvdA, 2012: 1–2). At the time, SMEs and the government mainly used the services of these companies.

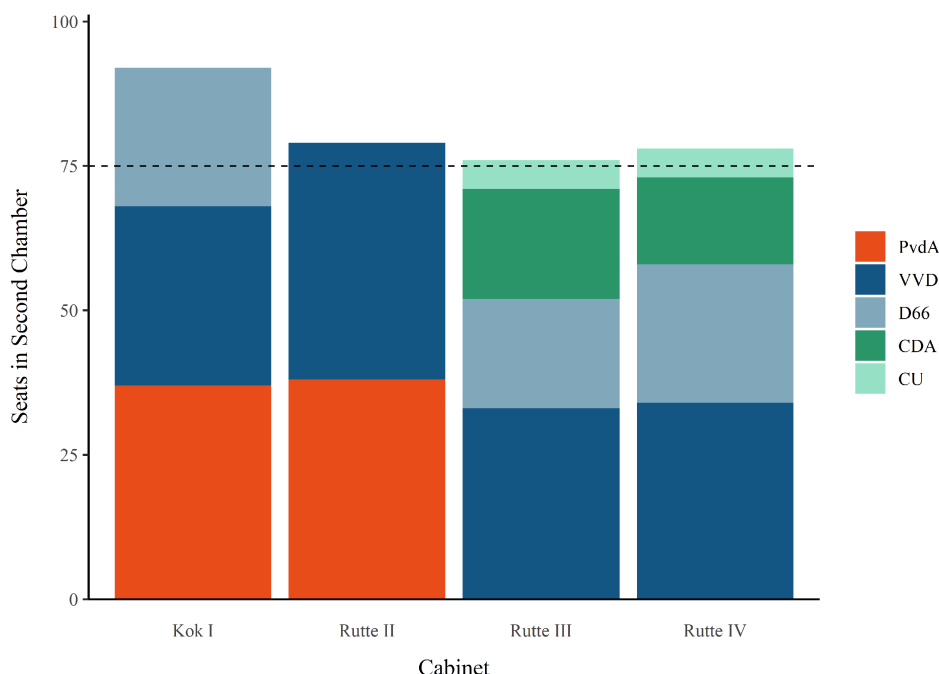
The payrolling construction has constituted a divisive issue among the social partners. After a cabinet request for advice in 2011, the Labor Foundation could not reach a consensus. According to employers' associations, payrolling relieved the administrative burden and financial risks on employers and enabled a professionalization of personnel management: 'This service responds to important motives and needs of employers and also certainly serves the interests of employees. For employers, there are many administrative burdens and economic risks associated with being an employer; for employees, it is important that the complex aspects of employment are done correctly' (StvdA, 2012: 17). Trade unions, however, viewed payrolling as a 'big vanishing act', allowing employers to hire workers while avoiding the liabilities of employment (StvdA, 2012: 21). They were apprehensive about unequal labor conditions between employees and payrollers performing the same work and the management strategy of diverting employment risks onto workers and society at large. According to trade unions, there was no justification for the existence of payroll companies as they were not engaged with matching labor supply and demand like traditional work agencies (StvdA, 2012: 23). Instead, they argued that payroll companies had to operate either as regular employers or as traditional work agencies, both conducting their own selection process.

## Curtailing temporary employment

In the 2012 elections, the liberal VVD and the social democratic PvdA made a big jump in parliamentary seats. Together, the two parties had enough seats for a majority in the Second Chamber. As acclaimed winners of the elections, the VVD and PvdA immediately started negotiations.

In the election manifesto of the VVD, concerns about dualization were absent. Instead, the party suggested that a lack of flexibility hampered economic development: ‘... there is insufficient mobility and flexibility in the labor market’ (VVD, 2012: 14). To promote flexibility, the VVD proposed dismissal reform, shorter unemployment benefits, and the possibility for longer chains of temporary labor contracts (VVD, 2012: 15–6). In contrast, differences in labor conditions between open-ended labor contracts and nonstandard employment constituted a big issue in the PvdA’s manifesto. The PvdA advocated ending the practice of payrolling, shortening chains of temporary labor contracts, extending sickness pay coverage to nonstandard employment, limiting job assignments via agency work to six months, minimum tariffs for own-account workers, and a more equal fiscal treatment of the self-employed and employees (PvdA, 2012: 25–6). The PvdA and VVD both wanted to transform the double dismissal system into a single route (PvdA, 2012: 27; VVD, 2012: 16). Yet, contrary to the VVD, the PvdA preferred to maintain the route via local courts that included the preventive assessment. The obligation for large employers to hire a certain number of disabled workers, enforced through fines, constituted another core proposal of the social democratic party (PvdA, 2012: 24).

Despite their highly contradictory policy agendas, the VVD and PvdA quickly signed a coalition agreement to form the Rutte II cabinet (2012-2017). By reducing the length of unemployment benefits, increasing employer contributions, moderating wages in the public sector, and deregulating the employment protection of labor contracts, the cabinet aimed to reduce its budget deficit and counter the downturn of the Dutch economy (VVD and PvdA, 2012: 33–4). The coalition agreement also obliged large employers to hire a certain number of disabled workers. Finally, the deal alluded to nonstandard employment regulation while leaving room for the social partners in policy development. The labor market section of the coalition agreement reflected much of the PvdA program on stricter nonstandard employment regulation. Similar to PvdA’s election manifesto, the coalition agreement framed the reforms as a way to tackle dualization: ‘We take initiatives to improve the balance between flexible and permanent employment... Together with the social partners, we are looking at improving the legal protection of various forms of flexible work’ (VVD and PvdA, 2012: 34). The dualization narrative has made its way into the coalition agreement but was not yet adopted across the political spectrum.



**Figure 3.7.** Composition of cabinets behind major agency and on-call work reforms between 1994 and 2023.

*Note:* For every cabinet, the cabinet parties are stacked based on their size in the Second Chamber. The bar starts with the largest cabinet party and ends with the smallest one. The black dashed line reflects the number of seats required for a political majority in the Second Chamber.

*Source:* ParlGov.

Although the second Rutte government consisted of a social democratic and a liberal bloc similar to the Kok I cabinet (see Figure 3.7), the proposed reforms in the regulation of work arrangements were far less controversial within the Rutte II coalition than within the Kok I government. Externally, the reform agenda was contentious but not for its nonstandard employment regulation. Trade unions and employers’ associations opposed the austerity measures in the cabinet’s coalition agreement, especially the unemployment insurance reforms and the obligation for employers to hire disabled workers (*Volkskrant*, 2013b; Kleijwegt, 2012).

In response to the societal resistance, the cabinet not only requested the input of the social partners on nonstandard employment regulation but allowed them to negotiate a broader, alternative austerity package (Kleijwegt and Niemantsverdriet, 2013; *Volkskrant*, 2013a). In this process, the cabinet kept a coordinating role and continued developing the policies in the coalition agreement as a looming threat. In 2013, the social partners and the second Rutte government reached a social accord (Stokmans and Niemantsverdriet, 2013; *Volkskrant*, 2013c). The tripartite deal staved off much of the coalition agreement:

the length of unemployment benefits remained the same, wage moderation in the public sector was halted, employers who did not adhere to the minimum of disabled workers would not be punished, and reforms of employment protection were delayed until 2016 (Stokmans and Niemantsverdriet, 2013; *Volkskrant*, 2013c).

Nevertheless, the cabinet's intention for nonstandard employment regulation found its way into the accord. Although conflicting views on payrolling persisted, the social partners and the cabinet designed concrete policies for on-call contracts, agency work, bogus contracting, and fixed-term labor contracts (StvdA, 2013: 24–6). The social partners instructed their sectoral counterparts to limit the use of zero-hours contracts to extraordinary circumstances by CLA and to introduce more requirements for the exclusion from sickness pay beyond six months. The agreement, moreover, called upon the cabinet to reduce the maximum term of consecutive fixed-term labor contracts from three to two years with the possibility for extension by CLA of up to four years. A new chain would only start six months after the end of the last labor contract instead of three months. On agency work, the accord also instructed the cabinet to limit the room for the extension of the highly flexible phase by CLA, albeit relatively generously. Whereas the standard phase length was 26 weeks, the extension would no longer be allowed beyond 78 weeks.

In line with the agreement, the Rutte II cabinet then translated the proposals for statutory legislation into the Work and Security Act of 2014. In the end vote, the legislative package had broad political support. Next to the cabinet parties, the CDA, CU, SGP, D66, and the Greenleft party also voted in favor of the law proposal, signifying shifting attitudes toward nonstandard employment regulation in parliament (*Tweede Kamer 2013-2014 Handelingen 18 February*, 2014a: 1; *Eerste Kamer 2013-2014 Handelingen 10 June*, 2014: 1). The act followed the agreement's policies on fixed-term labor contracts, agency work, and on-call contracts described above (*Memorie van toelichting. Wet werk en zekerheid*, 2013: 12, 18–20). Like the social partners, the cabinet initially steered away from concrete adjustments to payrolling regulation. During the parliamentary proceedings, however, parliament supported a motion by the PvdA MP M.I. Hamer calling for equal treatment of payrollers and regular employees on the work floor of user organizations, even when the user organization was not their formal employer (*Motie Hamer. Wet werk en zekerheid*, 2014; *Tweede Kamer 2013-2014 Handelingen 18 February*, 2014b: 2). Soon after, the cabinet increased the employment protection of payrollers up to the level of their colleagues on the work floor (2015) and ended the central government's use of the payrolling construction (2016) (Minister SZW Asscher, 2016a: 3). Yet, Social Affairs Minister L.F. Asscher (2016b: 1) expressed to parliament that he could not translate the motion into legislation generally prescribing the equal treatment between payrollers and regular employees for the same work on the same work floor due to different views within the cabinet. Trade unions and the PvdA supported

equal treatment legislation, but the employers' associations and VVD opposed it. On payrolling regulation, views, thus, followed traditional political divides.

Similar to the Flexibility and Security Exchange, conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations typified the negotiations which resulted in the Work and Security Act, supporting the proposition of power resources theory. Nevertheless, the coalition agreement and the parliamentary proceedings of the Work and Security Act signify that nonstandard employment regulation had become less divisive within the cabinet and parliament compared to the Flexibility and Security Exchange. In policy discussions on labor market flexibility, concerns about dualization rather than rigidities became increasingly influential, contradicting the dominant supply-side policy paradigm. As with the Flexibility and Security Exchange, the social partners influenced the legislative process considerably. Yet, the primary reason for including organized interests in policy development was different. With the Flexibility and Security Exchange, the Kok I cabinet used advice from the social partners to break a political stalemate. In the case of the Work and Security Act, however, trade unions and employers' associations exerted political pressure on the second Rutte government to adjust reforms the cabinet had already agreed on. The Rutte II cabinet, in turn, allowed the social partners to bargain an alternative compromise, enhancing the societal support for the complex reform package.

### **Dualization becomes the dominant narrative**

Due to the lack of general equal treatment legislation, payrolling remained on the political agenda. With the Labor Market in Balance Act of 2019, the Rutte III cabinet (2017-2022), consisting of liberals (VVD, D66) and Christian democrats (CDA, CU), finally introduced such legislation. The law forced payroll companies to offer the same labor conditions to payrollers as their colleagues at the user organizations performing the same work (*Memorie van toelichting. Wet arbeidsmarkt in balans*, 2018: 38–9). Whereas payroll companies performed no matching function, the cabinet recognized that the companies helped reduce the administrative burden on small employers. Yet, the government argued that the latter function provided no valid reason for unequal labor conditions compared with regular employees.

The reform was part of a larger package to combat dualization; its overarching goal was to reduce differences in costs and risks between work arrangements (*Memorie van toelichting. Wet arbeidsmarkt in balans*, 2018: 2, 8). On on-call work, the law clarified the legal position of workers and made sure that on-call workers received their job assignments at least four days in advance with the possibility of reducing this term to one day via CLA (*Memorie van toelichting. Wet arbeidsmarkt in balans*, 2018: 23–4, 26, 28). After one year, the act obliged employers to give on-call workers a contract with a stable volume of working hours based on the past year's average and to provide sickness



pay coverage. In this way, the cabinet attempted to reduce the income insecurity of on-call workers who stayed in their jobs for multiple years. Whereas the presumption mechanism of the Flexibility and Security Exchange had left the initiative to the worker and court to establish the working hours of a work arrangement when an employer failed to do so, this reform obliged employers to offer a labor contract with a certain number of hours. At the same time, the government introduced a slight relaxation of regulation on temporary labor contracts, as the maximum consecutive period of fixed-term contracts moved to three years (*Memorie van toelichting. Wet arbeidsmarkt in balans*, 2018: 8, 10, 12). Regarding this regulation, this reform essentially reversed the intervention of the Work and Security Act. Whereas the Rutte II government's reduction of the maximum term with the Work and Security Act aimed to fasten the transition from temporary employees into open-ended labor contracts, the Rutte III cabinet argued that these workers often ended up being dismissed after two years when the maximum term expired, suggesting that looser rules actually enhanced their position.

Overall, the picture of the Labor Market in Balance Act was like the Flexibility and Security Exchange: stronger regulation of agency and on-call work and deregulation of fixed-term labor contracts. The difference, however, is the absence of something similar to the liberalization of work agencies in the later act. Consequently, the Labor Market in Balance Act leaned more toward additional security than Flexibility and Security Exchange. This finding is remarkable given the composition of the Rutte III cabinet that introduced the Labor Market in Balance Act. Contrary to the Flexibility and Security Exchange and the Work and Security Act, the Labor Market in Balance Act did not rely on social democratic support, as the PvdA and Greenleft party in the opposition voted against the reforms (*Tweede Kamer 2018-2019 Handelingen 5 February*, 2019: 3; *Eerste Kamer 2019-2020 Handelingen 28 May*, 2019: 1). Instead, liberal and Christian democratic parties were behind the security-focused reform package. On payrolling, for instance, the Rutte III cabinet introduced the equal treatment legislation which the social democratic PvdA had supported and the liberal VVD had opposed during the Rutte II government. In the next section, I explain why the right-oriented Rutte III cabinet introduced these policies.

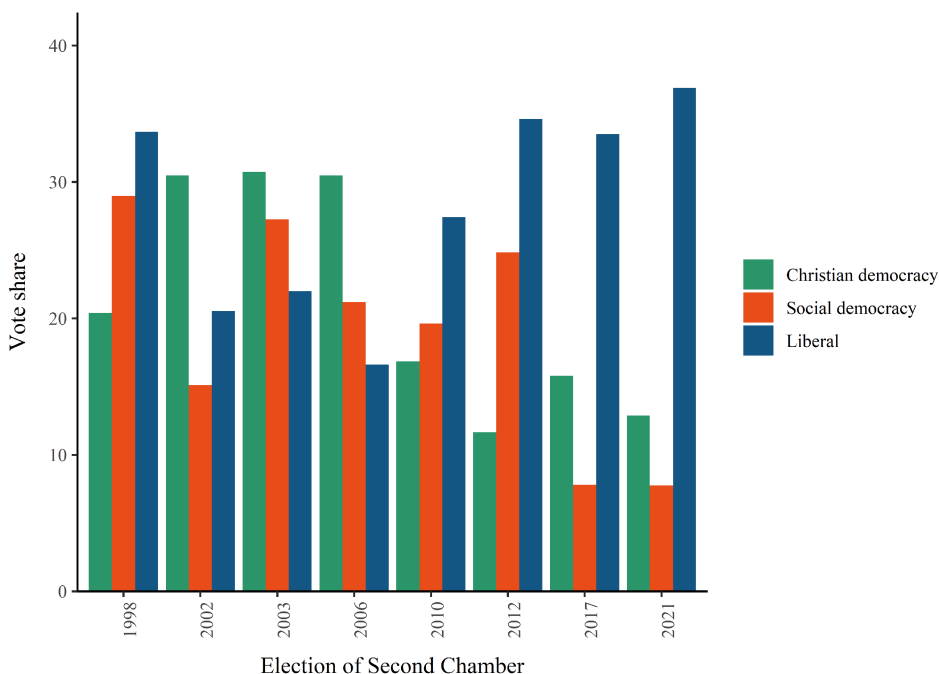
After the Labor Market in Balance Act, the momentum for nonstandard employment regulation remained, as the dualization narrative became the dominant way of approaching the regulation of labor market flexibility among policymakers. In 2018, before the reform package, the cabinet had installed the Work Regulation Committee to develop an overarching vision of the future regime of regulation on work arrangements (*Commissie Regulering van Werk*, 2020: 100). The advice of this commission, published in 2020, centered around dualization. The committee recommended the cabinet to reduce the differences in employment risks and fiscal treatment between work arrangements (*Commissie Regulering van Werk*, 2020: 64). To achieve this, the committee advocated a

push toward universalism: the same basic mandatory disability insurance, tax pressure, and additional pension scheme for all work arrangements (Commissie Reguleren van Werk, 2020: 79–81). The report also suggested making flexible work more expensive, either by increasing the minimum wage for these contracts or through a flex premium (Commissie Reguleren van Werk, 2020: 67). The deviating labor conditions of agency work would only be allowed in special circumstances, such as an intermediary performing a matching function, and for a temporary period (Commissie Reguleren van Werk, 2020: 72–3). The former requirement would put a halt to payrolling. The committee advocated reintroducing a maximum term for job assignments to enforce the temporary nature of triangular work arrangements. For on-call and agency work, the committee also wanted to introduce stricter rules for extending the period without sickness pay coverage (Commissie Reguleren van Werk, 2020: 68). Lay-offs in the case of sickness would no longer be allowed irrespective of the work arrangement. For on-call work specifically, the committee desired to introduce more security by obliging employers to agree on a fixed volume of working hours with their workers at least every three months. Next to improving nonstandard employment regulation, the committee wanted to combat dualization by making open-ended labor contracts more flexible. These plans involved reforming the dismissal procedure of open-ended labor contracts and reducing the sickness pay obligations of employers from two years to one (Commissie Reguleren van Werk, 2020: 64–6). The Scientific Council for Government Policy (WRR) also published an advisory report adopting the dualization narrative. The WRR recommended reducing differences between work arrangements by creating a mandatory basic, universal social security scheme for all forms of employment (Engbersen et al., 2020: 91–2, 228–30). The WRR also called for collective bargaining of own-account workers and advocated making flexible work more expensive.

Building upon these reports, the tripartite Social and Economic Council, in turn, presented its proposals for the medium term. The timing of the advice was such that it could serve as input for the cabinet formation process. The SER recommendations aligned with the earlier reports: ‘Long-lasting work is, in principle, organized based on open-ended labor contracts...Other work arrangements are better regulated for the benefit of use where necessary, and are no longer used to compete on labor conditions’ (SER, 2021: 9). In practice, this would entail stricter regulation of fixed-term labor contracts and alternative work arrangements but a more attractive regime of open-ended labor contracts for employers, which would reduce dualization (SER, 2021: 10). Similar to the Work Regulation Committee, the SER proposed introducing a compulsory agreement on a quarterly volume of working hours for on-call contracts, effectively ending zero-hours contracts (SER, 2021: 18, 20). The advice also recommended removing the opportunity to extend the exclusion of on-call workers from sickness pay legislation. On agency work, the Social and Economic Council proposed restricting agency work to

bonafide intermediaries and limiting the extension of the highly flexible phase by CLA to 52 weeks instead of 78 (SER, 2021: 19). Although these restrictions would be substantial, they did not go as far as the proposals of the Work Regulation Committee. Removing the cooldown period from regulation on consecutive temporary labor contracts constituted another critical SER proposal. Rather than resetting the length of consecutive temporary labor contracts after six months, the SER advocated leaving the build-up length intact (SER, 2021: 18–9).

After protracted negotiations, the liberal-Christian democratic coalition behind the Rutte III cabinet continued its rule with the Rutte IV cabinet (2022–2023)(see Figure 3.7). In its coalition agreement, the fourth Rutte government adopted the dualization narrative, stating that it aimed to reduce the differences between flexible work arrangements and open-ended labor contracts in line with the Work Regulation Committee and the SER recommendations (VVD et al., 2021: 26–7). In 2023, Social Affairs Minister C.E.G. van Gennip of the CDA presented the specific cabinet proposals. Similar to the Work Regulation Committee and the SER, the government wanted to eradicate zero-hours contracts. Yet, the government wanted to use a slightly different method than the policy reports had proposed. The cabinet advocated the introduction of a basic contract for on-call work (Minister SZW Van Gennip, 2023: 9–10). Above the minimum volume of working hours defined by this contract, there would be a flexible margin of 30 percent of the contract's working hours. In addition to these contracts, the cabinet still wanted to allow on-call contracts based on yearly volume figures. Yet, the government wanted to end zero-hours contracts. The cabinet proposals were even more closely aligned with earlier advice on agency work and temporary labor contracts. Regarding agency work, the fourth Rutte cabinet proposed reducing the maximum duration of the highly flexible phase of agency work to 52 weeks and enforcing similar labor conditions between agency workers and their colleagues performing the same job on the work floor (Minister SZW Van Gennip, 2023: 10). The cooldown period for the length of consecutive temporary labor contracts would, furthermore, increase from six months to five years. As the cabinet proposals for agency work regulation left an opening for payrolling, the plans for this work arrangement aligned more with the SER report than with the advice of the Work Regulation Committee. In July 2023, the announced reforms unexpectedly came to a standstill. The government fell while the law proposals still had to be discussed in parliament, putting a halt to the initiatives for nonstandard employment regulation.



**Figure 3.8.** Vote share of Christian democracy, Social democracy, and Liberal bloc in consecutive elections of the Second Chamber, 1998-2021.

*Note:* The classification of the party families is based on the ParlGov database. Following this classification, the CDA, CU, and RPF constituted the Christian democratic parties in this period. The PvdA and DENK were the two social democratic parties, while the VVD and D66 formed the liberal party family.

*Source:* ParlGov.

### The disintegration of the liberal bloc

The Labor Market in Balance Act of the Rutte III cabinet and the proposals for nonstandard employment regulation of the fourth Rutte government are intriguing from a party-political perspective due to the relatively right-oriented nature of these cabinets (see Figure 3.7). Why did these governments tighten the regulation of alternative work arrangements despite the political dominance of the liberal bloc and the power loss of Christian democracy and social democracy (see Figure 3.8)? As the liberal parties formed the strongest party family during these governments, power relations provide little explanation, contrary to the proposition of power resources theory. Economic conditions certainly were favorable for improvements to job quality due to the structural labor shortage of the Dutch economy. At the same time, they did not force the liberal-Christian democratic cabinets to change their policy goals. Instead, changing attitudes constituted the primary driver behind the shift, as policymakers increasingly adopted the dualization narrative.

The changing policy attitudes are perhaps best illustrated by the recommendations of the Work Regulation Committee, WRR, and SER in the early 2020s. These reports all adopted the dualization narrative and were remarkably consistent on policy positions regarding nonstandard employment regulation that had long been controversial. The dualization narrative also permeated the attitudes of parties across the political spectrum. Yet, how much the political parties adjusted their policy positions in alignment with the dominant narrative diverged. Given the political dominance of the liberal bloc, the attitudes of the main liberal parties, VVD and D66, are critical in explaining the observed outcomes.

Up to the mid-2010s, D66 was as vocal in promulgating labor market flexibility as the VVD. Leading up the Flexibility and Security Exchange, D66 Minister of Economic Affairs Wijers led the political camp advocating more flexible labor relations supported by employers' associations. During his campaign against Melkert's proposals for nonstandard employment regulation, he criticized the dualization diagnosis behind his reform package in the Council of Ministers: 'Minister Wijers believes that the proposal has profound implications for the competitiveness of the Dutch economy and the functioning of the agency industry. In his view, the proposal starts from the wrong problem definition, namely the fear of segregation between workers with permanent labor contracts on the one hand and workers with temporary work arrangements on the other. The actual problem is the dualization between people with and people without jobs' (*Ministerraad 1995 Notulen 3 November, 1995*: 28). As late as the elections of 2012, the D66 manifesto still contained an unequivocally positive view of labor market flexibility, informing proposals for dismissal reform (D66, 2012: 8).

During the mid-2010s, however, D66 made a left turn. In the election manifesto of 2017, D66 added the dualization narrative to its attitude toward labor market flexibility: 'Labor market flexibilization is, in principle, a positive development which generates dynamism, adaptability and the ability to shape your own work and life. Today, however, flexible and permanent workers are too separated and the differences too large' (D66, 2016: 49). Instead, the D66 proposed moving toward a single work arrangement, a labor contract with less dismissal protection as the status quo. In the election manifesto of 2021, D66 more comprehensively expressed the desire to combat dualization: 'The proliferation of alternative work arrangements must be combated... We are therefore reducing the differences in taxation and social security between different work arrangements. Consequently, the nature of the work determines the work arrangement rather than the costs' (D66, 2020: 42). On a concrete level, D66, for instance, translated this attitude into proposals for universal disability insurance and an equalization of the treatment of agency workers and regular employees on the work floor (D66, 2020: 42–3). In this way, the attitudes of D66 on nonstandard employment regulation moved much closer to the policy positions of the social democratic PvdA.

In comparison, the VVD remained more hesitant toward nonstandard employment regulation. Although its 2017 election manifesto stated that ‘the flexible contract has to become more secure’, the manifesto suggested that this could be established by a relaxation of restrictions on consecutive temporary labor contracts (VVD, 2016: 34). As a consequence, the manifesto stated, employers would no longer be forced to dismiss temporary employees. Nevertheless, the VVD manifesto of 2021 signifies that the VVD also adjusted its attitudes in response to the spread of the dualization narrative. The party, for instance, proposed ‘A strong government that ensures a well-functioning and compassionate safety net in case of loss of income or disability for all workers, including the self-employed’ (VVD, 2020: 19). Although the VVD wanted to stimulate employers to hire fewer flexible workers, it catered to small- and medium-sized employers by keeping possibilities for nonstandard employment intact: ‘Modern work arrangements such as on-call contracts, payrolling and agency work remain possible to organize unpredictable work and relieve small employers, however (VVD, 2020: 21). As D66 more significantly changed its attitudes than the VVD, the policy positions of the political parties drifted apart, disintegrating the liberal bloc pushing for more labor market flexibility. The strong support by D66 for nonstandard employment regulation and the less radical opposition of the VVD to it, in turn, explain why consecutive cabinets dominated by liberal political parties backed the ambitious reforms.

Although these findings underline the explanatory power of ideas, they contradict the proposition of the policy paradigm literature that policy paradigm shifts explain adjustments to labor market regulation. Whereas the dualization narrative became dominant in policy discussions on regulating labor market flexibility, the supply-side policy paradigm remained leading on socio-economic affairs at large. In other words, the dualization narrative did not replace the supply-side policy paradigm but developed despite it, similar to the narrative that informed on-call work regulation in the 1980s. Both cases suggest that ideas develop more substantially within policy paradigms than typically suggested by policy paradigm theory, in line with previous criticism of this literature (Carstensen and Matthijs, 2018; Clift, 2020).

## Conclusion

Before 1964, the view that labor market intermediation had to be exclusively non-profit dominated among policymakers. A permit system formally ended the emergence of new commercial intermediaries. Nevertheless, work agencies emerged in this regulatory context. They operated in a regulatory gray zone by hiring workers under a freelancing construction. During the mid-1960s, agency work regulation made its way onto the political agenda. As the ban on commercial intermediation was no longer effective, policymakers introduced an alternative permit system in 1965 with severe implications

for agency work (see Table 3.1). There was broad political consensus to bring commercial intermediation into the formal sphere under strict conditions. Regarding agency work specifically, politicians debated compulsory social insurance coverage. Compared to the permit system proposal, an initiative that would introduce compulsory social insurance for agency workers was much more politically controversial. On one side, the liberal VVD and the right wing of the Christian democratic parties opposed regulation. On the other, the social democratic PvdA and the left wing of the Christian democratic parties supported it. As the left-oriented block controlled the cabinet, the law proposal eventually passed parliament in 1965, supporting the proposition of power resources theory (see Table 3.2). Although the reforms made agency work more expensive, they actually contributed to its development by legitimizing the work arrangement for a broader group of user organizations and workers.

Throughout the 1970s and 1980s, the most important agency work reforms enacted by the cabinet were limited to adjustments to the maximum job assignment length of agency work. Consecutive Christian democratic Ministers of Social Affairs introduced conflicting adjustments to this term. Boersma limited the length of job assignments via agency work to six months in 1974. Albeda, then, further reduced the maximum term of agency work from six to three months in 1980. De Koning, however, increased the maximum job assignment length of agency work back to six months in 1984, fitting the shift to the supply-side policy paradigm that the Lubbers I cabinet had conducted. Although this finding supports the proposition of the policy paradigm literature, the overall impact of the policy paradigm shift on political preferences regarding agency and on-call work regulation was complicated. The labor market flexibility narrative, which was part of the policy supply-side paradigm, primarily impacted political preferences concerning the employment protection of labor contracts. Adopting this narrative, Christian democrats became one of the foremost critics of the strict dismissal protection of labor contracts in the 1980s, contrary to the proposition of breadwinner model theory. In comparison, the policy paradigm had a weak influence on preferences and policies regarding agency work. As discussed, changing views on the maximum length of job assignments constituted the main example in the 1980s. During the 1990s, supply-side ideas also played a role in the breakdown of the permit system for work agencies. Although enforcement issues constituted the primary reason for reform, changing views on market coordination also had an important impact. For on-call work, the connection of preferences and policies with the supply-side policy paradigm was the weakest. During the mid-1980s, an alternative narrative on on-call work regulation emerged that contradicted the dominant supply-side policy paradigm. Due to the success of this narrative, broad political support emerged for stricter regulation of on-call work, contrary to the expectation derived from policy paradigm theory. The push resulted in the monthly wage floor for on-call work in 1989. The outcome was a political

compromise, aiming to strike a balance between employers' associations opposing statutory legislation and trade unions supporting more fundamental reform.

The late 1990s brought more comprehensive changes in agency and on-call work regulation in the Netherlands. Facing (1) the pressure for reforms in the employment protection of labor contracts, (2) the breakdown of the permit system for agency work, and (3) calls for statutory legislation on on-call contracts, the first Kok government (1994-1998) looked for a package deal to resolve multiple policy discussions at once. The cabinet negotiations quickly resulted in a political stalemate between a social democratic and a liberal bloc. To solve the impasse, the government contacted the social partners. Trade unions and employers' associations were, in turn, able to negotiate a compromise largely followed by the cabinet. Conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations, therefore, were typical of the negotiations leading up to the Flexibility and Security Exchange, supporting the proposition of power resources theory. Given their power position in the legislative and corporatist channel, the social democratic PvdA and trade unions had to offer concessions in exchange for nonstandard employment regulation to the liberal parties and employers' associations but they were unwilling to decrease the employment protection of open-ended labor contracts. The prioritization of insider protection arguably limited the possibility for the social democratic PvdA and trade unions to attain improvements in agency and on-call work regulation, supporting the proposition of insider-outsider theory. Instead, the social democratic PvdA and trade unions made the following two concessions: the abolition of the permit system for work agencies and the allowance of longer periods of consecutive temporary labor contracts without additional dismissal requirements. In exchange, they were able to achieve labor contract coverage for agency work albeit with a highly flexible first phase and stricter regulation of on-call work through a minimum of three hours per call and the legal labor contract presumption. Whereas the negotiations of the Flexibility and Security Exchange showed that the social democratic party was unwilling to sacrifice insider interests to achieve improvements for outsiders, they did not align with the more substantial claim of insider-outsider theory that social democratic parties have contributed to segmentation by reducing restrictions on nonstandard employment to avoid the deregulation of open-ended labor contracts. There is simply no evidence to support the latter argument in my case study. Instead, the social democratic party continued to pursue nonstandard employment regulation despite the loss of labor power, as illustrated by their role in the negotiations of the Work and Security Act.



**Table 3.1.** Overview of key agency and on-call work reforms by cabinet

Cabinet	Governing party families	Agency work reforms	On-call work reforms
Cals (1965-1966)	Christian democrats and social democrats	<ul style="list-style-type: none"> <li>• Compulsory social insurance (1965)</li> <li>• Permit system (1965)</li> </ul>	
Den Uyl (1973-1977)	Social and Christian democrats	<ul style="list-style-type: none"> <li>• Job assignments limited to six months (1974)</li> </ul>	
Van Agt I (1977-1981)	Christian democrats and liberals	<ul style="list-style-type: none"> <li>• Reduction of job assignment length to three months (1980)</li> </ul>	
Lubbers I (1982-1986)	Christian democrats and liberals	<ul style="list-style-type: none"> <li>• Job assignment length increased to six months (1984)</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly wage floor (1989)</li> </ul>
Lubbers II (1986-1989)	Christian democrats and liberals		
Kok I (1994-1998)	Social democrats and liberals	<ul style="list-style-type: none"> <li>• Regulation of agency work as special labor contract (1998)</li> <li>• Liberalization of work agencies (1998)</li> </ul>	<ul style="list-style-type: none"> <li>• Legal labor contract presumption including working hours (1998)</li> <li>• Minimum of three hours per call (1998)</li> </ul>
Rutte II (2012-2017)	Liberals and social democrats	<ul style="list-style-type: none"> <li>• Shorter highly flexible phase for agency work (2014)</li> <li>• Improved employment protection for payrolling (2015)</li> <li>• Central government stops use of payrolling (2016)</li> </ul>	
Rutte III (2017-2022)	Liberals and Christian democrats	<ul style="list-style-type: none"> <li>• Equal treatment legislation payrolling (2019)</li> </ul>	<ul style="list-style-type: none"> <li>• Notice period for calls (2019)</li> <li>• Labor contract obligations put on employers after one year (2019)</li> </ul>

**Table 3.2.** Alignment of findings Chapter 3 with theoretical propositions

Theory	Proposition	Supportive findings	Conflicting findings
Breadwinner model theory	Sticky breadwinner policies backed by Christian democratic parties explain segmentation along gender lines		<ul style="list-style-type: none"> <li>In the 1980s, Christian democrats became one of the foremost critics of the strict employment protection of labor contracts</li> </ul>
Power resources theory	Power relations between capital and labor explain adjustments to labor market regulation	<ul style="list-style-type: none"> <li>Power relations between a left-oriented and a right-oriented political block explain the introduction of compulsory social insurance for agency work in 1965</li> <li>The Flexibility and Security Exchange and the Work and Security Act resulted from conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations. In these exchanges, power relations forced social democrats and trade unions to offer concessions in order to attain improvements to agency and on-call work regulation</li> </ul>	<ul style="list-style-type: none"> <li>In the first half of the 1980s, Christian democratic Social Affairs Ministers adopted contradictory policies regarding the maximum job assignment length of agency work in consecutive cabinets with similar power relations</li> <li>In the late 2010s and early 2020s, the Rutte III and IV cabinets dominated by liberal political parties backed stricter agency and on-call work regulation</li> </ul>
Insider-outsider theory	Power dynamics between labor market insiders and outsiders explain segmentation	<ul style="list-style-type: none"> <li>The employment protection of open-ended labor contracts constituted a consistent priority for social democratic parties. Due to declining power resources, this prioritization limited the possibility of attaining improvements for agency and on-call work regulation</li> </ul>	<ul style="list-style-type: none"> <li>Despite decreasing labor power, social democratic parties did not settle for the deregulation of nonstandard employment to accommodate pressures for the deregulation of insider job security. Instead, social democratic parties continued their efforts to regulate nonstandard employment</li> </ul>

**Table 3.2.** Continued

Theory	Proposition	Supportive findings	Conflicting findings
Policy paradigm theory	<p>Policy paradigm shifts explain adjustments to labor market regulation</p>	<ul style="list-style-type: none"> <li>The policy paradigm shift of the 1980s greatly affected political preferences and behavior concerning the employment protection of labor contracts</li> <li>Supply-side ideas played a role in adjustments to the maximum length of job assignments for agency work and the ending of the permit system for the work arrangement</li> </ul>	<ul style="list-style-type: none"> <li>The policy paradigm shift of the early 1980s had little effect on political preferences regarding on-call work regulation. In the second half of the 1980s, widespread political support emerged for stricter on-call work regulation, resulting in the monthly wage floor of 1989. The narrative behind the reform conflicted with the dominant supply-side policy paradigm</li> <li>Despite the persistence of the supply-side policy paradigm, the dualization narrative became dominant among policymakers in the second half of the 2010s, enhancing support across the political spectrum for stricter nonstandard employment regulation to reduce cost and risk differences between work arrangements</li> </ul>

Although the consequences of the Flexibility and Security Exchange were imbalanced, societal attention to agency and on-call work waned in its aftermath. In the 2000s, there was little discussion on agency and on-call work regulation among policymakers. Yet, sickness pay reforms further increased the attractiveness of nonstandard employment to employers in this period. Agency and on-call work regulation returned to the societal agenda during the early 2010s, as concerns about dualization between workers with open-ended labor contracts and alternative work arrangements increased. The dualization narrative made its way into the coalition agreement of the Rutte II cabinet, comprising the liberal VVD and social democratic PvdA, in 2012. In the coalition agreement, the government announced initiatives for nonstandard employment regulation while leaving room for the social partners in policy development. The reforms of unemployment insurance and the introduction of the obligation for large employers to hire disabled workers, in particular, led to strong opposition from trade unions and employers' associations. In response, the cabinet allowed the social partners to negotiate an alternative austerity package coordinated by the government. The resulting social accord toned down much of the initial reforms but contained important changes to agency and on-call work regulation. The agreement shortened the maximum period of consecutive temporary labor contracts and called upon the sectoral social partners to limit zero-hours contracts to extraordinary circumstances by CLA. On agency work, the deal prescribed legislation allowing less variation in the duration of the first phase by CLA. Yet, the issue of payrolling had proven too controversial among trade unions and employers' associations for a meaningful outcome. After the social accord, the cabinet turned the agreement into the Work and Security Act of 2014.

Similar to the Flexibility and Security Exchange, conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations characterized the Work and Security Act, supporting the proposition of power resources theory. Yet, the Work and Security Act leaned much more toward additional security than the Flexibility and Security Exchange, indicating a general shift in attitudes among policymakers. During the parliamentary proceedings on the law, parliament supported a motion calling for equal treatment legislation for payrolling. Due to division within the cabinet, the government only partially executed the motion by reducing the employment protection gap between payrollers and their colleagues on the work floor. Whereas the social democratic PvdA strove for general equal treatment legislation for payrolling, the liberal VVD opposed such reform.

With the Labor Market in Balance Act of 2018, the Rutte III cabinet nevertheless enacted the general equal treatment legislation. The reform was part of a larger package to combat dualization by reducing differences in costs and risks between work arrangements. For this reason, the reform also improved the legal position of on-call work. After 12 months, the law forced employers to give on-call workers a contract with

a stable volume of working hours based on the past year's average and to provide sickness pay coverage. Additionally, the act ruled that on-call workers had to receive their job assignments four days in advance. Regarding temporary labor contracts, however, the law reversed the shortening of the maximum period of consecutive fixed-term contracts which had been part of the Work and Security Act.

After the Labor Market in Balance Act, the momentum for nonstandard employment regulation remained, as the dualization narrative became the dominant way of approaching the regulation of labor market flexibility among policymakers. In the early 2020s, policy reports from the Work Regulation Committee, WRR, and SER called for stricter regulation of agency and on-call work as part of a broader effort to reduce dualization. Building upon these reports, the Rutte IV cabinet presented ambitious proposals for nonstandard employment regulation in 2023. Yet, the announced reforms unexpectedly came to a standstill. The government fell while the law proposals still had to be discussed in parliament, putting a halt to the initiatives.

The Labor Market in Balance Act of the Rutte III cabinet and the proposals for nonstandard employment regulation of the fourth Rutte government are remarkable when looking at the composition of these cabinets. Both cabinets comprised a coalition of liberals (VVD, D66) and Christian democrats (CDA, CU). The governments supported stricter nonstandard employment regulation despite the political dominance of liberal parties and the cabinet absence of social democratic parties, contradicting the proposition of the power resources literature. Instead, changing attitudes toward nonstandard employment regulation, particularly from the liberal parties, explain the cabinet policies. As the dualization narrative had become dominant among policymakers, it also affected the attitudes of the liberal parties. Yet, the impact was much larger for D66 than for the VVD, moving D66 much closer to the positioning of the social democratic PvdA regarding nonstandard employment regulation. Consequently, D66 developed into a strong supporter of nonstandard employment regulation and the VVD became less of an opponent.

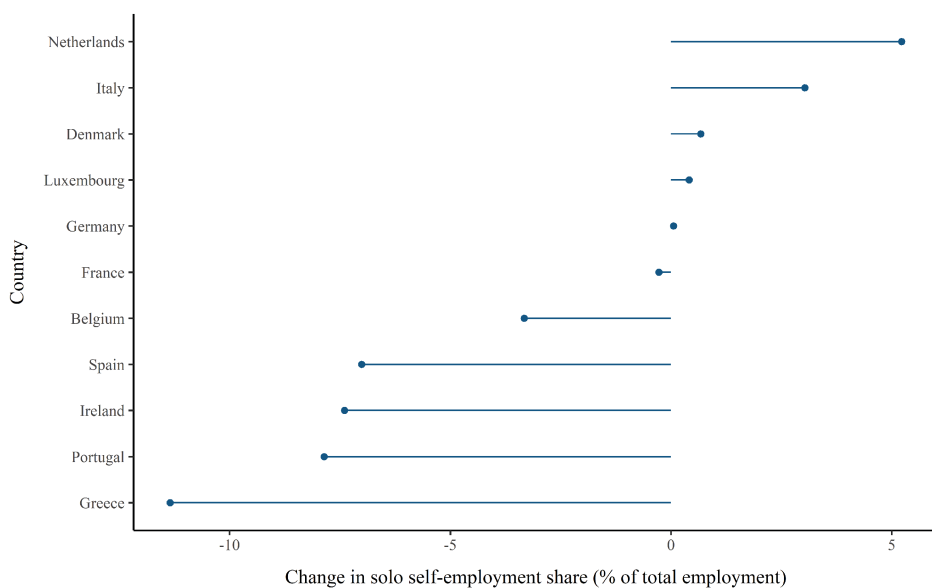
Although the impact of the dualization narrative underlines the explanatory power of ideas, it runs against the proposition of the policy paradigm literature, as the dualization narrative contradicted the dominant supply-side policy paradigm. One could argue that the dualization narrative constituted a new paradigm. Yet, this argument disregards the persisting adherence to supply-side ideas by policymakers on socioeconomic affairs, for instance, regarding business climate policies. With its focus on the regulation of work arrangements, the dualization narrative operated on a lower level of abstraction similar to the narrative that drove the push for on-call work regulation in the 1980s. Both cases support the scholarly criticism that the policy paradigm literature underscores transformations of policy ideas *within* paradigms.



# **CHAPTER 4**

## **Party politics on own-account work**

The central question of this chapter is how (and why) political parties have regulated own-account work. After decades of growth, own-account workers constituted 12 percent of the Dutch workforce in 2022 (Statistics Netherlands EBB, 2022). By that time, the Netherlands' own-account work share was in the upper middle of the distribution of EU member states (see Figure 2.6). More noteworthy, however, is the trend in the Dutch labor market. In a period where the incidence of own-account work decreased in many European countries, the Netherlands experienced strong growth (see Figure 4.1). Societal critics have problematized the own-account work boom for putting downward pressure on the labor conditions of other work arrangements, undermining social insurance through adverse selection, and shrinking tax revenue due to the lower tax pressure for the self-employed compared with employees (Van den Berg, 2017: 150). Own-account workers predominantly identify as entrepreneurs rather than workers and are often unwilling to organize in conventional corporatist associations. Consequently, they challenge the Dutch tradition of social partnership between trade unions and employers' associations.



**Figure 4.1.** Change in own-account work share between 1992 and 2022 in selected EU countries. *Note:* The employment statistics were collected from people between 15 and 64 years of age. Total employment is computed as the sum of the total number of employees and the self-employed. As including all countries would hamper the readability of the graph, I selected representative countries from the European own-account work distribution. *Source:* Eurostat European Labor Force Survey.

In this chapter, I argue that the double identity of own-account workers as entrepreneurs and workers is crucial for understanding the reforms of their work arrangement, as



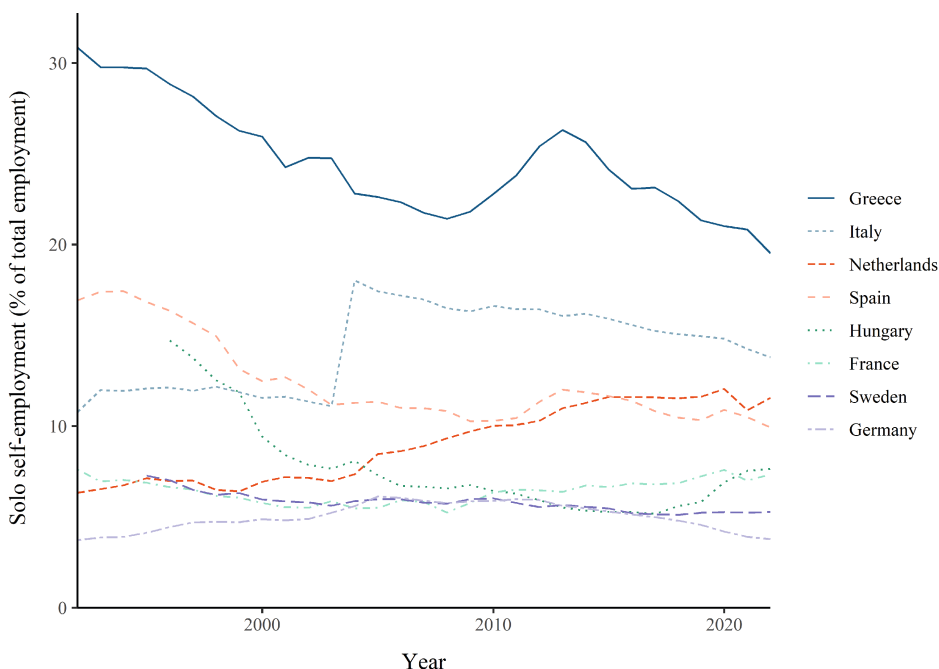
focusing on either identity in designing policies greatly affects the outcome. Before the 1980s, policy discussions on own-account work centered around a narrative that emphasized the worker identity of own-account workers. As the policy narrative stressed the similarities between employees and the self-employed, policymakers pursued equal treatment of work arrangements regarding taxation and social security. With the shift toward the supply-side policy paradigm, policymakers transitioned to an entrepreneurial narrative on own-account work. Focusing on the entrepreneurial identity of own-account workers, they strove to stimulate own-account work as a source of employment and economic growth, to equalize risks and rewards with businesses under corporate tax, and to remove regulatory obstructions. Similar to agency and on-call work, the dualization narrative became increasingly dominant in policy discussions on own-account work in the 2010s. With this shift, the focus of policymakers moved back to the worker identity of own-account workers, resulting in the problematization of the fiscal advantages of own-account work compared to other work arrangements.

## Why fiscal policy is key

During the 1990s, own-account work in the Netherlands expanded relative to total employment and compared to other European countries (see Figure 4.2). Yet, the deregulation of own-account work only became an influential factor after the 2000s, making it an implausible explanation for the relatively strong growth of the work arrangement in the Netherlands before this period. Alternatively, the economic literature on own-account work highlights tax treatment as an explanation for cross-national variation. Diverging tax treatment shapes the preferences of workers and employers, making it more financially attractive for workers to offer labor services under certain work arrangements and for employers to attract labor under specific employment relationships (Milanez and Bratta, 2019: 9; *Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 100). Bargaining power determines who benefits from the regulatory differences between work arrangements (Kalleberg, 2013: 78).

Given the substantial fiscal treatment gap between own-account workers and employees, this explanation was likely important for the Netherlands' development path (OECD, 2019: 22–3). Decomposition analyses of the Dutch own-account work boom hint in the direction of public policy. Accounting for gender, age, household structure, education, citizenship, and economic sector, Van Es and Van Vuuren (2011: 1667–8) found that the included year dummies still had by far the largest impact on own-account work development, indicating a major role of institutional or sociocultural factors. Given the relatively high year dummies late in the sample (2004–2006) and the gradual nature of sociocultural trends, the authors suggested that government policy likely played the most significant role. Indeed, it is plausible that the abolition

of compulsory disability insurance, the Work Arrangement Declaration Act, and the substantial increase in the Self-employed Tax Deduction in 2005 had a major effect. Yet, the study's data were insufficient to estimate their relative impact. A later decomposition analysis of own-account work growth between 1996 and 2010 led to similar results. In the study, birth cohort accounted for most of the change, indicating an essential role for sociocultural or institutional developments (Bosch et al., 2012: 9–10). Again, data was inadequate to separate these two effects. Policy reports that specifically analyze the Dutch case have also pointed to the extreme fiscal treatment gap between employees and own-account workers as an explanation for the deviant trajectory of the Netherlands (Milanez and Bratta, 2019; OECD, 2019; Commissie Regulering van Werk, 2020: 21; *Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 46). When the European Commission advised the Dutch government on its response to the swift expansion of own-account work, it therefore suggested ‘...reducing tax distortions favoring self-employment...’ and ‘...promoting access of the self-employed to affordable social protection’ (European Commission, 2017: 5).



**Figure 4.2.** Own-account work development between 1992 and 2022 in selected EU countries.  
*Note:* The employment statistics were collected from people between 15 and 64 years of age. Total employment is computed as the sum of the total number of employees and the self-employed. As including all countries would hamper the readability of the graph, I selected representative countries from the European own-account work distribution.  
*Source:* Eurostat European Labor Force Survey.

To illustrate, A. Milanez and B. Bratta (2019: 48) simulated the costs for employers to attract labor across work arrangements in the Netherlands in 2017. The study first assumed an employee with gross earnings of 50,909 euros and compared costs with other work arrangements, keeping take-home pay constant. In such a case, the total employment cost of an employee for a firm would be 64,960 euros. In contrast, the company only had to pay 40,911 euros to an own-account worker for equal take-home pay. The main reason for this divergence is that Dutch social protection leans heavily on employer contributions (Van den Berg, 2017: 166). This financial structure stimulates employers to hire own-account workers for whom employers do not have to contribute to unemployment and disability insurance, early retirement schemes, and private pensions (Milanez and Bratta, 2019: 28, 49–50).

Milanez and Bratta's analysis also addressed potential financial incentives for the own-account worker by keeping total employment costs rather than take-home pay constant (Milanez and Bratta, 2019: 50–1). Assuming total employment costs of 64,960 euros, take-home pay for own-account workers would be 44,434 euros compared to 31,821 euros for an employee. This difference is mainly because own-account workers are not required to contribute to a private pension scheme and to self-insure against disability and unemployment in the Netherlands (*Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 40, 43). Consequently, the Dutch own-account workers' high take-home pay comes with little social protection, while private insurance is relatively expensive. Although employer social contributions cause roughly three-quarters of the take-home pay differences, income, corporate, and dividend tax account for most of the final quarter (Milanez and Bratta, 2019: 38, 49–50). Regarding income tax, the gap primarily results from two tax deductions for own-account workers unavailable to employees: the Self-employed Tax Deduction (*Zelfstandigenaftrek*) and the SME Profit Exemption (*MKB-winstvrijstelling*) (*Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 38–9). Whereas the first is a lump sum, the latter constitutes a share. By lowering taxable income, these tax deductions reduce the tax pressure on own-account workers and allow them to access income-dependent provisions more easily (Van den Berg, 2017: 154). Bargaining power determines who benefits from the margin resulting from the tax deductions and lack of social contributions. Since Milanez and Bratta's analysis of the fiscal system in 2017, reforms have reduced the fiscal treatment gap. I delve into these policies at the end of the chapter.

Given the likely impact of fiscal policy on own-account work development, I analyze policy discussions on tax deductions and social insurance coverage for the work arrangement in addition to the regulation of the work arrangement itself.

## Reducing deficits to employees

### Income policy and tax deductions

Whereas recent policy reports have problematized favorable fiscal treatment of the self-employed over employees (OECD, 2019), policymakers were concerned about opposite effects when parliament introduced the first Self-employed Tax Deduction. In 1970, the De Jong cabinet (1967-1971), consisting of Christian democrats (KVP, ARP, CHU) and liberals (VVD), proposed the first version of the Self-employed Tax Deduction (*Zelfstandigenaftrek*). The instrument was an initiative of Finance State Secretary Grapperhaus of the KVP that would allow the self-employed to subtract up to 10 percent of their investments from their taxable profits. (*Ministerraad 1970 Notulen 9 and 10 July*, 1970: 18). With the measure, the cabinet tried to stimulate investments among the self-employed, particularly farmers, to ensure their competitiveness in increasingly integrated product markets (*Memorie van toelichting. Wijziging van de inkomstenbelasting en van de loonbelasting*, 1970: 11). Yet, the policy also compensated the self-employed for income tax reforms that had disproportionately affected their income compared with employees (*Ministerraad 1970 Notulen 9 and 10 July*, 1970: 18–9).

Despite the instrument's focus on investments, the cabinet did not want to refer to investments in the policy name, in line with previous tax deductions. The cabinet feared that such a name would invoke employers to call for incorporating all businesses into the scheme. Finance Minister Witteveen of the VVD even worried that a different label was not enough: 'speaker believes that people will see through the name of the Self-employed Tax Deduction and insist on getting an investment deduction for the entire business community. Yet, there is no money available for this' (*Ministerraad 1970 Notulen 9 and 10 July*, 1970: 19). This reasoning shows that the cabinet focused on the worker identity of own-account workers in designing the policy. The government was much more concerned about income differences between the self-employed and employees than about differences between the self-employed and other businesses. When the cabinet discussed the measure, KVP Ministers M.A.M. Klompé and P.J. Lardinois wanted to make the deduction income-dependent but could not convince the Council of Ministers (*Ministerraad 1970 Notulen 9 and 10 July*, 1970: 21–2). Due to the efforts of the three Christian democratic cabinet parties and the opposition, the deduction nevertheless became income-dependent during parliamentary proceedings, decreasing in percentage as incomes increased (*Parool*, 1970). Whereas the cabinet party VVD opposed the income dependency of the instrument, it did not consider it a dealbreaker for the whole tax deduction.

The timing of the reform was also unconventional. Upon cabinet request, the Van Soest Committee was still working on a report on the fiscal treatment gap between employees and the self-employed (*Memorie van toelichting. Wijziging van de*

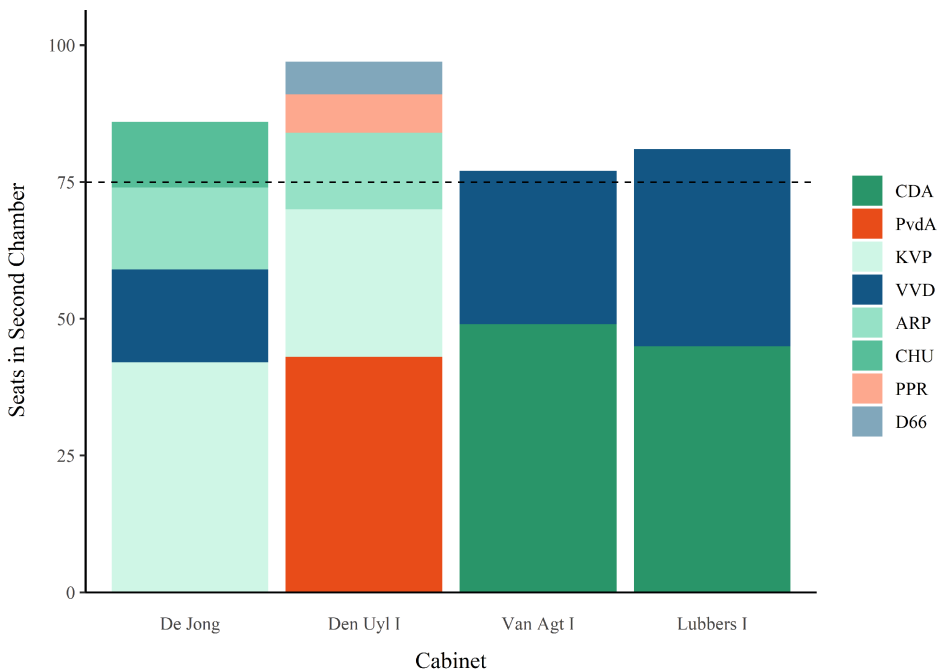
*inkomstenbelasting en van de loonbelasting*, 1970: 11; Commissie-Van Soest, 1971: 3). As the cabinet deemed the situation of the self-employed too urgent to wait and wanted to fulfill its promise of relief toward the self-employed before the elections of 1971, it created the temporary tax deduction in advance (*Memorie van toelichting. Fiscale oudedagsreserve voor zelfstandigen*, 1972: 11; *Memorie van toelichting. Wijziging van de inkomstenbelasting en van de loonbelasting*, 1970: 11; *Ministerraad 1970 Notulen 9 and 10 July*, 1970: 18). Yet, the cabinet pledged that the tax deduction would be revised if the Van Soest Committee recommended other ways of regulation (Interdepartementale werkgroep studie zelfstandigenaftrek, 1982: 3). When the Van Soest Committee published its report, it advocated a different mechanism than a tax deduction. According to the committee, retirement income constituted the critical difference between employees and the self-employed (Commissie-Van Soest, 1971: 6–7). Therefore, it argued for a scheme allowing entrepreneurs to create a pension reserve within their companies under excellent fiscal conditions. After setting up this mechanism, the committee suggested that ‘there was no need for creating another investment incentive’ (Commissie-Van Soest, 1971: 14). That is to say, it argued for replacing the tax deduction with the pension mechanism (*Memorie van toelichting. Fiscale oudedagsreserve voor zelfstandigen*, 1972: 6, 11; *Tweede Kamer 1972 Handelingen 26 September*, 1972: 78). The Biesheuvel II cabinet (1972-1973), comprising Christian democrats (KVP, ARP, CHU) and liberals (VVD), followed the advice and exchanged the tax deduction for the pension mechanism. During parliamentary proceedings, the main opposition party, the PvdA, criticized the reforms for being regressive, as the tax deduction had been particularly beneficial for the low-income self-employed. Nevertheless, the reforms passed parliament comfortably.

In 1975, the tax deduction made a comeback under the auspices of the much more left-oriented Den Uyl cabinet (1973-1977), consisting of social democrats (PvdA), Christian democrats (KVP, ARP), Progressive liberals (D66), and a left-oriented party split from the KVP (PPR). This time, net income rather than investments and pensions constituted the central motivation for the mechanism. Leading up to the yearly deliberations on the government budget, KVP and ARP MPs pushed for a Self-employed Tax Deduction under a certain income threshold, given the lagging income development of the self-employed and high inflation (*Motie Notenboom. Miljoenennota 1975*, 1974; *Memorie van toelichting. Invoering van een tijdelijke zelfstandigenaftrek voor kleinere zelfstandigen*, 1974). In response to the political call for income policy regarding the self-employed, the Council of Ministers initially wanted to compensate the workers through adjustments to the sales tax deduction and health care premiums (*Ministerraad 1974 Notulen 9 October*, 1974: 15–6). Yet, the political pressure from the Christian democratic MPs motivated the cabinet to change course and develop the temporary tax deduction with the income threshold for 1975 and 1976 (*Ministerraad 1974 Notulen 11 October*, 1974: 5–6).

Before introducing the permanent tax deduction in 1983, parliament repeatedly renewed the temporary mechanism (Interdepartementale werkgroep studie zelfstandigenaftrek, 1982: 4, 10–1). In these years, tweaking the height of the tax deduction became the go-to method to adjust for differences in income development between the self-employed and employees. The employers' association of small- and medium-sized enterprises supported the development of this practice (RMKB, 1981: 9–10). Policy documents of the Ministry of Economic Affairs (EZK) show how the tax deduction functioned as an income policy tool. In 1975, EZK bureaucrats advised the Minister to increase the Self-employed Tax Deduction to allow them to keep up with the employees: 'the introduction of the Self-employed Tax Deduction of 1,200 guilders was done partly to allow the disposable income in small and medium-sized enterprises to keep up in 1975. Current data, however, indicates that a deduction of 1,200 guilders is insufficient; from this perspective, therefore, an increase to 1,600 guilders should be applauded' (EZK, 1975). Over time, the provision became more generous to prevent the self-employed from falling behind. From an income policy perspective, the choice for this tool was pragmatic. According to an internal policy document from EZK bureaucrats, the tax deduction '... turned out as the only possible instrument to affect net income development' (EZK, 1981: 6).

Like the Van Soest Committee, the Hofstra Committee, assigned to evaluate the Dutch fiscal system, advocated abolishing the temporary tax deduction. As the Hofstra Committee proposed an inflation-neutral tax collection system, it argued there was no need for the tax deduction to compensate for the unequal inflation impact across workers (Hofstra, 1978: 182–3). In response to the call for a systemic shift by the Hofstra report, the Van Agt I cabinet (1977–1981), comprising Christian democrats (CDA) and liberals (VVD), argued that the extraordinary economic conditions required more ad-hoc solutions (Minister FIN Andriessen and State Secretary FIN Nooteboom, 1978: 3). Instead, policymakers increasingly considered introducing a permanent tax deduction due to the repeated renewal of the temporary instrument. In 1979, the Second Chamber supported a motion advocating a study into a permanent tax deduction after voting for yet another renewal (*Motie Van Rooijen. Verlenging van de geldingsduur van de tijdelijke zelfstandigenaftrek voor kleinere zelfstandigen in de inkomstenbelasting*, 1979; *Tweede Kamer 1979-1980 Handelingen 27 November*, 1979: 1564). Contrary to the previous policy committees, the resulting commission recommended introducing a permanent tax deduction (Interdepartementale werkgroep studie zelfstandigenaftrek, 1982: 27). During the formation of the first Lubbers cabinet (1982–1986), the Christian democratic-liberal coalition committed itself to the conclusion of the latter report (Sleddering, 1983), resulting in the replacement of the temporary with the permanent tax deduction in 1983 (*Memorie van toelichting. Invoering van een permanente zelfstandigenaftrek in de inkomstenbelasting*, 1983: 9). The maximum of the

new deduction was substantially higher and would be corrected for inflation in future years. Like the temporary tax deduction, the permanent mechanism targeted low- and middle-income groups. (Sleddering, 1983; *Memorie van toelichting. Invoering van een permanente zelfstandigenaftrek in de inkomstenbelasting*, 1983: 7–8). The size of the tax deduction decreased with higher income and became zero above the threshold of 80,000 guilders. Given the broad support for its temporary precedents, it comes as no surprise that the permanent tax deduction comfortably passed parliament (*Tweede Kamer 1983-1984 Handelingen 13 December*, 1983: 1852). Still, the social democratic PvdA used the parliamentary proceedings on the act to criticize the creation of an imbalance with employees: they had no similar inflation correction mechanism (*Tweede Kamer 1983-1984 Handelingen 6 December*, 1983: 1744).



**Figure 4.3.** Composition of cabinets supporting the Self-employed Tax Deduction between 1970 and 1983.

*Note:* For every cabinet, the cabinet parties are stacked based on their size in the Second Chamber. The bar starts with the largest cabinet party and ends with the smallest one. The black dashed line reflects the number of seats required for a political majority in the Second Chamber.

*Source:* ParlGov.

In short, there was broad political support for the Self-employed Tax Deduction targeted at low- and middle-income groups between 1970 and 1983. Although Christian democratic-liberal cabinets played the most prominent role, the much more left-oriented

Den Uyl cabinet similarly pushed for the tax deduction, underlining the degree of political consensus on the issue (see Figure 4.3). In designing the tax deduction and adjusting its height, policymakers focused on the worker identity of the self-employed, aiming to decrease the income differences between the self-employed and employees.

### **Incorporating the self-employed in compulsory social insurance**

In the first half of the twentieth century, social insurance coverage for the self-employed became a salient societal topic (Kappelhof, 2004: 75). In the pillarized Dutch society, the self-employed found themselves at the crossroads of two competing visions of social protection. Whereas the Christian democratic parties, employers' associations, and trade unions typically preferred social security based on the insurance principle and administered by organized interests, the socialist pillar advocated for universal provisions organized by the state and financed through taxes (Oude Nijhuis, 2018: 100, 107–8). On labor market risks, the insurance vision of social protection, by and large, triumphed until the first oil shock (Huber and Stephens, 2001: 165). In addition to fundamental objections to compulsory participation, there were many practical difficulties with including the self-employed in these schemes. Many self-employed, for instance, did not earn enough income to pay for the premiums required for social insurance, while there was insufficient political support for redistribution of labor market risks (Oude Nijhuis, 2018: 107–8). Regarding unemployment insurance, policymakers were particularly hesitant about including the self-employed, given the difficulty of identifying unemployment in this group and the prominent role of personal decisions in the process (Van den Berg, 2010: 36). This explains why compulsory disability insurance for the self-employed has consistently been more politically feasible than similar protection against unemployment.

Societal discussion on disability insurance coverage for the self-employed took off during the second half of the 1950s. Anticipating major disability reform in 1957, the Social and Economic Council advised maintaining the voluntary approach to the self-employed. The SER argued that the perceived costs of inclusion by force likely outweighed the benefits: 'the self-employed in a compulsory disability insurance scheme, in which there is only a relatively small chance of retrieving benefits, are likely to experience the element of coercion, expressed in the obligation to pay premiums, more strongly than the social security, which lies in the partial income compensation in case of disability' (SER, 1957: 16). The advice also underlined the difficulty of realizing affordable premiums given the precarious income situation of many self-employed. Following the SER's rationale, the government excluded the self-employed from its disability insurance bill (*Memorie van toelichting, Arbeidsongeschiktheidsverzekering*, 1963: 13). Leading up to the introduction of disability insurance for employees in 1966, societal deliberation again addressed coverage for the self-employed. This time, the Social and Economic Council



advocated a separate, subsistence-level scheme (SER, 1965: 6). The SER attributed the shift in recommendations to its survey of interest groups of the self-employed. Most of them recognized the social importance of collective disability insurance but expressed concerns about the affordability of premiums (SER, 1965: 4–5). Since the last advice, the government had also successfully introduced some premium-based provisions for the self-employed. Contrary to most SER members, representatives of liberal professions and an important SME interest group, the *Koninklijke Nederlandse Middenstandsbond*, wanted to maintain voluntary insurance. In the following years, the SER's reporting suggested that the dominant view of the interest groups of the self-employed changed yet again. Although these interest groups still supported compulsory disability insurance for the self-employed, the Social and Economic Council stated that the self-employed in agricultural and small- and medium-sized enterprises now preferred a universal, subsistence-level scheme rather than a separate one (SER, 1970: 18). In response, the Christian democratic-liberal De Jong cabinet (KVP, VVD, ARP, CHU) quickly adopted the initiative for universal disability insurance and asked the SER for further advice (SER, 1972: Bijlage I). It would take until May 1972 for the SER to present its report, close to the next election cycle.

With these elections, Dutch politics conducted a left turn. The left-oriented Den Uyl cabinet provided an impetus for universalism in the Dutch welfare state (Huber and Stephens, 2001: 165–6). As the earlier developed initiative for universal disability insurance fitted well within this policy agenda, the cabinet took up the initiative and guided it through parliament in 1975 (Roebroek and Hertogh, 1998: 333; Van den Berg, 2010: 38). In the act's explanatory note, the cabinet argued that it saw no reason for discriminating in social insurance coverage against long-term disability between employees and the self-employed. Instead, it stated that 'In the area of long-term disability, it is also about a social risk that applies to the entire population. Given the previous, it is, in our opinion, in line with the development of social insurance in the Netherlands to also cover disability risk through universal insurance' (*Memorie van toelichting. Algemene arbeidsongeschiktheidsverzekering*, 1975: 42). The reasoning aligns with the broader policy narrative that stressed the similarities between the self-employed and employees, justifying a reduction of fiscal differences between both groups.

Whereas the first Den Uyl cabinet built on the work of its predecessor in introducing universal disability insurance, the government went beyond earlier cabinets by incorporating the self-employed in long-term unemployment insurance (SER, 1976b: Bijlage I). At the time, unemployment benefits for employees were divided between an insurance scheme for the first six months (WW) and tax-financed benefits for the long-term unemployed between six and 30 months (WWV) (Roebroek and Hertogh, 1998: 337–8). The self-employed primarily relied on company termination policies to provide income replacement in the case of unemployment, but coverage was limited

(SER, 1976b: 6–7). The company termination policies, for instance, did not cover liberal professions. As similar structural factors caused unemployment for the self-employed and employees, and the first typically ended up in a more precarious situation upon unemployment, the SER suggested that unemployment insurance coverage for the self-employed was necessary to achieve social equality between the self-employed and employees (SER, 1976b: 4–5, 12). The argumentation of the Social and Economic Council is indicative of the dominant policy narrative in this period with its emphasis on the similarities between the self-employed and employees to justify reforms reducing treatment differences. Yet, this equalization was complicated in practice, as the WW drew on the insurance principle. As the self-employed were not obliged to contribute to unemployment insurance, the SER argued that it was unfair to incorporate them within the WW (SER, 1976b: 12–4). Instead, the SER proposed integrating them into the publicly funded, long-term unemployment scheme after six months of unemployment (SER, 1976b: 12–4). The cabinet followed the SER advice and incorporated the self-employed in the WWV (Oude Nijhuis, 2018: 144). The timing of the disability and unemployment coverage extensions is striking in hindsight, as it occurred when social insurance costs sharply increased due to the spiking labor market inactivity after the first oil shock. Given the dominant policy narrative, however, the economic downturn actually underlined the justification for extending social insurance coverage among most policymakers. As the self-employed faced the same exogenous shocks as employees, they deserved similar coverage.

With the reintroduction of the Self-employed Tax Deduction and their integration into disability and long-term unemployment insurance, the income and insurance deficit of the self-employed compared to employees sharply decreased during the rule of the Den Uyl cabinet. Based on this observation, one might deem the left turn of power in Dutch politics in the 1970s responsible for this shift. Yet, such a conclusion would disregard that earlier Christian democratic–liberal cabinets already paved the way for the most important policy changes (the Self-employed Tax Deduction and universal disability insurance), and these provisions continued in the immediate years after the Den Uyl government when left-wing parties were less powerful. Instead, the reforms occurred as policymakers adhered to a narrative that emphasized the similarities between the self-employed and employees in designing policies for the self-employed. This is not to say, that all parties wanted exactly the same policies, as indicated by the long-term unemployment insurance initiative of the Den Uyl cabinet and discussions on low- and middle-income targeting. Yet, the Christian democratic, social democratic, and liberal parties adopted the same policy narrative on the self-employed that steered income policy and social insurance coverage for this group in a common direction despite variation in power relations, contradicting the proposition of power resources theory.

## **Building the ‘entrepreneurial society’**

During the mid-1980s, the focus of policymakers gradually shifted. With the shift to the supply-side policy paradigm, the Christian democratic-liberal cabinets increasingly adhered to an entrepreneurial narrative on own-account work in the context of the inactivity crisis of the Dutch welfare state. This policy narrative informed policies that financially stimulated entrepreneurship and reduced the regulatory burden that businesses faced. According to the entrepreneurial narrative, such relief would enable businesses to invest, generate economic growth, and create jobs, reducing the inactivity problem. Rather than suppliers of labor, the narrative portrayed own-account workers as a source of economic dynamism, deserving of favorable fiscal treatment. Fiscal differences between businesses rather than fiscal differences between the self-employed and employees became a core policy consideration.

### **Tax cuts to stimulate entrepreneurship**

Cabinet negotiations on the Self-employed Tax Deduction in October 1983 provided the first indication of a shifting approach toward own-account work. As the Christian democratic-liberal Lubbers I cabinet increasingly looked at supply-side instruments to solve the inactivity crisis, it developed a business tax relief package to increase private profitability and stimulate job growth. Although a corporate tax reduction constituted the most impactful reform, the package also contained additional funds for the Self-employed Tax Deduction. Leading up to a meeting in the Council of Ministers, the Ministry of Finance (FIN) and the Ministry of Economic Affairs (EZK) debated how to spend the additional funds for the tax deduction in the relief package. Whereas the Finance Ministry wanted to remove the income dependency from the tax deduction, the Economic Affairs Ministry preferred to keep this structure intact (Van de Graaf, 1983: 1, Attachment I). By removing the income dependency, the proposal of the Finance Ministry would spend most of the additional funds on high incomes. In the Council of Ministers, Finance Minister Ruding (CDA) and Finance State Secretary H.E. Koning (VVD) received broad criticism for their proposal, as the Social Affairs Minister De Koning (CDA) and the representatives of the Ministry of Agriculture and Fishery sided with the positioning of the Ministry of Economic Affairs (*Ministerraad 1983 Notulen 14 October*, 1983: 13–5). In the next week, negotiations between the departments resulted in a cabinet compromise (*Ministerraad 1983 Notulen 21 October*, 1983: 14). With this deal, the tax deduction increased substantially across the income distribution and remained income-dependent (Minister FIN Ruding and State Secretary FIN Koning, 1983). Yet, the mechanism lost some of its targeting at low- and middle-income groups due to the removal of its income threshold. Consequently, high incomes now also became eligible for the deduction, even when their deduction was smaller than for lower incomes.

During parliamentary proceedings on the reform, the two largest opposition parties, the PvdA and D66, criticized the change from a low- and middle-income measure to a generic instrument (*Tweede Kamer 1983-1984 Handelingen 20 June, 1984: 5329–30, 5338; Eerste Kamer 1984-1985 Handelingen 6 November, 1984: 62, 79*). Yet, the cabinet argued that the adjustments fitted its tax relief agenda. Rather than correcting differences between workers, the changes to the tax deduction intended to equalize treatment between businesses under income tax and companies under corporate tax (*Memorie van toelichting. Verlaging van het tarief van de vennootschapsbelasting alsmede wijziging van de zelfstandigenaftrek in de inkomstenbelasting, 1984: 4, 7*). Despite the opposition of the PvdA, PSP, and CPN, the reform passed the legislative process (*Eerste Kamer 1984-1985 Handelingen 6 November, 1984: 87*).

The focus on the entrepreneurial identity of own-account workers continued throughout the 1990s and 2000s. The 1990s and 2000s comprised fierce international competition based on corporate tax rates (Genschel and Schwarz, 2011: 356). Small countries particularly corrected their corporate tax rates downward. The conventional explanation for this difference is that smaller countries are more likely to offset the domestic base's tax revenue loss from a corporate tax cut by the additional inflow from corporations abroad (Genschel and Schwarz, 2011: 341–2). The Netherlands neatly fitted this pattern. In 1994, the third Lubbers cabinet (1989-1994), consisting of Christian democrats and social democrats, combined an increase in the Self-employed Tax Deduction with a corporate tax decrease to stimulate employment (*Memorie van toelichting. Aanpassing gedifferentieerd tarief en verhoging van de zelfstandigenaftrek, 1994: 1–2*). Replacing the right-oriented VVD in the cabinet with the left-oriented PvdA did not alter this part of the policy agenda. As the VVD continued its support for tax relief despite its role in the opposition, a parliamentary majority supported the proposal (*Tweede Kamer 1993-1994 Handelingen 21 June, 1994: 5422, 5426*). In its yearly budget, the cabinet framed the measure as a way to improve the 'fiscal infrastructure' of the Netherlands in light of the challenges of globalization (*Nota over de toekomst van 's rijks financiën. Tekstgedeelte van de Miljoenennota 1995, 1994: 47*). In this fiscal infrastructure, the Self-employed Tax Deduction functioned as a way of 'making starting an enterprise more attractive' (Minister EZK Andriessen, 1994: 11).

This argumentation fits the broader narrative of the 'entrepreneurial society' which became influential among policymakers in the mid-1990s. At the 1995 Bilderberg Conference, the Christian peak employers' association (NCW) called for creating an entrepreneurial society to deal with structural unemployment and the increased competition in European and world markets (Klamer, 1994: 6, 10–1, 27). The discussion document portrayed small- and medium-sized enterprises as the primary job creators and motivated political parties to facilitate their entrepreneurship. Notably, own-account work played no substantial part in the flexibility and security negotiations that were

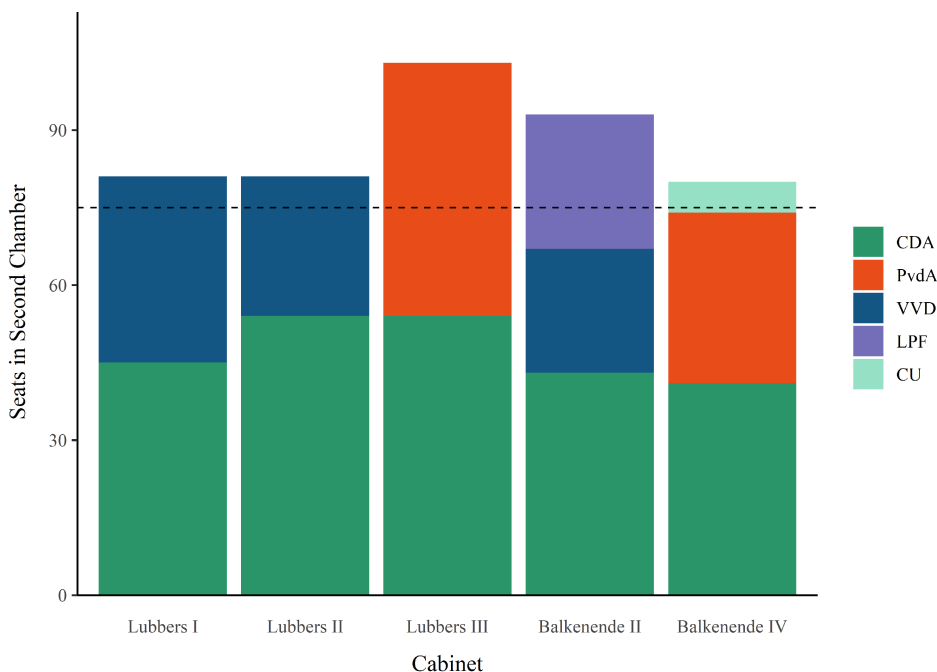
occurring at the same time, despite the strong growth of the work arrangement since the mid-1990s. Instead, the labor market flexibility and entrepreneurial society discussions occurred separately.

The critique of the entrepreneurial policy perspective on own-account work came from an unlikely source. The largest employers' association of SMEs (MKB-Nederland) warned that the broad interpretation of entrepreneurship incited competition based on work arrangements (MKB-Nederland, 1999: 31, 33–4). The association identified a structural shift among small- and medium-sized enterprises from companies with employees to own-account workers (MKB-Nederland, 1999: 11). Given the differential fiscal treatment, own-account workers unfairly competed with companies with employees. Employers could hire own-account workers to pass on employment risks, resulting in the expansion of the work arrangement (MKB-Nederland, 1999: 33–4). MKB-Nederland, moreover, pointed out that the tendency of healthy workers to opt for own-account work undermined the sustainability of public insurance schemes (MKB-Nederland, 1999: 35). MKB-Nederland called for a discussion on the areas of regulation where work arrangements should be allowed to compete, problematizing fiscal treatment differences (MKB-Nederland, 1999: 40).

Regardless of the warnings of MKB-Nederland, the fiscal regime for own-account workers became even more generous throughout the 2000s (*Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 40). Another increase in the Self-employed Tax Deduction in 2005 and the introduction of the SME Profit Exemption (*MKB-winstvrijstelling*) in 2007 constituted the most impactful events. The justification for the tax relief aligned with previous increases. The Balkenende II cabinet (2003–2006), comprising Christian democrats (CDA) and liberals (VVD, D66), argued that restoring Dutch businesses' competitiveness required further tax cuts (*Memorie van toelichting. Belastingplan 2005*, 2004: 2; *Nota naar aanleiding van het verslag. Belastingplan 2005*, 2004: 2). Whereas the reduction of corporate tax constituted the central element of the tax cuts, the cabinet, again, used an expansion of the Self-employed Tax Deduction to equalize the fiscal treatment of entrepreneurs under income and corporate tax. The introduced increase of the tax deduction was dramatic: 39 percent in 2005, with more minor follow-ups in 2006 and 2007 (*Memorie van toelichting. Belastingplan 2005*, 2004: 13; *Staatsblad. Belastingplan 2005*, 2004: 3, 5–6).

As part of an act with the telling title 'Working on profits', the Christian democratic-liberal cabinet also proposed the SME Profit Exemption, which would reduce the taxable profits of entrepreneurs covered by income tax by 10 percent (*Memorie van toelichting. Wet werken aan winst*, 2006: 1, 9). The justification of the broader law again emphasized the importance of the domestic business climate, achieved through competitive tax pressure, to thrive in increasingly global markets. These thriving companies would, in turn, generate innovation and employment. More specifically, however, the second

Balkenende cabinet argued that SMEs already paid a special tariff under corporate tax, justifying an adjustment of the income tax regime with a ‘similar incentive for entrepreneurial activities ... (profit pays off)’ (*Memorie van toelichting. Wet werken aan winst*, 2006: 9). The Balkenende III cabinet (2006-2007), consisting of the Christian democratic CDA and the liberal VVD, picked up the proposal of its predecessor and easily guided it through parliament in 2006 (*Eerste Kamer 2006-2007 Handelingen 28 November*, 2006: 408). This reform further underlines how the dominant policy narrative had shifted from a focus on equal treatment between workers to an emphasis on equal treatment between entrepreneurs covered by income and corporate tax. Due to consecutive corporate tax cuts and corrections for entrepreneurs under income tax, the fiscal treatment of own-account workers and employees drifted apart.



**Figure 4.4.** Composition of cabinets supporting tax relief for own-account workers between 1982 and 2010.

*Note:* For every cabinet, the cabinet parties are stacked based on their size in the Second Chamber. The bar starts with the largest cabinet party and ends with the smallest one. The black dashed line reflects the number of seats required for a political majority in the Second Chamber.

*Source:* ParlGov.

Twelve years after NCW’s publication on the entrepreneurial society, the rhetoric still prevailed in the cabinet. In 2007, the Balkenende IV cabinet (2007-2010), comprising Christian (CDA, CU) and social democrats (PvdA), published a policy document calling

for stimulating entrepreneurship, given its role as ‘the driving force of the economy’ (State Secretary EZK Heemskerk et al., 2007: 1). The State Secretaries of Economic Affairs (F. Heemskerk; PvdA), Social Affairs (A. Aboutaleb; PvdA) and Finance (J.C. de Jager; CDA) sent the letter to parliament. Contrary to NCW’s publication, own-account work played a central role in this new vision of the entrepreneurial society (State Secretary EZK Heemskerk et al., 2007: 3). In the fourth Balkenende cabinet, the social democratic cabinet presence in the relevant ministries did not bring about a significant shift in rhetoric, indicating broad societal support for the entrepreneurial vision on own-account work. Instead, the report justified income differences between own-account workers and employees: ‘Independent entrepreneurs start a business at their own expense and risk... in return, the entrepreneur benefits to a greater extent from the business’ profits’ (State Secretary EZK Heemskerk et al., 2007: 8). The cabinet hailed the efforts of the previous cabinet to improve the ‘fiscal entrepreneurial climate’ through tax relief and formulated ‘the intention to continue this policy agenda by further fiscally promoting independent entrepreneurship’ (State Secretary EZK Heemskerk et al., 2007: 13). The composition of cabinets supporting tax relief, again, suggests broad political support for the reform agenda (see Figure 4.4).

### **Entrepreneurial risks and rewards: abolishing compulsory social insurance**

Concerning social insurance, the entrepreneurial narrative on own-account work informed a move away from ‘restrictive’ universalism between 1984 and 2022. As with the tax cuts for businesses, the political coalition between Christian democrats and liberals played a central role in this process.

Although the commonality of difficult economic circumstances had served as an argument for universal coverage during the Den Uyl cabinet, the resulting spike in social insurance costs became an argument for welfare state retrenchment under the Lubbers and Balkenende cabinets. In 1986, the first Lubbers government introduced cuts to disability and unemployment schemes, sidestepping the social partners (Oude Nijhuis, 2018: 228, 230). As part of the austerity agenda, the Christian democratic-liberal government combined the WW and WVV into a single unemployment insurance scheme primarily financed through premiums. As the target group of both schemes diverged, discussion followed on which workers the new provision had to cover. The cabinet decided to copy the earlier Unemployment Insurance Act’s target group and excluded the self-employed, drawing on SER advice against compulsory, universal insurance. The SER’s primary justification for the differential treatment of employees and the self-employed on unemployment was the self-employed’s control over the management and liquidation of their companies in contrast to employees (SER, 1984: 157; *Memorie van toelichting. Werkloosheidswet*, 1985: 34–5). The practicalities of measuring

unemployment among the self-employed constituted another concern. Although the Social and Economic Council advocated the exclusion of the self-employed from the new unemployment insurance bill, it argued for the inclusion of the self-employed in a tax-financed provision for old, long-term unemployed workers (SER, 1985: 40–1, 1984: 157).

While adopting the first advice, the Lubbers I cabinet initially declined to follow the latter. It argued that access to the latter scheme drew on earlier reception of unemployment benefits and that creating a separate entry condition for the self-employed would constitute discrimination between workers (*Memorie van toelichting. Werkloosheidswet*, 1985: 35). Nonetheless, there was broad support within the Second Chamber for a motion by MPs G. Gerritse and C.M.A. Bosman (1986) of the largest cabinet party (CDA) during the parliamentary proceedings on the social insurance reform package, calling for social assistance for the older self-employed experiencing structural unemployment. The motion recognized the differences between employees and the self-employed pointed out by the cabinet. Still, the proponents suggested that, at this age, the shared inability of the older self-employed to create sufficient wealth before retirement legitimized social assistance without a wealth-based means test. The parliamentary support for this provision, in turn, moved the cabinet to conduct a turn and prepare a law proposal, which the second Lubbers cabinet (1982–1986), comprising the same political parties as its predecessor, adopted (*Ministerraad 1986 Notulen 10 July*, 1986: 34; *Memorie van toelichting. Wet inkomensvoorziening oudere en gedeeltelijk arbeidsongeschikte gewezen zelfstandigen*, 1986: 1). The result was a social assistance scheme covering long-term unemployed, self-employed workers aged 55 and above, enacted in 1986. Although a political concession, the significance of the act should not be overstated. Due to its strict and specific targeting, this social assistance scheme has consistently had few recipients. In 1991, just over 3,000 people received these benefits (CBS Statline, 2003). Nowadays, the figure has dropped to around 2,000 (CBS Statline, 2022b). To compare, almost 60,000 ex-self-employed received disability insurance between 1998 and 2004 (*Memorie van toelichting. Wijziging van de inkomstenbelasting en van de loonbelasting*, 1970: 8).

Given the practical difficulties of providing unemployment insurance coverage for the self-employed, disability insurance arguably gives a clearer picture of changing visions on the regulation of own-account work. In 1998, the first Kok cabinet (1994–1998), consisting of social democrats (PvdA) and liberals (VVD, D66), separated disability insurance for the self-employed and employees (Oude Nijhuis, 2018: 256–7). The subsidiarity principle was at the heart of the cabinet's broader reform package, suggesting that public insurance was only justified when there were no sufficient private alternatives. Initially, the cabinet argued that private alternatives for own-account workers' disability insurance were insufficient (for the time being), resulting in a continuation of public disability insurance coverage for the self-employed through



the separate scheme (Van den Berg, 2010: 39–41). The premiums for the separate scheme slightly differed from its universal predecessor. The cabinet introduced an income floor for contributions to avoid unreasonable pressure of premiums on the low-income self-employed, resulting in risk redistribution between income groups (StvdA, 2020: 27). Seven years later, the assessment of the Christian democratic-liberal Balkenende II cabinet was the complete opposite. The right-oriented cabinet proposed to phase out compulsory disability insurance for the self-employed as part of a broader welfare state retrenchment agenda aimed at improving labor market participation (CDA et al., 2003: 4). Given the entrepreneurial nature of self-employment, the cabinet argued that there was no valid reason for compulsory disability insurance for this group. The explanatory note of the law proposal stated that ‘The self-employed explicitly choose for autonomous entrepreneurship themselves, with the corresponding opportunities and risks. Public disability insurance, then, is not sensible’ (*Memorie van toelichting. Wet einde toegang verzekering WAZ*, 2004: 2). Instead, the cabinet stated that disability of the self-employed constituted a risk that the private market could aptly cover.

In its argumentation, the Social Affairs Minister also drew on reports that suggested that the self-employed opposed the separate disability scheme due to its risk redistribution and high premiums (*Memorie van toelichting. Wet einde toegang verzekering WAZ*, 2004: 3). Supported by interest groups of SMEs and the agricultural sector, high earning self-employed indeed argued that benefits were too low compared with contributions (Oude Nijhuis, 2018: 273–4). At the same time, advisory boards pointed to uninsurable risks as a weakness of the cabinet proposals (Raad van State, 2004a: 2). According to the government, the solution for these risks nevertheless needed to be found in the private sector: ‘In the government’s view, potential uninsurability is a private problem that requires a private solution. Providing a public solution contradicts the idea behind the abolition of the WAZ [separate disability scheme for the self-employed]’ (Raad van State, 2004a: 3). During the parliamentary proceedings, the left-wing political parties (PvdA, SP, Groenlinks (GL)) unsuccessfully pressed the cabinet for guarantees on insurance coverage for ‘bad’ risks (*Tweede Kamer 2003-2004 Handelingen 3 June*, 2004: 5160). Due to the cabinet’s majority support, the proposal managed to pass parliament without such guarantees in 2004 (*Eerste Kamer 2003-2004 Handelingen 5 July*, 2004: 2050). After the abolition of compulsory disability insurance, only a third of the self-employed privately insured themselves (Oude Nijhuis, 2018: 311). Ever since the difference in disability coverage has contributed to the fiscal treatment gap between own-account workers and employees.

The justification for abolishing the separate disability scheme shows how the dominant policy narrative had changed. The discussions on universal insurance for labor market risks in the 1970s focused on the similarities between workers with different work arrangements, warranting an equalization of insurance coverage and risk redistribution

between different groups of workers. Conversely, reforms after this period started from the notion that own-account workers were different due to their entrepreneurial nature and, therefore, also deserving of different treatment. Accordingly, insurance had to be private and voluntary, while government policy fixated on facilitating private insurance coverage at reasonable prices (State Secretary EZK Heemskerk et al., 2007: 9). The competing nature of work arrangements was surprisingly absent in this assessment.

Whereas the Christian democratic-liberal De Jong cabinet had previously taken up the initiative of universal disability insurance, the Christian democratic-liberal Lubbers and Balkenende cabinets were critical in dismantling disability and long-term unemployment insurance coverage for the self-employed. Therefore, power relations between Christian democratic, liberal, and social democratic parties have little explanatory power regarding the policy change, in contradiction with the proposition of power resources theory. Instead, the supply-side paradigm shift altered political preferences and behavior on own-account work by the same cabinet parties, supporting the proposition of the policy paradigm literature.

### **The role of deregulation**

Although fiscal reforms impacted the development of own-account work throughout the study period, deregulation also played a substantial role during the mid-2000s. With the increasing fiscal treatment gap between employees and own-account workers, the distinction between genuine and bogus own-account work became ever more salient. Yet, the public authorities in charge of taxation and social insurance developed different conditions for assessing whether a worker had to be classified as an employee or an own-account worker (Aerts, 2007: 216–7). This evaluation, moreover, formally occurred after the assignment, leaving principals in doubt about the taxes and premiums they needed to pay for hiring the labor services of a specific worker.

To mitigate the risk of ex-post levies, user organizations and interest groups of own-account workers pushed for more ex-ante clarity. In response, the Kok II cabinet (1998–2002), comprising social democrats (PvdA) and liberals (VVD, D66), developed the Work Arrangement Declaration in 2001. Through a single form, own-account workers would receive a declaration with their legal status and liability regarding tax and social premiums (Van den Berg, 2017: 169, 2010: 23; Aerts, 2007: 219). Although legislators wrote the act in response to societal demands, interest groups of own-account workers and employers criticized the reform for lacking a binding element, leaving the risk of ex-post corrections intact and, therefore, discouraging principals from using the work arrangement (Aerts, 2007: 228–9; *Memorie van toelichting. Wet einde toegang verzekering WAZ*, 2004: 2). From the government perspective, this possibility was a tool to combat bogus contracting. Yet, the Christian democratic-liberal Balkenende II cabinet caved in to the societal pressure and removed the possibility for ex-post corrections with broad

support in parliament (*Memorie van toelichting. Wet uitbreiding rechtsgevolgen VAR*, 2004: 2; *Tweede Kamer 2004-2005 Handelingen 9 November*, 2004: 1193). The declaration could now only be revoked for future years, giving it a more binding character (Van den Berg, 2017: 25, 169; Aerts, 2007: 238–9). Enforcement, moreover, strictly focused on the agent, not the principal, as the agent was solely responsible for the form's correctness.

During the legislative proceedings, the *Raad van State*, an advisory council on the technical aspects of legislation, criticized the unbalanced nature of the proposed reform. According to the advisory council, the reform provided genuine own-account workers and principals security but hampered vulnerable workers' positions who could now be more easily forced into bogus contracting constructions (Raad van State, 2004b: 2–3). In the following years, the practice on the work floor developed in line with the council's critique. As the legislation allowed principals to pass on liability for the work arrangement and enforcement was lackluster due to the overwhelming demand for declarations, the reform unintendedly facilitated bogus contracting (Boot et al., 2016: 11–2; Van den Berg, 2017: 169, 2010: 25). The mechanism allowed ill-intended employers to pass the risks of bogus constructions onto the worker, while they could reap the fiscal rewards.

## **Problematising treatment differences between workers**

### **Combatting bogus contracting**

It took a while before the facilitation of bogus contracting through the work arrangement declaration became politically controversial. In the 2007 policy document of the Balkenende IV cabinet on independent entrepreneurship, there was no mention of criticism of the Work Arrangement Declaration Act. Instead, the cabinet, comprising Christian (CDA, CU) and social democrats (PvdA), presented the reform of its predecessor 'as a solution for the problem that user organizations risked being confronted with post levies... hampering the competitive position of own-account workers' (State Secretary EZK Heemskerk et al., 2007: 14). The government still focused on the burden of regulation on own-account workers. Interest groups of the self-employed stressed the importance of the security provided by the declaration to the cabinet (State Secretary EZK Heemskerk et al., 2007: 14). Yet, criticism among policymakers increased at the end of the cabinet period. In 2008, the Ministry of Social Affairs commissioned a study reporting that 260,000 of 640,000 own-account workers (40.6%) engaged in activities similar to employees. This group was likely sensitive to regulatory differences between work arrangements. At the same time, the study found that merely 1.2 percent involuntarily worked on their own account.

After the study, the fourth Balkenende government requested advice from the SER on how to deal with the increasingly blurred borders between own-account workers and traditional employees (SER, 2010: 168–9). The central question was whether the rise in own-account workers offering labor services required a change of regulatory approach. After decades of negligence, the differences between the work arrangements of the self-employed and employees were back on the societal agenda. Despite a lower effective tax rate on own-account workers than employees, the Social and Economic Council argued that the income tax treatment of both groups was balanced when considering the different challenges they faced: ‘... the fiscal facilities for own-account workers are partly aimed at enabling those involved to create their own social provisions, while resources, moreover, must be available for investments in the enterprise and for buffers in worse times. In the council’s view, there are no indications of disproportionate fiscal facilitation of entrepreneurship’ (SER, 2010: 144–5). The SER also subscribed to the (until then) prevailing voluntary approach to disability insurance for the self-employed (SER, 2010: 147). Consequently, it saw no reason for fundamental change. For the recently enacted, right-oriented Rutte I cabinet (2010–2012), consisting of the liberal VVD, the Christian democratic CDA, and supported by the Freedom Party (PVV), the SER advice justified its agenda of staying the course of fiscal encouragement and voluntary insurance (Minister SZW Kamp, 2011: 2). Despite the upsurge in attention, the dominant view among policymakers was still that the differential fiscal treatment of employees and own-account workers was justified.

Whereas fiscal treatment differences between the self-employed and employees were not yet high on the policy agenda, the societal call for extending the responsibility for the input for the work arrangement declaration to the principal to combat bogus contracting and other malpractices increased (Van den Berg, 2017: 169). In the central agreement of 2013, the social partners requested the cabinet to design new policies to combat bogus contracting (StvdA, 2013: 22). In this policy context, the Rutte II cabinet (2012–2017), consisting of liberals (VVD) and social democrats (PvdA), announced its desire to replace the Work Arrangement Declaration Act with a more balanced variant where principals would be more incentivized to work with own-account workers having a declaration based on correct information (State Secretary FIN Weekers, 2012: 5–6). The cabinet’s first attempt at more balanced regulation was a declaration drawing on a web module-based form with co-responsibility for the principal and reintroduction of ex-post corrections if practice diverged from the form’s input (*Memorie van toelichting. Wet invoering Beschikking geen loonheffingen*, 2014: 3–4). In essence, this reform constituted a return to the situation before the Work Arrangement Declaration Act. In line with positions before this declaration, interest groups of the self-employed put up strong resistance against the reform, while the confederations of employers’ associations and trade unions also suggested alternatives (State Secretary FIN Wiebes, 2015: 1). In

response to the broadly shared societal criticism, the second Rutte government altered its law proposal to the Work Arrangements Assessment Deregulation Act which passed parliament in 2016. As recommended by the interest groups, the law focused on regulating own-account work through model agreements (Boot et al., 2016: 14). If principals used the model agreements and followed their conditions, they received security on their taxes and premiums. At the same time, the regulation allowed them to deviate from the model agreements. Crucially, the public authorities got back their ability to issue ex-post levies and, in some cases, even fines liabilities (State Secretary FIN Wiebes, 2015: 1, 4–5). Due to the co-responsibility of the principal, they could also more easily combat malpractices.

The enforcement of the model agreements turned out difficult in practice. Own-account workers and contracting companies complained about the cumbersome procedure and financial risks if the model did not fit perfectly. These concerns moved the second Rutte government to postpone enforcement while developing alternative regulation (*Tweede Kamer 2016-2017 Handelingen 8 December*, 2016: 1–2). In 2017, the Rutte III cabinet (2017-2022), comprising liberals (VVD, D66) and Christian democrats (CDA, CU), announced own-account work reforms in its coalition agreement, replacing the model agreements of the Work Arrangements Assessment Deregulation Act with a principal declaration and introducing minimum tariffs for own-account workers with a labor contract presumption under this tariff to combat bogus contracting (VVD et al., 2017: 25). Once again, the intended reforms stalled. This time, the societal concerns uttered by stakeholders, social partners, and advisory committees focused on the administrative burden the measures would put on principals and own-account workers as well as the complexity of enforcement (Minister SZW Koolmees and State Secretary FIN Vijlbrief, 2020: 2–4). The third Rutte cabinet then decided to pass the issues on to the next government. The coalition agreement of this Rutte IV cabinet (2022-2023) with the same composition as its predecessor, again, included policies to improve the qualification of own-account work, aimed at disentangling genuine and bogus instances (VVD et al., 2021: 27). Yet, there was still no solution for the stalemate when the fourth Rutte government cabinet fell in 2023. Since the problematization of bogus contracting in the late 2000s, policymakers have found it extremely difficult to create an effective qualification mechanism for own-account work with limited bureaucracy. Despite numerous proposals, actual policy developments have been limited, primarily due to concerns about the administrative burden of a reliable procedure. Nevertheless, bogus contracting remains a pressing issue, particularly given the recent upsurge in labor market intermediaries who use the own-account work arrangement.

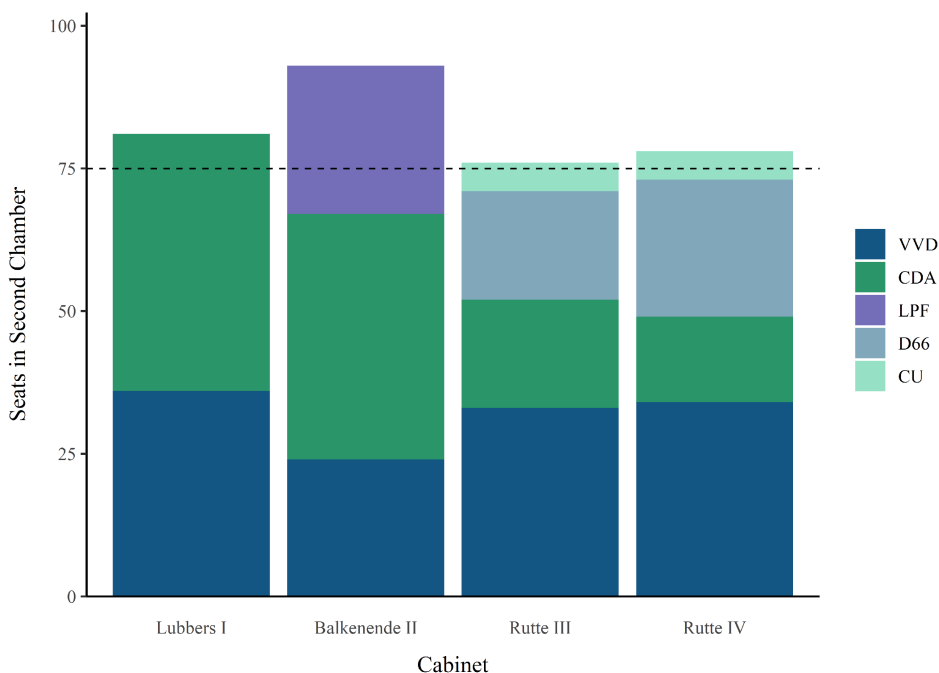
## Reducing the fiscal advantage over employees

Concerning fiscal policy, recent cabinets introduced more impactful reforms. Similar to agency and on-call work, the dualization narrative increasingly dominated policy discussions on own-account work during the 2010s. This narrative problematized differences in costs and risks between work arrangements. Such differences were particularly large between own-account workers and employees. Criticism of the fiscal advantage of the own-account work arrangement was, therefore, an important part of the dualization narrative. An economic study by the Netherlands Bureau for Economic Policy Analysis (CPB) in 2012 shows how the focus of policymakers in discussions on own-account work started to shift back from fiscal treatment differences between businesses to fiscal treatment differences between work arrangements. Whereas the report recognized the usefulness of the SME Profit Exemption in equalizing tax pressure between companies covered by corporate and income tax, it problematized the untargeted nature of the Self-employed Tax Deduction (Van Vuuren, 2012: 9, 14–5). Due to its lack of targeting, the study argued, the instrument was unlikely to be cost-effective in stimulating employment, while the SME Profit Exemption could satisfy the goal of equal treatment of companies in both taxation brackets. The report proposed targeting the tax deduction at vulnerable labor market groups as a solution, allowing the general fiscal treatment gap between employees and the self-employed to decrease. The study, thus, attempted to develop recommendations that limited both types of fiscal treatment differences.

In the mid-2010s, the criticism of the fiscal treatment gap between employees and own-account workers reached the political agenda. In 2014, the cabinet requested its public apparatus for advice, resulting in an exhaustive report by several ministries. This report outlined the distortive effects of fiscal treatment differences between work arrangements and offered three scenarios for mitigation (*Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 100). Whereas the Self-employed Tax Deduction would be abolished in two of the three scenarios, only the most radical agenda contained compulsory disability insurance for own-account workers (*Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel*, 2015: 102–5). As such, the scenarios indicate that the ministries considered reducing income tax differences less controversial than convergence on compulsory social insurance. The response of the liberal-social democratic Rutte II cabinet to the report signifies a political hesitancy to reduce the fiscal privileges of own-account workers. Overall, the cabinet agreed with the report's assessment: 'The cabinet shares the analysis of the IBO [interministerial] report that the large difference that has arisen in the institutional treatment of own-account workers and employees should be reduced in the long term' (Minister SZW Asscher and Minister EZK Kamp, 2015: 5). Yet, the cabinet avoided an immediate commitment to reforms on tax deductions and disability insurance. Instead,

its policies centered on combatting bogus contracting and reducing the liabilities of the labor contract for employers (Minister SZW Asscher and Minister EZK Kamp, 2015: 5–7). In doing so, the cabinet passed the more controversial issues around own-account work on to future administrations. Meanwhile, the dualization narrative and its problematization of the fiscal advantages of own-account work remained prevalent in policy discussions on the Dutch labor market. In 2017, the European Commission (2017: 5) advised the Dutch government to reduce the ‘tax distortions’ favoring own-account workers, uttering very similar language to the 2015 domestic report.

In the coalition agreement of the third Rutte III cabinet, consisting of liberal (VVD, D66) and Christian democratic parties (CDA, CU), the new cabinet finally took up the more sensitive issues surrounding own-account work. The coalition proposed a gradual reduction of the Self-employed Tax Deduction, new measures to combat bogus contracting, and a continuation of the voluntary approach to insurance (VVD et al., 2017: 25–6, 35). Soon after, the cabinet installed the Work Regulation Committee to assess the Dutch system of work arrangement regulation and to formulate recommendations to accommodate the changes in labor relations (Commissie Reguleren van Werk, 2020: 100). In September 2019, the cabinet presented the proposal for a gradual reduction of the Self-employed Tax Deduction to parliament as part of its 2020 budget (State Secretary FIN Snel, 2019: 3). In this proposal, the tax deduction would decrease from 7,280 euro in 2019 to 5,000 in 2028. This part of the budget spurred some opposition, particularly from small, economically right-oriented parties, exemplified by a motion calling for a delay given the COVID crisis in the First Chamber (*Motie Otten. Belastingplan 2020*, 2019). Due to the support by the coalition parties and the two large left-oriented opposition parties (PvdA and GL) for the proposed reduction, the efforts to frustrate the reform fell well short of a majority, however (*Eerste Kamer 2019-2020 Handelingen 17 December*, 2019). In the 2021 and 2023 budgets, the Rutte III and Rutte IV cabinets, comprising the same liberal and Christian democratic political parties, accelerated the cutbacks (*Memorie van toelichting. Belastingplan 2021*, 2020: 10; *Memorie van toelichting. Belastingplan 2023*, 2022: 14). After these reforms, only 900 euro of the Self-employed Tax Deduction will remain in 2027. Again, a coalition of liberals and Christian democrats introduced the policy changes despite the stark contrast of the reforms with the policies of the previous decades. The conflictory policies of Christian democratic-liberal governments with similar power relations between 1982 and 2023 contradict the proposition of power resources theory (see Figure 4.5). At the same time, the influence of the dualization narrative also questions the explanatory power of the policy paradigm literature. Despite the persistence of the supply-side policy paradigm, the dualization narrative successfully problematized the fiscal treatment differences between the self-employed and employees which had been created since the adoption of the supply-side policy paradigm, resulting in the reforms of the Self-employed Tax Deduction.



**Figure 4.5.** Cabinets of similar composition implementing contradictory fiscal policies regarding own-account work between 1982 and 2023.

*Note:* For every cabinet, the cabinet parties are stacked based on their size in the Second Chamber. The bar starts with the largest cabinet party and ends with the smallest one. The black dashed line reflects the number of seats required for a political majority in the Second Chamber.

*Source:* ParlGov.

On social insurance, the coalition, comprising the cabinet parties and the largest left-oriented opposition parties (PvdA, GL), also proposed reforms to reduce fiscal treatment differences with employees. Before the Work Regulation Committee could publish its results, a tripartite deal on pension reform had already established political support for disability reforms. The cabinet, the two largest, left-oriented opposition parties, trade unions, and employers’ associations agreed on introducing a compulsory disability insurance scheme for the self-employed. The reasoning for the reform closely aligned with the dualization narrative. In the letter on the pension deal to parliament, D66 Minister of Social Affairs W. Koolmees suggested that compulsory disability insurance for the self-employed fitted the cabinet agenda to reduce treatment differences with employees: ‘... [compulsory disability insurance for the self-employed] fits the broader efforts of the cabinet to work toward a situation in which not institutions and costs determine the form in which work is offered, but the nature of the work to be done. With compulsory social insurance, the passing on of costs and risks to society also reduces’



(Minister SZW Koolmees, 2019: 18). Again, a Christian democratic-liberal cabinet played a crucial role in changing public policy on own-account workers. The deal handed the social partners the initiative to design a more concrete proposal in collaboration with interest groups of the self-employed. Although surprisingly absent in policymaking on own-account work between the mid-1980s and the 2010s, they now played an essential role in the policy process.

While the social partners developed their disability insurance proposal, the Work Regulation Committee and the Scientific Council for Government Policy (WRR) published exhaustive reports on nonstandard employment regulation that adopted the dualization narrative. To reduce competition via work arrangements, the Work Regulation Committee encouraged the cabinet to minimize the differences in employment risks and fiscal incentives between them (Commissie Reguleren van Werk, 2020: 10, 64). Accordingly, the committee advised reducing the tax deductions for own-account work and introducing (additional) pension schemes and universal disability insurance that incorporated own-account workers (Commissie Reguleren van Werk, 2020: 12, 79–81). The WRR report similarly called for universal insurance schemes to strengthen social protection and eliminate unfair competition between work arrangements (Engbersen et al., 2020: 228–30).

Before publishing their disability insurance proposal, the social partners also published recommendations for the medium term as input for the cabinet formation process. In the advice, the SER followed the societal call for stricter regulation of own-account work and a reduction of its fiscal privileges (SER, 2021: 10, 23–4). Yet, the social partners did not follow the shift toward universalism. The Labor Foundation refuted the proposals for universal insurance, arguing that employees and the self-employed faced different situations in the case of sickness and disability (StvdA, 2020: 13). The social partners, moreover, stated that the systemic shift required for universal insurance would cause too much of a delay, while the risk profiles of own-account workers had become diverse enough to guarantee similar premiums to the scheme for employees. Instead of universal insurance, they proposed introducing a separate disability scheme for own-account workers (StvdA, 2020: 9, 13–4). Contrary to previous provisions, the self-employed with personnel would be exempted. The Labor Foundation's proposal included a strong link between contributions and benefits, as risk redistribution had previously undermined support among own-account workers for a separate disability scheme (StvdA, 2020: 15). Remarkably, the report noted that contact with the interest groups of own-account workers had shown that they were also more in support of universal insurance than a separate scheme, showing striking similarity to their role before the introduction of universal disability insurance during the 1970s (StvdA, 2020: 23). Yet, the social partners opted for another option than advocated by the government reports and contacted interest groups of the self-employed. In its socioeconomic recommendations

for the Rutte IV cabinet, the SER similarly advised introducing compulsory disability insurance for own-account workers and reducing the Self-employed Tax Deduction (SER, 2021: 23–4). While not supporting universal insurance, the social partners followed the focus of the dualization narrative on reducing treatment differences between work arrangements.

The initial cabinet response to the government reports was rather lackluster, passing on the issues to the next cabinet (Minister SZW Koolmees and State Secretary SZW Van 't Wout, 2020: 3–4). The passive reaction was probably (partly) because the cabinet was nearing the end of its term. In 2021, the same liberal-Christian democratic coalition (VVD, D66, CDA, CU) continued as the fourth Rutte government after lengthy negotiations. The coalition agreement resembled the government reports and the recommendations from the social partners including compulsory disability insurance for the self-employed (VVD et al., 2021: 27). Whereas the cabinet followed the social partners with separate compulsory disability insurance for the self-employed, the proposal differed in including self-employed with personnel (Minister SZW Van Gennip, 2023: 7). Before the act passed parliament, the Rutte IV cabinet fell. Yet, it is remarkable that yet another cabinet comprising Christian democratic and liberal parties was behind the initiative (see Figure 4.5). Coalitions characterized by similar power relations adopted highly different policies concerning own-account work between 1970 and 2023, contradicting the proposition of power resources theory.

## Conclusion

Early policy deliberations on the self-employed centered around fiscal differences with employees. The dominant policy narrative was that the self-employed were worse off, resulting in broadly supported attempts to reduce their net income and social insurance deficits to employees. Whereas the Christian democratic-liberal De Jong cabinet introduced the Self-employed Tax Deduction as a temporary instrument to stimulate investments in 1970 (see Table 4.1), the Den Uyl government, comprising social and Christian democrats, reintroduced it as a tool to manipulate the net income position of the self-employed compared to employees in 1975. In 1983, the Christian democratic-liberal Lubbers I cabinet made the tax deduction permanent and added automatic compensation for inflation to the mechanism. At the time, the instrument still targeted low- and middle-income groups. In the 1970s, there was a similar political consensus on reducing differences in social insurance coverage between the self-employed and employees. After preliminary work from the De Jong cabinet, the Den Uyl cabinet introduced universal disability insurance in 1975. The latter cabinet also incorporated the self-employed in long-term unemployment insurance in 1976. Due to practical concerns, short-term unemployment insurance for the self-employed never became

a realistic policy option. The reforms of the Self-employed Tax Deduction and social insurance show that cabinets characterized by different power relations adopted similar initiatives to reduce the fiscal differences between the self-employed and employees, contradicting the proposition of power resources theory.

With the policy paradigm shift of the early 1980s, political preferences and behavior concerning own-account work changed, supporting the proposition of policy paradigm theory. Whereas policymakers had previously approached the self-employed as workers, they increasingly treated own-account workers as entrepreneurs. In line with the supply-side policy paradigm, consecutive governments attempted to reduce unemployment through tax relief packages. Although these reforms centered around corporate tax cuts, politicians also included tax relief for own-account workers to ensure fiscal equality between businesses under income and corporate tax. Following the entrepreneurial narrative on own-account work, the income dependency of the tax deduction did not make sense. For this reason, the first Lubbers government removed the income threshold from the Self-employed Tax Deduction in 1984. The third Lubbers cabinet, consisting of Christian democrats and social democrats, introduced another major tax relief package in 1994, containing a substantial increase in the tax deduction. Yet, the Christian democratic-liberal Balkenende II cabinet had the largest impact. After enacting another increase in the Self-employed Tax Deduction, the second Balkenende government proposed the SME Profit Exemption, which would make the fiscal treatment of own-account workers even more generous. The Balkenende III cabinet with a similar composition enacted the latter reform in 2006.

As the entrepreneurial narrative on own-account work became dominant, support among policymakers for compulsory social insurance of own-account workers made way for a preference for voluntary insurance. They viewed compulsory social insurance as incompatible with the risk-taking and reward-seeking associated with entrepreneurship. As part of its welfare state retrenchment agenda, the second Lubbers cabinet, comprising Christian democrats and liberals, merged the short- and long-term unemployment schemes, dropping long-term coverage for the self-employed in the process. Due to political pressure in parliament, the government introduced much more targeted social assistance for the older self-employed experiencing structural unemployment. As with the tax deduction, the Balkenende II cabinet also played an important role in social insurance reforms. After the Kok I cabinet had split the compulsory disability schemes of employees and the self-employed, the second Balkenende government phased out compulsory disability insurance for the self-employed in 2004. The latter government also deregulated the work arrangement in 2004 by adjusting the legal procedure of the form-based declaration for own-account workers, clarifying their legal status and liabilities regarding taxes and social premiums. In response to societal pressure, the Balkenende II cabinet removed the possibility of ex-post corrections from the procedure

and put the full responsibility for the form's correctness on the agent rather than the principal, unintendedly facilitating bogus contracting by malicious principals. Coalitions between Christian democrats and liberals were, thus, primarily behind the reforms that made own-account work so attractive from a financial and regulatory perspective after the supply-side policy paradigm shift. Yet, governments in which the social democrats participated also adhered to the entrepreneurial narrative and justified the treatment differences between the self-employed and employees until the 2010s.

From the late 2000s onwards, the policy narrative on own-account work started to shift. Policy reports paid attention to the rising incidence of bogus contracting which had been facilitated by the deregulation of own-account work in 2004. During the early 2010s, the dualization narrative also became increasingly dominant among policymakers, shifting back attention to treatment differences between own-account workers and employees. Despite the societal attention to bogus contracting, reforming the regulation of the work arrangement itself proved a tricky issue. In 2016, the second Rutte government, comprising liberals and social democrats, introduced model agreements, bringing back co-responsibility for the principal and the possibility of post-levies. Yet, the system was never enforced due to concerns about enforceability and the administrative burden on own-account workers. Despite numerous proposals, actual policy developments have been limited since the failure to enforce the model agreements. In 2023, the government was still looking for an effective way of disentangling genuine and bogus contracting without putting a hefty administrative burden on own-account workers. Reforms were more extensive concerning fiscal policy. Between 2019 and 2023, the third and fourth Rutte governments, comprising liberals and Christian democrats, severely decreased the Self-employed Tax Deduction, reducing the fiscal difference between own-account workers and employees. In 2023, the Rutte IV cabinet also announced a compulsory disability insurance scheme for own-account workers. Yet, the reform was put to a halt as the government fell.

The highly contradictory own-account work policies of coalitions between Christian democrats and liberals with similar power relations between 1970 and 2023 are remarkable. This finding conflicts with the proposition of power resources theory. Although the policy change of the early 1980s aligns with the proposition that policy paradigm shifts explain adjustments to labor market regulation, the increasing dominance of the dualization narrative in the 2010s also puts into question the explanatory power of policy paradigm theory regarding this period. Despite the persistence of the supply-side policy paradigm, the dualization narrative problematized the fiscal treatment differences that directly resulted from supply-side policy regarding own-account work, resulting in adjustments to the Self-employed Tax Deduction between 2019 and 2023 that pushed back this fiscal treatment gap.

**Table 4.1.** Overview of key own-account work reforms by cabinet

Theory	Governing party families	Income tax reforms	Social insurance reforms	Work arrangement regulation
De Jong (1967-1971)	Christian democrats and liberals	<ul style="list-style-type: none"> <li>• First Self-employed Tax Deduction (1970)</li> </ul>		
Biesheuvel II (1972-1973)	Christian democrats and liberals	<ul style="list-style-type: none"> <li>• Pension mechanism replaces Self-employed Tax Deduction (1972)</li> </ul>		
Den Uyl (1973-1977)	Social and Christian democrats	<ul style="list-style-type: none"> <li>• New Self-employed Tax Deduction (1975)</li> </ul>	<ul style="list-style-type: none"> <li>• Universal disability insurance (1975)</li> <li>• Self-employed covered by long-term unemployment insurance (1976)</li> </ul>	
Lubbers I (1982-1986)	Christian democrats and liberals	<ul style="list-style-type: none"> <li>• Self-employed Tax Deduction becomes a permanent measure with automatic inflation correction (1983)</li> <li>• Income threshold removed from Self-employed Tax Deduction (1984)</li> </ul>	<ul style="list-style-type: none"> <li>• Self-employed excluded from long-term unemployment insurance (1986)</li> </ul>	
Lubbers II (1986-1989)	Christian democrats and liberals			<ul style="list-style-type: none"> <li>• Social assistance scheme to cover long-term unemployment among older, self-employed (1986)</li> </ul>
Lubbers III (1989-1994)	Christian democrats and social democrats	<ul style="list-style-type: none"> <li>• Substantial increase in Self-employed Tax Deduction (1994)</li> </ul>		

**Table 4.1.** Continued

Theory	Governing party families	Income tax reforms	Social insurance reforms	Work arrangement regulation
Kok I (1994-1998)	Social democrats and liberals		<ul style="list-style-type: none"> <li>Compulsory disability insurance separated for employees and self-employed (1998)</li> </ul>	
Kok II (1998-2002)	Social democrats and liberals		<ul style="list-style-type: none"> <li>Work Arrangement Declaration developed (2001)</li> </ul>	
Balkenende II (2003-2006)	Christian democrats and liberals	<ul style="list-style-type: none"> <li>Large increase in Self-employed Tax Deduction (2005)</li> </ul>	<ul style="list-style-type: none"> <li>Compulsory disability insurance for self-employed phased out (2004)</li> </ul>	<ul style="list-style-type: none"> <li>Ex-post corrections to Work Arrangement Declaration no longer possible (2004)</li> </ul>
Balkenende III (2006-2007)	Christian democrats and liberals	<ul style="list-style-type: none"> <li>SME Profit Exemption introduced (2006)</li> </ul>		
Rutte II (2012-2017)	Liberals and social democrats			<ul style="list-style-type: none"> <li>Model agreements replace Work Arrangement Declaration but are not enforced (2016)</li> </ul>
Rutte III (2017-2022)	Liberals and Christian democrats	<ul style="list-style-type: none"> <li>Self-employed Tax Deduction reduced (2019)</li> <li>Cutbacks of Self-employed Tax Deduction accelerated (2020)</li> </ul>		
Rutte IV (2022-2023)	Liberals and Christian democrats	<ul style="list-style-type: none"> <li>Cutbacks of Self-employed Tax Deduction accelerated (2022)</li> </ul>		

**Table 4.2.** Alignment of findings Chapter 4 with theoretical propositions

Theory	Proposition	Supportive findings	Conflicting findings
Breadwinner model theory	Sticky breadwinner policies backed by Christian democratic parties explain segmentation along gender lines		
Power resources theory	Power relations between capital and labor explain adjustments to labor market regulation	<ul style="list-style-type: none"> <li>• Between 1970 and 1983, cabinets with different power relations adopted similar initiatives to reduce the fiscal differences between the self-employed and employees</li> <li>• Coalitions of Christian democrats and liberals characterized by similar power relations backed contradictory policies concerning own-account work between 1970 and 2023</li> </ul>	
Insider-outsider theory	Power dynamics between labor market insiders and outsiders explain segmentation		
Policy paradigm theory	Policy paradigm shifts explain adjustments to labor market regulation	<ul style="list-style-type: none"> <li>• The shift toward the supply-side policy paradigm greatly affected political preferences and behavior concerning own-account work, for instance, on compulsory social insurance coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Despite the persistence of the supply-side policy paradigm, the dualization narrative became dominant in policy discussions on own-account work in the second half of the 2010s, problematizing the fiscal treatment differences between the self-employed and employees which had been created since the adoption of the supply-side policy paradigm</li> </ul>





# **CHAPTER 5**

## **Union responses to nonstandard employment**

Whereas the previous chapters analyzed party politics, Chapter 5 focuses on union strategies. I analyze how (and why) trade unions have molded agency, on-call, and own-account work regulation between 1971 and 2023. Due to their influence on labor market regulation, trade unions have played a central role in academic scholarship on labor market segmentation and the shift toward precarious work. Drawing on this literature, I examine to what extent power relations, insider-outsider dynamics, and policy paradigms explain the role played by trade unions in regulating nonstandard employment.

## **Labor divided on agency work**

### **The first Agency CLA**

Trade unions were relatively late to take up the issue of agency work; collective bargaining structures only started to address the sector in the early 1970s (Van Driel and Koene, 2011: 576). Employers rather than trade unions were the initiators. In 1971, the largest agency industry association (ABU) started talks with the services unions on agency work regulation (Mercurius NVV, 1971c: 6). Van Driel and Koene (2011: 580) have demonstrated that the move typified ABU's strategy to legitimize agency work by showcasing socially responsible behavior. According to T. de Landgraaf, who represented the NVV Services Union (*Mercurius NVV*), labor contract coverage was central to the negotiations. At the time agency workers formally accepted job assignments as freelancers, as they were in a triangular employment relationship with the work agencies and user organizations (StvdA, 1970: 1; Christe, 2002: 194). With this construction, the agencies avoided the employment protection of the labor contract. On one side of the negotiations, the ABU aimed to avoid labor contract coverage for agency workers by emphasizing the freedom of the worker and the employer: 'The ABU argues that there cannot be a labor contract between agency worker and work agency in any way, because the agency worker can stop working at any moment and the principal can also revoke the assignment' (Mercurius NVV, 1971b: 3). On the other, the trade unions wanted the work agencies to recognize that they employed the agency workers, justifying labor contract coverage. Ultimately, the ABU and the trade unions agreed on the first agency CLA. The agreement only applied to the administrative sector and was subordinate to clauses on agency work in the CLA of user organizations (Mercurius NVV, 1971a: 2). The ABU succeeded in preventing labor contract coverage, as the CLA merely suggested that there was a work arrangement between the agency worker and work agency, not a labor agreement (Van Driel and Koene, 2011: 580). Consequently, the job security of agency workers remained very low, with the work arrangement ending upon the finishing of their job assignment.

From the beginning, the collective labor agreement was controversial within the labor movement. Although the CLA improved the conditions of agency workers, it legitimized a commercial activity and work arrangement that trade unions viewed as undesirable, undermining the labor contract. In 1975, the NVV confederation adopted a resolution on female labor conditions that called for replacing agency work with public alternatives (NVV, 1975: 22, attachment). Later that year, the three trade union confederations - the socialist NVV, Roman catholic NKV, and protestant CNV - published an employment report in which they similarly agreed that 'private work agencies which mediate for-profit for the most in-demand workers and de facto exclude vulnerable groups have to be restricted. ... Labor market intermediation ... should primarily be a government task' (NVV et al., 1975: 35). In its 1976 manifesto, the CNV similarly stated that the agency arrangement 'is a form of labor market intermediation and, fundamentally, does not belong in the commercial sphere, but with the government' (CNV, 1976: 8). In terms of the end goal, the confederations were, thus, closely aligned.

### Same goal, different strategies

Despite a common objective, union strategies diverged, as the union confederations responded differently to the dilemma between a legitimacy-based and an incentive-based strategy. The reasoning behind the legitimacy-based strategy is that participating in regulating alternative work arrangements, other than banning them, legitimizes them and, therefore, facilitates their usage by employers. Under the legitimacy-based strategy, prohibition is the only active policy option concerning nonstandard employment. If trade unions are not strong enough to achieve a ban on alternative work arrangements, they end up abstaining from negotiations on regulation. In contrast, the incentive-based strategy postulates that regulating alternative work arrangements makes them less financially attractive to employers compared to full-time, open-ended labor contracts and, in this way, limits the rise in nonstandard employment. Consequently, the incentive-based strategy prescribes participation in regulation.

In this case, bargaining for improvements in the Agency CLA resembled the incentive-based strategy, which the CNV consistently adopted. Yet, the FNV, resulting from a merger of the NVV and NKV, announced in 1976 that its services union would leave the Agency CLA negotiations. FNV Board member J. ter Horst explained to a major Dutch newspaper that continuing the CLA negotiations would be inconsistent with the fundamental objection to commercial intermediation in the employment report (*Volkskrant*, 1976); the FNV had shifted to a legitimacy-based strategy. Remarkably, the FNV Board, rather than its sectoral union, initiated the move, stating that agency work had to be regulated through the CLAs of user organizations rather than a separate CLA for work agencies (FNV, 1976a: 1, 1976c: 1-2). Nevertheless, it required majority support from the FNV Council, filled with sectoral union representatives, to change the FNV's official external stance.

The ensuing discussion shows the strategic dilemma that unions faced on nonstandard employment. In the Council's meeting, J. Brouwer, President of the FNV's services union, warned against the exclusive implications of the strategy: 'the ABU has adopted the stance, that the labor relationship rests with the work agencies, and not the user organizations. If the current CLA with the ABU is abolished, this is no longer an issue; in that case, the question arises, whether it would still be possible to represent agency workers' interests' (FNV, 1976b: 9). Yet, concerns about the legitimization of agency work triumphed over the interest in representing outsiders. FNV Secretary Ter Horst expressed understanding for Brouwer's position, yet stated that 'it is our [FNV Board] viewpoint that the operation of work agencies has to be put to an end ... the development of the agency industry and the corresponding undermining of the position of permanent workers have moved the Confederation Board to map out the now proposed pathway' (FNV, 1976b: 9). The FNV Board perceived agency work as threatening the standard labor contract. By negotiating the Agency CLA, the Board had de facto accepted it as a legitimate alternative work arrangement. Although the Agency CLA improved the position of agency workers, the FNV Board gave a higher priority to the removal of the threat to the labor contract than the representation of outsider interests, supporting the proposition of insider-outsider theory. As the Council agreed with the Board's proposal, the sectoral trade union had to stop its participation in sectoral bargaining with the ABU. Whereas the perceived disparateness of insider-outsider interests informed an exclusive FNV response, it is important to note that the FNV never actively promoted dualization. The very objective of FNV's exclusive strategy was to contain agency work and its undermining of the labor contract. The attitude, therefore, led to labor passivity on nonstandard employment regulation, signified by FNV's decision to leave the Agency CLA negotiations. The absence of the largest union confederation continued until the mid-1980s.

In the IISH interviews, De Waal, former President of the FNV and its services union, reflects on FNV's difficulty with representing labor market outsiders with alternative work arrangements: 'Innovation is difficult for associations, that applies to all associations. Because the existing people have existing interests and then it is hard to accept the emergence of part-time work. I had discussions at V&D [department store] as a union leader with members who said: "Part-time workers undermine the CLA, they do it for less money, and you have to stop them; they should not exist." I experienced it afterward when we created the CLA for agency workers. Then they said: "Those agency workers, they should not exist, so you should not represent their interests either." That is what the existing membership says.... It is incredibly difficult for an association such as the labor movement to attract new groups because the old groups resist it... Within the *Dienstenbond* [FNV], we had many part-timers, so we had a more progressive perspective on them. We also wanted to organize agency workers, but the

Industriebond [FNV] almost forbade us, and the confederation [FNV] almost forbade us to sign a CLA. That conservatism is there' (De Waal and Ornstein, 2018a: 01:44:42-01:46:52). His remarks highlight FNV's commitment to labor contract coverage and early insider-outsider tensions. They also suggest that the adoption of a legitimacy-based instead of an incentive-based strategy resulted from a conservative reflex rather than a comprehensive cost-benefit calculation.

Union identity in the form of shared ideas, values, and habits shaped initial responses. Whereas FNV's reactions indicate a willingness to contest the social order in opposing nonstandard employment, the CNV leaned more toward a form of unionism that operated within the dominant social order. The CNV's willingness to oppose alternative work arrangements without advocating more fundamental societal change resulted in a reluctance to leave negotiations on Agency CLAs. The CNV was also opposed to commercial intermediation but thought that abolition would only be feasible in the long run, as it required improving the public intermediation system (CNV, 1981: 20; Hazenbosch, 2009: 621). Therefore, the CNV continued to opt for the incentive-based strategy. In 1981, CNV policy officer H. Nentjes advocated containment through stricter permit requirements and diminishing agency work use through CLAs (Hazenbosch, 2009: 622). Although the CNV kept participating in collective bargaining, the absence of the FNV, representing more than half of union members, meant that improvements in the Agency CLA were limited. Consequently, unions contributed little to the regulation of nonstandard employment at times of organizational strength, contradicting the proposition of power resources theory.

### **FNV's strategic turn**

In January 1984, the Board of FNV's Services Union decided to 'take up the representation of agency workers' interests again' (Van Gelder, 1984: 1). In an evaluation report, it reflected on the legitimacy-based strategy that only allowed for regulation of agency work through the CLA of user organizations. It concluded that this strategy had been largely ineffective: 'Until now, this has only succeeded to a very limited extent.... A problem with the initial FNV strategy is and remains that agency workers are not formally employed by the user organization, but by the work agency for the duration of the assignment' (Van Gelder, 1984: 6). While FNV's decision to stop negotiations had reduced the legitimacy of agency work in the short run (Van Driel and Koene, 2011: 584), it also left the interests of an increasingly large group of workers unrepresented by the confederation. The report maintained the union's opposition toward commercial intermediation but recognized that eliminating agency work was unrealistic in the short run, given the economic turmoil after the second oil shock (Van Gelder, 1984: 3, 6, 11). Due to agency work's short-term inevitability, the report suggested a dual incentive-based strategy aimed at regulating the work arrangement through both the

CLA of the user organization and the work agency: 'All things considered, it, therefore, seems sensible to conduct the representation of agency workers' interests through two pathways from now on: a. to introduce clauses in all CLAs to regulate the position of the temporary work, i.e., better regulate agency work, especially where it concerns primary labor conditions; b. to sign CLAs with the work agencies in which the position of agency workers is improved, particularly targeting secondary labor conditions...' (Van Gelder, 1984: 8–9).

Previously, the FNV had consistently argued that user organizations needed to formally employ agency workers, promoting labor contract and CLA coverage through the user organizations. While the FNV abstained from the Agency CLA negotiations, labor contract coverage of agency workers failed to improve, and the sector quickly expanded (Van Gelder, 1984: 8). Now the FNV Services Union (*FNV Dienstenbond*) recognized agency work's short-term inevitability, sidestepping the legitimacy argument, showing striking resemblances to CNV's positioning. Rather than preventing legitimization, the trade union became focused on making agency work less attractive compared with open-ended labor contracts. This strategic shift also opened up possibilities for more inclusive union strategies. Improving agency work conditions enhanced agency workers' position and made the arrangement less attractive as an alternative to labor contracts. The Services Union proceeded by adopting the dual strategy regarding agency work. In 1986, the FNV Services Union restored its bargaining with the agency industry despite its aversion to commercial intermediation (Van Driel and Koene, 2011: 590). These negotiations resulted in an Agency CLA covering agency work across all economic sectors for the first time. The new CLA realized the dual strategy that the Services Union had propagated. Due to broader coverage, the Agency CLA automatically extended to all agency workers. Additionally, sectoral CLAs of user organizations covered agency workers when specified by the CLA (*Industriebond FNV*, 1995: 6). Nonetheless, the end goal of labor contract coverage for agency workers remained unrealized.

Over time, the FNV began to see the Agency CLA as an opportunity to regulate all nonstandard employment. This development occurred during policy discussions on the re-regulation of agency work in the 1990s. In 1991, the Lubbers III cabinet (1989-1994) reformed the regulation of labor market intermediation, putting the CBA in charge of the permit system for commercial intermediation (Van Peijpe, 1990: 42–3). As the CBA lacked the resources to deal with the rising number of applications and effectively enforce the permit system among commercial intermediaries, societal support for the model dwindled. In 1993, Social Affairs Minister De Vries proposed to abolish the permit system (Van Driel and Koene, 2011: 591). A year later, in 1994, the Social and Economic Council agreed that 'maintaining a permit system is no longer necessary' except for several sectors (SER, 1994a: 49). The prospect of the permit system's end spurred societal discussion on agency work regulation. Without licenses, the agency industry realized the

work arrangement would not remain loosely regulated (Van Driel and Koene, 2011: 591). Although the FNV Industry Union had previously opposed the bargaining activities in the sector, the union openly advocated extensive regulation rather than prohibition: ‘It is not useful to regard commercial work agencies as a bad solution...It is better to use work agencies’ knowledge and experience and involve them early in labor market or business problems...The union demands are primarily in the area of labor conditions’ (Industriebond FNV, 1995: 11). The approach aimed to turn work agencies into ‘regular’ companies and agency workers into ‘regular’ employees. The FNV viewed the coming reforms of agency work as an opportunity to build a broader regulatory regime for nonstandard employment: ‘With this plan’, according to an FNV report, ‘we go to a very different type of regime. No everything-is-allowed system where unbounded agency work slowly crowds out existing CLAs and sectoral regulations, but a regime where flexible use of labor will become possible on a much larger scale than now, yet with decent labor relations’ (Catz, 1996: 31–2). The crucial element of this new system would be labor contract coverage for agency work.

Due to the reports’ positive tone toward agency work, one might argue that they are proof of a supply-side policy paradigm shift by trade unions as they adopted the labor market flexibility narrative. Yet, the FNV remained highly critical of agency work. Reflecting on the Flexibility and Security Exchange that would soon follow, chief negotiator De Waal remarked: ‘Our [FNV] concession was primarily that we accepted the work agencies against which we struggled until then. That was the discussion within the FNV; should we do that? The Construction Union and the Industry Union [both sectoral FNV unions] felt that they were pernicious institutions, the work agencies’ (De Waal and Ornstein, 2018b: [01:56:07-01:56-24]). Due to their consistent opposition to nonstandard employment, policy paradigm theory has little explanatory power regarding the role of trade unions in regulating alternative work arrangements. Instead, the shift from a legitimacy-based to an incentive-based strategy explains FNV’s acceptance of agency work. In exchange for the recognition of work agencies, the FNV tried, unsuccessfully as it later turned out, to set up a broader regulatory regime for nonstandard employment via the agency work arrangements, reducing their precarity and competitive pressure on the standard labor contract. ‘Where I made a mistake in signing the agreement’, De Waal states, ‘is that I thought that agency work, which was more regulated, would absorb *pulparbeid* and zero-hours contracts [both on-call work]’ (De Waal and Ornstein, 2018b: [1:15:38-1:15:57]). Before returning to the Flexibility and Security Exchange, I delve into union strategies toward these on-call work arrangements.

## **On-call workers as vocal outsiders**

While agency work quickly expanded in the late 1960s and 1970s, the 1980s saw an upsurge in on-call work (Smitskam, 1989: 69). The on-call work boom occurred in a dramatically different policy environment. After the second oil shock, high labor costs, spiking interest rates, and falling demand severely reduced profit margins in the private sector, resulting in many bankruptcies and lay-offs (Touwen, 2014: 262; Sluyterman, 2003: 251). Despite an inflationary spiral of prices, wages, and social benefits, the social partners could not initially agree on wage moderation, forcing the government to issue multiple public wage decrees (Windmuller et al., 1990: 248, 258; Visser and Hemerijck, 1997: 133–4). The social partners channeled many workers into disability schemes with lower costs for the employer and higher replacement rates for the worker, causing an inactivity crisis (Oude Nijhuis, 2018: 186–7; De Liagre Böhl, 2013: 329–30; Hemerijck et al., 2000: 117–8).

Many employers responded to the crisis by intensifying their use of nonstandard employment and shrinking their core workforce with open-ended labor contracts (SZW, 1986: 1). In this way, employers were (1) able to save labor costs to meet budgets or enhance profitability and (2) to pass on the employment risks associated with permanent labor contracts, improving the organization's adaptability to changing economic circumstances. Employers increasingly outsourced activities that were not part of the core competencies of their organization (Bos and Vaas, 1986: 16). In highly competitive, labor-intensive sectors, such as the cleaning industry, third-party suppliers competed for the resulting contracts by reducing labor costs (Knotter, 2017: 3). Employers also increasingly added flexible workers to their own payroll, creating a flexible internal layer of nonstandard employment (SZW, 1986: 1). Whereas employers previously attracted most flexible labor through triangular work arrangements, they now also engaged in direct but highly flexible arrangements with workers, as indicated by a boom in on-call contracts and fixed-term labor contracts. A government report noted that copying behavior between organizations likely accelerated the increase in alternative work arrangements: 'the impression exists, that a self-reinforcing development has taken place here, where the example of one organization to use temporary work more often was followed by others' (SZW, 1986: 6).

Due to the economic turmoil, the dominant narrative in policy discussions portrayed labor market flexibility as a means to restore private profitability and economic growth rather than as a source of precarity. The crisis reinforced employers' conviction that the strict employment protection of labor contracts hampered their ability to adapt to changing economic circumstances (Van Gerwen and De Goey, 2008: 210). Business associations called for deregulation to enhance labor market flexibility (Boumans, 2021: 10). Such ideas increasingly resonated with policymakers as the dominant paradigm shifted toward supply-side policies. Alarming government reports advocated wage



moderation, welfare state retrenchment, and labor market flexibility to solve the Dutch industry's lack of competitiveness and promote job growth (Schippers, 2010: 78–9; Touwen, 2014: 268–70). The Lubbers I (1982–1986) and Lubbers II (1986–1989) cabinets, consisting of the Christian democratic CDA and the liberal VVD, adopted the wage moderation and welfare state retrenchment agenda (Oudenampsen, 2020: 781; De Liagre Böhl, 2013: 330–1). Under the threat of public wage intervention, employers' associations and trade unions signed the Wassenaar Agreement, exchanging wage moderation for shorter work duration (Van Bottenburg, 1995: 193–5). Despite the steep rise in on-call work, the employment relationship was not the focus of societal discussion in this policy context.

### **The role of the female labor movement**

During the mid-1980s, on-call work became a salient policy topic. As nonstandard employment expanded, the FNV's passive, legitimacy-based strategy increasingly came under pressure from calls by labor market outsiders for regulation. Female trade union members, in particular, were pivotal in pushing the issue of alternative work arrangements on the labor agenda (Van Eijl, 1997: 260–1; Van Dijk et al., 2018: 103). From the 1970s onwards, the labor market participation of married women had grown tremendously (Visser, 2002: 26–7). Due to the burden of care tasks, scant public provision of social services such as child care, lack of work experience, and rising unemployment, these women often had to settle for small, precarious jobs (CNV, 1987: 4; FNV-Secretariaat van Vrouwelijke Werknemers, 1985: 9–10). As male breadwinners were typically in insider jobs, this development led to a gendered dual labor market (De Groot, 2021: 764).

Within the FNV, women used the democratic institutions to problematize nonstandard employment. In 1984, FNV women issued a resolution that called upon the FNV Congress to represent outsider interests through an incentive-based strategy toward nonstandard employment: 'The FNV has to make policy regarding the issue of the flexibilization and marginalization of labor ...the unions have to look for ways also to make membership more attractive for people with small and temporary jobs;...the unions should pay more attention to the representation of the interests of these groups;... the unions have to enact a policy of regulation regarding this marginal work for now' (FNV Women, 1984: 2). Although the FNV leadership created institutions within the confederation that specifically addressed these issues, it took a long time before it translated their output into different strategies toward nonstandard employment. Organized FNV women reported that the underrepresentation of the social groups that disproportionately faced alternative work arrangements within the FNV explained its decision for a legitimacy-based strategy resulting in passivity (FNV-Secretariaat van Vrouwelijke Werknemers, 1985: 42).

They also highlighted a conservative mindset among the union rank-and-file toward workers with alternative work arrangements, especially if those outsiders were women: 'As it is often about (married) women, traditional views on the family and breadwinners show themselves. For them, these are only women who earn something on the side. Sometimes trade union representatives even genuinely support hiring these groups temporarily. In their mind, this enhances their 'permanent' position. These conflicts of interest are most visible when restructuring takes place. On-call workers or homeworkers can be viewed as direct competitors, undermining their position' (FNV-Secretariaat van Vrouwelijke Werknemers, 1985: 42-3). The conflict of interests between insiders and outsiders identified by the FNV women aligns with the proposition of insider-outsider theory. Their reporting suggests also that low worker-to-worker identification, particularly based on gender differences, played an essential role in the insider-outsider dynamics that fueled support for a legitimacy-based rather than an incentive-based strategy.

The proposals of the FNV women comprised a progression from legitimacy-based to incentive-based strategies depending on nonstandard employment development. Following the legitimization logic, the report suggested that initial responses had to focus on eliminating nonstandard employment relationships: 'In the first instance, we do not choose such fixes, because they legalize what we find undesirable and because they enlarge the differences between workers.' (FNV-Secretariaat van Vrouwelijke Werknemers, 1985: 35). Yet, if nonstandard employment was widespread in a given sector, the report suggested regulation instead. While being desirable, in principle, they argued that striving for the prohibition of nonstandard employment might not work in such cases: 'A ban does not always have the desired effect. It does not, in all cases, serve the interests of women working under a flexible contract. For them, a ban might mean that they have to give up their paid work. Additionally, a ban does not always end up working as a ban' (FNV-Secretariaat van Vrouwelijke Werknemers, 1985: 34). Instead, the FNV women advocated regulation: coverage for all workers by CLAs, abolition of the one-third criterion for the minimum wage, and a minimum of five guaranteed working hours for on-call contracts with a maximum range of 20 percent (FNV-Secretariaat van Vrouwelijke Werknemers, 1985: 36-7, 40). Note that the guaranteed minimum of working hours would effectively ban zero-hours contracts. The influence of the FNV women on FNV's Services Union becomes apparent when juxtaposing these policy stances with the later positions of the services union in its flexible work manifesto. This manifesto called for the recognition of on-call workers as employees, the abolition of the one-third criterion, and a minimum of five guaranteed working hours for every on-call contract with a maximum range of 25 percent (FNV Dienstenbond, 1986a: 4-5).

In an interview for a union publication, K.Y.I.J. Adelmund, former President of the Women Union FNV (Vrouwenbond FNV; 1978-1985) and former member of the FNV

confederation board (1985-1994), confirmed that FNV women pushed the confederation to transition to a more incentive-based strategy which allowed for the inclusion of outsiders: 'what happened was that large segments of workers were given different kinds of work arrangements and labor contracts. Atypical contracts. The traditional union response was: get rid of them! But the NVV/FNV Women Union said: we are going to organize and improve that marginal labor' (Akkermans and Kool, 1999: 290).

The increasing voice of outsiders within the labor movement occurred during the membership crisis that trade unions experienced after the second oil shock. Between 1979 and 1985, union density dropped from 37 to 28 percent (OECD/AIAS ICTWSS, 2023). Under these circumstances, trade unions looked for new reservoirs of potential members. According to the FNV Services Union, its growth potential was particularly high in emerging service sectors, such as finance, and among underrepresented social groups, such as migrants, the young, and women (FNV Dienstenbond, 1986b: 13). In December 1986, its Congress decided that the trade union had to 'pay additional attention in its policy and recruitment to ... the young ... [and] women ...' (FNV Dienstenbond, 1986c: 1). An incentive-based strategy would make the trade union more attractive to these labor market outsiders. This dynamic contributes to our understanding of the shift to incentive-based strategies and the inverse relationship between labor power and contributions to regulation in contradiction with power resources theory. As trade unions lost organizational power through membership losses, they became more concerned about attracting labor market outsiders, and, therefore, more favorable to union strategies that allowed for the representation of such groups.

### **FNV's shift toward regulation**

Different elements of the FNV shifted their strategic preferences at different paces. The turn of the FNV Services Union toward an incentive-based strategy was critical, given its role in the Agency CLA. The Food Sector Union (Voedingsbond FNV) was another frontrunner. Although the Voedingsbond FNV expressed the end goal of prohibiting on-call contracts, it called for an incentive-based strategy of incremental reforms to reduce the gap between on-call and permanent contracts (Voedingsbond FNV, 1984: 6-7). As with agency work, the FNV confederation was a late adopter. Yet, the FNV eventually also shifted strategies to on-call contracts. Although not widely distributed among the rank-and-file and not adopted as an external FNV stance (FNV, 1987b: 2), an internal policy document advocated the distinction between the statutory prohibition of zero-hours contracts and regulation of min-max contracts through sectoral bargaining (FNV, 1987a: 8, 10-1). The underlying strategy was incentive-based: 'The outlined approach advocated by the FNV assumes that the distance in essential labor conditions between employees with regular labor contracts and their colleagues with more flexible contracts in each area becomes as small as possible...The minimum limits indicated in previous

paragraphs are, in fact, the hinges to achieve the intended distance reduction' (FNV, 1987a: 12). As with agency work, FNV's attitudes grew toward CNV's policy positions in the second half of the 1980s (CNV, 1987: 15–16). Their joint push for regulation of min-max contracts in meetings between the Labor Foundation and government representatives illustrates the convergence toward an incentive-based strategy (StvdA, 1989a: 2–3, 12, 1989b: 14, 17).

After shifting strategies, the FNV played a more active role in regulating nonstandard employment. In the aftermath of the Wassenaar Agreement, there was a societal preference for corporatist decision-making on labor issues. The agreement and its execution in sectoral bargaining had shown that the social partners were still able to negotiate a deal on challenging societal problems (Visser and Hemerijck, 1997: 81), albeit under the looming threat of yet another public wage decree (Van Bottenburg, 1995: 193–4). The agreement and its follow-up in sectoral bargaining greatly boosted the reputation of corporatist decision-making (Heerma van Voss, 2010: 112). Following this societal tendency, the SZW Flexible Work Committee advised the government to leave the initiative for regulating alternative work arrangements to the social partners (SZW, 1987: 6). The government followed suit and essentially left the regulation of nonstandard employment to the social partners, except for initiatives to provide minimal protection to on-call contracts.

Contrary to the Wassenaar Agreement of 1982, the peak employers' associations and trade union confederation provided no central guidelines on alternative work arrangements, leaving negotiations decentralized. In the second half of the 1980s, sectoral collective bargaining led to tangible results, such as the Agency CLA mentioned earlier. As agency work still lacked labor contract coverage, the Agency CLA formalized differences between agency workers and employees. Yet, powerful sectoral trade unions could mitigate these divergences by negotiating restrictions for agency work in the CLAs of their sector. Regarding on-call work, there were numerous examples of restrictions or improved labor conditions through CLAs, for instance, in department stores (V&D and Bijenkorf), private insurance (Centraal Beheer), and the hospitality industry (FNV, 1987c: 1; Van Peijpe, 1990: 47). Crucially, these achievements remained relatively fragmented, as the sectoral initiatives lacked central coordination (Kösters, Van Diepen, et al., 2021: 131–3). Although improving the conditions of some flexible workers, trade unions' endeavors in the corporatist channel were, therefore, insufficient to curb the general rise of alternative work arrangements. Nonetheless, their efforts to constrain nonstandard employment in the corporatist channel contradict insider-outsider theory's portrayal of unions as contributors to dualization, particularly as they occurred in the context of high pressures for flexibility and low labor power.

Due to limited success in the corporatist channel, trade unions also increasingly looked at legislative measures to regulate on-call contracts. They supported a combination

of corporatist and legislative regulation, arguing that excesses were likely to escape CLA coverage and, therefore, the reach of the corporatist channel (StvdA, 1988a: 6). If on-call workers felt that their work arrangement satisfied the legal labor contract requirements, they needed to prove this to a court to attain labor contract coverage. The SZW Flexible Work Committee proposed introducing a legal presumption to make this less cumbersome (SZW, 1987: 50–1). If an on-call worker worked for an employer for a certain number of hours per week for a certain period, the legislator would presume that the worker had a labor contract. Unions viewed the presumption mechanism as a viable solution for the unclear legal status of on-call contracts (StvdA, 1989a: 2; SER, 1991: 18–20, 24; StvdA, 1988b: 9–10). They propagated a similar presumption of contract hours and advocated a minimum of three hours per call. Meanwhile, employers' representatives opposed such statutory legislation, arguing that it impeded their contract freedom (SER, 1991: 26–7; StvdA, 1988a: 6, 1989a: 6). These policy instruments would become a major part of the negotiations on the Flexibility and Security Exchange.

## **The Flexibility and Security Exchange**

Trade unions and employers' associations played an essential role in the Flexibility and Security Exchange, the most significant overhaul of nonstandard employment regulation in Dutch history. Before the agreement, political parties rather than organized interests had the initiative. Whereas the 1980s revitalized corporatist decision-making, the early 1990s constituted a challenging time for the social partners. The first Kok government (1994–1998) consisted of the social democratic PvdA, the liberal VVD, and the liberal D66. As the liberal VVD and D66 had replaced the Christian democratic CDA in the Kok I cabinet, two critics of corporatist decision-making replaced a traditional political supporter (De Liagre Böhl, 2013: 340). The reputation of trade unions and employers' associations, moreover, had received a heavy blow, as reports revealed that social partners had misused disability insurance to lay off workers at the cost of society (Oude Nijhuis, 2018: 248–50; De Liagre Böhl, 2013: 340–1). Facing the three societal discussions on employment protection of labor contracts, agency work regulation, and on-call work regulation, the first Kok cabinet sought a package deal to resolve the three issues in a single agreement. Yet, cabinet negotiations on the reforms stalled. On one side, D66 Minister of Economic Affairs Wijers led a camp supported by employers' associations, arguing for less regulation of agency work and labor contracts (Passchier, 1996: 3–4). On the other, a group led by Melkert and backed by trade unions strove to maintain regulation of labor contracts and to improve nonstandard employment conditions.

## Breaking the political stalemate

After unsuccessful bargaining in the Council of Ministers, the cabinet sent its unfinished reform package to the social partners in an effort to break the political stalemate. According to FNV's chief negotiator De Waal, the government signaled to the social partners that they would follow a potential agreement: '...[PvdA-Prime Minister W. Kok] then thought: we give this issue to the social partners with the message "if you can come up with proposals, we will adopt them"' (De Waal and Ornstein, 2018b: 00:36:08-00:36:18). Given the demise of social concertation in the early 1990s, the social partners viewed the request as an opportunity to consolidate their institutional power: 'And we [the social partners] thought: this is an opportunity. This is an opportunity to regain influence after we had the WAO [disability insurance] crisis...we were very gloomy about the Labor Foundation's survival...We saw an opportunity in Wim Kok's offer to get back in the race' (De Waal and Ornstein, 2018b: 00:36:37-00:37:09). Motivated by this prospect, the social partners eventually signed a bipartite agreement.

Like the proposal which Melkert sent to the social partners, the bipartite deal regulated nonstandard employment through the legal labor contract presumption and the minimum of three hours per call (StvdA, 1996b: 4–6, 1996a: 27, 30–1; SZW, 1995b: 23, 33; Minister SZW Melkert, 1996: 10). The social partners even went slightly further by adding contract hours to the presumption mechanism (StvdA, 1996b: 6, 1996a: 28; Minister SZW Melkert, 1996: 4). The Labor Foundation agreement was also similar in its gentle adjustments to job security legislation for open-ended labor contracts, maintaining strong insider protection. Yet, the trade unions and employers' associations diverged from Melkert's proposal by refuting an extension of the probation period (StvdA, 1996c: 7–8, 1996a: 15; Minister SZW Melkert, 1996: 4; SZW, 1995b: 24). In exchange for the union demands, the deal also included two major labor concessions. Firstly, the accord went even further than Melkert's proposal on the deregulation of fixed-term contracts (Passchier, 1996: 4; Minister SZW Melkert, 1996: 4; StvdA, 1996a: 17, 1996c: 5–6; SZW, 1995b: 27). The reforms suggested by Melkert prescribed a chain of fixed-term labor contracts without additional dismissal requirements for at maximum three consecutive contracts with less than three months in between and a total duration of no more than two years. Yet, the bipartite agreement extended the maximum total duration from two to three years with possibilities of even further extension through CLAs.

Secondly, the Labor Foundation agreed to abolish the permit system and the maximum job assignment length of agency work (StvdA, 1996a: 20–1, 1996c: 2–3; Minister SZW Melkert, 1996: 5), recognizing agency work as a legitimate employment relationship governed by a separate CLA. As discussed earlier, De Waal described accepting agency work as the most significant labor concession (De Waal and Ornstein, 2018b: [01:56:07-01:56-24]). Contrary to other work arrangements, Melkert's proposal had been vague about agency work, calling for a discussion between organized interests

on lifting limitations to work agencies and hinting at introducing labor contract coverage after an initial, more flexible phase (SZW, 1995b: 28–30). For the new regime of agency work regulation, the Labor Foundation relied on a deal reached by the social partners in the agency sector. The crux of this Agency Work Covenant was the legislative proposal to transform the agency work arrangement into a special labor contract, with deviating conditions during the first 26 weeks (ABU et al., 1996: 2; StvdA, 1996c: 4). Again, this resembled Melkert's proposal, albeit with a much longer flexible period. In this initial period, work agencies could dismiss workers upon the end of a job assignment. Afterward, the arrangement would become a fixed-term labor contract. Crucially, however, the duration of these periods could be adjusted by sectoral bargaining.

### **Incentive-based strategies and segmentation**

For the government, the societal support for the extensive reforms resulting from the social accord was an attractive prospect. Yet, the Labor Foundation expressed to the cabinet that changing aspects of the deal threatened the backing by trade unions and employers' associations for these policies (Montizaan, 1996: 1). As their advice extended far beyond the government request, this warning allowed organized interests to influence the reforms to a far greater extent. Despite initial complaints by Minister EZK Wijers (D66) and Finance Minister Zalm (VVD) about the threat, the Council of Ministers eventually followed the line of Social Affairs Minister Melkert, advocating to adopt the social accord as much as possible (Minister SZW Melkert, 1996: 1; *Ministerraad 1996 Notulen 10 May*, 1996: 24, 27). In subsequent years, the first Kok government followed most of the bipartite agreement by enacting the Flexibility and Security Act (1998) and Labour Market Intermediaries Act (1998), while the Agency Work Covenant (1996) provided the basis for the next Agency CLAs (*Memorie van toelichting. Flexibiliteit en Zekerheid*, 1997: 2–3). As discussed in Chapter 3, the negotiations leading up to the Flexibility and Security Exchange aligned with the proposition of power resources theory, as they were characterized by conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations. With the legislation, trade unions finally managed to introduce (a trajectory toward) labor contract coverage for agency and on-call work. Even when unions could not ban precarious, zero-hours contracts, the legal labor contract presumption with contract hours seemed a reasonable alternative. The exchange was particularly successful in containing agency work. After the legislative changes, work agencies had to increase their prices to user organizations by seven to 10 percent and the increase in agency work flattened out (Sol, 2001: 116).

For trade unions, however, regulating the alternative work arrangements came at the cost of deregulating fixed-term labor contracts and work agencies. In the exchange's aftermath, these concessions turned out to be rather costly. Employers renewed fixed-term labor contracts more often than policymakers had anticipated (Van den Toren

et al., 2002: vii). Whereas the agency *work arrangement* became more regulated, the liberalization of work *agencies* caused uncontrolled growth of these intermediaries, leading to the spread of malpractices, for instance, in the agricultural sector (Minister SZW Vermeend, 2002: 5, 17; Sol, 2001: 116–7). The possibilities for deviation through sectoral bargaining also resulted in a more prolonged, flexible phase for agency work (Van Driel and Koene, 2011: 593) and extensions of the maximum consecutive period of fixed-term contracts in many sectors (Van den Toren et al., 2002: 22). Consequently, the discretionary space for CLAs became one of the most controversial aspects of the agreement. Challenged on why unions agreed with the possibilities for sectoral deviation, De Waal suggests that they were a business demand necessary for reaching a deal: ‘Perhaps you should not have created those sectoral exceptions, but then the containment [nonstandard employment regulation] would not have come about in the first place’ (De Waal and Ornstein, 2018b: [01:46:51-01:47:00]).

Unions’ bargaining behavior regarding the Flexibility and Security Exchange indicates that they continued their opposition to nonstandard employment throughout the 1990s using an incentive-based strategy. Although maintaining insider protection remained the unions’ priority, this incentive-based strategy allowed them to pursue nonstandard employment regulation as long as it was not at the cost of the privileges of the open-ended labor contract. With this strategy, trade unions achieved labor contract coverage for agency and on-call work. Yet, given trade unions’ limited bargaining power, such nonstandard employment regulation required something in return. As preserving insider protection constituted trade unions’ primary goal, they settled for deregulating fixed-term labor contracts to improve the precarious, alternative work arrangements and reduce their undermining of the regular labor contract. By exchanging the deregulation of fixed-term labor contracts, their actions opened up yet another labor market segment, making the exchange ineffective in curbing segmentation. One could reasonably argue that trade unions could have achieved a more solidaristic outcome by sacrificing insider protection. To this extent, their role in negotiating the Flexibility and Security Exchange aligns with the proposition of insider-outsider theory. Nonetheless, depicting trade unions as drivers of dualization or as reinforcers of the liberalization of work arrangements seems a bit of a stretch, given their consistent opposition to nonstandard employment and their commitment to its regulation since the mid-1980s. Unions did not settle for the deregulation of nonstandard employment to accommodate calls for the deregulation of employment protection. Instead, they function as a constraining factor in the development of nonstandard employment, albeit not a particularly effective one.



## Tough love. Unions and own-account workers

When unions signed the Flexibility and Security Exchange, regulating own-account work was not a priority at the confederation level. As mentioned earlier, policy discussions on own-account work occurred separately from deliberations on flexibility and security addressing labor contracts, agency work, and on-call work. The IISH interviews with De Waal confirm this picture. When reflecting on the Flexibility and Security Exchange's impact, he mentions: 'What emerged afterward, but that is many years later, and that has affected flexibility very much, is own-account work. That is a phenomenon from much later and has nothing to do with the Flexibility and Security Exchange, and that is a phenomenon to which the labor movement did not react well but which did not really play a major role at the time I was President' (De Waal and Ornstein, 2018b: [01:16:50-01:17:16]). Yet, De Waal's term as FNV President, 1997-2005, constituted a period of strong own-account work growth, as discussed earlier. Still, as De Waal's comments show, own-account work was not high on the labor agenda.

As with agency and on-call work, low worker-to-worker identification played a major role in its initial negligence within the labor movement. When discussing union responses to agency work, De Waal remarks that own-account work constitutes the most recent example of early conservative responses: 'Nowadays, own-account workers are the best example of this. They [traditional unions] do not really know how to deal with them. And you can say: "You should not exist, and you should organize, but that does not work"' (De Waal and Ornstein, 2018a: [01:46:56-01:47:10]). As with agency work and on-call work, the labor movement faced a dilemma between a legitimacy-based and incentive-based strategy.

The sectoral experience with own-account work highly affected the strategic decisions of the different FNV unions. Unions organized and represented own-account workers in sectors where they traditionally dominated. In the mid-1990s, the FNV confederation created a committee to map the representation of own-account workers across its sectoral unions. It found that the Dutch Journalists Union (NVJ), Arts Union (*Kunstenbond*, later KIEM), and Hairdressers Union (*Kappersbond*) had already taken up the representation of own-account workers, while the Board of the Transport Union started its first initiative (FNV, 1997: 3). FNV Bondgenoten, resulting from a merger of FNV's services and industry unions, decided to take up the representation of own-account workers' interests quickly after the Flexibility and Security Exchange (Kasper, 2017: 42). The motivation behind the creation of the commission itself also signified more appreciation of an incentive-based strategy toward own-account work within the FNV confederation than during early responses to agency and on-call work. Although own-account workers put competitive pressure on other work arrangements, the report of the FNV commission noted that they might have become own-account workers involuntarily, justifying the representation of own-account workers' interests

(FNV, 1997: 2–3). This attitude deviated from the dominant union approach 10 years earlier. Although there was little attention to own-account work in the 1980s, the work arrangement was not entirely off the radar. At the time, the FNV Services Union had already identified an increase in the work arrangement (FNV Dienstenbond, 1986: 3). Yet, the report stated that own-account work was mostly on the rise among jobs that required more education and were not necessarily viewed as precarious, lowering the saliency of the increase for the labor movement.

In sectors where own-account work constituted a relatively new phenomenon, insider-outsider tensions were often high during the 1990s, particularly among union members. The construction sector is the most obvious example. With the Flexibility and Security Exchange, the ban on agency work in the sector ended, while own-account work and subcontracting strongly expanded in the late 1990s. The latter constructions, in particular, facilitated the undercutting of employees due to the absence of CLA and pension coverage (Kasper, 2017: 41–2). Facing the rise in nonstandard employment, the FNV Construction Union deliberated on its response. In 1997, the union organized a congress around its strategy for the next century's challenges. This fact alone highlights the complexity of the FNV confederation. Whereas De Waal suggested that own-account work was not yet a big issue at the central level, it was already of primary importance to its union in the construction sector.

In the congress resolution, the Board of the FNV Construction Union proposed to take up the interests of own-account workers, similar to the other unions represented in the committee at the confederation level. Whereas the board opposed employers' use of alternative work arrangements to attain flexibility, its proposed resolution advocated an incentive-based strategy that would bring the labor conditions of own-account workers closer to those of employees: 'the union wants to develop and offer services for certain groups of own-account workers in terms of rates, labor conditions, and insurance. The union is going to inform own-account workers about this. Membership in the union will be made possible for own-account workers' (Bouw- en Houtbond FNV, 1996b: 4). According to the board, the inclusive nature of the incentive-based strategy served both employees and own-account workers: 'interest representation for this group is first and foremost for their own benefit...but a stronger position of the self-employed also benefits employees' (Bouw- en Houtbond FNV, 1996a: 29). The proposal was controversial. From a legitimacy perspective, opening up membership and representing own-account workers contributed to further normalization of the work arrangement. The FNV Construction Union's Congress discussion shows how the dilemma between a legitimacy-based and incentive-based strategy split union membership. Although the board advocated an incentive-based strategy, many union members responded with a conservative reflex similar to early labor responses to agency and on-call work. They viewed own-account workers as 'free birds' and 'pseudo-employers'; workers who had voluntarily opted for

independent entrepreneurship, undercut the labor conditions of regular employees, and whose values fitted more with employers' associations than the labor movement (Bouwen Houtbond FNV, 1997: 168–70). Surely, they argued, the union should not contribute to normalizing their practices. Own-account workers were no employees but competitors and should, therefore, not be supported (FNV, 1997: 3), in line with the proposition of insider-outsider theory.

After the discussion, a clear majority of congress members (162) voted against the resolution to represent own-account workers' interests, while a substantial majority (99) voted in favor, and a few members abstained (7) (Bouwen Houtbond FNV, 1997: 174). This outcome temporarily obstructed initiatives to organize own-account workers. A year later, the Board of the FNV Construction Union nevertheless started an interest representation experiment for own-account work, followed up by the creation of a separate sectoral union for own-account workers in the construction sector in 2000 (Kasper, 2017: 42). Over time, tensions between both construction unions grew as own-account workers' preferences conflicted with the incentive-based strategy. Although the incentive-based strategy toward alternative work arrangements allows for a more inclusive approach, it centers around extending regulation on nonstandard employment to improve the labor conditions of outsiders and reduce the undercutting pressure on employees. Therefore, the strategy can be inclusive if the outsiders are interested in more regulation. Unlike agency and on-call workers, however, own-account workers tend to be more critical of additional regulation. This tension showed when the FNV unions for the construction sector considered introducing minimum tariffs. Whereas the general Construction Union wanted to introduce a price floor to reduce the undercutting pressure on employees, the Construction Union for own-account workers opposed such regulation (Kasper, 2017: 43). Eventually, the Construction Union for Own-account Workers decided to leave the FNV amidst efforts to centralize the confederation. In the Dutch press, the Construction Union for Own-account Workers stated that the move resulted from the threat of 'soon ceasing to exist as an autonomous association with its own decision-making power and fears that own-account workers' interests will not receive sufficient attention' (*Volkskrant*, 2012). Aligning the representation of employees and own-account workers, thus, proved difficult for the FNV in the construction sector.

The case of the construction sector highlights that representing own-account workers typically diverges from representing agency and on-call workers. Although unions faced a similar dilemma in responding to spreading own-account work, this case is distinct in some aspects. First, the early gender distribution of own-account work was different. Whereas slightly more men were traditionally own-account workers, women dominated early on-call and agency work. As discussed earlier, this is relevant for union responses through worker-to-worker identification. Secondly, the double identity of own-account workers as workers and entrepreneurs makes it harder for traditional trade unions to

represent them. Due to this double identity, own-account workers cross traditional class divides and often opt for other interest groups than the traditional trade unions. Thirdly, another complication for trade unions is the satisfaction of many own-account workers with their work arrangement. Dutch surveys suggest that the autonomy enabled by the work arrangement is critical for understanding own-account workers' contentment (TNO and CBS, 2019: 51–2, 79; Josten et al., 2014: 24; Van der Aa et al., 2015: 121). As such, there is a certain emancipatory element to own-account work growth (Kasper, 2017: 42). This might explain why Boumans (2022: 11) finds that trade unions advocated for own-account work during the 2000s as 'a means of self-realization' and called for an extension of their tax deduction. This is intriguing as it runs against the typical negative response of Dutch unions toward nonstandard employment focused on labor contract coverage. At the same time, Boumans (2022: 12) points out that the FNV meanwhile tried to regulate the arrangement, which is more suggestive of an incentive-based strategy. Unfortunately, the archival material for a more in-depth assessment of union strategies (toward own-account work) in the 2000s is not yet accessible. These studies indicate, however, that the FNV's stance on own-account work was less straightforward than its attitude toward on-call and agency work. Fourthly, as discussed in Chapter 4, own-account workers attained a privileged fiscal position compared to employees contrary to agency and on-call workers. In such a context, it is hard for unions to represent outsiders. As the next section on recent reforms shows, the case of the Self-employed Tax Deduction is illustrative. Whereas the decrease in the tax deduction made the fiscal treatment of employees and the self-employed more equal and reduced the competitive pressure of own-account work on other work arrangements, the policy significantly reduced the net income of own-account workers. In the case of outsider privileges, the incentive-based strategy of unions is, therefore, unlikely to be inclusive.

## **Putting nonstandard employment back on the agenda**

Although union archives are inaccessible for this period, FNV publications and actions indicate less attention to nonstandard employment within the Dutch labor movement throughout the mid-2000s (Van Dijk et al., 2018: 94, 98, 107, 110). Occasionally, there were exceptions, such as the protest actions against the Albert Heijn supermarkets in 2004 for their use of agency workers to circumvent the sector's own CLA. After the financial crisis of the late 2000s, attention to nonstandard employment within the labor movement increased in the context of international discussions on decent work. In a conference publication, M. Nuyten, Board member of FNV Bondgenoten, reflected on the union's strategy toward agency work: '[our attempt to] curb flexibilization is unsuccessful. In the negotiations for the new collective labor agreement, we, therefore,

aim to increase flexibility in exchange for better labor conditions: better wages, better pensions, and better training' (FNV Company monitor, 2009: 20). The citation shows that FNV Bondgenoten had moved away entirely from a legitimacy-based strategy, as it perceived eradicating agency work as unattainable. Instead, it focused on improving labor conditions through collective labor agreements.

In the 2010s, union efforts to curb the rise in nonstandard employment targeted the legislative rather than the corporatist channel. In 2010, the FNV called for a cap on the number of flexible workers companies can hire leading up to the parliamentary elections (Stoker, 2010). One year later, the confederation put interest representation for flexible workers center stage in its agenda for simply good work (*gewoon goed werk*): 'The FNV wants to work toward better labor conditions for flexible workers. And support flexible workers in standing up for their rights...' (FNV, 2011: 55). The FNV wanted to arrange limits to the share of alternative work arrangements per organization, advocated equal wages and training opportunities for agency workers and employees on the work floor ('equal wage for equal work'), and called for improved access to pensions and social insurance for own-account workers. The confederation, moreover, pushed the issue of bogus contracting through own-account work onto the political agenda. In 2012, the FNV also called for payrolling regulation (StvdA, 2012: 21).

During the rule of the Rutte II cabinet, consisting of liberals (VVD) and social democrats (PvdA), the social partners received the opportunity to shape nonstandard employment regulation through the legislative channel. The coalition agreement contained many policies that challenged organized interests: cuts in unemployment benefits, raises in unemployment contributions, wage moderation in the public sector, deregulation of employment protection legislation, and the obligation for large employers to hire a certain number of disabled workers (VVD and PvdA, 2012: 33–4). At the same time, the deal called for designing stricter regulation of nonstandard employment and temporary labor contracts in collaboration with the social partners. Trade unions, in particular, vehemently opposed the cabinet agenda of wage moderation, welfare state retrenchment, and job security reforms (*Volkskrant*, 2013b; Kleijwegt, 2012). Employers' associations also disliked the proposals that would punish large employers when they would not hire a sufficient number of disabled workers and required employers to contribute more to unemployment insurance while benefits became less generous. The shared disapproval of the policies, in turn, opened the opportunity for talks between the social partners. As the government wanted to broaden societal support for its austerity measures, it handed employers' associations and trade unions the initiative to negotiate an alternative reform package (Kleijwegt and Niemantsverdriet, 2013; *Volkskrant*, 2013a). The cabinet guided the bargaining process to stimulate the social partners to reach a deal and to align the policies with the preferences of the cabinet's political parties, guaranteeing that an agreement would pass parliament.

The resulting central agreement of 2013 deviated substantially from the plans in the coalition agreement. The deal maintained the length of unemployment benefits, postponed employment protection reforms for labor contracts, removed the punishment from the requirement to employ disabled workers, and refuted wage moderation in the public sector. (Stokmans and Niemantsverdriet, 2013; *Volkskrant*, 2013c). Although the social partners generally weakened the cabinet proposals, there were still some important reforms in the agreement. To maintain the length of unemployment benefits, the social partners and the cabinet agreed to fund the third year themselves via collective labor agreements. This construction allowed trade unions and employers' associations to increase their control over the execution of unemployment insurance and make them less dependent on cabinet policy (Kleijwegt, 2012). With the agreement, the social partners, thus, increased their organizational power.

Crucially, the central agreement also allowed unions to center societal attention on nonstandard employment regulation: 'There is an urgent need to improve the rights and protection of people with flexible work arrangements (flexible workers) and to counteract improper forms of flexible work by all possible means' (StvdA, 2013: 1). The accord included policies that would slightly restrict on-call work, agency work, and fixed-term contracts (StvdA, 2013: 24–6). On on-call work, the social partners created guidelines for sectoral bargaining, calling upon their sectoral organizations to limit the use of zero-hours contracts and exclusions from sickness pay beyond six months by CLA. The agreement also prescribed statutory legislation, restricting chains of consecutive temporary labor contracts and limiting the duration of the highly flexible phase of agency work. The accord deviated from the Flexibility and Security Exchange by calling for limitations to sectoral discretion by CLA, even when the restrictions advocated were loose. Finally, the agreement invited further policies against bogus contracting. Overall, unions improved nonstandard employment regulation without sacrificing regulation on other work arrangements. The main explanation for the outcome is that the main employer demands did not concern work arrangements but employer contributions to unemployment insurance, the obligation to hire disabled workers, and access to funding for companies. The cabinet translated the proposals for nonstandard employment of the central agreement into the Work and Security Act (*Memorie van toelichting. Wet werk en zekerheid*, 2013: 12, 18–20), which comfortably passed parliament (*Tweede Kamer 2013-2014 Handelingen 18 February*, 2014a: 1; *Eerste Kamer 2013-2014 Handelingen 10 June*, 2014: 1). Similar to the Flexibility and Security Exchange, negotiations between the traditional representatives of capital and labor in party politics and industrial relations characterized the political dynamics of the Work and Security Act, support the proposition of power resources theory.

In the law's aftermath, nonstandard employment regulation remained high on the labor agenda. Concerning union policy between 2015 and 2021, Boumans

(2022: 13) states that the ‘first and foremost objective was the reduction of the use of precarious labor contracts...’. Due to the dominance of the dualization narrative in policy discussions, the societal tide favored the proposals for stricter nonstandard employment regulation propagated by trade unions. Unions, for instance, achieved a tripartite deal on compulsory disability insurance for own-account workers, where the government left the design of the concrete policy scheme to the social partners. In 2020, the Labor Foundation presented its proposal: a separate disability scheme for own-account workers (StvdA, 2020: 9, 13–4). Soon after, the Social and Economic Council similarly recommended compulsory disability insurance for own-account workers and a lowering of the Self-employed Tax Deduction as input for the cabinet formation process (SER, 2021: 23–4). In line with earlier reports of the WRR and the Work Regulation Committee, the SER advice included measures to improve the protection of on-call and agency workers. By forcing employers to agree with their workers on a quarterly volume of working hours for on-call contracts, the SER effectively attempted to stop the use of zero-hours contracts (SER, 2021: 18, 20). The Social and Economic Council also advocated for limiting agency work to bonafide intermediaries and reducing the maximum extension by CLA of the highly flexible phase to 52 weeks (SER, 2021: 19). Although these restrictions were significant, it is noteworthy that they did not go as far as the proposals of the Work Regulation Committee, which would effectively eradicate payrolling. Finally, the SER proposed adjustments to the employment protection of open-ended labor contracts to decrease differences between work arrangements.

The fourth Rutte government announced stricter nonstandard employment regulation in its coalition agreement, stating that it wanted to follow the direction of the Work Regulation Committee and the SER recommendations (VVD et al., 2021: 26–7). The Rutte IV cabinet also adopted the disability insurance proposal of the Labor Foundation (Minister SZW Van Gennip, 2023: 7). The cabinet, moreover, followed the SER in opting for agency work regulation that would reduce the length of the highly flexible phase and introduce further legislation to guarantee similar labor conditions with regular employees on the work floor, while keeping possibilities for payrolling intact (Minister SZW Van Gennip, 2023: 9–10). Regarding on-call work, the government aimed to eradicate zero-hours contracts, similar to the SER, but proposed a new basic contract rather than an obligation to agree on contract hours every three months. Whereas trade unions played an important role in putting stricter regulation of nonstandard employment on the agenda, the social partners, thus, also had a significant impact on policy development once the issue was established. As with the Work and Security Act, the government incorporated organized interests into this process to broaden societal support for the reforms (Minister SZW Van Gennip, 2023: 2).

## Conclusion

Between 1971 and 2023, Dutch trade unions consistently perceived alternative work arrangements for hierarchical labor relationships as a fundamental challenge to the regular labor contract. Consequently, they viewed alternative work arrangements as conflicting with insider interests and vehemently opposed such contracts. Due to their consistent opposition to nonstandard employment, policy paradigm theory has little explanatory power regarding the role of trade unions in regulating alternative work arrangements (see Table 5.1). Since *whether* unions opposed nonstandard employment was not up for discussion, deliberation in union circles focused on *how* unions had to oppose alternative work arrangements. In responding to nonstandard employment, unions faced a dilemma between a legitimacy-based and an incentive-based strategy. The legitimacy-based strategy relied on the idea that regulating nonstandard employment, other than prohibition, legitimized the arrangements, contributing to a further expansion of agency work and on-call contracts. In contrast, the incentive-based strategy directly aimed to reduce the relative attractiveness of alternative work arrangements to employers.

In 1971, the union confederations signed the first collective labor agreement for the agency sector with the agency industry but the deal was controversial within the labor movement, as the CLA did not lead to labor contract coverage for agency work. Some union members viewed flexible workers as competitors who challenged their labor market position. Breadwinner ideas played an important role in this dynamic, as these union members tended to view female labor as something additional. Concerns about legitimizing an alternative work arrangement that competed with the labor contract motivated the FNV to leave the CLA negotiations in 1976. By adopting the legitimacy-based strategy, the FNV prioritized the removal of the threat to the labor contract over the representation of outsider interests, supporting the proposition of insider-outsider theory. Yet, the union confederation's power resources were insufficient for a coordinated ban on alternative work arrangements. Instead, the FNV became a passive actor, abstaining from negotiations on regulation and excluding outsiders from interest representation. Meanwhile, the CNV continued to follow an incentive-based strategy by participating in collective bargaining in the sector. Whereas the FNV and CNV both opposed nonstandard employment, collective bargaining in the agency sector, thus, exposed diverging strategies to achieve this objective. Without the presence of the largest union confederation, improvements in agency work regulation were limited, however. Consequently, labor contributions to nonstandard employment regulation were low at times of union strength, contrary to the proposition of the power resources literature.



**Table 5.1.** Alignment of findings Chapter 5 with theoretical propositions

Theory	Proposition	Supportive findings	Conflicting findings
Breadwinner model theory	Sticky breadwinner policies backed by Christian democratic parties explain segmentation along gender lines		
Power resources theory	Power relations between capital and labor explain adjustments to labor market regulation	<ul style="list-style-type: none"> <li>• The Flexibility and Security Exchange and the Work and Security Act resulted from conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations. In these exchanges, power relations forced social democrats and trade unions to offer concessions in order to attain improvements to agency and on-call work regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Before the 1980s, unions contributed little to the regulation of nonstandard employment despite high labor strength. After dramatic membership losses, unions picked up efforts to regulate agency and on-call work in the mid-1980s</li> </ul>
Insider-outsider theory	Power dynamics between labor market insiders and outsiders explain segmentation	<ul style="list-style-type: none"> <li>• Early FNV responses to nonstandard employment often ignored outsider interests. Some union members viewed flexible workers as competitors who challenged their position</li> <li>• The employment protection of open-ended labor contracts constituted a consistent priority for trade unions. Due to declining power resources, this prioritization limited the possibility of attaining improvements for nonstandard employment regulation</li> </ul>	<ul style="list-style-type: none"> <li>• From the mid-1980s onwards, trade unions undertook many initiatives that improved the labor conditions of alternative work arrangements despite decreasing labor power, reducing the gap between nonstandard employment and open-ended labor contracts</li> </ul>
Policy paradigm theory	Policy paradigm shifts explain adjustments to labor market regulation		<ul style="list-style-type: none"> <li>• Unions consistently opposed the use of alternative work arrangements for hierarchical labor relationships. The shift toward the supply-side policy paradigm had remarkably little effect on this attitude</li> </ul>

Between the mid-1970s and mid-1980s, the incidence of agency and on-call work vastly expanded. With increasing levels of nonstandard employment, the prohibition of alternative work arrangements became less plausible, while the pressure of nonstandard employment on the labor conditions of insiders increased and the legitimacy-based strategy resulted in the exclusion of an ever larger group of labor market outsiders. Consequently, the legitimacy-based strategy became less attractive to sectoral unions than an incentive-based strategy. Within the unions, female trade union members, in particular, challenged the status quo, while unions increasingly wanted to attract such members in the context of enormous membership losses. These developments motivated the FNV to transition back to an incentive-based strategy toward agency and on-call work, which the union confederation maintained until the end of the study period. After the FNV returned to the bargaining table in the agency sector, the social partners quickly agreed on the first Agency CLA covering all economic sectors in 1986. In the second half of the 1980s, the union confederations also achieved numerous improvements in CLAs for on-call work. Despite decreasing power resources, labor contributions to regulation increased, contradicting the power resources literature.

In the second half of the 1990s, the FNV and CNV played a crucial role in establishing the Flexibility and Security Exchange. The agreement occurred under the auspices of the social democratic-liberal Kok I cabinet and resulted from conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations, supporting the proposition of power resources theory. On the one hand, the deal abolished the permit system for work agencies and allowed for longer periods of consecutive temporary labor contracts without additional dismissal requirements. On the other, the agency work arrangement transformed into a special labor contract with a highly flexible first phase and on-call work became subject to stricter regulation through a minimum of three hours per call and the legal labor contract presumption. Although the FNV had taken up the representation of outsider interests and labor contributions to nonstandard employment regulation had increased, the Flexibility and Security Exchange also highlighted the limitations to union solidarity. The protection of workers with open-ended labor contracts remained the unions' priority, in line with insider-outsider theory. Due to the limited power resources of the union confederations, this prioritization forced the FNV and CNV to settle for the deregulation of fixed-term contracts in exchange for nonstandard employment regulation. As a result, union efforts to regulate nonstandard employment with the accord proved ineffective in curbing Dutch labor market segmentation. At the same time, the many initiatives by trade unions to improve the labor conditions of outsiders indicate that they were no driving force either. Labor achievements that reduced the gap between insiders and outsiders, such as improvements for on-call work in CLAs, contradict the proposition that power dynamics between labor market insiders and outsiders explain segmentation.

Trade unions also had a large impact on the development of the Work and Security Act of 2014. After strong opposition by the union confederations and employers' associations to the austerity agenda of the liberal-social democratic Rutte II government, the cabinet allowed the social partners to negotiate an alternative reform package in coordination with the government. The cabinet plans also announced adjustments to nonstandard employment regulation to be developed in collaboration with the social partners. Although the resulting social accord toned down much of the austerity reforms, it contained important changes to nonstandard employment regulation. The agreement shortened the maximum period of consecutive temporary labor contracts and called upon the sectoral social partners to limit zero-hours contracts to extraordinary circumstances by CLA. On agency work, the deal prescribed legislation allowing less variation in the duration of the first phase by CLA. Yet, the issue of payrolling had proven too controversial among trade unions and employers' associations for a meaningful outcome. After the social accord, the cabinet turned the agreement into the Work and Security Act. Overall, the Work and Security Act leaned much more toward additional security than the Flexibility and Security Exchange, as the employer demands were concentrated in other areas than the regulation of work arrangements. Still, the political dynamics between traditional representatives of capital and labor resembled the Flexibility and Security Exchange, similarly supporting the proposition of power resources theory.

As unions continued to push for nonstandard employment regulation during the second half of the 2010s, they also played their part in policy discussions on own-account work regulation. Early union responses to increasing levels of own-account work in the late 1990s and early 2000s had been similar to initial reactions to agency and on-call work. Facing the dilemma between a legitimacy-based and incentive-based strategy, unions' insider-outsider tensions were particularly high in traditional economic sectors where own-account work constituted a relatively new phenomenon. At the same time, sectoral unions were quicker to shift to a more inclusive, incentive-based strategy. Under the rule of the liberal-Christian democratic Rutte III cabinet, unions bargained a tripartite deal on compulsory disability insurance for own-account workers, where the government left the design of the concrete policy scheme to the social partners. In 2020, the union confederations and employers' associations presented their proposal: a separate, compulsory disability scheme for own-account workers. The Rutte IV cabinet, characterized by the same party composition, then, adopted the proposal of the social partners in 2023, but the government fell before the reform could pass parliament.



# CHAPTER 6

## Conclusion

Since the 1970s, the trajectory of nonstandard employment in the Netherlands has been remarkable. In five decades, the Dutch labor market transformed from a labor market characterized by full-time, open-ended labor contracts to one characterized by segmentation. In 2024, the Netherlands has comparatively high levels of own-account work, on-call work, and agency work. By analyzing how (and why) political parties and trade unions have regulated nonstandard employment between 1964 and 2023, this dissertation aims to increase our understanding of the role of politics in the rise of these alternative work arrangements. In addition to this empirical objective, the theoretical goal of this research project is to contribute to the academic literature on country-specific variation in labor market segmentation by assessing party politics and union strategies. This conclusion first addresses the core findings of the analysis, and, then thoroughly discusses the explanatory power of the theoretical propositions.

## **Core findings**

Although the agency, on-call, and own-account work preceded the second oil shock, this economic crisis constituted the critical juncture for nonstandard employment development in the Netherlands. High labor costs, increasing interest rates, and decreasing demand pressured the profits and budgets of employers. In response, employers increasingly used alternative work arrangements to cut costs and pass on employment risks. Meanwhile, female labor market participation grew rapidly. Due to the burden of care tasks, scant childcare, tax incentives, and lack of work experience, many mothers who re-entered the labor market had to settle for precarious work arrangements, such as on-call contracts.

The combination of inflation and unemployment also put into question the dominant policy paradigm. In the early 1980s, policymakers increasingly advocated supply-side policies in socioeconomic affairs. The supply-side policy paradigm shift had a particularly pronounced effect on political preferences and behavior concerning the employment protection of labor contracts and the fiscal treatment of own-account work. Due to opposition by trade unions and the social democratic PvdA to reforms of the open-ended labor contract, the criticism of the ‘rigidities’ of the labor contract eventually translated into proposals to deregulate fixed-term labor contracts. On own-account work, the contrast between both sides of the policy paradigm shift was perhaps the most striking. Before the shift, there was broad political support for decreasing fiscal differences between own-account workers and other workers. After, the policy focus shifted to the fiscal stimulation of own-account workers as part of a larger effort to boost entrepreneurship, effectively creating a fiscal treatment gap with employees. Though less dramatic, the supply-side ideas also impacted agency work regulation. In 1965, a new permit system had brought commercial intermediation into the formal

sphere under strict conditions, such as a maximum length of job assignments. Before and after the policy paradigm shift, similar cabinets developed contradictory policies on this maximum job assignment length to limit or encourage agency work development. During the 1990s, the push for extending market coordination also played a role in the ending of the permit system for the work arrangement. In contrast, the supply-side policy paradigm had little effect on on-call work regulation. In the mid-1980s, political support emerged for stricter regulation of on-call work contrary to the dominant paradigm, resulting in the monthly wage floor of 1989.

Trade unions were seemingly unaffected by the supply-side policy paradigm, as they consistently opposed nonstandard employment. Yet, the rising incidence of alternative work arrangements exposed tensions between labor market insiders and outsiders. Due to concerns about legitimizing nonstandard employment, the largest union confederation, the FNV, did little to represent outsiders between 1976 and 1986. In this phase, agency and on-call work continued to spread. With increasing levels of nonstandard employment, the complete prohibition of alternative work arrangements became less plausible, while the pressure of nonstandard employment on the labor conditions of union members increased and FNV's passive attitude excluded an ever larger group of labor market outsiders who could mitigate the confederation's membership losses. These factors moved the FNV to take up the representation of outsider interests during the mid-1980s.

The pressures for the deregulation of labor contracts, stricter regulation of nonstandard employment, and the re-regulation of agency work paved the way for the Flexibility and Security Exchange of the late 1990s. Traditional power dynamics characterized the negotiations of the agreement, as the traditional representatives of capital and labor in party politics and industrial relations bargained for a compromise. Such dynamics were also typical of the Work and Security Act of 2014. Yet, the negotiations would become much more counterintuitive in the late 2010s. In the course of the 2010s, the dominant policy narrative on alternative work arrangements started to shift. Increasing concerns about the differences in risks and costs between work arrangements affected attitudes across the political spectrum. The extent of the impact differed from party to party, however. Crucially, the liberal party D66 dramatically altered its policy stances toward stricter regulation of nonstandard employment. In this way, D66's attitude moved much closer to the social democratic PvdA than its liberal counterpart VVD on this issue. Due to the changed political preferences on labor market flexibility, consecutive cabinets dominated by liberal parties backed ambitious reforms of nonstandard employment regulation, such as the Labor Market in Balance Act of 2019. In 2023, the Rutte IV cabinet announced further policy changes but the proposals never passed parliament as the government fell before they could be introduced.

## **Breadwinner policies**

Due to the gradual departure from breadwinner policies over the last half-century, the explanatory power of breadwinner model theory is particularly high during the early phase of labor market segmentation. Under Christian democratic political dominance, scant childcare facilities, fiscal incentives, breadwinner norms, and hiring practices discouraged married women and mothers from pursuing regular, full-time employment. Instead, these breadwinner policies drove married women and mothers toward alternative work arrangements. Consequently, women were strongly overrepresented in early agency and on-call work. Breadwinner model theory especially fits the development of on-call work in the 1980s (see Table 6.1). In these years, the labor market participation of women quickly increased. Yet, the lack of childcare facilities, household-based taxation, and focus of social insurance on the primary earner still obstructed their access to jobs covered by a full-time, open-ended labor contract.

As employers increasingly implemented nonstandard employment to save on labor costs, many women ended up in precarious, part-time work arrangements including on-call work. Contrary to social services and income tax, breadwinner model theory has little explanatory power when focusing on the employment protection of labor contracts. Christian democratic parties were not the driver behind strong insider job security, in line with Emmenegger's criticism of breadwinner model theory. The strict employment protection of open-ended labor contracts resulted from emergency legislation around the Second World War and, once in place, proved sticky in governments with and without Christian democrats. In the 1980s, Christian democrats became one of the foremost critics of the strict employment protection of labor contracts. Christian democratic support, therefore, cannot account for the stable insider job security observed.

## **Power relations**

The power balance between capital and labor is critical in understanding the reforms of nonstandard employment regulation in the Netherlands. Due to the traditional importance of Christian democratic parties in the Dutch context, the relative influence of the right- and left-wing of these parties often constituted a decisive factor in forming political majorities. The introduction of compulsory social insurance for agency work constituted a typical example. On one side, the liberal VVD and the right wing of the Christian democratic parties opposed regulation. On the other, the social democratic PvdA and the left wing of the Christian democratic parties supported it. As the left-oriented block controlled the cabinet and a majority in parliament, the law proposal eventually passed parliament in 1965, supporting the proposition that power relations between capital and labor explain adjustments to labor market regulation (see Table 6.2).



**Table 6.1.** Alignment of findings with proposition breadwinner model theory

Theory	Proposition	Supportive findings	Conflicting findings
Breadwinner model theory	Sticky breadwinner policies backed by Christian democratic parties explain segmentation along gender lines	<ul style="list-style-type: none"> <li>Scant childcare facilities and tax incentives drove women toward alternative work arrangements, particularly into on-call contracts in the 1980s</li> </ul>	<ul style="list-style-type: none"> <li>Christian democracy was not the driver of the strict dismissal protection of open-ended labor contracts in the Netherlands</li> <li>In the 1980s, Christian democrats became one of the foremost critics of the strict employment protection of labor contracts</li> </ul>

**Table 6.2.** Alignment of findings with proposition power resources theory

Theory	Proposition	Supportive findings	Conflicting findings
Power resources theory	Power relations between capital and labor explain adjustments to labor market regulation	<ul style="list-style-type: none"> <li>Power relations between a left-oriented and a right-oriented political block explain the introduction of compulsory social insurance for agency work in 1965</li> <li>The Flexibility and Security Exchange and the Work and Security Act resulted from conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations. In these exchanges, power relations forced social democrats and trade unions to offer concessions in order to attain improvements to agency and on-call work regulation</li> </ul>	<ul style="list-style-type: none"> <li>In the first half of the 1980s, Christian democratic Social Affairs Ministers adopted contradictory policies regarding the maximum job assignment length of agency work in consecutive cabinets with similar power relations</li> <li>Between 1970 and 1983, cabinets characterized by different power relations adopted similar initiatives to reduce the fiscal differences between the self-employed and employees</li> <li>Coalitions of Christian democrats and liberals with similar power relations backed contradictory policies concerning own-account work between 1970 and 2023</li> <li>In the late 2010s and early 2020s, the Rutte III and IV cabinets dominated by liberal political parties backed stricter nonstandard employment regulation</li> <li>Before the 1980s, unions contributed little to the regulation of nonstandard employment despite high labor strength. After dramatic membership losses, unions picked up their efforts in the mid-1980s</li> </ul>

Overall, however, Christian democratic parties were remarkably absent during the negotiations that led to major reforms of agency and on-call work regulation. The Kok I cabinet (1994-1998) constituted the first post-war government without Christian democratic parties. This government made up of social democrats and liberals introduced the Flexibility and Security Act and Labor Market Intermediaries Act in 1998 which were part of the Flexibility and Security Exchange of the late 1990s. Policy discussions on (1) reforms in the employment protection of labor contracts, (2) the re-regulation of agency work, and (3) statutory legislation on on-call contracts paved the way for the exchange. The initial attempt by the first Kok government to solve the policy discussions through a single deal failed due to an impasse between a social democratic and a liberal bloc within the cabinet. To solve the stalemate, the government reached out to the social partners to see if they could negotiate a compromise. The resulting deal of trade unions and employers' associations formed the basis of the Flexibility and Security Exchange, as it was largely followed by the cabinet. Conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations, thus, characterized the negotiations of the reform package, in line with power resources theory. Given their power position, both parties needed to offer concessions to reach a compromise. For the social democratic PvdA and trade unions the allowance of longer periods of consecutive temporary labor contracts without additional dismissal requirements and the abolition of the permit system for work agencies, de facto recognizing work agencies as legitimate intermediaries constituted the main concessions. In exchange, the liberal VVD and D66 and employers' associations accepted labor contract coverage for agency work albeit with a highly flexible first phase and stricter regulation of on-call work through a minimum of three hours per call and the legal labor contract presumption.

The negotiations that led to the Work and Security Act of 2014 also support power resources theory. After the 2012 elections, the acclaimed winners, the liberal VVD and the social democratic PvdA, quickly signed a coalition agreement in which they announced austerity measures and stricter nonstandard employment regulation. The deal of the Rutte II cabinet (2012-2017) led to strong opposition from trade unions and employers' associations, which motivated the cabinet to let them negotiate an alternative reform package. The resulting agreement staved off much of the austerity measures but contained an impetus for nonstandard employment regulation. The deal shortened the maximum period of consecutive temporary labor contracts and called upon the sectoral social partners to limit zero-hours contracts to extraordinary circumstances by CLA. On agency work, the deal prescribed legislation allowing less variation in the duration of the first phase by CLA. Yet, the issue of payrolling had proven too controversial among trade unions and employers' associations for a meaningful outcome. Although trade unions and employers' associations both offered concessions to reach the compromise, the deal

leaned much more toward additional security than the Flexibility and Security Exchange, as the labor concessions were concentrated in other policy areas. The cabinet, then, translated the agreement into the Work and Security Act. When parliament discussed the law, a political majority supported a motion calling for equal treatment legislation for payrolling. The execution of this motion, in turn, laid bare the different political attitudes within the cabinet, which resembled traditional class divides. Whereas the social democratic PvdA supported equal treatment legislation for payrolling similar to the trade unions, the liberal VVD opposed such reform in line with the positioning of the employers' associations.

Although power resources theory fits these major reforms in agency and on-call work regulation, it has little explanatory power concerning the adjustments to own-account work policy. Between 1970 and 1983, cabinets characterized by different power relations adopted similar initiatives to reduce the fiscal differences between the self-employed and employees, contradicting the proposition of power resources theory. Christian democratic-liberal and social-Christian democratic coalitions backed the introduction of the Self-employed Tax Deduction and the incorporation of the self-employed in disability insurance. Rather than stable power relations, a shared policy narrative was behind the stable direction reform. The main political parties thought that fiscal policy disproportionately favored employees over the self-employed, resulting in broadly supported attempts to reduce the net income and social insurance deficits of the latter group. After 1983, the entrepreneurial narrative on own-account work gradually became dominant. With this change, the focus of policymakers concerning own-account work shifted to tax relief for businesses, fiscal equality between businesses under income tax and companies under corporate tax, and voluntary insurance for own-account workers. In this phase, Christian democratic-liberal cabinets were primarily responsible for the fiscal stimulation of own-account work as part of a broader tax relief agenda for businesses and the removal of own-account work from compulsory social insurance. Due to these reforms, the own-account work arrangement became fiscally advantageous compared to the use of the labor contract for workers and employers. In the 2010s, the dualization narrative gradually replaced the entrepreneurial narrative in policy discussions on own-account work. This narrative problematized the differences in risks and costs between work arrangements. Due to the fiscal stimulation of own-account work and the removal of the work arrangement from compulsory social insurance, the fiscal treatment of own-account work particularly diverged from the open-ended labor contract. Again, the policy narrative informed fiscal reforms of own-account work by cabinets consisting of liberals and Christian democrats, albeit in the opposite direction. The Rutte III and IV strongly reduced the size of the Self-employed Tax Deduction and developed a proposal for compulsory disability insurance for own-account workers in collaboration with the social partners. Between 1970 and 2023, coalitions between

Christian democrats and liberals with similar power relations, therefore, adopted highly contradictory fiscal policies concerning own-account work. This finding is the most important challenge to power resources theory in this study.

In addition to own-account work policies, the dualization narrative of the 2010s also led to agency and on-call work reforms that conflict with power resources theory. Despite the dominant power position of liberal parties, the Rutte III and Rutte IV cabinets proposed ambitious reforms in nonstandard employment regulation. With the Labor Market in Balance Act of 2018, the Rutte III cabinet enacted equal treatment legislation for payrolling and improved the legal position of on-call work. After 12 months, the law forced employers to offer on-call workers a contract with a stable volume of working hours and sickness pay coverage. Additionally, the act introduced a notice period for on-call work of four days. Yet, the law relaxed the maximum period of consecutive fixed-term contracts. The fourth Rutte government, in turn, advocated the introduction of a basic contract for on-call work with a minimal volume of working hours and a flexible margin, effectively eradicating zero-hours contracts. Regarding agency work, the cabinet proposed reducing the maximum duration of the highly flexible phase of agency work to 52 weeks and enforcing similar labor conditions between agency workers and their colleagues performing the same job on the work floor. Finally, it proposed to lengthen the cooldown period for the counting of consecutive temporary labor contracts from six months to five years. The 2023 fall of the Rutte IV cabinet prevented the introduction of these reforms.

Power resources theory cannot account for the inverse relationship between labor power and the contributions of trade unions to nonstandard employment regulation. Trade unions consistently opposed nonstandard employment regulation in line with power resources theory. Yet, the largest union confederation, the FNV, initially abstained from regulation of nonstandard employment, fearing that regulation of the alternative work arrangements, other than prohibition, would legitimize them and contribute to a further expansion of agency work and on-call contracts. FNV's 1976 decision to leave the collective bargaining on the Agency CLA was illustrative of this attitude. Although the smaller union confederation CNV did consistently attempt to regulate the alternative work arrangements in an attempt to reduce their relative attractiveness to employers, the passive attitude of the largest union confederation meant that labor contributed little to regulation at an early stage, regardless of relatively high power resources. In the aftermath of the second oil shock, union membership sharply declined. This loss of labor power actually constituted one of the motivations for the FNV to adopt an alternative strategy centered around regulation. Due to the membership losses, trade unions became more concerned about attracting labor market outsiders to maintain organizational power, and, therefore, more favorable to union strategies that allowed for the representation of such groups. During the second half of the 1980s, the FNV took

up the regulation of alternative work arrangements. In these years, the trade unions signed the first Agency CLA covering all economic sectors and achieved numerous improvements in CLAs for on-call work. Although union density kept on decreasing, the trade unions later played a crucial role in establishing the Flexibility and Security Exchange, the Work and Security Act, and the development of a compulsory disability insurance proposal for own-account work. With decreasing power resources, labor contributions to regulation, thus, increased, contradicting the power resources literature.

## **Insider-outsider dynamics**

Insider-outsider dynamics are particularly helpful in explaining early union responses to nonstandard employment. In the initial phase, unions often ignored outsider interests in determining their strategies toward alternative work arrangements (see Table 6.3). Unions were primarily committed to protecting the labor contract against challenges from alternative work arrangements. It was not uncommon for union members to portray agency, on-call, and own-account workers as competitors who undermined the achievements of the open-ended labor contract and, therefore, did not deserve to be represented by the trade unions. In their opposition to nonstandard employment, unions faced a dilemma between a legitimacy-based and an incentive-based strategy.

Firstly, trade unions could opt for a legitimacy-based strategy advocating abstention from regulation. The idea behind this strategy is that regulating alternative work arrangements, other than banning them, legitimizes them and, therefore, facilitates their usage by employers. The approach does not require trade unions to accept alternative work arrangements in the short run but inherently excludes workers with such an employment relationship. Under the legitimacy-based strategy, prohibition is the only active policy option toward nonstandard employment. If trade unions are not strong enough to achieve a ban on alternative work arrangements, they end up abstaining from negotiations on regulation. As unions cannot engage in effective interest representation for outsiders, these responses end up exclusive. Nevertheless, the exclusive strategy comprises passivity rather than an active contribution to dualization, given the view of nonstandard employment as undermining insider interests. Secondly, trade unions could pursue an incentive-based strategy prescribing participation in regulation. This strategy postulates that regulation of alternative work arrangements makes them less financially attractive to employers compared to full-time, permanent labor contracts and, in this way, limits the rise in nonstandard employment. Whereas this strategy requires trade unions to accept nonstandard employment in the short run, it opens up possibilities for more inclusive union strategies, i.e., promoting nonstandard employment regulation as a secondary goal. Consequently, there is less of a tension between insider and outsider interests in unions that adopt an incentive-based strategy.

**Table 6.3.** Alignment of findings with proposition insider-outsider theory

Theory	Proposition	Supportive findings	Conflicting findings
Insider-outsider theory	Power dynamics between labor market insiders and outsiders explain segmentation	<ul style="list-style-type: none"> <li>• Early FNV responses to nonstandard employment often ignored outsider interests. Some union members viewed flexible workers as competitors who challenged their labor market position</li> <li>• The employment protection of open-ended labor contracts constituted a consistent priority for trade unions and social democrats. Due to declining power resources, this prioritization limited the possibility of attaining improvements for nonstandard employment regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Despite decreasing labor power, social democratic parties and unions did not settle for the deregulation of nonstandard employment to accommodate pressures for the deregulation of insider job security. Instead, social democratic parties and unions continued their opposition to nonstandard employment</li> </ul>

When agency and on-call work quickly spread in the 1970s and 1980s, trade unions faced the dilemma with minimal information on the effects of both strategies. Meanwhile, the representation of outsider interests was not yet an important consideration. In this context, the shared ideas, values, and habits of unions shaped initial union responses. The FNV had a more radical identity than the CNV as it was more willing to contest the social order in its opposition to nonstandard employment. Whereas the FNV adopted the legitimacy-based strategy, refusing to participate in the gradual regulation of nonstandard employment, the CNV combatted alternative work arrangements through an incentive-based strategy, participating in regulation. With increasing levels of nonstandard employment, the perceived attractiveness of the legitimacy-based strategy decreased compared to its incentive-based alternative. Whereas the complete prohibition of alternative work arrangements became less likely, at least in the short run, nonstandard employment put an ever larger downward pressure on the labor conditions of insiders due to the competing nature of work arrangements. As the legitimacy-based strategy excluded an expanding group of workers, the pressure on unions increased to adopt incentive-based strategies that allowed for the representation of their interests. Meanwhile, declining union density forced unions to appeal to new kinds of members to sustain their organization and its societal position. In this context, the interest representation of outsiders through an incentive-based strategy served as a way to promote union membership. Over time, the FNV, therefore, transitioned to an incentive-based strategy on agency and on-call work, reducing the explanatory power of insider-outsider theory for labor market outcomes. The spread of own-account work in the 1990s also exposed divisions between labor market insiders and outsiders. In this case, the sectoral experience with own-account work highly affected the strategy adopted by unions. Unions represented the interests of own-account workers in sectors where they traditionally dominated such as journalism. Yet, insider-outsider tensions were often high in sectors where own-account work constituted a relatively new phenomenon, particularly among union members. These tensions are perhaps best illustrated by the controversy of representing own-account workers in the FNV Construction Union. On the central level, the social partners gave little attention to own-account work until the late 2010s. Afterward, however, trade unions and employers' associations played a key role in the development of a compulsory disability insurance proposal for own-account workers in 2020.

In addition to early insider-outsider tensions, the prioritization of the employment protection of open-ended labor contracts also aligns with insider-outsider theory. Although the FNV took up the representation of agency and on-call workers during the mid-1980s, the Flexibility and Security Exchange of the late 1990s highlighted the limitations to the solidarity of unions and the social democratic party. Between 1965 and 2023, the employment protection of open-ended labor contracts was the priority



of unions and, to a lesser extent, the social democratic PvdA. Due to their limited power resources, this prioritization forced the unions and the social democratic PvdA to concede the deregulation of fixed-term contracts in exchange for nonstandard employment regulation. As this deregulated another labor market segment, the Flexibility and Security Exchange proved ineffective in curbing Dutch labor market segmentation. By sacrificing some insider protection, the social democratic PvdA and trade unions could have likely attained more fundamental improvements in nonstandard employment regulation. At the same time, the negotiations of the Flexibility and Security Exchange did not align with the more substantial claim of insider-outsider theory proposing that social democratic parties contribute to segmentation by reducing restrictions on nonstandard employment to avoid the deregulation of open-ended labor contracts. There is simply no evidence to support the latter argument in my case study. Instead, the social democratic party and unions pursued nonstandard employment regulation despite the loss of labor power. Labor achievements, such as the improvements in the labor conditions of on-call work through multiple CLAs in the second half of the 1980s or the regulation of agency work with the Work and Security Act of 2014 effectively reduced the gap in labor conditions between nonstandard employment and open-ended labor contracts.

## **Policy paradigms**

Policy paradigm theory particularly has explanatory power regarding the shift toward supply-side policies that occurred in the early 1980s in the Netherlands. This is unsurprising as this is the transformation based on which the theory was originally designed. When focusing on the regulation of work arrangements, the gradual turn toward the supply-side especially affected policy discussions on the employment protection of labor contracts and fiscal treatment of own-account work. With the supply-side shift, the labor market flexibility narrative gradually became dominant among policymakers. According to this narrative, the increasing need for businesses to adapt quickly to international markets required a more flexible labor market. The labor market flexibility narrative did not contain a comprehensive vision of nonstandard employment regulation. Rather, it informed a critical attitude toward the ‘rigidities’ of the labor contract that hampered the capacity of employers to adapt to changing circumstances. The preventive dismissal assessment was at the epicenter of criticism on the employment protection of labor contracts, ruling that employers required ex-ante permission from a government body on the grounds of just cause to discharge individual workers. The additional dismissal requirements associated with the renewal of open-ended labor contracts constituted another. After the shift, the Christian democratic CDA, in particular, became more critical of the employment protection of labor contracts,

moving closer to the positioning of employers' associations and the liberal parties. Yet, trade unions and the social democratic PvdA successfully resisted reform. It would take until the Flexibility and Security Exchange for major reforms in the employment protection of labor contracts to materialize and they were focused on fixed-term labor contracts rather than their open-ended counterparts.

The effects on policy outcomes were more pronounced for own-account work. Before the 1980s, the dominant policy narrative focused on the worker identity of own-account workers. Emphasizing the similarities between the self-employed and employees, this narrative informed broadly supported reforms to reduce the net income and social insurance deficits of the self-employed to the latter group. As a result, the self-employed became incorporated in disability insurance (1975) and long-term unemployment insurance (1976) and received an increasingly large income tax break through the Self-employed Tax Deduction (1970-1983). With the supply-side policy paradigm shift, the policy focus gradually shifted to the entrepreneurial identity of own-account workers. In the context of the inactivity crisis of the Dutch welfare state, Christian democratic-liberal cabinets introduced business tax relief packages to increase private profitability and stimulate job growth. Whereas corporate tax cuts constituted the center of these reforms, politicians also included tax relief for own-account workers to ensure fiscal equality between businesses under income and corporate tax. Due to the focus on fiscal equality between businesses rather than between work arrangements, the fiscal treatment of work arrangements grew apart. Following this logic, the income threshold of the Self-employed Tax Deduction was no longer justified, leading to its removal by the Christian democratic-liberal Lubbers I cabinet in 1984. Compulsory social insurance was also incompatible with the risk-taking and reward-seeking associated with entrepreneurship. In 1986, the first Lubbers government ended long-term unemployment insurance coverage for the self-employed. Due to political pressure, its successor, the Lubbers II cabinet, containing the same political parties, introduced a much more targeted social assistance scheme to cover long-term unemployment among the older self-employed in the same year. Despite the dominant role of Christian democratic-liberal cabinets, it should be noted that the tax relief agenda continued with a social democratic cabinet presence. In 1994, the third Lubbers cabinet, comprising the Christian democratic CDA and the social democratic PvdA, introduced a major tax relief package in 1994, substantially increasing the Self-employed Tax Deduction. Still, it was a coalition of Christian democrats and liberals that had the largest impact. The second Balkenende government further increased the Self-employed Tax Deduction (2005) and proposed another deduction for the self-employed in the form of the SME Profit Exemption, which its successor with a similar composition enacted in 2006. The Balkenende II cabinet also phased out compulsory disability insurance for the self-employed and deregulated own-account work in 2004. By removing the possibility of ex-post corrections from

the procedure that determined the legal status and liabilities of own-account workers and putting the full responsibility on the agent rather than the principal, the reform unintentionally facilitated bogus contracting by malicious principals.

The supply-side policy paradigm shift had less influence on agency work policy, but still made a substantial impact. During the 1970s and 1980s, adjustments to the maximum job assignment length of agency work constituted the most important reforms. In this period, Consecutive Christian democratic Ministers of Social Affairs introduced conflicting adjustments to this term. In 1974, Boersma limited the maximum length of job assignments via agency work to six months, which Albeda further reduced to three months in 1980. Contrary to his predecessors, De Koning relaxed the maximum job assignment length of agency work back to six months in 1984, in line with the supply-side agenda of the Lubbers I cabinet. In the 1990s, changing views on market coordination also constituted an important motivation for the ending of the permit system for agency work, albeit secondary to concerns about lacking enforcement.

The supply-side policy paradigm shift, moreover, had little impact on preferences and policies concerning on-call work. During the mid-1980s, the steep increase in the use of on-call contracts in the 1980s and their precarious nature led to the development of an alternative narrative that problematized the flexibility of on-call work. Due to the success of this narrative in policy circles, broad political support emerged for stricter regulation of on-call work, despite the dominance of the supply-side policy paradigm. The push against the precarity of on-call work led to a monthly wage floor for the work arrangement in 1989, contradicting the dominant policy paradigm. Policy paradigm theory also has little explanatory power regarding the role of trade unions. Between 1971 and 2023, Dutch trade unions consistently opposed nonstandard employment, despite the supply-side policy paradigm shift. *Whether* unions opposed nonstandard employment was not up for discussion. Instead, debate in union circles focused on *how* unions had to oppose alternative work arrangements.

In recent years, there has been a remarkable shift in policy ideas, however. With the increasing dominance of the dualization narrative in policy discussions, political preferences and behavior regarding nonstandard employment drifted away from the supply-side policy paradigm in the 2010s. This dualization narrative informed policies reducing differences in costs and risks between work arrangements. The Rutte III and IV cabinets constitute the best illustration of this development. Between 2019 and 2023, the third and fourth Rutte governments, consisting of liberals and Christian democrats, severely decreased the Self-employed Tax Deduction, indicating the departure from the tax relief agenda. With the Labor Market in Balance Act of 2018, the third Rutte government also introduced equal treatment legislation for payrolling and initiatives to improve the legal position of on-call workers. The law gave on-call workers sickness pay coverage, forced employers to provide on-call workers a contract with a stable working

hours volume after 12 months, and introduced a notice period of four days. Yet, the law increased the maximum period of consecutive fixed-term contracts. In 2023, the Rutte IV cabinet announced further regulation: a compulsory disability insurance scheme for own-account workers, the introduction of a basic contract for on-call work which would eradicate zero-hours contracts, and a reduction of the maximum duration of the highly flexible phase of agency work to 52 weeks. Finally, it proposed more legislation to equalize treatment between agency workers and their colleagues on the work floor and an initiative to lengthen the cooldown period for the counting of consecutive temporary labor contracts.

The reforms of the third Rutte cabinet and the proposals of the fourth Rutte government are striking given the composition of these cabinets. A coalition of liberals (VVD, D66) and Christian democrats (CDA, CU) was behind both governments. Nonetheless, the cabinets supported stricter nonstandard employment regulation, due to the impact of the dualization narrative on the preferences of parties across the political spectrum. Still, the influence diverged between political parties. The impact, for instance, was much larger for D66 than for the VVD, moving D66 much closer to the positioning of the social democratic PvdA regarding nonstandard employment regulation. Concerning nonstandard employment, the preferences of the liberal parties, thus, drifted apart.

By contradicting the dominant supply-side policy paradigm, the dualization narrative does not align with the expectations derived from the policy paradigm literature. One could argue that the dualization narrative constituted a new paradigm, actually supporting this literature. Yet, this argument overlooks the continuing adherence to supply-side ideas by policymakers on socioeconomic issues, such as, business climate policies. Being limited to the regulation of work arrangements, the dualization narrative operated on a lower level of abstraction than the supply-side policy paradigm similar to the narrative that drove the push for on-call work regulation in the 1980s. The policy paradigm literature underestimates the importances of such shifts in policy ideas *within* paradigms. Whereas policy paradigm theory has ample explanatory power for the period on which it was designed, it is far less useful for explaining shifts in policy ideas beyond this phase.

**Table 6.4.** Alignment of findings with proposition policy paradigm theory

Theory	Proposition	Supportive findings	Conflicting findings
Policy paradigm theory	Policy paradigm shifts explain adjustments to labor market regulation	<ul style="list-style-type: none"> <li>The policy paradigm shift of the 1980s greatly affected political preferences and behavior concerning the employment protection of labor contracts and the fiscal treatment of own-account work</li> <li>Supply-side ideas played a role in adjustments to the maximum length of job assignments for agency work and the ending of the permit system for the work arrangement</li> </ul>	<ul style="list-style-type: none"> <li>The policy paradigm shift of the early 1980s had little effect on political preferences regarding on-call work regulation. In the second half of the 1980s, widespread political support emerged for stricter on-call work regulation, resulting in the monthly wage floor of 1989. The narrative behind the reform conflicted with the dominant supply-side policy paradigm</li> <li>Despite the persistence of the supply-side policy paradigm, the dualization narrative became dominant among policymakers in the second half of the 2010s, enhancing support across the political spectrum for stricter nonstandard employment regulation to reduce cost and risk differences between work arrangements</li> <li>Unions consistently opposed the use of alternative work arrangements for hierarchical labor relationships. The shift toward the supply-side policy paradigm had remarkably little effect on this attitude</li> </ul>



# REFERENCES

## Publications

- ABU and NBBU (2021) *Factsheet arbeidsmigranten in Nederland. De cijfers*. Available at: [https://www.abu.nl/app/uploads/2021/06/HR\\_ABU\\_NBBU\\_Factsheet\\_Arbeidsmigranten\\_A3\\_juni-2021\\_DEF.pdf](https://www.abu.nl/app/uploads/2021/06/HR_ABU_NBBU_Factsheet_Arbeidsmigranten_A3_juni-2021_DEF.pdf).
- ABU, FNV Dienstenbond, Dienstenbond CNV, et al. (1996) *Convenant 2 April 1996*. Badhoevedorp.
- Acemoglu D, Autor D, Dorn D, et al. (2016) Import Competition and the Great US Employment Sag of the 2000s. *Journal of labor economics* 34(S1): 141–198.
- Addison JT and Surfield CJ (2009) Does atypical work help the jobless? Evidence from a CAEAS/CPS cohort analysis. *Applied Economics* 41(9): 1077–1087.
- Adviescommissie inzake het industriebeleid (1981) *Een nieuw industrieel elan*. Den Haag: EZK.
- Aerts MCM (2007) *De zelfstandige in het sociaal recht. De verhouding tussen juridische status en sociaal-economische positie*. PhD Thesis. University of Amsterdam, Amsterdam.
- Afonso A and Devitt C (2016) Comparative political economy and international migration. *Socio-Economic Review* 14(3): 591–613.
- Akerman A, Gaarder I and Mogstad M (2015) The Skill Complementarity of Broadband Internet. *The Quarterly Journal of Economics* 130(4): 1781–1824.
- Akkermans T and Kool H (1999) *Redelijk bewogen. De koers van de FNV 1976-1999*. Utrecht: FNV.
- Albers O and Konijn Y (1987) *Losse en flexibele arbeidsrelaties*. Alphen aan den Rijn: Samsom HD Tjeenk Willink.
- Amuedo-Dorantes C, Malo MA and Muñoz-Bullón F (2008) The Role of Temporary Help Agency Employment on Temp-to-Perm Transitions. *Journal of Labor Research* 29(2): 138–161.
- Andeweg RB, Irwin GA and Louwse T (2020) *Governance and Politics of the Netherlands*. Fifth edition. London: Red Globe Press.
- Armingeon K (2004) OECD and national welfare state development. In: Armingeon K and Beyeler M (eds) *The OECD and European Welfare States*. Cheltenham: Edward Elgar, pp. 226–241.
- Arts W and Gelissen J (2002) Three worlds of welfare capitalism or more? A state-of-the-art report. *Journal of European Social Policy* 12(2): 137–158.
- Atkinson J (1985) *Flexibility, Uncertainty and Manpower Management*. Brighton: Institute of Manpower Studies.
- Autor DH and Dorn D (2013) The Growth of Low-Skill Service Jobs and the Polarization of the US Labor Market. *American Economic Review* 103(5): 1553–1597.
- Autor DH, Dorn D and Hanson GH (2013) The China Syndrome. Local Labor Market Effects of Import Competition in the United States. *American Economic Review* 103(6): 2121–2168.
- Baccaro L and Howell C (2017) *Trajectories of Neoliberal Transformation. European Industrial Relations since the 1970s*. Cambridge: Cambridge University Press.
- Bakels HL, Bouwens WHACM, Houwerzijl MS, et al. (2019) *Schets van het Nederlandse arbeidsrecht*. 25th edition. Deventer: Wolters Kluwer.
- Becker U (2001) 'Miracle' by Consensus? Consensualism and Dominance in Dutch Employment Development. *Economic and Industrial Democracy* 22(4): 453–483.
- Beer P de (2018) Waarom gebruiken werkgevers (steeds meer) flexibele arbeidskrachten? *Tijdschrift voor Arbeidsvraagstukken* 34(1): 62–84.



- Benassi C and Dorigatti L (2015) Straight to the Core — Explaining Union Responses to the Casualization of Work. The IG Metall Campaign for Agency Workers. *British Journal of Industrial Relations* 53(3): 533–555.
- Bennett A and Checkel JT (2014) Process tracing. In: Bennett A and Checkel JT (eds) *Process Tracing. From Metaphor to Analytic Tool*. Cambridge: Cambridge University Press, pp. 3–38.
- Berger T and Frey CB (2016) *Structural Transformation in the OECD. Digitalisation, Deindustrialisation and the Future of Work*. Paris: OECD.
- Binnema H (2004) The Netherlands. How OECD ideas are slowly creeping in. In: Armingeon K and Beyeler M (eds) *The OECD and European Welfare States*. Cheltenham: Edward Elgar, pp. 113–125.
- Blatter J and Haverland M (2012) *Designing Case Studies. Explanatory Approaches in Small-n Research*. Basingstoke: Palgrave Macmillan.
- Blyth M (2002) *Great Transformations. Economic Ideas and Institutional Change in the Twentieth Century*. Cambridge: Cambridge University Press.
- Blyth M (2003) Same as it Never Was. Temporality and Typology in the Varieties of Capitalism. *Comparative European Politics* 1(2): 215–225.
- Boeri T, Giupponi G, Krueger AB, et al. (2020) Solo Self-Employment and Alternative Work Arrangements. A Cross-Country Perspective on the Changing Composition of Jobs. *Journal of Economic Perspectives* 34(1): 170–195.
- Bolhaar J, De Graaf-Zijl M and Scheer B (2018) Three Perspectives on the Dutch Growth of Flexible Employment. *Netherlands Economic Review* 166(4): 403–432.
- Bonoli G (2003) Social Policy through Labor Markets. Understanding National Differences in the Provision of Economic Security to Wage Earners. *Comparative Political Studies* 36(9): 1007–1030.
- Booth AL, Francesconi M and Frank J (2002) Temporary Jobs. Stepping Stones or Dead Ends? *The Economic Journal* 112(480): F189–F213.
- Bos T and Vaas F (1986) Flexibilisering en segmentering van de arbeidsmarkt. Inleiding. In: Bos T and Vaas F (eds) *Flexibilisering & segmentering. Vakbeweging en flexibele arbeid*. Utrecht: Van Arkel, pp. 11–41.
- Bosch N, Cörvers F, Deelen A, et al. (2011) Conceptual framework. In: Cörvers F, Euwals R and De Grip A (eds) *Labour Market Flexibility in the Netherlands. The Role of Contracts and Self-Employment*. Den Haag: CPB, pp. 18–33.
- Bosch N, Roelofs G, Van Vuuren D, et al. (2012) *De huidige en toekomstige groei van het aandeel zzp'ers in de werkzame beroepsbevolking*. Den Haag: CPB.
- Boumans S (2021) Neoliberalisation of industrial relations. The ideational development of Dutch employers' organisations between 1976 and 2019. *Economic and Industrial Democracy* 43(4): 1610–1631.
- Boumans S (2022) Did trade unions reinforce the neoliberal transformation? The Dutch case. *Journal of Industrial Relations* 65(2): 134–155.
- Brown S and Sessions JG (2005) Employee Attitudes, Earnings and Fixed-Term Contracts. International Evidence. *Review of World Economics* 141(2): 296–317.
- Burri S, Heeger-Hertter S and Rossetti R (2018) *On-call work in the Netherlands. Trends, impact and policy solutions*. Geneva: ILO.

- Bussemaker J and Van Kersbergen K (1999) Contemporary Social-Capitalist Welfare States and Gender Inequality. In: Sainsbury D (ed.) *Gender and Welfare State Regimes*. Gender and politics. Oxford: Oxford University Press, pp. 15–46.
- Carlin W and Soskice D (2009) German economic performance. Disentangling the role of supply-side reforms, macroeconomic policy and coordinated economy institutions. *Socio-Economic Review* 7(1): 67–99.
- Carstensen MB and Matthijs M (2018) Of paradigms and power. British economic policy making since Thatcher. *Governance* 31(3): 431–447.
- Carver L and Doellgast V (2021) Dualism or solidarity? Conditions for union success in regulating precarious work. *European Journal of Industrial Relations* 27(4): 367–385.
- Catz F (1996) *Een gewone baan bij het uitzendbureau. FNV-opvattingen over uitzendarbeid en detachering*. Amsterdam: FNV.
- CBS Statline (2003) Uitkeringen; soort uitkering, regio, 1991 - 1997. Available at: <https://opendata.cbs.nl/#/CBS/nl/dataset/7391UITK/table?dl=79257>.
- CBS Statline (2022a) Labour Force Survey. Available at: <https://opendata.cbs.nl/statline/#/CBS/en/dataset/82309ENG/table?dl=88AD>.
- CBS Statline (2022b) Personen met een uitkering; kenmerken uitkeringsontvangers. Available at: <https://opendata.cbs.nl/#/CBS/nl/dataset/83427NED/table?dl=7925B>.
- CDA, VVD and D66 (2003) *Meedoen, Meer Werk, Minder Regels. Hoofdpijnenakkoord Voor Het Kabinet CDA, VVD, D66*.
- Christe D (2002) De uitzendovereenkomst. In: Verhulp E (ed.) *Flexibele arbeidsrelaties*. Deventer: Kluwer, pp. 191–228.
- Clift B (2020) The hollowing out of monetarism. The rise of rules-based monetary policymaking in the UK and USA and problems with the paradigm change framework. *Comparative European Politics* 18(3): 281–308.
- CNV (1976) *Sociale groei. Sociaal-politiek program voor de jaren 1977-1981*. Utrecht: CNV.
- CNV (1981) *Om werk en welzijn. Sociaal-politiek programma CNV 1981-1985*. Utrecht: CNV.
- CNV (1987) *Het CNV en flexibele arbeidsrelaties*. Utrecht: CNV.
- Commissie inkomstenbelasting en toeslagen (2013) *Naar Een Activerender Belastingstelsel. Eindrapport*. Den Haag.
- Commissie Regulering van Werk (2020) *In Wat Voor Land Willen Wij Werken? Naar Een Nieuw Ontwerp Voor de Regulering van Werk*. Den Haag.
- D66 (2012) *En nu vooruit. Op weg naar een welvarende, duurzame toekomst. Verkiezingsprogramma D66 voor de Tweede Kamer 2012/2017*. Den Haag: D66.
- D66 (2016) *D66 verkiezingsprogramma 2017-2021. Samen sterker. Kansen voor iedereen*. Den Haag: D66.
- D66 (2020) *Een nieuw begin. Laat iedereen vrij, maar niemand vallen. Verkiezingsprogramma 2021-2025*. Den Haag: D66.
- Davidsson JB and Emmenegger P (2012) Insider-Outsider Dynamics and the Reform of Job Security Legislation. In: Natali D and Bonoli G (eds) *The Politics of the New Welfare State*. Oxford: Oxford University Press, pp. 206–229.
- Davidsson JB and Emmenegger P (2013) Defending the organisation, not the members: Unions and the reform of job security legislation in Western Europe. *European Journal of Political Research* 52(3): 339–363.

- De Graaf-Zijl M, Van den Berg GJ and Heyma A (2011) Stepping stones for the unemployed. The effect of temporary jobs on the duration until (regular) work. *Journal of Population Economics* 24(1): 107–139.
- De Groot T (2021) Making part-time work a fully-fledged alternative. How the Dutch social partners responded to a dual labor market, 1966–1993. *Labor History* 62(5–6): 762–780.
- De Groot T (2022) Part-Time Employment in the Breadwinner Era. Dutch Employers' Initiatives to Control Female Labor Force Participation, 1945–1970. *Enterprise & Society* 24(3): 1–27.
- De Haan I (2010) Parlementaire democratie en maatschappelijke organisatie. In: Jaspers T, Van Bavel B and Peet J (eds) *SER 1950-2010. Zestig jaar denkwerk voor draagvlak. Advies voor economie en samenleving*. Amsterdam: Boom, pp. 23–48.
- De Liagre Böhl H (2013) Consensus en polarisatie. De kwaliteit van de democratie 1945-2000. In: Aerts R, De Liagre Böhl H, De Rooy P, et al. (eds) *Land van kleine gebaren. Een politieke geschiedenis van Nederland 1780-2012*. Eighth revised edition. Amsterdam: Boom, pp. 283–349.
- De Neubourg C (1990) *Unemployment and Labour Market Flexibility. The Netherlands*. Geneva: ILO.
- Dearing H, Hofer H, Lietz C, et al. (2008) Why Are Mothers Working Longer Hours in Austria than in Germany? A Comparative Microsimulation Analysis\*. *Fiscal Studies* 28(4): 463–495.
- Dekker R (2007) *Non-standard employment and mobility in the Dutch, German and British labor market*. PhD Thesis. Tilburg University, Tilburg.
- Doellgast V, Lillie N and Pulignano V (2018) *Reconstructing Solidarity. Labor Unions, Precarious Work, and the Politics of Institutional Change in Europe*. Oxford: Oxford University Press.
- Emmenegger P (2010) Catholicism, Job Security Regulations and Female Employment. A Micro-level Analysis of Esping-Andersen's Social Catholicism Thesis. *Social Policy & Administration* 44(1): 20–39.
- Emmenegger P (2014) *The Power to Dismiss. Trade Unions and the Regulation of Job Security in Western Europe*. Oxford: Oxford University Press.
- Emmenegger P and Marx P (2011) Business and the development of job security regulations. The case of Germany. *Socio-Economic Review* 9(4): 729–756.
- Engbersen G, Kremer M, Went R, et al. (2020) *Het betere werk. De nieuwe maatschappelijke opdracht*. Den Haag: WRR.
- Esping-Andersen G (1996) Welfare States without Work. The Impasse of Labour Shedding and Familialism in Continental European Social Policy. In: Esping-Andersen, Gøsta G (ed.) *Welfare States in Transition. National Adaptations in Global Economies*. London, pp. 66–87.
- Esping-Andersen G (1999) *Social Foundations of Postindustrial Economies*. Oxford: Oxford University Press.
- Esping-Andersen G (2013) *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.
- Esping-Andersen G (2017) *Politics against Markets. The Social Democratic Road to Power*. Princeton Legacy Library edition. Princeton: Princeton University Press.
- Estévez-Abe M, Soskice DW and Iversen T (2001) Social Protection and the Formation of Skills. A Reinterpretation of the Welfare State. In: Hall PA and Soskice DW (eds) *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press, pp. 145–183.

- European Commission (2017) *Recommendation for a Council Recommendation on the 2017 National Reform Programme of the Netherlands and Delivering a Council Opinion on the 2017 Stability Programme of the Netherlands*. Brussels: European Commission.
- Eurostat (2023) EU-LFS.
- Euwals R, De Graaf-Zijl M and Van Vuuren D (2016) *Flexibiliteit op de arbeidsmarkt. Lusten en lasten ongelijk verdeeld*. Den Haag: CPB.
- FNV (2011) *Onzeker werk*. Amsterdam: FNV.
- FNV Company monitor (2009) *Decent work (flex). Wat betekent flexibilisering voor werknemers en vakbonden? Ervaringen uit verschillende sectoren, wereldwijd*. Amsterdam: FNV.
- FNV-Secretariaat van Vrouwelijke Werknemers (1985) *Flexibele arbeid onder de maat! Een vakbondsvrouwenstrategie tegen wegwerpbanen*. Amsterdam: Bevrijding.
- Foged M and Peri G (2016) Immigrants' Effect on Native Workers. New Analysis on Longitudinal Data. *American Economic Journal: Applied Economics* 8(2): 1–34.
- Fortanier GF, Veraart JJM and Rang JF (1983) *Arbeidsrecht*. 14th edition. Den Haag: VUGA.
- Fouarge D, De Grip A, Smits W, et al. (2012) Flexible Contracts and Human Capital Investments. *Netherlands Economic Review* 160(2): 177–195.
- Furceri D and Loungani P (2018) The distributional effects of capital account liberalization. *Journal of Development Economics* 130: 127–144.
- Gebel M and Giesecke J (2011) Labor Market Flexibility and Inequality. The Changing Skill-Based Temporary Employment and Unemployment Risks in Europe. *Social Forces* 90(1): 17–39.
- Genschel P and Schwarz P (2011) Tax competition. A literature review. *Socio-Economic Review* 9(2): 339–370.
- Goos M, Manning A and Salomons A (2009) Job Polarization in Europe. *The American Economic Review* 99(2): 58–63.
- Goos M, Manning A and Salomons A (2014) Explaining Job Polarization. Routine-Biased Technological Change and Offshoring. *The American Economic Review* 104(8): 2509–2526.
- Goudswaard A, Van Wijk EB and Verbiest SE (2014) *De toekomst van flex. Een onderzoek van tno naar flexstrategieën van Nederlandse bedrijven*. Hoofddorp: TNO.
- Hacker JS and Pierson P (2002) Business Power and Social Policy. Employers and the Formation of the American Welfare State. *Politics & Society* 30(2): 277–325.
- Hagen T (2003) *Do Fixed-Term Contracts Increase the Long-Term Employment Opportunities of the Unemployed?* Leibniz: Center for European Economic Research.
- Hall PA (1993) Policy Paradigms, Social Learning, and the State. The Case of Economic Policymaking in Britain. *Comparative Politics* 25(3): 275–296.
- Hall PA (2008) Aligning ontology and methodology in comparative politics. In: Mahoney J and Rueschemeyer D (eds) *Comparative Historical Analysis in the Social Sciences*. Cambridge: Cambridge University Press, pp. 373–404.
- Hall PA and Gingerich DW (2009) Varieties of Capitalism and Institutional Complementarities in the Political Economy. *British Journal of Political Science* 39(3): 449–482.
- Hall PA and Soskice DW (2001) An introduction to Varieties of Capitalism. In: Hall PA and Soskice DW (eds) *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press, pp. 1–68.
- Hall PA and Thelen K (2009) Institutional change in varieties of capitalism. *Socio-Economic Review* 7(1): 7–34.

- Hartman L, Liljeberg L and Skans ON (2010) Stepping-stones, dead-ends, or both? An analysis of Swedish replacement contracts. *Empirical Economics* 38(3): 645–668.
- Hassel A (2014) The Paradox of Liberalization — Understanding Dualism and the Recovery of the German Political Economy. *British Journal of Industrial Relations* 52(1): 57–81.
- Hay C (1996) Narrating Crisis. The Discursive Construction of the 'Winter of Discontent'. *Sociology* 30(2): 253–277.
- Hay C (2001) The 'Crisis' of Keynesianism and the Rise of Neoliberalism in Britain. An Ideational Institutional Approach. In: Campbell JL and Pedersen OK (eds) *The Rise of Neoliberalism and Institutional Analysis*. Princeton: Princeton University Press, pp. 193–218.
- Hazenbosch P (2009) 'Voor Het Volk Om Christus' Wil'. *Een Geschiedenis van Het CNV*. Hilversum: Verloren.
- Heerma van Voss L (2010) Geleide lonen en arbeidsparticipatie. De SER over arbeid. In: Jaspers T, Van Bavel B and Peet J (eds) *SER 1950-2010. Zestig jaar denkwerk voor draagvlak. Advies voor economie en samenleving*. Amsterdam: Boom, pp. 101–122.
- Hemerijck A (2003) The resurgence of Dutch corporatist policy coordination in an age of globalization. In: Van Waarden F and Lehbruch G (eds) *Renegotiating the Welfare State. Flexible Adjustment through Corporatist Concertation*. London: Routledge, pp. 33–69.
- Hemerijck A, Manow P and Van Kersbergen K (2000) Welfare without work? Divergent experiences of reform in Germany and the Netherlands. In: Kuhnle S (ed.) *Survival of the European Welfare State*. London: Routledge, pp. 106–127.
- Hipp L, Bernhardt J and Allmendinger J (2015) Institutions and the prevalence of nonstandard employment. *Socio-Economic Review* 13(2): 351–377.
- Hoekstra K, Euwals R, Arsova A, et al. (2016) *Flexible employment in an international perspective. An empirical analysis and some country-specific case studies*. Den Haag: CPB.
- Hofstra HJ (1978) *Inflatieneutrale belastingheffing. Rapport uitgebracht aan de Minister van Financiën december 1977*. Den Haag: Staatsuitgeverij.
- Hoogenboom M and Knegt R (2017) Flexibele arbeidsrelaties in historisch perspectief. In: Kremer M, Went R and Knottnerus JA (eds) *Voor de zekerheid. De toekomst van flexibel werkenden en de moderne organisatie van arbeid*. Den Haag: WRR, pp. 277–295.
- Houseman SN (2001) Why Employers Use Flexible Staffing Arrangements. Evidence from an Establishment Survey. *Industrial and Labor Relations Review* 55(1): 149–170.
- Howell C (2003) Varieties of Capitalism. And Then There Was One? *Comparative Politics* Hall P, Soskice D, Streeck W, et al. (eds) 36(1): 103–124.
- Huber E and Stephens JD (2001) *Development and Crisis of the Welfare State. Parties and Policies in Global Markets*. Chicago: University of Chicago Press.
- Hyman R (2004) *Understanding European Trade Unionism. Between Market, Class and Society*. London: Sage.
- Hyman R (2007) How can trade unions act strategically? *Transfer. European Review of Labour and Research* 13(2): 193–210.
- Ichino A, Mealli F and Nannicini T (2008) From Temporary Help Jobs to Permanent Employment. What Can We Learn from Matching Estimators and Their Sensitivity? *Journal of Applied Econometrics* 23(3): 305–327.
- ILO (2016) *Non-Standard Employment around the World. Understanding Challenges, Shaping Prospects*. Geneva: ILO.

- Interdepartementaal Beleidsonderzoek Zelfstandigen zonder personeel* (2015) Den Haag: FIN.
- Iversen T and Soskice D (2009) Distribution and Redistribution. The Shadow of the Nineteenth Century. *World Politics* 61(3): 438–486.
- Jahn EJ and Rosholm M (2014) Looking beyond the bridge. The effect of temporary agency employment on labor market outcomes. *European Economic Review* 65: 108–125.
- Jaspers T (2010) De SER op de golven van de samenleving? In: Jaspers T, Van Bavel B and Peet J (eds) *SER 1950–2010. Zestig jaar denkwerk voor draagvlak. Advies voor economie en samenleving*. Amsterdam: Boom, pp. 15–21.
- Jaspers T and Pennings F (2010) Sociale zekerheid en zorg. De SER als moderator. In: Jaspers T, Van Bavel B and Peet J (eds) *SER 1950–2010. Zestig jaar denkwerk voor draagvlak. Advies voor economie en samenleving*. Amsterdam: Boom, pp. 133–161.
- Jaumotte F (2003) *Female Labour Force Participation. Past Trends and Main Determinants in OECD Countries*. Paris: OECD.
- Jayadev A (2007) Capital account openness and the labour share of income. *Cambridge Journal of Economics* 31(3): 423–443.
- Josten E, Vlasblom JD and Vrooman C (2014) *Bevrijd of bekleemd? Werk, inhuur, inkomen en welbevinden van zzp'ers*. Den Haag: SCP.
- Kalleberg AL (2000) Nonstandard Employment Relations. Part-time, Temporary and Contract Work. *Annual Review of Sociology* 26(1): 341–365.
- Kalleberg AL (2009) Precarious Work, Insecure Workers. Employment Relations in Transition. *American Sociological Review* 74(1): 1–22.
- Kalleberg AL (2013) *Good Jobs, Bad Jobs. The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s*. New York: Russell Sage Foundation.
- Kappelhof T (2004) 'Omdat het historisch gegroeid is'. De Londense Commissie-Van Rhijn en de ontwikkeling van de sociale verzekeringen in Nederland (1937-1952). *The Low Countries Journal of Social and Economic History* 1(2): 71–91.
- Kasper H (2017) Zelfstandigen hebben arbeidsmarkt drastisch veranderd. In: Peer H and Sprenger J (eds) *Onder dak! De Bouw- en Houtbond FNV/FNV Bouw in de periode 1982-2015*. Amsterdam: FNV, pp. 40–44.
- Katznelson I (2008) Periodization and Preferences. Reflections on purposive action in comparative historical social science. In: Mahoney J and Rueschemeyer D (eds) *Comparative Historical Analysis in the Social Sciences*. Cambridge studies in comparative politics. Cambridge: Cambridge University Press, pp. 270–301.
- King D and Rueda D (2008) Cheap Labor. The New Politics of 'Bread and Roses' in Industrial Democracies. *Perspectives on Politics* 6(2): 279–297.
- Klamer H (1994) *Naar een ondernemende samenleving. Discussienota Bilderberg-conferentie 1995*. Den Haag: NCW.
- Klijns B, Kösters L and Smits W (2022) Platformwerk in cijfers. *Tijdschrift voor Arbeidsvraagstukken* 38(4): 548–562.
- Knijn T and Saraceno C (2010) Changes in the regulation of responsibilities towards childcare needs in Italy and the Netherlands. Different timing, increasingly different approaches. *Journal of European Social Policy* 20(5): 444–455.
- Knijn T and Van Wel F (2001) Careful or Lenient. Welfare Reform for Lone Mothers in the Netherlands. *Journal of European Social Policy* 11(3): 235–251.

- Knotter A (2017) Justice for Janitors Goes Dutch. Precarious Labor and Trade Union Response in the Cleaning Industry (1988–2012). A Transnational History. *International Review of Social History* 62(1): 1–35.
- Korpi T and Levin H (2001) Precarious Footing. Temporary Employment as a Stepping Stone out of Unemployment in Sweden. *Work, Employment and Society* 15(1): 127–148.
- Korpi W (2019) *The Democratic Class Struggle*. Routledge Library edition. London: Routledge.
- Korpi W (2006) Power Resources and Employer-Centered Approaches in Explanations of Welfare States and Varieties of Capitalism. Protagonists, Consenters, and Antagonists. *World Politics* 58(2): 167–206.
- Kösters L and Smits W (2015) Tijdelijk werk. Nederland in Europees perspectief. In: Chkalova K, Sanders J, Smits W, et al. (eds) *Dynamiek op de Nederlandse arbeidsmarkt. De focus op flexibilisering*. Den Haag: CBS, pp. 128–150.
- Kösters R, Van Diepen L, Van Dijk M, et al. (2021) Flexland in wording. De reactie en strategie van de vakbeweging ten aanzien van flexibilisering in Nederland in de jaren tachtig. *The Low Countries Journal of Social and Economic History* 18(1): 109–146.
- Kösters R, Mellink B, Oudenampsen M, et al. (2021) Not so Consensual after All. A New Perspective on the Dutch 1980s. *The Low Countries Journal of Social and Economic History* 18(1): 5–18.
- Kremer M, Went R and Knottnerus A (2017) Voor de zekerheid. De toekomst van flexibel werkenden en de moderne organisatie van arbeid. In: Kremer M, Went R and Knottnerus A (eds) *Voor de zekerheid. de toekomst van flexibel werkenden en de moderne organisatie van arbeid*. Den Haag: WRR, pp. 17–66.
- Kvasnicka M (2009) Does Temporary Help Work Provide a Stepping Stone to Regular Employment? In: Autor DH (ed.) *Studies of Labor Market Intermediation*. Chicago: University of Chicago Press, pp. 335–372.
- Lewis J (1997) Gender and Welfare Regime. Further Thoughts. *Social Politics. International Studies in Gender, State & Society* 4(2): 160–177.
- Lewis J, Knijn T, Martin C, et al. (2008) Patterns of Development in Work/Family Reconciliation Policies for Parents in France, Germany, the Netherlands, and the UK in the 2000s. *Social Politics. International Studies in Gender, State & Society* 15(3): 261–286.
- Lieon S (1993) De vakbeweging en kinderopvang. In: Tijdens K and Lieon S (eds) *Kinderopvang in Nederland. Organisatie en financiering*. Utrecht: Van Arkel, pp. 57–76.
- Mahoney J (2008) Strategies of causal assessment in comparative historical analysis. In: Mahoney J and Rueschemeyer D (eds) *Comparative Historical Analysis in the Social Sciences*. Cambridge: Cambridge University Press, pp. 337–372.
- Mahoney J (2015) Process Tracing and Historical Explanation. *Security Studies* 24(2): 200–218.
- Mahoney J and Thelen K (2010) A Theory of Gradual Institutional Change. In: Mahoney J and Thelen K (eds) *Explaining Institutional Change. Ambiguity, Agency, and Power*. Cambridge: Cambridge University Press, pp. 1–37.
- Mahoney J and Thelen K (2015) Comparative-historical analysis in contemporary political science. In: Mahoney J and Thelen K (eds) *Advances in Comparative-Historical Analysis*. Cambridge: Cambridge University Press, pp. 3–36.
- Manow P (2009) Electoral rules, class coalitions and welfare state regimes, or how to explain Esping-Andersen with Stein Rokkan. *Socio-Economic Review* 7(1): 101–121.

- Manow P and Van Kersbergen K (2009) Religion and the Western Welfare State - the theoretical context. In: Van Kersbergen K and Manow P (eds) *Religion, Class Coalitions, and Welfare States*. New York: Cambridge University Press, pp. 1–38.
- Mares I (2003) *The politics of social risk. Business and welfare state development*. Cambridge: Cambridge University Press.
- Martin CJ and Swank D (2012) *The Political Construction of Business Interests. Coordination, Growth, and Equality*. Cambridge: Cambridge University Press.
- Milanez A and Bratta B (2019) *Taxation and the future of work. How tax systems influence choice of employment form*. Paris: OECD.
- MKB-Nederland (1999) *De zelfstandige zonder personeel*. Delft: MKB-Nederland.
- Moss P (ed.) (1990) *Childcare in the European Community, 1985-1990*. Brussels: Commission of the European Communities.
- OECD (1985) *OECD Economic Surveys 1984/1985. Netherlands*. Paris: OECD.
- OECD (1994) *The OECD Jobs Study. Facts, Analysis, Strategies*. Paris: OECD.
- OECD (2019) *OECD Input to the Netherlands Independent Commission on the Regulation of Work*. Paris: OECD.
- OECD/AIAS ICTWSS (2023). Available at: <http://www.oecd.org/employment/ictwss-database.htm>.
- Oesch D (2013) *The Scholarly Debate on Occupational Change*. Oxford: Oxford University Press.
- Olson M (1982) *Rise and Decline of Nations. Economic Growth, Stagflation, and Social Rigidities*. New Haven: Yale University Press.
- Orloff AS (1993) Gender and the Social Rights of Citizenship. The Comparative Analysis of Gender Relations and Welfare States. *American Sociological Review* 58(3): 303–28.
- Oude Nijhuis D (2009) Revisiting the Role of Labor. Worker Solidarity, Employer Opposition, and the Development of Old-Age Pensions in the Netherlands and the United Kingdom. *World Politics* 61(2): 296–329.
- Oude Nijhuis D (2013) *Labor Divided in the Postwar European Welfare State. The Netherlands and the United Kingdom*. Cambridge: Cambridge University Press.
- Oude Nijhuis D (2018) *Religion, Class, and the Postwar Development of the Dutch Welfare State*. Amsterdam: Amsterdam University Press.
- Oude Nijhuis D (2020) Analyzing the role of business in welfare state development. In: Oude Nijhuis D (ed.) *Business Interests and the Development of the Modern Welfare State*. London: Routledge, pp. 1–27.
- Oude Nijhuis D and Ornstein L (2020) *De polder werkt. 75 jaar Stichting van de Arbeid* (ed. S Thelosen). Amsterdam: Prometheus.
- Oudenampsen M (2020) Between conflict and consensus. The Dutch depoliticized paradigm shift of the 1980s. *Comparative European Politics* 18(5): 771–792.
- Oudenampsen M and Mellink B (2021) Bureaucrats First. The Leading Role of Policymakers in the Dutch Neoliberal Turn of the 1980s. *The Low Countries Journal of Social and Economic History* 18(1): 19–52.
- Outshoorn J (1995) Administrative accommodation in the Netherlands. The Department for the Coordination of Equality Policy. In: Stetson DMM and Mazur AG (eds) *Comparative State Feminism*. Thousand Oaks: Sage, pp. 168–185.



- Palier B and Thelen K (2010) Institutionalizing Dualism. Complementarities and Change in France and Germany. *Politics & Society* 38(1): 119–148.
- Paster T (2013) Business and Welfare State Development. Why Did Employers Accept Social Reforms? *World Politics* 65(3): 416–451.
- Paster T (2014) *The Role of Business in the Development of the Welfare State and Labor Markets in Germany. Containing Social Reforms*. London: Routledge.
- Peet J (2010) Zelfbeeld en zelfinzicht. De SER over de SER en de overlegeconomie. In: Jaspers T, Van Bavel B, and Peet J (eds) *SER 1950-2010. Zestig jaar denkwerk voor draagvlak. Advies voor economie en samenleving*. Amsterdam: Boom, pp. 225–247.
- Peijpe T van (1990) *De conjunctuur van het arbeidsrecht. Rechtsontwikkeling in Nederland en andere landen 1975-1990*. Groningen: Wolters-Noordhoff.
- Pellikaan H, De Lange SL and Van der Meer TWG (2018) The Centre Does Not Hold. Coalition Politics and Party System Change in the Netherlands, 2002–12. *Government and Opposition* 53(2): 231–255.
- Pierson P (2000a) Increasing Returns, Path Dependence, and the Study of Politics. *The American Political Science Review* 94(2): 251–267.
- Pierson P (2000b) The Limits of Design. Explaining Institutional Origins and Change. *Governance. An International Journal of Policy and Administration* 13(4): 475–499.
- Pierson P (2015) Power and path dependence. In: Mahoney J and Thelen K (eds) *Advances in Comparative-Historical Analysis*. Cambridge: Cambridge University Press, pp. 123–146.
- Plantenga J (1998) Double lives. Labor market participation, citizenship and gender. In: Bussemaker J and Voet R (eds) *Gender, Participation and Citizenship in the Netherlands*. Milton: Taylor & Francis, pp. 51–64.
- Pontusson J (2005) Varieties and Commonalities of Capitalism. In: Coates D (ed.) *Varieties of Capitalism, Varieties of Approaches*. Basingstoke: Palgrave Macmillan, pp. 163–188.
- Pontusson J (2011) Once Again a Model. Nordic Social Democracy in a Globalized World. In: Cronin JE, Ross GW and Shoch J (eds) *What's Left of the Left. Democrats and Social Democrats in Challenging Times*. Durham: Duke University Press, pp. 89–115.
- Portegijs W, Cloin M, Keuzenkamp S, et al. (2008) *Verdeelde tijd. Waarom vrouwen in deeltijd werken*. Den Haag: SCP.
- Prak M and Van Zanden JL (2013) *Nederland en het poldermodel. Sociaal-economische geschiedenis van Nederland, 1000-2000*. Amsterdam: Bakker.
- PvdA (2012) *Nederland sterker en socialer. Verkiezingsprogramma tweede kamerverkiezingen 2012*. Amsterdam: PvdA.
- Raess D and Burgoon B (2015) Flexible Work and Immigration in Europe. *British Journal of Industrial Relations* 53(1): 94–111.
- Raijter CWG (2014) *Wetgeving en beleid voor flexibele arbeid*. PhD Thesis. University of Amsterdam, Amsterdam.
- Remery C, Van Doorne-Huiskes A and Schippers J (2002) Labour market flexibility in the Netherlands. Looking for winners and losers. *Work, Employment and Society* 16(3): 477–496.
- Roebroek JM and Hertogh MW (1998) 'De Beschavende Invloed Des Tijds'. *Twee Eeuwen Sociale Politiek, Verzorgingsstaat En Sociale Zekerheid in Nederland*. Den Haag: VUGA.
- Rözer J, Torre A van der and Roeters A (2021) *Platformisering en de kwaliteit van werk. Een kennissynthese*. Den Haag: SCP.

- Rueda D (2007) *Social Democracy Inside Out. Partisanship and Labor Market Policy in Advanced Industrialized Democracies*. Oxford: Oxford University Press.
- Rueschemeyer D (2008) Can one or a few cases yield theoretical gains? In: Mahoney J and Rueschemeyer D (eds) *Comparative Historical Analysis in the Social Sciences*. Cambridge: Cambridge University Press, pp. 305–336.
- Sainsbury D (1999) Taxation, Family Responsibilities, and Employment. In: Sainsbury D (ed.) *Gender and Welfare State Regimes*. Oxford: Oxford University Press, pp. 185–209.
- Scheer B, De Graaf-Zijl M and Hoekstra K (2016) *De ontwikkeling van flexibele arbeid. Een sectoraal perspectief*. Den Haag: CPB.
- Schimmelfennig F (2014) Efficient process tracing. Analyzing the causal mechanisms of European integration. In: Bennett A and Checkel JT (eds) *Process Tracing. From Metaphor to Analytic Tool*. Cambridge: Cambridge University Press, pp. 98–125.
- Schippers J (2010) De SER en het economische structuurbeleid. Tussen interventie en onthouding. In: Jaspers T, Van Bavel B and Peet J (eds) *SER 1950-2010. Zestig jaar denkwerk voor draagvlak. Advies voor economie en samenleving*. Amsterdam: Boom, pp. 59–88.
- Segal LM and Sullivan DG (1997) The Growth of Temporary Services Work. *The Journal of economic perspectives* 11(2): 117–136.
- SER (1957) *Advies inzake de herziening van de invaliditeitsverzekering*. 1957/01. Den Haag: SER.
- SER (1961) *Advies over de uitlening van arbeidskrachten*. 1961/05. Den Haag: SER.
- SER (1965) *Advies inzake verplichte verzekering tegen arbeidsongeschiktheid voor anderen dan loontrekkenden*. 1965/14. Den Haag: SER.
- SER (1970) *Eerste advies over de programmering van de sociale verzekering op middellange termijn*. 1970/05. Den Haag: SER.
- SER (1972) *Advies betreffende een volksverzekering inzake arbeidsongeschiktheid*. 1972/09. Den Haag: SER.
- SER (1976a) *Advies inzake de wenselijkheid van het eventueel laten vervallen van het eenderdecriterium uit de Wet Minimumloon en Minimumvakantiebijslag*. 1976/25. Den Haag: SER.
- SER (1976b) *Advies inzake een sociale voorziening ten behoeve van werkloze ex-zelfstandigen*. 1976/21. Den Haag: SER.
- SER (1984) *Advies hoofdlijnen gewijzigd stelsel van sociale zekerheid bij werkloosheid en arbeidsongeschiktheid*. 1984/16. Den Haag: SER.
- SER (1985) *Vervolgadvies gewijzigd stelsel van sociale zekerheid bij werkloosheid en arbeidsongeschiktheid*. 1985/16. Den Haag: SER.
- SER (1988) *Advies herziening ontslagrecht*. 1988/12. Den Haag: SER.
- SER (1991) *Flexibele arbeidsrelaties*. 1991/19. Den Haag: SER.
- SER (1994a) *Arbeidsbemiddeling en TBA*. 1994/07. Den Haag: SER.
- SER (1994b) *Civielrechtelijke ontslagbescherming*. 1994/05. Den Haag: SER.
- SER (2010) *Zzp'ers in beeld. Een integrale visie op zelfstandigen zonder personeel*. 2010/04. Den Haag: SER.
- SER (2021) *Sociaal-economisch beleid 2021-2025. Zekerheid voor mensen, een wendbare economie en herstel van de samenleving*. 2021/08. Den Haag: SER.
- Shalev M (1983) The Social Democratic Model and Beyond. Two 'Generations' of Comparative Research on the Welfare State. *Comparative Social Research* 6: 315–351.

- Sjerps I (1988) Indirect Discrimination in Social Security in the Netherlands. Demands of the Dutch Women's Movement. In: Buckley M and Anderson M (eds) *Women, Equality and Europe*. Basingstoke: Macmillan, pp. 95–106.
- Skocpol T (1992) *Protecting Soldiers and Mothers. The Political Origins of Social Policy in the United States*. Cambridge: Harvard University Press.
- Sluiterman KE (2003) *Kerende kansen. Het Nederlandse bedrijfsleven in de twintigste eeuw*. Amsterdam: Boom.
- Smitskam CJ (1989) *Flexibele arbeidsrelaties*. Deventer: Kluwer.
- Sol E (2000) *Arbeidsvoorzieningsbeleid in Nederland. De rol van de overheid en de sociale partners*. PhD Thesis. University of Amsterdam, Amsterdam.
- Sol E (2001) Targeting on Transitions. Employment Services in the Netherlands Employment Agencies. *Comparative Labor Law & Policy Journal* 23(1): 81–128.
- Stavenuiter M, Van der Klein M, Aussems C, et al. (2016) *Vast en flex in vele vormen. Werkgevers, bedrijven en sectoren aan het woord over flexibele arbeidscontracten*. Utrecht: Verwey-Jonker Instituut.
- Streeck W (2009) *Re-Forming Capitalism. Institutional Change in the German Political Economy*. Oxford: Oxford University Press.
- Streeck W (2010) *E Pluribus Unum? Varieties and Commonalities of Capitalism*. MPIfG Discussion Paper 10/12, 15 October. Köln.
- Streeck W and Thelen KA (2005) Introduction. Institutional Change in Advanced Political Economies. In: Streeck W and Thelen KA (eds) *Beyond Continuity. Institutional Change in Advanced Political Economies*. Oxford: Oxford University Press, pp. 1–39.
- StvdA (1988a) *Commentaar op het rapport 'flexibele inzet van arbeidskrachten'*. Den Haag: StvdA.
- StvdA (1993) *Overwegingen en aanbevelingen ter bevordering van deeltijdarbeid en differentiatie in arbeidsduurpatronen*. Den Haag: StvdA.
- StvdA (1996a) *Nota Flexibiliteit En Zekerheid*. Den Haag: StvdA.
- StvdA (2012) *De visie van de Stichting van de Arbeid op payrollrolling, mede in het licht van de gevolgen voor werknemers als het gaat om ontslag*. Den Haag: StvdA.
- StvdA (2013) *Perspectief voor een sociaal én ondernemend land. Uit de crisis, met goed werk, op weg naar 2020*. Den Haag: StvdA.
- StvdA (2020) *Keuze voor zekerheid. Zelfstandigen standaard verzekerd tegen langdurig inkomensverlies door arbeidsongeschiktheid*. Den Haag: StvdA.
- Swenson P (2002) *Capitalists against markets. The making of labor markets and welfare states in the United States and Sweden*. Oxford: Oxford University Press.
- SZW (1986) *Flexibele arbeidsrelaties. Rapportage van de eerste fase van de werkzaamheden van de Werkgroep Flexibele arbeidsrelaties*. Den Haag: SZW.
- SZW (1987) *Flexibele inzet van arbeidskrachten. Eindrapport van de SZW-werkgroep Flexibele Arbeidsrelaties*. Den Haag: SZW.
- SZW (1995a) *Concept. Flexibiliteit en zekerheid. Nota van de Minister van Sociale Zaken en Werkgelegenheid*. Den Haag: SZW.
- SZW (1995b) *Flexibiliteit en zekerheid. Nota van de Minister van Sociale Zaken en Werkgelegenheid*. Den Haag: Sdu Uitgevers.
- Thelen K (2012) Varieties of Capitalism. Trajectories of Liberalization and the New Politics of Social Solidarity. *Annual Review of Political Science* 15(1): 137–159.

- Thelen K (2014) *Varieties of Liberalization and the New Politics of Social Solidarity*. New York: Cambridge University Press.
- Tijdens K and Houweling J (1993) Geschiedenis van de kinderopvang. In: Tijdens K and Lieon S (eds) *Kinderopvang in Nederland. Organisatie en financiering*. Utrecht: Van Arkel, pp. 11–26.
- TNO and CBS (2019) *Zelfstandigen Enquête Arbeid 2019. Methodologie En Globale Resultaten*. Den Haag: TNO and CBS.
- Toshkov D (2016) *Research Design in Political Science*. Basingstoke: Palgrave Macmillan.
- Touwen J (2014) *Coordination in Transition. The Netherlands and the World Economy, 1950-2010*. Leiden: Brill.
- Touwen J (2008) How does a coordinated market economy evolve? Effects of policy learning in the Netherlands in the 1980s. *Labor History* 49(4): 439–464.
- Tros FH, Albeda W and Dercksen WJ (2006) *Arbeidsverhoudingen in Nederland*. Seventh edition. Alphen aan den Rijn: Kluwer.
- Van Arkel EG (2007) *A Just Cause for Dismissal in the United States and The Netherlands*. PhD Thesis. Erasmus University Rotterdam, Rotterdam.
- Van Bekkum R (1996) *Tussen vraag en aanbod. Op zoek naar de identiteit van de Arbeidsvoorzieningsorganisatie*. Open University, Den Haag.
- Van Bottenburg M (1995) 'Aan Den Arbeid!' *In de Wandelgangen van de Stichting van de Arbeid, 1945-1995*. Amsterdam: Bakker.
- Van den Berg L (2010) *Tussen feit en fictie. Rechtspersoonlijkheid en de verzekerings- en premieplicht voor de werknemersverzekeringen*. PhD Thesis. Radboud University, Nijmegen.
- Van den Berg L (2017) De zelfstandige zonder personeel. In: De Wolff DJB and Verhulp E (eds) *Flexibele arbeidsrelaties*. Deventer: Wolters-Noordhoff, pp. 149–184.
- Van den Berge W, Vlasblom JD, Ebregt J, et al. (2018) *Verdringing op de arbeidsmarkt. Beschrijving en beleving*. Den Haag: CPB and SCP.
- Van den Toren JP, Evers GHM, Commissaris EJ, et al. (2002) *Flexibiliteit en zekerheid. Effecten en doeltreffendheid van de Wet flexibiliteit en zekerheid*. Den Haag: SZW.
- Van der Aa R, Van Buren D and Viertelhuizen T (2015) Motieven van werkgevers en werknemers voor flexibele contractvormen. In: Chkalova K, Sanders J, Smits W, et al. (eds) *Dynamiek op de Nederlandse arbeidsmarkt. De focus op flexibilisering*. Den Haag: CBS, pp. 114–127.
- Van Dijk M, Van Rossum M, Van Diepen L, et al. (2018) *Precaire Polder. Rapport in Het Kader van Het Onderzoeksproject Historische Verkenningen Vakbeweging*. Amsterdam: IISH and FNV.
- Van Driel H and Koene B (2011) The Rhetoric of Restraint. The Struggle for Legitimacy of the Dutch Temporary Work Agency Industry, 1961-1996. *Enterprise and Society* 12(3): 562–600.
- Van Eijl C (1997) *Maandag tolereren we niets meer. Vrouwen, arbeid en vakbeweging 1945-1990*. Amsterdam: IISH and FNV.
- Van Es F and Van Vuuren DJ (2011) A decomposition of the growth in self-employment. *Applied Economics Letters* 18(17). Routledge: 1665–1669.
- Van Fenema EC (2017) Oproepovereenkomsten. In: De Wolff DJB and Verhulp E (eds) *Flexibele arbeidsrelaties*. Deventer: Wolters-Noordhoff, pp. 23–56.
- Van Gerwen JIJM and De Goey FMM (2008) *Ondernemers in Nederland. Variaties in ondernemen*. Amsterdam: Boom.
- Van Houte YAE (2017) De uitzendovereenkomst. In: De Wolff DJB and Verhulp E (eds) *Flexibele arbeidsrelaties*. Deventer: Wolters-Noordhoff, pp. 89–117.

- Van Kersbergen K (1995) *Social Capitalism. A Study of Christian Democracy and the Welfare State*. London: Routledge.
- Van Kersbergen K (2009) Religion and the Welfare State in the Netherlands. In: Van Kersbergen K and Manow P (eds) *Religion, Class Coalitions, and Welfare States*. New York: Cambridge University Press, pp. 119–145.
- Van Peijpe T (1998) *Employment Protection under Strain. Sweden, Denmark, the Netherlands* (ed. R Blanpain). Den Haag: Kluwer Law International.
- Van Veldhoven J (2024) Legitimacy versus incentives. Explaining the difference between early and late union responses to nonstandard employment in the Netherlands. *Journal of Industrial Relations* 66(2): 238–262.
- Van Vuuren D (2012) *De fiscale behandeling van zelfstandigen. Een kritische blik*. Den Haag: CPB.
- Van Waarden F (2003a) Renegotiating the welfare state through corporatist concertation. An introduction. In: Waarden F van and Lehmruch G (eds) *Renegotiating the Welfare State. Flexible Adjustment through Corporatist Concertation*. London: Routledge, pp. 3–30.
- Van Waarden F (2003b) The societal and historical embeddedness of Dutch corporatism. In: Van Waarden F and Lehmruch G (eds) *Renegotiating the Welfare State. Flexible Adjustment through Corporatist Concertation*. London: Routledge, pp. 70–96.
- Verhulp E (2002) De overeenkomst van opdracht. In: Verhulp E (ed.) *Flexibele arbeidsrelaties*. Deventer: Kluwer, pp. 5–39.
- Visser J (1995) The Netherlands. From Paternalism to Representation. In: Rogers J and Streeck W (eds) *Works Councils. Consultation, Representation, and Cooperation in Industrial Relations*. Chicago: University of Chicago Press, pp. 79–114.
- Visser J (2002) The first part-time economy in the world. A model to be followed? *Journal of European Social Policy* 12(1): 23–42.
- Visser J and Hemerijck A (1997) *A Dutch Miracle. Job Growth, Welfare Reform and Corporatism in the Netherlands*. Amsterdam: Amsterdam University Press.
- Vrooman JC (2012) Regimes and cultures of social security. Comparing institutional models through nonlinear PCA. *International Journal of Comparative Sociology* 53(5–6): 444–477.
- VVD (2012) *Niet doorschuiven maar aanpakken. Verkiezingsprogramma VVD 2012-2017. Tweede Kamerverkiezingen 12 september 2012*. Den Haag: VVD.
- VVD (2016) *Zeker Nederland. VVD Verkiezingsprogramma 2017-2021*. Den Haag: VVD.
- VVD (2020) *Samen Aan de Slag. Nieuwe Keuzes Voor Een Nieuwe Tijd. Verkiezingsprogramma 2021-2025*. Den Haag: VVD.
- VVD and PvdA (2012) *Bruggen Slaan. Regeerakkoord VVD - PvdA*. Den Haag.
- VVD, CDA, D66, et al. (2017) *Vertrouwen in de Toekomst. Regeerakkoord 2017 – 2021*. Den Haag.
- VVD, D66, CDA, et al. (2021) *Omzien Naar Elkaar, Vooruitkijken Naar de Toekomst. Coalitieakkoord 2021 – 2025*. Den Haag.
- Wilbrink-Griffioen D, Van Vliet I and Elzinga A (1987) *Kinderopvang en arbeidsparticipatie van vrouwen*. Den Haag: SZW.
- Windmuller JP, De Galan C and Van Zweeden AF (1990) *Arbeidsverhoudingen in Nederland*. Seventh edition. Utrecht: Spectrum.
- WRR (1980) *Plaats en toekomst van de Nederlandse industrie*. Den Haag: WRR.
- WRR (1990) *Een werkend perspectief. Arbeidsparticipatie in de jaren '90*. Den Haag: WRR.

Zwemmer JPH (2017) Payrolling. In: De Wolff DJB and Verhulp E (eds) *Flexibele arbeidsrelaties*. Deventer: Wolters-Noordhoff, pp. 119–147.

## Archival sources

- ABU (1995) *Uitzendarbeid nu en in de toekomst*. Archive FNV Dienstenbond, ARCH02537, no. 1507. Amsterdam: IISH.
- Boot G, Duk RAA, Van den Berg L, et al. (2016) *Commissie (model)overeenkomsten. Eindrapport*. Parliamentary documents, Tweede Kamer 2016-2017, dossier 34036 no. 40 attachment. Available at: <https://zoek.officielebekendmakingen.nl/blg-790603>.
- Bouw- en Houtbond FNV (1996a) *Congresnota 'Op maat naar de volgende eeuw'*. Archive Bouw- en Houtbond FNV, ARCH00104, no. 31. Amsterdam: IISH.
- Bouw- en Houtbond FNV (1996b) *Congresresolutie 'Op maat naar de volgende eeuw'*. Archive Bouw- en Houtbond FNV, ARCH00104, no. 31. Amsterdam: IISH.
- Bouw- en Houtbond FNV (1997) *Congresverslag 'Op maat naar de volgende eeuw'*. Archive Bouw- en Houtbond FNV, ARCH00104, no. 29. Amsterdam: IISH.
- Cabinet Lubbers I (1984) *Regeringsstandpunt. Kinderopvang*. Parliamentary documents, Tweede Kamer 1984-1985, dossier 18483 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000126284>.
- Commissie-Van Soest (1971) *Rapport inzake belastingheffing van zelfstandigen in vergelijking met loontrekkenden*. Parliamentary documents, Tweede Kamer 1970-1971, dossier 11259 no. 2. Available at: <https://zoek.officielebekendmakingen.nl/0000227339>.
- De Waal L and Ornstein L (2018a) *Deel 1. Voorzitter van de FNV*. Collection interviews Lodewijk de Waal, COLL00540, no. 1. Amsterdam: IISH. Available at: <https://hdl.handle.net/10622/COLL00540.1>.
- De Waal L and Ornstein L (2018b) *Deel 2. De hervormingen onder de twee paarse kabinetten*. Collection interviews Lodewijk de Waal, COLL00540, no. 2. Amsterdam: IISH. Available at: <https://hdl.handle.net/10622/COLL00540.2>.
- Eerste Kamer 1984-1985 Handelingen 6 November* (1984) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000121978>.
- Eerste Kamer 2003-2004 Handelingen 5 July* (2004) Parliamentary documents, no. 37. Available at: <https://zoek.officielebekendmakingen.nl/h-ek-20032004-2037-2050.html>.
- Eerste Kamer 2006-2007 Handelingen 28 November* (2006) Parliamentary documents, no. 10. Available at: <https://zoek.officielebekendmakingen.nl/h-ek-20062007-407-408.html>.
- Eerste Kamer 2013-2014 Handelingen 10 June* (2014) Parliamentary documents, no. 33 item 9. Available at: <https://zoek.officielebekendmakingen.nl/h-ek-20132014-33-9.html>.
- Eerste Kamer 2019-2020 Handelingen 17 December* (2019) Parliamentary documents, no. 7 item 14. Available at: <https://zoek.officielebekendmakingen.nl/h-ek-20192020-14-7-n1.html>.
- Eerste Kamer 2019-2020 Handelingen 28 May* (2019) Parliamentary documents, no. 32 item 12. Available at: <https://zoek.officielebekendmakingen.nl/h-ek-20182019-32-12.html>.
- EZK (1975) *Contraseign initiatief-wetsontwerp verlaging Vpb en verhoging zelfstandigenaftrek I.B. (R.V.M. 1020-75)*. Archive EZK, 2.06.175, no. 4210. Den Haag: NA.
- EZK (1981) *Advies van de Raad voor het Midden- en Kleinbedrijf van 20 februari 1981 inzake de Tijdelijke Zelfstandigen Aftrek (T.Z.A.)*. Archive EZK, 2.06.175, no. 5686. Den Haag: NA.

- FNV (1976a) *Besluitenlijst 1976-6 vergadering FNV-Federatiebestuur d.d. 9 februari 1976*. Archive FNV, ARCH00419, no. 63. Amsterdam: IISH.
- FNV (1976b) *Kort verslag 1976-6 vergadering FNV-Federatieraad d.d. 16 februari 1976*. Archive FNV, ARCH00419, no. 63. Amsterdam: IISH.
- FNV (1976c) *Notitie betreffende uitzendbureaus*. Archive FNV, ARCH00419, no. 72. Amsterdam: IISH.
- FNV (1987a) *FNV-Arbeidsvoorwaardenbeleid en Flexibilisering*. Archive FNV, ARCH00419, no. 4440. Amsterdam: IISH.
- FNV (1987b) *Kort verslag van de vergadering van de Beleidsadviesraad Werkgelegenheid en Sociaal-Economische Aangelegenheden d.d. 28 januari 1987*. Archive FNV, ARCH00419, no. 4296. Amsterdam: IISH.
- FNV (1987c) *Resultaten in CAO-onderhandelingen op het terrein van flexibilisering*. Archive FNV, ARCH00419, no. 4440. Amsterdam: IISH.
- FNV (1997) *Belangenbehartiging zelfstandigen (zonder personeel) en freelancers*. Archive FNV, ARCH00419, no. 4454. Amsterdam: IISH.
- FNV Dienstenbond (1986a) *Aktieplan flexibilisering*. Archive FNV Dienstenbond, ARCH02537, no. 371. Amsterdam: IISH.
- FNV Dienstenbond (1986b) *Beleidsplan voor het bankbedrijf*. Archive FNV Dienstenbond, ARCH02537, no. 47. Amsterdam: IISH.
- FNV Dienstenbond (1986c) *Kongresbesluiten 9 december 1986*. Archive FNV Dienstenbond, ARCH02537, no. 47. Amsterdam: IISH.
- FNV Women (1984) *Resolutie t.a.v. flexibilisering*. Archive FNV Dienstenbond, ARCH02537, no. 461. Amsterdam: IISH.
- Gewijzigde motie Van Es. Rijksbegroting 1982* (1982) Parliamentary documents, Tweede Kamer 1981-1982, dossier 17100-XV no. 41. Available at: <https://zoek.officielebekendmakingen.nl/0000153127>.
- Holtslag JW (1994) *Letter to Minister President on 16 November*. Archive Raad van Ministers, 2.02.05.02, no. 7074. Den Haag: NA.
- Industriebond FNV (1995) *Uitzendbureaus. Een nieuwe strategie is gewenst*. Archive FNV Dienstenbond, ARCH02537, no. 1516. Amsterdam: IISH.
- Interdepartementale werkgroep studie zelfstandigenaftrek (1982) *Rapport van de interdepartementale werkgroep studie zelfstandigenaftrek*. Archive Raad van Ministers, 2.02.05.02, no. 3774. Den Haag: NA.
- Memorie van toelichting. Aanpassing gedifferentieerd tarief en verhoging van de zelfstandigenaftrek* (1994) Parliamentary documents, Tweede Kamer 1993-1994, dossier 23665 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000009530>.
- Memorie van toelichting. Algemene arbeidsongeschiktheidsverzekering* (1975) Parliamentary documents, Tweede Kamer 1974-1975, dossier 13231 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000202982>.
- Memorie van toelichting. Arbeidsongeschiktheidsverzekering* (1963) Parliamentary documents, Tweede Kamer 1962--1963, dossier 7171 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000258500>.
- Memorie van toelichting. Belastingplan 2005* (2004) Parliamentary documents, Tweede Kamer 2004-2005, dossier 29767 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/kst-29767-3.html>.

- Memorie van toelichting. Belastingplan 2021* (2020) Parliamentary documents, Tweede Kamer 2020-2021, dossier 35572 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/kst-35572-3.html>.
- Memorie van toelichting. Belastingplan 2023* (2022) Parliamentary documents, Tweede Kamer 2022-2023, dossier 36202 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/kst-36202-3.html>.
- Memorie van toelichting. Fiscale oudedagsreserve voor zelfstandigen* (1972) Parliamentary documents, Tweede Kamer 1971-1972, dossier 11818 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000221559>.
- Memorie van toelichting. Flexibiliteit en Zekerheid* (1997) Parliamentary documents, Tweede Kamer 1996-1997, dossier 25263 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/kst-25263-3.html>.
- Memorie van toelichting. Invoering van een permanente zelfstandigenaftrek in de inkomstenbelasting* (1983) Parliamentary documents, Tweede Kamer 1982-1983, dossier 17943 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000148002>.
- Memorie van toelichting. Invoering van een tijdelijke zelfstandigenaftrek voor kleinere zelfstandigen* (1974) Parliamentary documents, Tweede Kamer 1974-1975, dossier 13194 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000202827>.
- Memorie van toelichting. Verlaging van het tarief van de vennootschapsbelasting alsmede wijziging van de zelfstandigenaftrek in de inkomstenbelasting* (1984) Parliamentary documents, Tweede Kamer 1983-1984, dossier 18262 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000139180>.
- Memorie van toelichting. Verzekering van door middel van uitzendbureaus tewerkgestelde personen* (1964) Parliamentary documents, Tweede Kamer 1963-1964, dossier 7687 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000255101>.
- Memorie van toelichting. Werkloosheidswet* (1985) Parliamentary documents, Tweede Kamer 1985-1986, dossier 19261 no. 3 herdruk. Available at: <https://zoek.officielebekendmakingen.nl/0000120025>.
- Memorie van toelichting. Wet arbeidsmarkt in balans* (2018) Parliamentary documents, Tweede Kamer 2018-2019, dossier 35074 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/kst-35074-3.html>.
- Memorie van toelichting. Wet einde toegang verzekering WAZ* (2004) Parliamentary documents, Tweede Kamer 2003-2004, dossier 29497 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/kst-29497-3.html>.
- Memorie van toelichting. Wet inkomensvoorziening oudere en gedeeltelijk arbeidsongeschikte gewezen zelfstandigen* (1986) Parliamentary documents, Tweede Kamer 1986-1987, dossier 19778 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000112019>.
- Memorie van toelichting. Wet invoering Beschikking geen loonheffingen* (2014) Parliamentary documents, Tweede Kamer 2014-2015, dossier 34036 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/kst-34036-3.html>.
- Memorie van toelichting. Wet op het ter beschikking stellen van arbeidskrachten* (1964) Parliamentary documents, Tweede Kamer 1963-1964, dossier 7737 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000255222>.
- Memorie van toelichting. Wet uitbreiding rechtsgevolgen VAR* (2004) Parliamentary documents, Tweede Kamer 2003-2004, dossier 29677 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/kst-29677-3.html>.



- Memorie van toelichting. Wet werk en zekerheid* (2013) Parliamentary documents, Tweede Kamer 2013-2014, dossier 33818 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/kst-33818-3.pdf>.
- Memorie van toelichting. Wet werken aan winst* (2006) Parliamentary documents, Tweede Kamer 2005-2006, dossier 30572 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/kst-30572-3.html>.
- Memorie van toelichting. Wijziging van de inkomstenbelasting en van de loonbelasting* (1970) Parliamentary documents, Tweede Kamer 1969-1970, dossier 10790 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000232473>.
- Mercurius NVV (1971a) *Verrichtingen bondsbestuurders periode eindigend 9 november 1971*. Archive Algemene Bond Mercurius, ARCH04826, no. 57. Amsterdam: IISH.
- Mercurius NVV (1971b) *Verrichtingen bondsbestuurders periode eindigend 12 oktober 1971*. Archive Algemene Bond Mercurius, ARCH04826, no. 56. Amsterdam: IISH.
- Mercurius NVV (1971c) *Verrichtingen bondsbestuurders periode eindigend 22 juni 1971*. Archive Algemene Bond Mercurius, ARCH04826, no. 54. Amsterdam: IISH.
- Minister EZK Andriessen (1994) *Letter to Tweede Kamer on 11 March*. Parliamentary documents, Tweede Kamer 1993-1994, dossier 22964 no. 4. Available at: <https://zoek.officielebekendmakingen.nl/0000005884>.
- Minister EZK Van Aardenne (1983) *Letter to Tweede Kamer on 27 June*. Parliamentary documents, Tweede Kamer 1982-1983, dossier 17931 no. 5. Available at: <https://zoek.officielebekendmakingen.nl/0000147912>.
- Minister FIN Andriessen and State Secretary FIN Nooteboom (1978) *Letter to Tweede Kamer on 20 February*. Parliamentary documents, Tweede Kamer 1977-1978, dossier 14932 no. 1. Available at: <https://zoek.officielebekendmakingen.nl/0000185496>.
- Minister FIN Ruding and State Secretary FIN Koning (1983) *Letter to Council of Ministers on 20 October*. Archive Raad van Ministers, 2.02.05.02, no. 3809. Den Haag: NA.
- Minister SZW Asscher (2016a) *Letter to Tweede Kamer on 5 December*. Parliamentary documents, Tweede Kamer 2016-2017, dossier 29544 no. 761. Available at: <https://zoek.officielebekendmakingen.nl/kst-29544-761.pdf>.
- Minister SZW Asscher (2016b) *Letter to Tweede Kamer on 21 April*. Parliamentary documents, Tweede Kamer 2016-2017, dossier 29544 no. 715. Available at: <https://zoek.officielebekendmakingen.nl/kst-29544-715.pdf>.
- Minister SZW Asscher and Minister EZK Kamp (2015) *Letter to Tweede Kamer on 2 October*. Parliamentary documents, Tweede Kamer 2015-2016, dossier 31311 no. 154. Available at: <https://zoek.officielebekendmakingen.nl/kst-31311-154.html>.
- Minister SZW De Koning (1989) *Letter to Council of Ministers on 31 January*. Archive Raad van Ministers, 2.02.05.02, no. 5571. Den Haag: NA.
- Minister SZW De Koning and Minister EZK Van Aardenne (1984) *Letter to Tweede Kamer on 25 May*. Parliamentary documents, Tweede Kamer 1983-1984, dossier 17931 no. 24. Available at: <https://zoek.officielebekendmakingen.nl/0000135507>.
- Minister SZW De Vries (1993a) *Concept Letter to SER*. Archive Raad van Ministers, 2.02.05.02, no. 6784. Den Haag: NA.
- Minister SZW De Vries (1993b) *Letter to Council of Ministers on 16 June*. Archive Raad van Ministers, 2.02.05.02, no. 6757. Den Haag: NA.

- Minister SZW De Vries (1993c) *Letter to Tweede Kamer on 8 September*. Parliamentary documents, Tweede Kamer 1992-1993, dossier 22659 no. 4. Available at: <https://zoek.officielebekendmakingen.nl/0000014062>.
- Minister SZW Kamp (2011) *Letter to Tweede Kamer on 4 March*. Parliamentary documents, Tweede Kamer 2010-2011, dossier 31311 no. 71. Available at: <https://zoek.officielebekendmakingen.nl/kst-31311-71.html>.
- Minister SZW Koolmees (2019) *Letter to Eerste and Tweede Kamer on 5 June*. Parliamentary documents, Eerste Kamer 2018-2019, dossier 32043 no. P. Available at: <https://zoek.officielebekendmakingen.nl/kst-32043-P.html>.
- Minister SZW Koolmees and State Secretary FIN Vijlbrief (2020) *Letter to Tweede Kamer on 15 June*. Parliamentary documents, Tweede Kamer 2019-2020, dossier 31311 no. 235. Available at: <https://zoek.officielebekendmakingen.nl/kst-31311-235.html>.
- Minister SZW Koolmees and State Secretary SZW Van 't Wout (2020) *Letter to Tweede Kamer on 11 November*. Parliamentary documents, Eerste Kamer 2020-2021, dossier 29544 no. 1028. Available at: <https://zoek.officielebekendmakingen.nl/kst-29544-1028.html>.
- Minister SZW Melkert (1994) *Letter to Tweede Kamer on 23 November*. Parliamentary documents, Tweede Kamer 1994-1995, dossier 22977 no. 3. Available at: <https://zoek.officielebekendmakingen.nl/0000000943>.
- Minister SZW Melkert (1995) *Commentaar van minister SZW bij reactie op flexibiliteit en zekerheid*. Archive Raad van Ministers, 2.02.05.02, no. 7339. Den Haag: NA.
- Minister SZW Melkert (1996) *Letter to Council of Ministers on 2 May*. Archive Raad van Ministers, 2.02.05.02, no. 7683. Den Haag: NA.
- Minister SZW Van Gennip (2023) *Letter to Tweede Kamer on 3 April*. Parliamentary documents, Tweede Kamer 2022-2023, dossier 29544 no. 1176. Available at: <https://zoek.officielebekendmakingen.nl/kst-29544-1176.html>.
- Minister SZW Vermeend (2002) *Letter to Tweede Kamer on 1 May*. Parliamentary documents, Tweede Kamer 2001-2002, dossier 28365 no. 1. Available at: <https://zoek.officielebekendmakingen.nl/kst-28365-1.html>.
- Ministerraad 1964 Notulen 17 April* (1964) Archive Raad van Ministers, 2.02.05.02, no. 756. Den Haag: NA.
- Ministerraad 1970 Notulen 4 September* (1970) Archive Raad van Ministers, 2.02.05.02, no. 987. Den Haag: NA.
- Ministerraad 1970 Notulen 9 and 10 July* (1970) Archive Raad van Ministers, 2.02.05.02, no. 987. Den Haag: NA.
- Ministerraad 1974 Notulen 9 October* (1974) Archive Raad van Ministers, 2.02.05.02, no. 1408. Den Haag: NA.
- Ministerraad 1974 Notulen 11 October* (1974) Archive Raad van Ministers, 2.02.05.02, no. 1408. Den Haag: NA.
- Ministerraad 1983 Notulen 14 October* (1983) Archive Raad van Ministers, 2.02.05.02, no. 3762. Den Haag: NA.
- Ministerraad 1983 Notulen 21 October* (1983) Archive Raad van Ministers, 2.02.05.02, no. 3762. Den Haag: NA.
- Ministerraad 1986 Notulen 10 July* (1986) Archive Raad van Ministers, 2.02.05.02, no. 4641. Den Haag: NA.

- Ministerraad 1988 Notulen 2 December* (1988) Archive Raad van Ministers, 2.02.05.02, no. 5242. Den Haag: NA.
- Ministerraad 1989 Notulen 10 February* (1989) Archive Raad van Ministers, 2.02.05.02, no. 5552. Den Haag: NA.
- Ministerraad 1993 Notulen 12 November* (1993) Archive Raad van Ministers, 2.02.05.02, no. 6726. Den Haag: NA.
- Ministerraad 1993 Notulen 25 June* (1993) Archive Raad van Ministers, 2.02.05.02, no. 6721. Den Haag: NA.
- Ministerraad 1994 Notulen 18 November* (1994) Archive Raad van Ministers, 2.02.05.02, no. 7022. Den Haag: NA.
- Ministerraad 1995 Notulen 3 November* (1995) Archive Raad van Ministers, 2.02.05.02, no. 7284. Den Haag: NA.
- Ministerraad 1995 Notulen 24 November* (1995) Archive Raad van Ministers, 2.02.05.02, no. 7284. Den Haag: NA.
- Ministerraad 1996 Notulen 10 May* (1996) Archive Raad van Ministers, 2.02.05.02, no. 7654. Den Haag: NA.
- Ministry of Economic Affairs, Ministry of Justice and Ministry of Finance (1995) *Gezamenlijke reactie op SZW-nota 'Flexibiliteit en Zekerheid'*. Archive Raad van Ministers, 2.02.05.02, no. 7339. Den Haag: NA.
- Montizaan KH (1996) *Letter to Minister President on 8 May*. Archive Raad van Ministers, 2.02.05.02, no. 7683. Den Haag: NA.
- Motie Gerritse en Bosman. Wet inkomensvoorziening oudere werknemers* (1986) Parliamentary documents, Tweede Kamer 1985-1986, dossier 19260 no. 28 herdruk. Available at: <https://zoek.officielebekendmakingen.nl/0000120005>.
- Motie Hamer. Wet werk en zekerheid* (2014) Parliamentary documents, Tweede Kamer 2013-2014, dossier 33818 no. 43. Available at: <https://zoek.officielebekendmakingen.nl/kst-33818-43.html>.
- Motie Notenboom. Miljoenennota 1975* (1974) Parliamentary documents, Tweede Kamer 1974-1975, dossier 13100 no. 18. Available at: <https://zoek.officielebekendmakingen.nl/0000201706>.
- Motie Otten. Belastingplan 2020* (2019) Parliamentary documents, Eerste Kamer 2019-2020, dossier 35302 no. O. Available at: <https://zoek.officielebekendmakingen.nl/kst-35302-O.html>.
- Motie Van Rooijen. Verlenging van de geldingsduur van de tijdelijke zelfstandigenaftrek voor kleinere zelfstandigen in de inkomstenbelasting* (1979) Parliamentary documents, Tweede Kamer 1979-1980, dossier 15850 no. 8. Available at: <https://zoek.officielebekendmakingen.nl/0000171149>.
- Nota naar aanleiding van het verslag. Belastingplan 2005* (2004) Parliamentary documents, Tweede Kamer 2004-2005, dossier 29767 no. 14. Available at: <https://zoek.officielebekendmakingen.nl/kst-29767-14.html>.
- Nota over de toekomst van 's rijks financiën. Tekstgedeelte van de Miljoenennota 1995* (1994) Parliamentary documents, Tweede Kamer 1994-1995, dossier 23900 no. 1. Available at: <https://zoek.officielebekendmakingen.nl/0000001329>.
- NVV (1975) *Kort verslag van de tiende zitting van de NVV-Verbandsvergadering gehouden op 9 april 1975*. Archive NVV, ARCH00933, no. 534. Amsterdam: IISH.
- NVV, NKV and CNV (1975) *Hoofdstuk I Het arbeidsethos*. Archive NVV, ARCH00933, no. 141. Amsterdam: IISH.

- Passchier C (1996) *Notitie samenhang flex en zekerheid en ontslagrecht, tweede herziene versie*. Archive FNV, ARCH00419, no. 4449. Amsterdam: IISH.
- Raad van State (2004a) *Advies en nader rapport. Wet einde toegang verzekering WAZ*. Parliamentary documents, Tweede Kamer 2003-2004, dossier 29497 no. 4. Available at: <https://zoek.officielebekendmakingen.nl/kst-29497-4.html>.
- Raad van State (2004b) *Advies en nader rapport. Wet uitbreiding rechtsgevolgen VAR*. Parliamentary documents, Tweede Kamer 2003-2004, dossier 29677 no. 4. Available at: <https://zoek.officielebekendmakingen.nl/kst-29677-4.html>.
- RMKB (1981) *Advies inzake de zelfstandigenaftrek*. Archive EZK, 2.06.175, no. 5686. Den Haag: NA.
- Sleddering WJ (1983) *Letter to Minister President on 1 March*. Archive Raad van Ministers, 2.02.05.02, no. 3774. Den Haag: NA.
- Staatsblad. *Arbeidsvoorzieningswet* (1990) Parliamentary documents, Staatsblad 1990, no. 402. Available at: <https://zoek.officielebekendmakingen.nl/stb-1990-402>.
- Staatsblad. *Belastingplan 2005* (2004) Parliamentary documents, Staatsblad 2004, no. 653. Available at: <https://zoek.officielebekendmakingen.nl/stb-2004-653.html>.
- State Secretary EZK Heemskerk, State Secretary SZW Aboutaleb and State Secretary FIN De Jager (2007) *Letter to Tweede Kamer on 17 December*. Parliamentary documents, Tweede Kamer 2007-2008, dossier 31311 no. 1. Available at: <https://zoek.officielebekendmakingen.nl/kst-31311-1.html>.
- State Secretary FIN Snel (2019) *Letter to Tweede Kamer on 17 September*. Parliamentary documents, Tweede Kamer 2019-2020, dossier 35302 no. 6. Available at: <https://zoek.officielebekendmakingen.nl/kst-35302-6.html>.
- State Secretary FIN Weekers (2012) *Letter to Tweede Kamer on 17 September*. Parliamentary documents, Tweede Kamer 2011-2012, dossier 31311 no. 91. Available at: <https://zoek.officielebekendmakingen.nl/kst-31311-91.html>.
- State Secretary FIN Wiebes (2015) *Letter to Tweede Kamer on 20 April*. Parliamentary documents, Tweede Kamer 2014-2015, dossier 34036 no. 9. Available at: <https://zoek.officielebekendmakingen.nl/kst-34036-9.html>.
- StvdA (1970) *Notitie voor de Stichting van de Arbeid. Enkele aspecten van het ter beschikking stellen van arbeidskrachten*. Archive StvdA, ARCH01411, no. C\_79\_13\_11. Amsterdam: IISH.
- StvdA (1988b) *Verslag van de Werkgroep Flexibele Arbeidsrelaties van de Looncommissie van de Stichting van de Arbeid, gehouden op dinsdag 19 januari 1988*. Archive StvdA, ARCH01411, no. 89\_30\_2. Amsterdam: IISH.
- StvdA (1989a) *Verslag van de vergadering van de minister van Sociale Zaken en Werkgelegenheid met leden van de werkgevers- en werknemersorganisaties, vertegenwoordigd in de Stichting van de Arbeid betreffende flexibele arbeidsrelaties, gehouden op dinsdag 2 mei 1989*. Archive StvdA, ARCH01411, no. 89\_30\_2. Amsterdam: IISH.
- StvdA (1989b) *Verslag van het informatieve gesprek van een ambtelijke delegatie met vertegenwoordigers van werkgevers en werknemersorganisaties in de Stichting van de Arbeid, betreffende flexibele arbeidsrelaties, gehouden op donderdag 13 april 1989*. Archive StvdA, ARCH01411, no. 89\_30\_2. Amsterdam: IISH.
- StvdA (1996b) *Verslag van de zevende vergadering van de Werkgroep Flexibiliteit en Zekerheid, gehouden op dinsdag 5 maart 1996*. Archive StvdA, ARCH01411, no. 99\_49\_6. Amsterdam: IISH.

- StvdA (1996c) *Verslag van zesde vergadering van de Werkgroep Flexibiliteit en Zekerheid, gehouden op maandag 26 februari 1996*. Archive StvdA, ARCH01411, no. 99\_49\_6. Amsterdam: IISH.
- Taner B and Hendrix P (2007) *De armoedeval. Een nieuwe kijk op een oud probleem*. Parliamentary documents, Tweede Kamer 2006-2007, dossier 29764 no. 48 attachment 1. Available at: <https://zoek.officielebekendmakingen.nl/kst-29764-48-b1>.
- Tweede Kamer 1964-1965 Handelingen 19 May* (1965) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000249319>.
- Tweede Kamer 1972 Handelingen 26 September* (1972) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000214603>.
- Tweede Kamer 1976-1977 Handelingen 8 December* (1976) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000187857>.
- Tweede Kamer 1979-1980 Handelingen 27 November* (1979) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000166025>.
- Tweede Kamer 1981-1982 Handelingen 9 March* (1982) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000149367>.
- Tweede Kamer 1983-1984 Handelingen 6 December* (1983) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000132295>.
- Tweede Kamer 1983-1984 Handelingen 13 December* (1983) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000132297>.
- Tweede Kamer 1983-1984 Handelingen 20 June* (1984) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000132361>.
- Tweede Kamer 1989-1990 Handelingen 21 December* (1989) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000035212>.
- Tweede Kamer 1993-1994 Handelingen 21 June* (1994) Parliamentary documents. Available at: <https://zoek.officielebekendmakingen.nl/0000003672>.
- Tweede Kamer 2003-2004 Handelingen 3 June* (2004) Parliamentary documents, no. 80. Available at: <https://zoek.officielebekendmakingen.nl/h-tk-20032004-5160-5161.html>.
- Tweede Kamer 2004-2005 Handelingen 9 November* (2004) Parliamentary documents, no. 20. Available at: <https://zoek.officielebekendmakingen.nl/h-tk-20042005-1193-1193-2.html>.
- Tweede Kamer 2013-2014 Handelingen 18 February* (2014a) Parliamentary documents, no. 55 item 20. Available at: <https://zoek.officielebekendmakingen.nl/h-tk-20132014-55-20.pdf>.
- Tweede Kamer 2013-2014 Handelingen 18 February* (2014b) Parliamentary documents, no. 55 item 19. Available at: <https://zoek.officielebekendmakingen.nl/h-tk-20132014-55-19.html>.
- Tweede Kamer 2016-2017 Handelingen 8 December* (2016) Parliamentary documents, no. 33 item 45. Available at: <https://zoek.officielebekendmakingen.nl/h-tk-20162017-33-45.html>.
- Tweede Kamer 2018-2019 Handelingen 5 February* (2019) Parliamentary documents, no. 49 item 11. Available at: <https://zoek.officielebekendmakingen.nl/h-tk-20182019-49-11.html>.
- Van de Graaf T (1983) *Letter to Minister President on 13 October*. Archive Raad van Ministers, 2.02.05.02, no. 3809. Den Haag: NA.
- Van Gelder WJ (1984) *Letter from W.J. van Gelder to the Board of the FNV Dienstenbond on 26 October 1984*. Archive FNV Dienstenbond, ARCH02537, no. 28. Amsterdam: IISH.
- Voedingsbond FNV (1984) *Notitie over afroepkrachten en cao-beleid*. Archive FNV Dienstenbond, ARCH02537, no. 461. Amsterdam: IISH.

## Newspaper articles

- Algemeen Handelsblad* (1965a) Kamer akkoord met wetsontwerp. Koppelbazen moeten voortaan vergunning hebben. 20 May, p. 4.
- Algemeen Handelsblad* (1965b) Kamer toonde zich gereserveerd. Sociale verzekering voor uitzendkrachten. 20 May, p. 4.
- Kleijwegt A (2012) Polderoverleg krijgt crisisimpuls. *NRC Handelsblad*, 29 November. Available at: <https://www.nrc.nl/nieuws/2012/11/29/polderoverleg-krijgt-crisisimpuls-12584380-a829784> (accessed 8 December 2023).
- Kleijwegt A and Niemantsverdriet T (2013) Pokeren aan de Bezuidenhoutseweg om een vol Malieveld te voorkomen. *NRC Handelsblad*, 21 February. Available at: <https://www.nrc.nl/nieuws/2013/02/21/pokeren-aan-de-bezuidenhoutseweg-om-een-vol-malieveld-1211021-a1039286> (accessed 8 December 2023).
- Nieuwsblad van het Noorden* (1984) 'Misbruik economische crisis' Werkgelegenheid detailhandel aangetast door oproepcontracten. 5 April, p. 17.
- Nieuwsblad van het Noorden* (1988) Minister De Koning: 'Grenzen aan flexibel werk'. 11 February, p. 23.
- NRC Handelsblad* (1982) NCW bepleit soepeler procedure voor ontslag. 14 September, p. 1.
- NRC Handelsblad* (1984) Uitzendkrachten mogen zes maanden blijven. 21 December, p. 9.
- NRC Handelsblad* (1985) Nieuwe formules oude gedachten. Blauwdruk voor nieuwe economische orde. Lage inflatie, duurzame groei en vrije handel. 17 April, Supplement Mens & Bedrijf.
- NRC Handelsblad* (1986) Na uitspraak Europees Hof Alsnog recht op op wwv voor groep vrouwen. 5 December, p. 3.
- NRC Handelsblad* (1988a) Minister verfoeit afroepcontracten gezondheidszorg. 8 June, p. 3.
- NRC Handelsblad* (1988b) Regeling aanspraak gehuwde vrouw WWV. 16 July, p. 3.
- NRC Handelsblad* (1990) EZ wil grotere rol uitzendbureaus. 4 April, p. 12.
- Parool* (1970) Kamer wel achter belastingplannen. Ook oppositie steunt deel van voorstellen. 27 November, p. 27.
- Parool* (1980) Ondanks protest bedrijfsleven. Albeda zet rem op werk van uitzendbureaus. 27 December, p. 1.
- Parool* (1989) Kabinet wil eind aan nuluurcontract. 11 February, p. 5.
- Stoker E (2010) FNV wil maximum aan aantal flexwerkers dat een bedrijf mag hebben. *Volkskrant*, 24 April. Available at: <https://www.volkskrant.nl/nieuws-achtergrond/fnv-wil-maximum-aan-aantal-flexwerkers-dat-een-bedrijf-mag-hebben-bc11153a/> (accessed 30 August 2023).
- Stokmans D and Niemantsverdriet T (2013) Deze 9 mannen zijn eruit. Maar zijn ze ook tevreden? *NRC Handelsblad*, 12 April. Available at: <https://www.nrc.nl/nieuws/2013/04/12/deze-9-mannen-zijn-eruit-maar-zijn-ze-ook-tevreden-12642573-a1148119> (accessed 8 December 2023).
- Trouw* (1976) Concurrent arbeidsbureaus. PvdA en PPR willen van uitzendbureaus af. 16 March, p. 6.
- Volkskrant* (1974) Uitzendbureaus ongerust over half-jaar-regel. 13 December, p. 9.
- Volkskrant* (1976) CAO afgewezen met bond uitzendbureaus. 17 February, p. 3, 7.

- Volkskrant* (1983) Uitzendwerk loopt sterk terug sinds aantal jaren. 1 December, p. 1.
- Volkskrant* (1985) Werklozen moeten sneller ander beroep accepteren. 23 January, p. 1.
- Volkskrant* (2012) Zzp-bond in bouw niet mee naar nieuwe FNV. 14 June. Available at: <https://www.volkskrant.nl/nieuws-achtergrond/zzp-bond-in-bouw-niet-mee-naar-nieuwe-fnv~bec90702/> (accessed 28 August 2023).
- Volkskrant* (2013a) Asscher heeft elke dag contact met polder. 5 March. Available at: <https://www.volkskrant.nl/nieuws-achtergrond/asscher-heeft-elke-dag-contact-met-polder~bb907c39/> (accessed 8 December 2023).
- Volkskrant* (2013b) De terugkeer van het ‘polderoverleg’, hoe het begon. 11 April. Available at: <https://www.volkskrant.nl/nieuws-achtergrond/de-terugkeer-van-het-polderoverleg-hoe-het-begon~bac2c114/> (accessed 8 December 2023).
- Volkskrant* (2013c) Kabinet sluit akkoord met sociale partners. 11 April. Available at: <https://www.volkskrant.nl/nieuws-achtergrond/kabinet-sluit-akkoord-met-sociale-partners~b5b5bcaf/> (accessed 8 December 2023).
- Vrije volk* (1984) ‘Geen uitzendbureau’s in metaal toegestaan’. 8 December, p. 9.

## Summary

Over the last half-century, the Dutch labor market has become the epitome of segmentation. In international comparison, the Netherlands records high levels of own-account work, on-call work, agency work, fixed-term labor contracts, and part-time employment. Although I am interested in the rise of nonstandard employment in the Netherlands, providing an overarching explanation for their development is too ambitious for a single research project. Instead, my research sheds light on one aspect: the role of politics. The central research question of this dissertation is how (and why) political parties and trade unions have regulated nonstandard employment in the Netherlands between 1964 and 2023. I define alternative work arrangements (or nonstandard employment) as employment relationships that enable employers to deviate from the conditions of the regular labor contract in attracting labor.

Whereas the empirical objective of this analysis is to increase our understanding of the role of politics in the expansion of alternative work arrangements in the Dutch case, its theoretical goal is to contribute to the academic literature on country-specific variation in labor market segmentation by assessing the explanatory power of theories on party politics and union strategies. I conduct a process tracing analysis based on archival sources to achieve these research goals. In current scholarship, I identify four core theoretical propositions to be tested: (1) sticky breadwinner policies backed by Christian democratic parties explain segmentation along gender lines, (2) power relations between capital and labor explain adjustments to labor market regulation, (3) power dynamics between labor market insiders and outsiders explain segmentation, and (4) policy paradigm shifts explain adjustments to labor market regulation. I test the relative explanatory power of these propositions by assessing their alignment with the findings of my reconstruction of the Dutch case of nonstandard employment regulation. In the case of party politics, the empirical analysis draws on parliamentary documents and the archives of the Council of Ministers. Regarding union strategies, I rely on the archives of the largest trade union confederation, the largest trade union in the service sector, and the central meeting platform between trade unions and employers' associations. Policy reports, newspaper articles, and secondary literature constitute additional sources in both cases.

Although agency, on-call, and own-account work preceded the second oil shock, I identify this economic crisis as the critical juncture for nonstandard employment development in the Netherlands. High labor costs, increasing interest rates, and decreasing demand pressured the profits and budgets of employers. In response, employers increasingly used alternative work arrangements to cut costs and pass on employment risks. Meanwhile, female labor market participation grew rapidly. Due to the burden of care tasks, scant childcare, tax incentives, and lack of work experience, many mothers who re-entered the labor market had to settle for precarious work arrangements, such as on-call contracts.



The combination of inflation and unemployment also put into question the dominant policy paradigm. In the early 1980s, policymakers increasingly advocated supply-side policies in socioeconomic affairs. The supply-side policy paradigm shift had a particularly pronounced effect on political preferences and behavior concerning the employment protection of labor contracts and the fiscal treatment of own-account work. Due to opposition by trade unions and the social democratic PvdA to reforms of the open-ended labor contract, the criticism of the 'rigidities' of the labor contract eventually translated into proposals to deregulate fixed-term labor contracts. On own-account work, the contrast across the policy paradigm shift was perhaps the most striking. Before the shift, there was broad political support for decreasing fiscal differences between own-account workers and other workers. After, the policy focus shifted to the fiscal stimulation of own-account workers as part of a larger effort to boost entrepreneurship, effectively creating a fiscal treatment gap with employees. Though less dramatic, the supply-side ideas also impacted agency work regulation. In 1965, a new permit system had brought commercial intermediation into the formal sphere under strict conditions, such as a maximum length of job assignments. Before and after the policy paradigm shift, similar cabinets developed contradictory policies on this maximum job assignment length to limit or encourage agency work development. During the 1990s, the push for extending market coordination also played a role in the ending of the permit system for the work arrangement. In contrast, the supply-side policy paradigm had little effect on on-call work regulation. In the mid-1980s, political support emerged for stricter regulation of on-call work contrary to the dominant paradigm, resulting in the monthly wage floor of 1989.

Trade unions were seemingly unaffected by the supply-side policy paradigm, as they consistently opposed nonstandard employment. Yet, the rising incidence of alternative work arrangements exposed tensions between labor market insiders and outsiders. Due to concerns about legitimizing nonstandard employment, the largest union confederation, the FNV, did little to represent outsiders between 1976 and 1986. In this phase, agency and on-call work continued to spread. With increasing levels of nonstandard employment, the complete prohibition of alternative work arrangements became less plausible, while the pressure of nonstandard employment on the labor conditions of union members increased and FNV's passive attitude excluded an ever larger group of labor market outsiders who could mitigate the confederation's membership losses. These factors moved the FNV to take up the representation of outsider interests during the mid-1980s.

The pressures for the deregulation of labor contracts, stricter regulation of nonstandard employment, and the re-regulation of agency work paved the way for the Flexibility and Security Exchange of the late 1990s. Traditional power dynamics characterized the negotiations of the agreement, as the traditional representatives of

capital and labor in party politics and industrial relations bargained for a compromise. Such dynamics were also typical of the Work and Security Act of 2014. Yet, the negotiations would become much more counterintuitive in the late 2010s. In the course of the 2010s, the dominant policy narrative on alternative work arrangements started to shift. Increasing concerns about the differences in risks and costs between work arrangements affected attitudes across the political spectrum. The extent of the impact differed from party to party, however. Crucially, the liberal party D66 dramatically altered its policy stances toward stricter regulation of nonstandard employment. In this way, D66's attitude on this issue moved much closer to the social democratic PvdA than its liberal counterpart VVD. Due to the changed political preferences on labor market flexibility, consecutive cabinets dominated by liberal parties backed ambitious reforms of nonstandard employment regulation, such as the Labor Market in Balance Act of 2019. In 2023, the Rutte IV cabinet announced further policy changes but the proposals never passed parliament as the government fell before they could be introduced.

These findings draw on the following empirical chapters:

**Chapter 2** explores labor market segmentation in the Netherlands and examines the connection between breadwinner policies and nonstandard employment. The chapter shows how alternative work arrangements have occupied an increasingly large share of the Dutch labor market since the 1970s and how remarkable the Netherlands' development path is from an international perspective. Throughout the last half-century, temporary and part-time employment has expanded more rapidly in the Netherlands than in other European countries. Nowadays, the Netherlands is among the countries with the highest employment shares for all varieties of nonstandard employment: agency, on-call, and own-account work. Meanwhile, the employment protection of open-ended labor contracts remained comparatively strict. As a consequence, the Netherlands has arguably become the prime example of labor market segmentation in the global north.

The chapter also breaks down the Dutch trajectory across economic sectors, age and citizenship. Whereas the hospitality and trade industry and the care and welfare sector have constituted traditional strongholds of on-call work, agency work has been concentrated in industry, construction, and professional services. Own-account work, moreover, is common in agriculture, creative occupations, construction, and the gig economy. Young workers are more likely to be agency workers. Own-account workers, however, are typically in the later stages of their careers. By 1985, the distribution of on-call work was relatively similar for young and old workers. Yet, the age groups dispersed as employers intensified their use of on-call constructions for young workers, particularly in the 2000s. Divergences based on citizenship status, moreover, are particularly high for agency work. In the Netherlands, people born elsewhere are far more likely to be agency workers than people born in the Netherlands. Initially, own-

account workers were typically people born in the Netherlands, but recently the own-account work shares of this group and people born elsewhere have converged.

Finally, the chapter discusses the vital role of gender in labor market segmentation, particularly at an early stage. From the beginning, women were strongly overrepresented among agency, on-call, and part-time workers. Scant childcare facilities, fiscal incentives, breadwinner norms, and hiring practices obstructed the access of married women and mothers to regular, full-time employment. Although reforms decreased the eminence of breadwinner policies throughout the 1980s and 1990s, childcare facilities continued to be scant in international comparison. During the 1970s, female labor market participation in the Netherlands was comparatively low, increasing slowly but steadily until the mid-1980s. The mid-1980s constituted a critical juncture, kicking off a dramatic increase in the number of women pursuing paid work. This shift occurred at a time when employers were looking for ways to cut costs and pass on employment risks to restore profitability and meet budgets in the context of peaking labor expenses. Accordingly, they increasingly hired workers under precarious work arrangements. Due to the burden of care tasks, scant childcare, tax incentives, and lack of work experience, mothers often had to settle for precarious, part-time jobs, such as on-call contracts. The rising incidence of these precarious part-time work arrangements, in turn, led to calls for regulation. Yet, the impact of these initiatives diverged between stable, part-time employment and on-call contracts. By the mid-1990s, stable, part-time employment had become well-regulated, but on-call contracts remained insecure.

From the Second World War onwards, employment protection was strongly directed at labor contracts. The strict employment protection of labor contracts resulted from emergency legislation and, once in place, proved sticky in governments with and without Christian democrats. Contrary to the expectation of breadwinner model theory, Christian democracy was not the driver of the strong insider job security in the Netherlands. Instead, Christian democrats became one of the severest critics of the strict dismissal protection of labor contracts. At the same time, the reconstruction of the role of childcare facilities and tax incentives in the rising coverage of nonstandard employment among women supports the proposition that sticky breadwinner policies backed by Christian democracy explain segmentation along gender lines. This is particularly true for the development of on-call work in the 1980s. At a later stage, the explanatory power of breadwinner model theory is limited, as the eminence of breadwinner policies decreased. Throughout the last quarter of the twentieth century, political support for breadwinner policies gradually dwindled, also among Christian democratic parties. Nevertheless, the slow departure from breadwinner policies has had a path-dependent effect on employment patterns and childcare provision in the Netherlands.

**Chapter 3** analyzes how social democratic, Christian democratic, and liberal political parties have shaped the regulation of agency and on-call work and to what extent

changing regulation can be attributed to power relations, insider-outsider dynamics, policy paradigms, and economic conditions. Before 1964, the view that labor market intermediation had to be exclusively non-profit dominated among policymakers. A permit system formally ended the entrance of new commercial intermediaries. Nevertheless, work agencies emerged in this regulatory context. They operated in a regulatory gray zone by hiring workers under a freelancing construction. During the mid-1960s, agency work regulation made its way onto the political agenda. As the ban on commercial intermediation was no longer effective, policymakers introduced an alternative permit system in 1965 with severe implications for agency work. There was broad political consensus to bring commercial intermediation into the formal sphere under strict conditions. Regarding agency work specifically, politicians debated compulsory social insurance coverage. Compared to the permit system proposal, an initiative that would introduce compulsory social insurance for agency workers was much more politically controversial. On one side, the liberal VVD and the right wing of the Christian democratic parties opposed regulation. On the other, the social democratic PvdA and the left wing of the Christian democratic parties supported it. As the left-oriented block controlled the cabinet, the law proposal eventually passed parliament in 1965, supporting the proposition of power resources theory. Although the reforms made agency work more expensive, they actually contributed to its development by legitimizing the work arrangement for a broader group of user organizations and workers.

Throughout the 1970s and 1980s, the most important agency work reforms enacted by the cabinet were limited to adjustments to the maximum job assignment length of agency work. Consecutive Christian democratic Ministers of Social Affairs introduced conflicting adjustments to this term. Boersma limited the length of job assignments via agency work to six months in 1974. Albeda, then, further reduced the maximum term of agency work from six to three months in 1980. De Koning, however, increased the maximum job assignment length of agency work back to six months in 1984, fitting the shift to the supply-side policy paradigm that the Lubbers I cabinet had conducted. Although this finding supports the proposition of the policy paradigm literature, the overall impact of the policy paradigm shift on political preferences regarding agency and on-call work regulation was complicated. The labor market flexibility narrative, which was part of the policy supply-side paradigm, primarily influenced political preferences concerning the employment protection of labor contracts. As noted earlier, this narrative motivated Christian democrats to become one of the foremost critics of the strict dismissal protection of labor contracts in the 1980s, contrary to the proposition of breadwinner model theory. In comparison, the policy paradigm had a weak influence on preferences and policies regarding agency work. As discussed, adjustments to the maximum length of job assignments constituted the main reforms of the 1980s.

During the 1990s, supply-side ideas also played a role in the breakdown of the permit system for work agencies. Although enforcement issues constituted the primary reason for reform, changing views on market coordination also had an important impact. For on-call work, the connection of preferences and policies with the supply-side policy paradigm was the weakest. During the mid-1980s, an alternative narrative on on-call work regulation emerged that contradicted the dominant supply-side policy paradigm. Due to the success of this narrative, broad political support emerged for stricter regulation of on-call work, contrary to the expectation derived from policy paradigm theory. The push resulted in the monthly wage floor for on-call work in 1989. The outcome was a political compromise, aiming to strike a balance between employers' associations opposing statutory legislation and trade unions supporting more fundamental reform.

The late 1990s brought more comprehensive changes in agency and on-call work regulation in the Netherlands. Facing (1) the pressure for reforms in the employment protection of labor contracts, (2) the breakdown of the permit system for agency work, and (3) calls for statutory legislation on on-call contracts, the first Kok government (1994-1998) looked for a package deal to resolve multiple policy discussions at once. The cabinet negotiations quickly resulted in a political stalemate between a social democratic and a liberal bloc. To solve the impasse, the government contacted the social partners. Trade unions and employers' associations were, in turn, able to negotiate a compromise largely followed by the cabinet. Conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations, therefore, were typical of the negotiations leading up to the Flexibility and Security Exchange, supporting the proposition of power resources theory. Given their power position in the legislative and corporatist channel, the social democratic PvdA and trade unions had to offer concessions in exchange for nonstandard employment regulation to the liberal parties and employers' associations but they were unwilling to decrease the employment protection of open-ended labor contracts. The prioritization of insider protection arguably limited the possibility for the social democratic PvdA and trade unions to attain improvements in agency and on-call work regulation, supporting the proposition of insider-outsider theory. Instead, the social democratic PvdA and trade unions made the following two concessions: the abolition of the permit system for work agencies and the allowance of longer periods of consecutive temporary labor contracts without additional dismissal requirements. In exchange, they were able to achieve labor contract coverage for agency work albeit with a highly flexible first phase and to bring about stricter regulation of on-call work through a minimum of three hours per call and the legal labor contract presumption. Whereas the negotiations of the Flexibility and Security Exchange showed that the social democratic party was unwilling to sacrifice insider interests to achieve improvements for outsiders, they did not align with the more substantial claim of insider-outsider theory that social democratic parties have

contributed to segmentation by reducing restrictions on nonstandard employment to avoid the deregulation of open-ended labor contracts. There is simply no evidence to support the latter argument in my case study. Instead, the social democratic party continued to pursue nonstandard employment regulation despite the loss of labor power, as illustrated by their role in the negotiations of the Work and Security Act.

Although the consequences of the Flexibility and Security Exchange were imbalanced, societal attention to agency and on-call work waned in its aftermath. In the 2000s, there was little discussion on agency and on-call work regulation among policymakers. Yet, sickness pay reforms further increased the attractiveness of nonstandard employment to employers in this period. Agency and on-call work regulation returned to the societal agenda during the early 2010s, as concerns about dualization between workers with open-ended labor contracts and alternative work arrangements increased. The dualization narrative made its way into the coalition agreement of the Rutte II cabinet, comprising the liberal VVD and social democratic PvdA, in 2012. In the coalition agreement, the government announced initiatives for nonstandard employment regulation while leaving room for the social partners in policy development. The reforms of unemployment insurance and the introduction of the obligation for large employers to hire disabled workers, in particular, led to strong opposition from trade unions and employers' associations. In response, the cabinet allowed the social partners to negotiate an alternative austerity package coordinated by the government. The resulting social accord toned down much of the initial reforms but contained important changes to agency and on-call work regulation. The agreement shortened the maximum period of consecutive temporary labor contracts and called upon the sectoral social partners to limit zero-hours contracts to extraordinary circumstances by CLA. On agency work, the deal prescribed legislation allowing less variation in the duration of the first phase by CLA. Yet, the issue of payrolling had proven too controversial among trade unions and employers' associations for a meaningful outcome. After the social accord, the cabinet turned the agreement into the Work and Security Act of 2014.

Similar to the Flexibility and Security Exchange, conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations characterized the Work and Security Act, supporting the proposition of power resources theory. Yet, the Work and Security Act leaned much more toward additional security than the Flexibility and Security Exchange, indicating a general shift in attitudes among policymakers. During the parliamentary proceedings on the law, parliament supported a motion calling for equal treatment legislation for payrolling. Due to division within the cabinet, the government only partially executed the motion by reducing the employment protection gap between payrollers and their colleagues on the work floor. Whereas the social democratic PvdA strove for general equal treatment legislation for payrolling, the liberal VVD opposed such reform.

With the Labor Market in Balance Act of 2018, the Rutte III cabinet nevertheless enacted the general equal treatment legislation. The reform was part of a larger package to combat dualization by reducing differences in costs and risks between work arrangements. For this reason, the reform also improved the legal position of on-call work. After 12 months, the law forced employers to give on-call workers a contract with a stable volume of working hours based on the past year's average and to provide sickness pay coverage. Additionally, the act ruled that on-call workers had to receive their job assignments four days in advance. Regarding temporary labor contracts, however, the law reversed the shortening of the maximum period of consecutive fixed-term contracts which had been part of the Work and Security Act.

After the Labor Market in Balance Act, the momentum for nonstandard employment regulation remained, as the dualization narrative became the dominant way of approaching the regulation of labor market flexibility among policymakers. In the early 2020s, policy reports from the Work Regulation Committee, WRR, and SER called for stricter regulation of agency and on-call work as part of a broader effort to reduce dualization. Building upon these reports, the Rutte IV cabinet presented ambitious proposals for nonstandard employment regulation in 2023. Yet, the announced reforms unexpectedly came to a standstill. The government fell while the law proposals still had to be discussed in parliament, putting a halt to the initiatives.

The Labor Market in Balance Act of the Rutte III cabinet and the proposals for nonstandard employment regulation of the fourth Rutte government are remarkable when looking at the composition of these cabinets. Both cabinets comprised a coalition of liberals (VVD, D66) and Christian democrats (CDA, CU). The governments supported stricter nonstandard employment regulation despite the political dominance of liberal parties and the cabinet absence of social democratic parties, contradicting the proposition of the power resources literature. Instead, changing attitudes toward nonstandard employment regulation, particularly from the liberal parties, explain the cabinet policies. As the dualization narrative had become dominant among policymakers, it also affected the attitudes of the liberal parties. Yet, the impact was much larger for D66 than for the VVD, moving D66 much closer to the positioning of the social democratic PvdA regarding nonstandard employment regulation. Consequently, D66 developed into a strong supporter of nonstandard employment regulation and the VVD became less of an opponent.

Although the impact of the dualization narrative underlines the explanatory power of ideas, it runs against the proposition of the policy paradigm literature, as the dualization narrative contradicted the dominant supply-side policy paradigm. One could argue that the dualization narrative constituted a new paradigm. Yet, this argument disregards the persisting adherence to supply-side ideas by policymakers on socioeconomic affairs, for instance, regarding business climate policies. With its focus on the regulation of work

arrangements, the dualization narrative operated on a lower level of abstraction similar to the narrative that drove the push for on-call work regulation in the 1980s. Both cases support the scholarly criticism that the policy paradigm literature underscores transformations of policy ideas *within* paradigms.

**Chapter 4** analyzes the same questions but for own-account work rather than agency and on-call contracts. Early policy deliberations on the self-employed centered around fiscal differences with employees. The dominant policy narrative was that the self-employed were worse off, resulting in broadly supported attempts to reduce their net income and social insurance deficits to employees. Whereas the Christian democratic-liberal De Jong cabinet introduced the Self-employed Tax Deduction as a temporary instrument to stimulate investments in 1970, the Den Uyl government, comprising social and Christian democrats, reintroduced it as a tool to manipulate the net income position of the self-employed compared to employees in 1975. In 1983, the Christian democratic-liberal Lubbers I cabinet made the tax deduction permanent and added automatic compensation for inflation to the mechanism. At the time, the instrument still targeted low- and middle-income groups. In the 1970s, there was a similar political consensus on reducing differences in social insurance coverage between the self-employed and employees. After preliminary work from the De Jong cabinet, the Den Uyl cabinet introduced universal disability insurance in 1975. The latter cabinet also incorporated the self-employed in long-term unemployment insurance in 1976. Due to practical concerns, short-term unemployment insurance for the self-employed never became a realistic policy option. The reforms of the Self-employed Tax Deduction and social insurance show that cabinets characterized by different power relations adopted similar initiatives to reduce the fiscal differences between the self-employed and employees, contradicting the proposition of power resources theory.

With the policy paradigm shift of the early 1980s, political preferences and behavior concerning own-account work changed, supporting the proposition of policy paradigm theory. Whereas policymakers had previously approached the self-employed as workers, they increasingly treated own-account workers as entrepreneurs. In line with the supply-side policy paradigm, consecutive governments attempted to reduce unemployment through tax relief packages. Although these reforms centered around corporate tax cuts, politicians also included tax relief for own-account workers to ensure fiscal equality between businesses under income and corporate tax. Following the entrepreneurial narrative on own-account work, the income dependency of the tax deduction did not make sense. For this reason, the first Lubbers government removed the income threshold from the Self-employed Tax Deduction in 1984. The third Lubbers cabinet, consisting of Christian democrats and social democrats, introduced another major tax relief package in 1994, containing a substantial increase in the tax deduction. Yet, the Christian democratic-liberal Balkenende II cabinet had the largest impact. After



enacting another increase in the Self-employed Tax Deduction, the second Balkenende government proposed the SME Profit Exemption, which would make the fiscal treatment of own-account workers even more generous. The Balkenende III cabinet with a similar composition enacted the latter reform in 2006.

As the entrepreneurial narrative on own-account work became dominant, support among policymakers for compulsory social insurance of own-account workers made way for a preference for voluntary insurance. They viewed compulsory social insurance as incompatible with the risk-taking and reward-seeking associated with entrepreneurship. As part of its welfare state retrenchment agenda, the second Lubbers cabinet, comprising Christian democrats and liberals, merged the short- and long-term unemployment schemes, dropping long-term coverage for the self-employed in the process. Due to political pressure in parliament, the government introduced much more targeted social assistance for the older self-employed experiencing structural unemployment. As with the tax deduction, the Balkenende II cabinet played an important role in social insurance reforms. After the Kok I cabinet had split the compulsory disability schemes of employees and the self-employed, the second Balkenende government phased out compulsory disability insurance for the self-employed in 2004. The latter government also deregulated the work arrangement in 2004 by adjusting the legal procedure of the form-based declaration for own-account workers, clarifying their legal status and liabilities regarding taxes and social premiums. In response to societal pressure, the Balkenende II cabinet removed the possibility of ex-post corrections from the procedure and put the full responsibility for the form's correctness on the agent rather than the principal, unintentionally facilitating bogus contracting by malicious principals. Coalitions between Christian democrats and liberals were, thus, primarily behind the reforms that made own-account work so attractive from a financial and regulatory perspective after the supply-side policy paradigm shift. Yet, governments in which the social democrats participated also adhered to the entrepreneurial narrative and justified the treatment differences between the self-employed and employees until the 2010s.

From the late 2000s onwards, the policy narrative on own-account work started to shift. Policy reports paid attention to the rising incidence of bogus contracting which had been facilitated by the deregulation of own-account work in 2004. During the early 2010s, the dualization narrative also became increasingly dominant among policymakers, shifting back attention to treatment differences between own-account workers and employees. Despite the societal attention to bogus contracting, reforming the regulation of the work arrangement itself proved a tricky issue. In 2016, the second Rutte government, comprising liberals and social democrats, introduced model agreements, bringing back co-responsibility for the principal and the possibility of post-levies. Yet, the system was never enforced due to concerns about enforceability and the administrative burden on own-account workers. Despite numerous proposals, actual

policy developments have been limited since the failure to enforce the model agreements. In 2023, the government was still looking for an effective way of disentangling genuine and bogus contracting without putting a hefty administrative burden on own-account workers. Reforms were more extensive concerning fiscal policy. Between 2019 and 2023, the third and fourth Rutte governments, comprising liberals and Christian democrats, severely decreased the Self-employed Tax Deduction, reducing the fiscal difference between own-account workers and employees. In 2023, the Rutte IV cabinet also announced a compulsory disability insurance scheme for own-account workers. Yet, the reform was put to a halt as the government fell.

The highly contradictory own-account work policies of coalitions between Christian democrats and liberals with similar power relations between 1970 and 2023 are remarkable. This finding conflicts with the proposition of power resources theory. Although the policy change of the early 1980s aligns with the proposition that policy paradigm shifts explain adjustments to labor market regulation, the increasing dominance of the dualization narrative in the 2010s also puts into question the explanatory power of policy paradigm theory regarding this period. Despite the persistence of the supply-side policy paradigm, the dualization narrative problematized the fiscal treatment differences that directly resulted from supply-side policy regarding own-account work, resulting in adjustments to the Self-employed Tax Deduction between 2019 and 2023 that pushed back this fiscal treatment gap.

Finally, **Chapter 5** examines union responses to agency, on-call, and own-account work. In this chapter, I reconstruct union responses when these alternative work arrangements emerged and explain why unions changed their strategies over time. Between 1971 and 2023, Dutch trade unions consistently perceived alternative work arrangements for hierarchical labor relationships as a fundamental challenge to the regular labor contract. Consequently, they viewed alternative work arrangements as conflicting with insider interests and vehemently opposed such contracts. Due to their consistent opposition to nonstandard employment, policy paradigm theory has little explanatory power regarding the role of trade unions in regulating alternative work arrangements. Since *whether* unions opposed nonstandard employment was not up for discussion, deliberation in union circles focused on *how* unions had to oppose alternative work arrangements. In responding to nonstandard employment, unions faced a dilemma between a legitimacy-based and an incentive-based strategy. The legitimacy-based strategy relied on the idea that regulating nonstandard employment, other than prohibition, legitimized the arrangements, contributing to a further expansion of agency work and on-call contracts. In contrast, the incentive-based strategy directly aimed to reduce the relative attractiveness of alternative work arrangements to employers.

In 1971, the union confederations signed the first collective labor agreement for the agency sector with the agency industry but the deal was controversial within the

labor movement, as the CLA did not lead to labor contract coverage for agency work. Some union members viewed flexible workers as competitors who challenged their labor market position. Breadwinner ideas played an important role in this dynamic, as these union members tended to view female labor as something additional. Concerns about legitimizing an alternative work arrangement that competed with the labor contract motivated the FNV to leave the CLA negotiations in 1976. By adopting the legitimacy-based strategy, the FNV prioritized the removal of the threat to the labor contract over the representation of outsider interests, supporting the proposition of insider-outsider theory. Yet, the union confederation's power resources were insufficient for a coordinated ban on alternative work arrangements. Instead, the FNV became a passive actor, abstaining from negotiations on regulation and excluding outsiders from interest representation. Meanwhile, the CNV continued to follow an incentive-based strategy by participating in collective bargaining in the sector. Whereas the FNV and CNV both opposed nonstandard employment, collective bargaining in the agency sector, thus, exposed diverging strategies to achieve this objective. Without the presence of the largest union confederation, improvements in agency work regulation were limited, however. Consequently, labor contributions to nonstandard employment regulation were low at times of union strength, contrary to the proposition of the power resources literature.

Between the mid-1970s and mid-1980s, the incidence of agency and on-call work vastly expanded. With increasing levels of nonstandard employment, the prohibition of alternative work arrangements became less plausible, while the pressure of nonstandard employment on the labor conditions of insiders increased and the legitimacy-based strategy resulted in the exclusion of an ever larger group of labor market outsiders. Consequently, the legitimacy-based strategy became less attractive to sectoral unions than an incentive-based strategy. Within the unions, female trade union members, in particular, challenged the status quo, while unions increasingly wanted to attract such members in the context of enormous membership losses. These developments motivated the FNV to transition back to an incentive-based strategy toward agency and on-call work, which the union confederation maintained until the end of the study period. After the FNV returned to the bargaining table in the agency sector, the social partners quickly agreed on the first Agency CLA covering all economic sectors in 1986. In the second half of the 1980s, the union confederations also achieved numerous improvements in CLAs for on-call work. Despite decreasing power resources, labor contributions to regulation increased, contradicting the power resources literature.

In the second half of the 1990s, the FNV and CNV played a crucial role in establishing the Flexibility and Security Exchange. As noted earlier, the negotiations leading up to the agreement were characterized by conflicts of interest between the traditional representatives of capital and labor in party politics and industrial relations, supporting the proposition of power resources theory. On the one hand, the deal abolished the

permit system for work *agencies* and deregulated temporary labor contracts. On the other, the agreement regulated the agency work *arrangement* and on-call contracts. Although the FNV had taken up the representation of outsider interests and labor contributions to nonstandard employment regulation had increased, the Flexibility and Security Exchange also highlighted the limitations to union solidarity. The protection of workers with open-ended labor contracts remained the unions' priority, in line with insider-outsider theory. Due to the limited power resources of the union confederations, this prioritization forced the FNV and CNV to settle for the deregulation of fixed-term contracts in exchange for nonstandard employment regulation. As a result, union efforts to regulate nonstandard employment with the accord proved ineffective in curbing Dutch labor market segmentation. At the same time, the many initiatives by trade unions to improve the labor conditions of outsiders indicate that they were no driving force either. Labor achievements that reduced the gap between insiders and outsiders, such as improvements for on-call work in CLAs, contradict the proposition that power dynamics between labor market insiders and outsiders explain segmentation.

Trade unions also had a large impact on the development of the Work and Security Act of 2014. As noted in the discussion of chapter 3, strong opposition by the union confederations and employers' associations to the austerity agenda of the liberal-social democratic Rutte II government moved the cabinet to let the social partners negotiate an alternative reform package. Although the resulting social accord toned down much of the austerity reforms, it still contained important changes to regulation of temporary labor contracts, on-call contracts, and agency work. Yet, the issue of payrolling had proven too controversial among trade unions and employers' associations for a meaningful outcome. After the social accord, the cabinet turned the agreement into the Work and Security Act. The Work and Security Act tilted more toward additional security than the Flexibility and Security Exchange, as the employer demands were concentrated in other areas than the regulation of work arrangements. Still, the political dynamics between traditional representatives of capital and labor resembled the Flexibility and Security Exchange, similarly supporting the proposition of power resources theory.

As unions continued to push for nonstandard employment regulation during the second half of the 2010s, they also played their part in policy discussions on own-account work regulation. Early union responses to increasing levels of own-account work in the late 1990s and early 2000s had been similar to initial reactions to agency and on-call work. Facing the dilemma between a legitimacy-based and incentive-based strategy, unions' insider-outsider tensions were particularly high in traditional economic sectors where own-account work constituted a relatively new phenomenon. At the same time, sectoral unions were quicker to shift to a more inclusive, incentive-based strategy. Under the rule of the liberal-Christian democratic Rutte III cabinet, unions bargained a tripartite deal on compulsory disability insurance for own-account workers, where

the government left the design of the concrete policy scheme to the social partners. In 2020, the union confederations and employers' associations presented their proposal: a separate, compulsory disability scheme for own-account workers. The Rutte IV cabinet, characterized by the same party composition, then, adopted the proposal of the social partners in 2023, but the government fell before the reform could pass parliament.

## **Samenvatting**

### **Onderhandelen over flexibiliteit en zekerheid. Partijpolitiek, vakbondsstrategieën, en de verschuiving naar flexwerk in Nederland, 1964-2023**

In de afgelopen halve eeuw is de Nederlandse arbeidsmarkt het toonbeeld van segmentatie geworden. In internationaal perspectief kenmerkt Nederland zich door hoge niveaus van zzp'ers, oproepkrachten, uitzendwerkers, tijdelijke arbeidscontracten en deeltijdarbeid. Hoewel ik me richt op de toename van flexwerk in Nederland, is het te ambitieus om een overkoepelende verklaring voor deze ontwikkeling te vinden in één onderzoeksproject. In plaats daarvan focust mijn onderzoek zich op één aspect: de rol van politiek. De centrale onderzoeksvraag van dit proefschrift is hoe (en waarom) politieke partijen en vakbonden flexwerk hebben gereguleerd in Nederland tussen 1964 en 2024. Ik definieer flexwerk als contractvormen die werkgevers in staat stellen af te wijken van de arbeidsvoorwaarden van het reguliere arbeidscontract in het aantrekken van arbeid.

Terwijl het empirische doel van deze analyse is om ons begrip van de rol van politiek in de verspreiding van flexwerk in de Nederlandse casus te begrijpen, is het theoretische doel om bij te dragen aan de academische literatuur over de variatie tussen landen in arbeidsmarktsegmentatie door de verklarende kracht van theorieën over partijpolitiek en vakbondsstrategieën te toetsen. Om deze onderzoeksdoelen te bereiken maak ik gebruik van een *process-tracing* analyse op basis van archiefbronnen. In de academische literatuur, identificeer ik vier theoretische kernproposities om te testen: (1) de padafhankelijkheid van kostwinnersbeleid gesteund door Christendemocratische partijen verklaart segmentatie langs genderlijnen, (2) machtsrelaties tussen kapitaal en arbeid verklaren aanpassingen aan arbeidsmarktregulering, (3) de machtsdynamiek tussen insiders en outsiders op de arbeidsmarkt verklaart segmentatie, en (4) wisselingen van beleidsparadigma's verklaren aanpassing aan arbeidsmarktregulering. Ik test de relatieve verklaringskracht van deze proposities door te kijken in hoeverre zij overeenkomen met de bevindingen van mijn reconstructie van de Nederlandse regulering van flexwerk. In het geval van partijpolitiek is de empirische analyse gebaseerd op parlementaire documenten en de archieven van de Ministerraad. Voor de vakbondsstrategieën baseer ik me op de archieven van de grootste vakcentrale, de grootste vakbond in de dienstensector, en het centrale ontmoetingsplatform tussen vakbonden en werkgeversorganisaties. Beleidsrapporten, krantenartikelen en secundaire literatuur vormen aanvullende bronnen in beide analyses.

Hoewel uitzendwerk, oproepwerk en freelancing al bestonden voor de tweede oliecrisis, identificeer ik deze economische schok als een cruciaal schakelpunt in de Nederlandse ontwikkeling van flexwerk. Hoge arbeidskosten, toenemende rentestanden, en afnemende vraag naar goederen en diensten voerden druk uit op de winstmarges

en budgetten van werkgevers. Hierop gebruikten werkgevers in toenemende mate flexwerk om kosten te besparen en risico's af te wentelen. Tegelijkertijd nam de arbeidsparticipatie van vrouwen sterk toe. Door de last van zorgtaken, karige kinderopvang, belastingprijkkels, en een gebrek aan werkervaring waren veel moeders die herintraden op de arbeidsmarkt genoodzaakt om akkoord te gaan met onzekere contractvormen, zoals oproepcontracten.

De combinatie van inflatie en werkloosheid leidde bovendien tot vraagtekens bij het dominante beleidsparadigma. In de vroege jaren '80 spraken beleidsmakers zich in toenemende mate uit voor beleid gericht op de aanbodzijde in sociaaleconomische vraagstukken. De verschuiving naar de aanbodzijde had met name een grote effect op de politieke voorkeuren en gedrag betreft de ontslagbescherming van arbeidscontracten en de fiscale behandeling van zzp'ers. Vanwege de oppositie van vakbonden en de sociaaldemocratische PvdA tegen hervormingen van vaste arbeidscontracten vertaalde de kritiek op de 'rigiditeiten' van het arbeidscontract zich uiteindelijk in voorstellen om tijdelijke arbeidscontracten te dereguleren. Ten aanzien van zzp'ers was de omslag wellicht het meest opmerkelijk. Voor de paradigmaverschuiving was er brede politieke steun voor het verminderen van de fiscale verschillen tussen zzp'ers en andere werkenden. Na de omslag verschoof de beleidsfocus naar de fiscale stimulering van zzp'ers als onderdeel van een bredere agenda om ondernemerschap te stimuleren. Hierdoor namen de verschillen in fiscale behandeling tussen zzp'ers en werknemers toe. De aanbodzijdeideeën beïnvloedden ook de regulering van uitzendwerk, hetzij minder sterk dan bij zzp'ers. In 1965 had een nieuw vergunningensysteem het ter beschikking stellen van arbeidskrachten in de formele sfeer gebracht. Het vergunningensysteem stelde hier strikte voorwaarden aan waaronder een maximale uitzendtermijn. Voor en na de paradigmaverandering ontwikkelden kabinetten met een vergelijkbare samenstelling tegenstrijdig beleid ten aanzien van deze uitzendtermijn om uitzendwerk te stimuleren dan wel te ontmoedigen. In de jaren '90 speelde het streven om de coördinatie via de markt uit te breiden ook een rol in het beëindigen van het vergunningstelsel voor de contractvorm. Daarentegen had het aanbodzijdeparadigma weinig invloed op de regulering van oproepwerk. In het midden van de jaren '80 kwam er juist veel politieke steun voor striktere regulering van deze contractvorm in tegenspraak met het dominante beleidsparadigma. Het momentum voor de regulering van oproepwerk kwam uiteindelijk tot uiting in het maandelijkse minimumloon voor oproepwerk van 1989.

Daarnaast had het aanbodzijdeparadigma ogenschijnlijk geen invloed op vakbonden, aangezien zij constant afwijzend stonden tegenover flexwerk. De opkomst van flexwerk legde echter wel spanningen bloot tussen *insiders* en *outsiders* op de arbeidsmarkt. Vanwege bezorgdheid over het legitimeren van flexwerk, deed de grootste vakcentrale, de FNV, tussen 1976 en 1986 weinig om de belangen van flexwerkers te behartigen. In deze fase bleven uitzendwerk en oproepcontracten zich verspreiden. Door de toegenomen

niveaus van flexwerk werd het verbieden van flexwerk alsmaar minder plausibel, terwijl de druk van deze contractvormen op de arbeidsvoorwaarden van vakbondsleden toenam en de passieve houding van de FNV een steeds grotere groep van *outsiders* op de arbeidsmarkt buitensloot die het ledenverlies van de vakcentrale zouden kunnen mitigeren. Deze factoren bewogen de FNV uiteindelijk om de belangenbehartiging van *outsiders* op te pakken tijdens het midden van de jaren '80.

Maatschappelijke discussies om arbeidscontracten te dereguleren, flexwerk strenger te reguleren, en uitzendwerk anders te reguleren plaveiden de weg voor het Flexakkoord van de late jaren '90. De onderhandelingen van het akkoord werden gekenmerkt door een traditionele machtsdynamiek, waarbij de conventionele vertegenwoordigers van arbeid en kapitaal in de partijpolitiek en de arbeidsverhoudingen een compromis onderhandelden. Deze dynamiek typeerde ook de Wet werk en zekerheid van 2014, maar de onderhandelingen zouden minder intuïtief worden in de late jaren 2010. In de loop van deze jaren veranderde het dominante beleidsparadigma ten aanzien van flexwerk. Toenemende zorgen over verschillen in risico's en kosten tussen contractvormen beïnvloedden de houdingen van partijen over het hele politieke spectrum. De mate van invloed verschilde echter van partij tot partij. De dramatische verandering van de positie van de liberale partij D66 ten aanzien van de regulering van flexwerk was cruciaal. Door deze beweging kwam D66 op dit beleidsonderwerp veel dichter te staan bij de sociaaldemocratische PvdA dan de VVD dat onderdeel uitmaakt van dezelfde liberale politieke familie. De veranderende politieke voorkeuren ten aanzien van arbeidsmarktflexibiliteit verklaren waarom opeenvolgende kabinetten gedomineerd door liberale partijen strengere regulering van flexwerk steunden, zoals de Wet arbeidsmarkt in balans van 2019. In 2023 kondigde het Rutte IV kabinet verdere hervormingen aan maar de voorstellen passeerden nooit het parlement vanwege een vroegtijdige val van het kabinet.

Deze bevindingen zijn gebaseerd op de volgende empirische hoofdstukken:

**Hoofdstuk 2** verkent arbeidsmarktsegmentatie in Nederland en de verbinding tussen kostwinnersbeleid en flexwerk. Het hoofdstuk laat zien hoe flexwerk een steeds groter deel van de Nederlandse arbeidsmarkt op zich nam sinds de jaren '70 en hoe opmerkelijk het Nederlandse traject is in internationaal perspectief. In de laatste vijftig jaar namen tijdelijke contracten en deeltijdarbeid sneller toe in Nederland dan in andere Europese landen. Vandaag de dag zijn alle vormen van flexwerk relatief prevalent in Nederland: uitzendwerk, oproepcontracten en zzp'ers. Tegelijkertijd is de ontslagbescherming van het vaste arbeidscontract relatief strikt gebleven. Het gevolg is dat Nederland tot het voornaamste voorbeeld van arbeidsmarktsegmentatie in het globale noorden is geworden. Het hoofdstuk laat ook zien hoe de Nederlandse ontwikkeling verschilt op basis van economische sectoren, leeftijdsgroepen en migratieverleden. Terwijl oproepwerk traditioneel veel voorkomt in de horeca en handelssector en de zorg- en



welzijnssector, is uitzendwerk van oudsher geconcentreerd in de industrie, bouw, en zakelijke dienstverlening. Daarnaast zijn zzp'ers wijdverspreid in de landbouw, creatieve beroepen en de platformeconomie. Jonge werkenden hebben een hogere kans om als uitzendkracht te werken. Zzp'ers bevinden zich daarentegen vaker in een later stadium van hun loopbaan. In 1985 was oproepwerk relatief gelijk verdeeld tussen jonge en oude werkenden. Sindsdien is de verdeling van de contractvorm echter scheefgegroeid, omdat werkgevers in toenemende mate gebruik gingen maken van oproepwerken voor jonge arbeidskrachten. Met name de jaren 2000 laten een opvallende toename van dit fenomeen zien. Verschillen op basis van migratieverleden zijn met name groot voor uitzendwerk. Aanvankelijk hadden mensen geboren in Nederland een stuk hogere kans om als zzp'er te werken dan mensen die elders geboren zijn, maar inmiddels zijn de cijfers van beide groepen geconvergeerd.

Tot slot bespreekt het hoofdstuk de cruciale rol van gender in arbeidsmarktsegmentatie, met name in het vroege stadium. Vanaf het begin waren vrouwen sterk oververtegenwoordigd bij uitzendwerkers, oproepkrachten en deeltijdarbeiders. Karige kinderopvang, belastingprikkelers, kostwinnersnormen, en wervingspraktijken beperkten de toegang van getrouwde vrouwen en moeders tot standaard voltijdsbanen. Hoewel hervormingen de aanwezigheid van kostwinnersbeleid verminderden in de jaren '80 en '90, bleven kinderopvangvoorzieningen achter in internationaal perspectief. In de jaren '70 was de arbeidsmarktparticipatie van vrouwen in Nederland relatief laag. Deze nam traag maar stabiel toe tot midden jaren '80. De midden jaren '80 vormden vervolgens een cruciaal schakelpunt. Zij startten een periode van enorme versnelling in de toetreding van vrouwen tot de arbeidsmarkt. Deze verandering vond plaats in een periode waarin werkgevers op zoek waren naar manieren om hun kosten te reduceren en risico's af te wentelen met het oog op het herstellen van winstmarges en het halen van budgetten in de context van sterk toenemende arbeidskosten. Om dit te bereiken trokken zij steeds vaker arbeid aan via onzekere contractvormen. Vanwege de last van zorgtaken, karige kinderopvang, belastingprikkelers, en het gebrek aan werkervaring hadden moeders vaak geen andere keus dan preciaire, deeltijdbanen aan te nemen, zoals oproepwerk. De stijging in het gebruik van deze onzekere deeltijdcontracten leidde vervolgens tot de roep voor regulering. Echter verschilden de effecten van de resulterende regelgeving voor stabiele deeltijdcontracten en oproepwerk. Tegen het midden van de jaren '90 was stabiele deeltijdarbeid relatief strikt gereguleerd. Oproepwerk bleef echter gekenmerkt door een gebrek aan regelgeving.

Vanaf de Tweede Wereldoorlog was de ontslagbescherming sterk gericht op arbeidscontracten. De strikte ontslagbescherming van arbeidscontracten kwam voort uit noodwetgeving en bleef sindsdien intact in regeringen met en zonder Christendemocraten. Tegen de verwachting van *breadwinner model theory* in waren Christendemocraten niet de drijvende kracht achter de ontslagbescherming van *insiders*

in Nederland. In plaats daarvan werden Christendemocraten tijdens de jaren '80 juist een van de voornaamste criticasters van de strikte ontslagbescherming van arbeidscontracten. Tegelijkertijd ondersteunt de reconstructie van de rol van kinderopvangvoorzieningen en belastingprikkelers in de toename van flexwerk bij vrouwen de propositie dat padafhankelijk kostwinnersbeleid gesteund door de Christendemocratie segmentatie langs genderlijnen verklaart. Dit geldt in het bijzonder voor de ontwikkeling van oproepwerk in de jaren '80. In een later stadium is de verklaringskracht van *breadwinner model theory* beperkt, omdat het belang van kostwinnersbeleid geleidelijk afnam. Gedurende het laatste kwart van de twintigste eeuw verminderde de steun voor kostwinnersbeleid geleidelijk, ook bij Christendemocratische partijen. Desalniettemin heeft het langzame afscheid van kostwinnersbeleid een padafhankelijk effect op de arbeidspatronen en kinderopvangvoorziening in Nederland gehad.

**Hoofdstuk 3** analyseert hoe sociaaldemocratische, Christendemocratische, en liberale politieke partijen de regulering van uitzend- en oproepwerk hebben vormgegeven en in welke mate veranderende regulering toegewezen kan worden aan machtsrelaties, *insider-outsider* dynamiek, beleidsparadigma's, en economische omstandigheden. Voor 1964 domineerde de visie dat arbeidsmarktvoorziening alleen zonder winstoogmerk plaats zou moeten vinden bij beleidsmakers. Een vergunningenstelsel beëindigde formeel de toegang van nieuwe commerciële tussenpartijen. Desalniettemin kwamen uitzendbureaus op in deze institutionele context. Zij opereerden in de grijze zone van regelgeving door werkenden aan zich te binden via een freelancing constructie. Tijdens de jaren '60 kwam de regulering van uitzendwerk op de politieke agenda terecht. Omdat het verbond op commerciële arbeidsvoorziening niet meer effectief was, introduceerden beleidsmakers een alternatief vergunningenstelsel in 1965 met grote gevolgen voor uitzendwerk. Er was brede politieke consensus dat commerciële arbeidsvoorziening gelegaliseerd moest worden onder strikte voorwaarden. Ten aanzien van uitzendwerk vond bovendien een maatschappelijke discussie plaats over verplichte sociale zekerheid. In tegenstelling tot het voorstel voor een nieuw vergunningenstelsel bleek het voorstel om verplichte sociale verzekeringen voor uitzendkrachten te introduceren politiek controversieel te zijn. Aan de ene kant verzetten de liberale VVD en de rechtervleugel van de Christendemocratische partijen zich tegen deze hervormingen. Aan de andere kant kon het voorstel op steun rekenen van de sociaaldemocratische PvdA en de linkervleugel van de Christendemocratische partijen. Omdat het linkse blok aan de macht was, passeerde het wetsvoorstel in 1985 het parlement, in lijn met de propositie van *power resources theory*. Hoewel de hervormingen uitzendwerk duurder maakten, droegen zij uiteindelijk bij aan haar ontwikkeling door het legitimeren van de contractvorm bij een bredere groep van inleners en werkenden.

Gedurende de jaren '70 en '80 bleven uitzendwerkhervormingen beperkt tot aanpassingen aan de maximale uitzendtermijn. Opeenvolgende, Christendemocratische

ministers van Sociale Zaken introduceerden tegenstrijdige aanpassingen aan deze termijn. Boersma beperkte de uitzendtermijn tot zes maanden in 1974. Vervolgens verlaagde Albeda deze termijn van zes naar drie maanden in 1980. De Koning zette de uitzendtermijn echter terug op zes maanden in 1984, in lijn met de bredere ommezwaai naar aanbodzijdebeleid die het Lubbers I kabinet had ondernomen. Hoewel deze draai de propositie van *policy paradigm theory* ondersteunt, was de impact van de paradigmaverandering op de regulering van uitzend- en oproepwerk alles overziend gecompliceerd. Het narratief rond arbeidsmarktflexibiliteit, dat onderdeel uitmaakte van het aanbodzijdeparadigma, beïnvloedde voornamelijk politieke voorkeuren betreft de ontslagbescherming van arbeidscontracten. Zoals eerder aangegeven, bewoog dit narratief de Christendemocraten tot stevige kritiek op de strikte ontslagbescherming van arbeidscontracten in de jaren '80, in tegenstelling tot de verwachting van *breadwinner model theory*. In vergelijking had het beleidsparadigma een zwakke invloed op de voorkeuren en beleidskeuzes betreft uitzendwerk. Zoals hierboven gesteld, richtten de hervormingen van de jaren '80 zich louter op de maximale uitzendtermijn.

Tijdens de jaren '90 speelden de ideeën gericht op de aanbodzijde van de economie ook een rol in de teloorgang van het vergunningenstelsel voor uitzendbureaus. Hoewel handhavingsproblematiek de voornaamste reden voor hervorming vormde, hadden veranderende standpunten ten aanzien van marktcoördinatie ook een significante impact. De relatie tussen het aanbodzijdeparadigma en de voorkeuren en beleidskeuzes betreft een contractvorm was het zwakst voor oproepwerk. Tijdens de jaren '80 ontwikkelde zich een alternatief narratief op de regulering van oproepwerk dat conflicteerde met het dominante aanbodzijdeparadigma. Door het succes van dit narratief ontstond er juist brede politieke steun voor striktere regulering van oproepwerk tegen de verwachting van *policy paradigm theory* in. Het momentum voor regulering van oproepwerk leidde uiteindelijk tot het maandelijks minimumloon voor oproepwerk in 1989. Deze uitkomst was een politiek compromis tussen werkgeversorganisaties die zich tegen wetgeving verzetten en vakbonden die opriepen tot radicalere hervormingen.

De late jaren '90 brachten veelomvattendere veranderingen aan de regulering van uitzend- en oproepwerk in Nederland. Gegeven de (1) druk voor hervorming van de ontslagbescherming van arbeidscontracten, (2) de ineenstorting van het vergunningensysteem voor uitzendwerk, en (3) de roep voor de wettelijke regulering van oproepwerk, zocht het kabinet Kok I naar een overkoepelende deal om de verschillende dossiers aan te pakken. Al snel leidde de kabinetsonderhandelingen tot een politieke impasse tussen een sociaaldemocratisch en een liberaal blok. Om uit deze situatie te komen nam de regering contact op met de sociale partners. De vakbonden en werkgeversorganisatie bleken op hun beurt wel in staat om tot een compromis te komen die grotendeels werd opgevolgd door het kabinet. Op deze wijze waren conflicterende belangen tussen de traditionele vertegenwoordigers van kapitaal en arbeid

in de partijpolitiek en arbeidsverhoudingen kenmerkend voor de onderhandelingen die leidden tot het Flexakkoord, in lijn met *power resources theory*. Vanwege hun machtspositie in het parlement en de polder moesten de sociaaldemocratische PvdA en de vakbonden concessies doen in ruil voor regulering van flexwerk. Echter waren zij niet bereid om de ontslagbescherming van vaste arbeidscontracten af te zwakken. De prioritering van de belangen van vaste werknemers beperkte vermoedelijk de mate waarin de sociaaldemocratische PvdA en de vakbonden regulering van uitzend- en oproepwerk konden bewerkstelligen, in lijn met *insider-outsider theory*. In plaats daarvan deden zij de volgende twee concessies: de afschaffing van het vergunningstelsel voor uitzendbureaus en het toestaan van langere ketens van tijdelijke arbeidscontracten zonder aanvullende ontslagbescherming. Hiervoor kregen de PvdA en de vakbonden de dekking van uitzendwerk met het arbeidscontract, hetzij met een afwijkende, flexibele eerste fase, en striktere regulering van oproepwerk middels een minimum van drie uur per oproep en het rechtsvermoeden van het bestaan van een arbeidsovereenkomst voor structureel oproepwerk. Hoewel de onderhandelingen van het Flexakkoord laten zien dat de sociaaldemocratische PvdA niet bereid was om de belangen van vaste werknemers op te offeren voor het bewerkstelligen van verbeteringen voor flexwerkers, zijn de bevindingen niet in lijn met de grotere claim van *insider-outsider theory* dat sociaaldemocratische partijen hebben bijgedragen aan segmentatie door beperkingen op flexwerk te verminderen om hervormingen van het vaste arbeidscontract af te wenden. Er is simpelweg geen bewijs voor deze grotere claim in mijn case study. Ondanks machtsverlies bleef de sociaaldemocratische PvdA juist steevast regulering van flexwerk nastreven, bijvoorbeeld bij de onderhandelingen voor de Wet Werk en Zekerheid.

Ondanks dat de gevolgen van het Flexakkoord onevenwichtig waren, verminderde de maatschappelijk aandacht voor flexwerk in de nasleep van de overeenkomst. In de jaren 2000 was er weinig discussie over de regulering van uitzend- en oproepwerk bij beleidsmakers. Hervormingen van de loondoorbetaling bij ziekte maakte flexwerk in deze periode echter wel aantrekkelijker voor werkgevers in vergelijking met het arbeidscontract. De regulering van de twee contractvormen kwam terug op de maatschappelijke agenda tijdens de vroege jaren 2010, omdat de zorgen over dualisering tussen vaste werknemers en flexwerkers toenamen. In 2012 maakte het dualiseringsnarratief zelfs zijn intrede in het regeerakkoord van het Rutte II kabinet dat bestond uit de liberale VVD en de sociaaldemocratische PvdA. Hierin kondigde de regering initiatieven aan om flexwerk te reguleren, daarbij ruimte overlatend aan de sociale partners voor de precieze invulling. Het waren echter met name de hervorming van de werkloosheidsverzekering en de verplichting voor grote werkgevers om mensen met een arbeidshandicap aan te nemen die leidden tot veel weerstand van vakbonden en werkgeversorganisaties tegen het regeerakkoord. Hierop besloot het kabinet om de sociale partners toe te staan een alternatieve bezuinigingspakket te onderhandelen

onder toezicht van de regering. Het resulterende sociale akkoord zwakte veel van de initiële voorstellen af maar bevatte belangrijke veranderingen aan de regulering van uitzend- en oproepwerk. Zo verkortte de overeenkomst de maximale lengte van de keten van opeenvolgende tijdelijke arbeidscontracten en riep het de sectorale sociale partners op om nulurencontracten tot bijzondere omstandigheden te beperken per CAO. Betreft uitzendwerk schreef de deal bovendien wetgeving voor die minder afwijking toe zou staan in de lengte van de eerste fase van de uitzendovereenkomst per CAO. Payrolling bleek echter te controversieel om tot overeenstemming over regulering te komen. Na het sociale akkoord doopte het kabinet de overeenkomst om tot de Wet Werk en Zekerheid van 2014.

Net als bij het Flexakkoord waren conflicterende belangen tussen de traditionele vertegenwoordigers van kapitaal en arbeid in de partijpolitiek en arbeidsverhoudingen kenmerkend voor de Wet Werk en Zekerheid, in lijn met *power resources theory*. Echter bevatte de Wet Werk en Zekerheid meer additionele zekerheden dan flexibiliteit wanneer vergeleken met het Flexakkoord, wat een algemene verandering in de attitudes van beleidsmakers suggereert. Tijdens de parlementaire behandeling van de Wet Werk en Zekerheid stemde het parlement in met een motie die opriep tot non-discriminatiewetgeving voor payrolling. Vanwege de verdeeldheid binnen het kabinet gaf de regering slechts gedeeltelijk uitvoering aan de motie door het verschil in ontslagbescherming tussen payrollers en hun collega's op de werkvloer terug te dringen. Waar de sociaaldemocratische PvdA streefde naar non-discriminatiewetgeving, voerde de liberale VVD oppositie tegen zulke regelgeving.

Met de Wet Arbeidsmarkt in Balans van 2018 van het Rutte III kabinet kwam er echter alsnog dergelijke regelgeving. De hervorming was onderdeel van een groter maatregelenpakket gericht op het verminderen van dualisering door de verschillen in kosten en risico's tussen contractvormen aan te pakken. Om deze reden bevatte het pakket ook een verbetering van de wettelijke positie van oproepwerk. Na 12 maanden dwong de wet werkgevers hun oproepkrachten een arbeidscontract met een stabiel werkvolume te geven gebaseerd op de werkuren van het afgelopen jaar alsmede loondoorbetaling bij ziekte. Ook schreef de wet voor dat oproepkrachten voortaan uiterlijk vier dagen van tevoren opgeroepen moesten worden. Op het gebied van tijdelijke arbeidscontracten draaide de wet tenslotte de verkorting van de maximale keten terug die door het vorige kabinet was geïntroduceerd.

Na de Wet Arbeidsmarkt in Balans bleef er momentum voor de regulering van flexwerk, omdat het dualiseringsnarratief dominant werd in discussies over arbeidsmarktflexibiliteit tussen beleidsmakers. In de vroege jaren 2020 riepen rapporten van de Commissie Regulering van Werk, de WRR, en de SER op tot strikte regulering van uitzend- en oproepwerk in een bredere poging dualisering aan te pakken. Voortbouwend op deze rapporten presenteerde het Rutte IV kabinet ambitieuze plannen voor de

regulering van flexwerk 2023. Deze hervormingen kwam echter al snel tot stilstand; het kabinet viel voordat de wetsvoorstellen het parlement waren gepasseerd.

De Wet Arbeidsmarkt in Balans van het Rutte III kabinet en de voorstellen voor de regulering van flexwerk van de Rutte IV regering zijn opmerkelijk gezien de samenstelling van beide kabinetten. Beide regeringen bestonden uit een coalitie van liberalen (VVD, D66) en Christendemocraten (CDA, CU). Deze kabinetten steunden strengere regulering van flexwerk ondanks de politieke dominante van liberale partijen en de afwezigheid van sociaaldemocratische partijen. Dit gaat in tegen de verwachting van *power resources theory*. In plaats daarvan verklaren veranderende voorkeuren ten aanzien van de regulering van flexwerk, met name bij liberale partijen, het kabinetsbeleid. Het dualiseringsnarratief had ook invloed op de attitudes van de liberale politieke familie. De impact was echter veel groter voor D66 dan voor de VVD, waardoor D66 veel meer in de richting van de sociaaldemocratische PvdA bewoog betreft flexwerk. Terwijl D66 zich ontwikkelde in een sterk voorstander van de regulering van flexwerk, werd de VVD minder kritisch ten aanzien van zulke regelgeving.

Hoewel de impact van het dualiseringsnarratief de verklarende kracht van ideeën onderschrijft, is het niet in lijn met de propositie van *policy paradigm theory*, omdat het narratief tegenstrijdig was met het dominante aanbodzijdeparadigma. Men zou kunnen betogen dat het dualiseringsnarratief een nieuw paradigma bewerkstelligde. Dit argument gaat echter voorbij aan de consistente invloed van aanbodzijdeideeën op beleidsmakers bij sociaaleconomische vraagstukken, bijvoorbeeld in discussies over het vestigingsklimaat. Door haar focus op de regulering van contractvormen opereerde het dualiseringsnarratief op een lager niveau van abstractie dan het dominante beleidsparadigma, vergelijkbaar met het narratief dat opriep tot de regulering van oproepwerk in de jaren '80. Beide casussen steunen de kritiek dat *policy paradigm theory* te weinig waarde toebedeeld aan veranderingen in beleidsideeën binnen paradigma's.

**Hoodstuk 4** analyseert dezelfde vragen maar dan voor zzp'ers in plaats van uitzend- en oproepkrachten. Vroege discussies over de regulering van zelfstandigen draaiden met name om fiscale verschillen met werknemers. Het dominante beleidnarratief was dat zelfstandigen slechter af waren dan werkenden, wat leidde tot breed gesteunde pogingen om de verschillen in netto inkomen en sociale zekerheid met werknemers te verkleinen. Terwijl het Christendemocratisch-liberale De Jong kabinet de eerste Zelfstandigenaftrek introduceerde als een tijdelijke maatregel om investeringen te stimuleren in 1970, herintroduceerde de Den Uyl regering de aftrek in 1975 als een middel om de netto inkomenspositie van zelfstandigen aan te kunnen passen ten opzichte van werknemers. In 1983 maakte het kabinet Lubbers I de Zelfstandigenaftrek permanent en voegde de regering een automatische compensatie voor inflatie aan het mechanisme toe. Tegelijkertijd bleef de aftrek gericht op lage en middeninkomens. In de jaren '70 was er een vergelijkbare politieke consensus om de verschillen in sociale

zekerheid tussen zelfstandigen en werknemers te verkleinen. Na voorbereidend werk van het De Jong kabinet introduceerde het Den Uyl kabinet een universele arbeidsongeschiktheidsverzekering in 1975. Dit laatste kabinet nam zelfstandigen ook op in de voorziening tegen structurele werkloosheid in 1976. Om praktische overwegingen was het opnemen van zelfstandigen in de verzekering tegen kortdurende werkloosheid echter nooit een realistische beleidsoptie. De hervormingen van de Zelfstandigenaftrek en de sociale zekerheid laten zien dat kabinetten gekenmerkt door verschillende machtsrelaties vergelijkbare initiatieven ondernamen om de fiscale verschillen tussen zelfstandigen en werknemers te verkleinen tegen de verwachting van *power resources theory* in.

Met de paradigmaverandering van de jaren '80 veranderden de politieke voorkeuren en keuzes betreft zzp'ers, in lijn met *policy paradigm theory*. Waar beleidsmakers zelfstandigen voorheen hadden benaderd als werkenden, behandelden zij zzp'ers nu in toenemende mate als ondernemers. In lijn met het aanbodzijdeparadigma probeerden opeenvolgende regeringen om de werkloosheid te verminderen door belastingverlichting. Hoewel deze hervormingen met name gericht waren op verlagingen van de vennootschapsbelasting, namen politici ook belastingverlichting voor zzp'ers op om de fiscale gelijkheid tussen bedrijven onder de inkomstenbelasting en vennootschapsbelasting te garanderen. Bekeken vanuit het ondernemersnarratief over zzp'ers was het niet logisch om de Zelfstandigenaftrek inkomensafhankelijk te maken. Daarom verwijderde het kabinet Lubbers I de inkomensgrens uit de Zelfstandigenaftrek in 1984. Het kabinet Lubbers III, bestaand uit Christendemocraten en sociaaldemocraten, introduceerde wederom een belastingverlichtingspakket in 1994 met een enorme verhoging van de Zelfstandigenaftrek. De hervormingen van het Christendemocratisch-liberale Balkenende II kabinet hadden echter het meeste invloed. Naast een nieuwe verhoging van de Zelfstandigenaftrek, stelde de Balkenende II regering de MKB-winstvrijstelling voor die fiscale behandeling van zzp'ers nog genereuzer zou maken. Het Balkenende III kabinet met dezelfde samenstelling loodste deze laatste hervorming uiteindelijk door het parlement in 2006.

Met de verschuiving naar het ondernemersnarratief ten aanzien van zzp'ers maakte steun voor verplichte sociale zekerheid voor zzp'ers plaats voor een voorkeur voor vrijwillige verzekering. De verplichte verzekering van zzp'ers, aldus het ondernemersnarratief, paste niet bij het nemen van risico's en het zoeken naar beloning dat hoort bij het ondernemerschap van zzp'ers. Als onderdeel van bezuinigingen op de verzorgingsstaat, voegde het tweede Lubbers kabinet de voorzieningen voor kortdurende en structurele werkloosheid samen, waarbij dekking voor zelfstandigen verloren ging. Door politieke druk in het parlement introduceerde de regering in plaats daarvan een veel specifiekere steunprogramma voor oudere zelfstandigen die structureel werkloos waren. Net als bij de Zelfstandigenaftrek speelde het Balkenende II kabinet

een belangrijke rol in de hervorming van de sociale zekerheid voor zelfstandigen. Nadat het eerste Kok kabinet de verplichte arbeidsongeschiktheidsverzekeringen van zelfstandigen en werknemers had gesplitst, besloot het Balkenende II kabinet in 2004 om de verplichte arbeidsongeschiktheidsverzekering voor zelfstandigen volledig uit te faseren. De regering dereguleerde bovendien de contractvorm van zzp'ers door de wettelijke procedure voor de verklaring van de arbeidsrelatie aan te passen die duidelijkheid bood over te betalen belastingen en premies. Vanwege maatschappelijke druk verwijderde het Balkenende II kabinet de mogelijkheid tot aanpassingen na het uitgeven van deze verklaring en maakte zij de zzp'er volledig verantwoordelijk voor het correct invullen van het volledig formulier. Met het volledig wegnemen van de verantwoordelijkheid van de opdrachtgever faciliteerde het kabinet onbedoeld schijnconstructies door kwaadwillende opdrachtgevers. Coalities van Christendemocraten en liberalen waren dus met name verantwoordelijk voor de hervormingen die de contractvorm zo aantrekkelijk maakten vanuit een financieel en reguleringsperspectief. Echter gaven regeringen met sociaaldemocraten in deze periode ook opvolging aan het ondernemersnarratief door verschillen in behandeling tussen zzp'ers en werknemers te rechtvaardigen tot de jaren 2010.

Vanaf de jaren 2000 begon het dominante narratief over zzp'ers te veranderen. Beleidsrapporten gaven aandacht aan de toenemende hoeveelheid schijnconstructies die door de hervorming van de verklaring arbeidsrelatie in 2004 waren gefaciliteerd. Tijdens de vroege jaren 2010 werd het dualiseringsnarratief steeds dominanter bij beleidsmakers waardoor de aandacht weer terug naar verschillen in behandeling tussen zzp'ers en werknemers verschoof. Ondanks het maatschappelijk belang van schijnconstructies bleek hervorming van de regulering van de contractvorm ingewikkeld. In 2016 introduceerde het tweede Rutte kabinet, bestaand uit liberalen en sociaaldemocraten, modelovereenkomsten waarbij opdrachtgevers weer mede verantwoordelijk werden voor de correctheid van de aanvraag en de mogelijkheid tot aanpassingen achteraf terugkwam. Het systeem werd echter nooit gehandhaafd door zorgen over de uitvoerbaarheid en de administratieve last voor zzp'ers. Ondanks meerdere beleidsvoorstellen bleven de daadwerkelijke wijzigingen aan de regulering van de contractvorm sindsdien beperkt. In 2023 zocht de regering nog steeds naar een effectieve manier om schijnconstructies van legitieme zzp'ers te kunnen onderscheiden zonder de laatste groep een enorme administratieve last op te leggen. De hervormingen die wel tot stand kwamen richtten zich met name op het fiscale terrein. Tussen 2019 en 2023 verlaagden de kabinetten Rutte III en IV, bestaand uit liberalen en Christendemocraten, de Zelfstandigenaftrek aanzienlijk. In 2023 kondigde het Rutte IV kabinet bovendien een verplichte arbeidsongeschiktheidsverzekering voor zzp'ers aan. Deze hervorming kwam echter tot stilstand door de val van het kabinet. Het tegenstrijdige beleid van coalities tussen Christendemocraten en liberalen met vergelijkbare machtsrelaties tussen 1970 en 2023



is opmerkelijk. Deze bevinding gaat in tegen de propositie van *power resources theory*. Hoewel de beleidsverandering van begin jaren '80 in overeenstemming was met *policy paradigm theory*, is de dominantie van het dualiseringsnarratief sinds de jaren 2010 juist niet in lijn met deze literatuur. Ondanks de persistentie van het aanbodzijdeparadigma leidde het dualiseringsnarratief tot de problematisering van verschillen in fiscale behandeling tussen zzp'ers en werknemers. Dit informeerde vervolgens de afbouw van de Zelfstandigenaftrek tussen 2019 en 2023.

**Hoofdstuk 5** bestudeert tenslotte de vakbondsreacties op uitzendwerk, oproepwerk en zzp'ers. In dit hoofdstuk reconstrueer ik hoe vakbonden reageerden toen deze contractvormen opkwamen en verklaar ik waarom vakbonden sindsdien hun strategieën hebben aangepast. Tussen 1971 en 2023 zagen Nederlandse vakbonden flexwerk continu als een fundamentele bedreiging van het arbeidscontract voor hiërarchische arbeidsrelaties. Daarom zagen zij flexwerk als tegenstrijdig met de belangen van *insiders* en verzetten zij zich sterk tegen zulke contracten. Door de consistente oppositie van vakbonden tegen flexwerk heeft *policy paradigm theory* weinig verklarende kracht betreft hun rol in het reguleren van deze contractvormen. Of vakbonden zich moesten verzetten tegen flexwerk was geen onderwerp van discussie. In plaats daarvan richtte het debat in vakbondskringen zich op de vraag hoe zij flexwerk moesten bestrijden. In het reageren op flexwerk kampten vakbonden met een dilemma tussen twee strategieën. De eerste strategie was gebaseerd op het idee dat het reguleren van flexwerk, met uitzondering van een verbod, de contractvormen zou legitimeren en daarmee bij zou dragen aan hun verdere ontwikkeling. De tweede strategie suggereerde echter dat regulering de toename van flexwerk zou verzwakken door de contractvormen minder financieel aantrekkelijk te maken voor werkgevers in vergelijking met het arbeidscontract.

In 1971 onderhandelden de vakcentrales de eerste collectieve arbeidsovereenkomst met de uitzendsector. De overeenkomst was controversieel binnen de vakbeweging omdat deze niet voorschreef dat uitzendwerk werd gedekt door het arbeidscontract. Sommige vakbondsleden zagen flexwerkers als concurrenten die hun arbeidsmarktpositie ondermijnden. Kostwinnersideeën speelde ook een belangrijke rol in deze dynamiek omdat vakbondsleden vrouwenarbeid veelal als iets aanvullends zagen en veel flexwerkers vrouw waren. Zorgen over het legitimeren van flexwerk motiveerden de FNV om de CAO-onderhandelingen in de sector te verlaten in 1976. Door het volgen van de strategie gericht op legitimiteit, prioriteerde de FNV het afwenden van de bedreiging van het arbeidscontract boven het vertegenwoordigen van de belangen van *outsiders*, in lijn met *insider-outsider theory*. De machtspositie van de vakcentrale bleek echter onvoldoende om een verbod op flexwerk te bereiken. Daardoor werd de FNV een passieve actor, zich afzijdig houdend van onderhandelingen over de CAO en flexwerkers buitensluitend van belangenbehartiging. Ondertussen bleef het CNV echter de prikkelgerichte strategie volgen door deel te nemen aan de collectieve onderhandelingen in de sector. Hoewel

de FNV en CNV zich allebei verzetten tegen flexwerk, legde het collectieve overleg in de sector dus conflicterende strategieën bloot om dit doel te bereiken. Zonder de aanwezigheid van de grootste vakcentrale waren de uitbreidingen van de regulering van uitzendwerk beperkt. Daardoor was de vakbondsbijdrage aan de regulering van flexwerk beperkt toen de machtspositie van de vakbonden nog relatief hoog was tegen de verwachting van *power resources theory* in.

Tussen midden jaren '70 en midden jaren '80 namen de niveaus van uitzend- en oproepwerk enorm toe. Door de verspreiding van flexwerk werd een verbod op de contractvormen alsmaar minder plausibel, terwijl de druk van flexwerk op de arbeidsvoorwaarden van *insiders* toenam en een steeds grotere groep van *outsiders* buitengesloten werd door de strategie van de FNV gericht op legitimiteit. Hierdoor werd het continueren van deze strategie voor sectorale vakbonden uiteindelijk minder aantrekkelijk dan overstappen op het prikkelgerichte alternatief. Binnen de vakbonden waren het met name vrouwelijke vakbondsleden die de status quo bevroegen. Tegelijkertijd wilden de vakbonden juist meer vrouwen aantrekken in de context van enorm ledenverlies rond de twee oliecrises. Deze combinatie van factoren motiveerde de FNV om over te stappen naar een prikkelgerichte strategie ten aanzien van uitzend- en oproepwerk. Het terugtreden van de FNV tot het collectief overleg leidde al snel tot resultaat; in 1986 onderhandelden de sociale partners de eerste uitzend-CAO die uitzendwerk in alle economische sectoren dekte. In de tweede helft van de jaren '80 bewerkstelligden de vakcentrales bovendien een flink aantal verbeteringen in CAO's voor oproepwerk. Ondanks een tanende machtspositie nam de bijdrage van vakbonden aan regulering in deze periode dus juist toe, in tegenspraak met *power resources theory*.

In de tweede helft van de jaren '90 speelden de FNV en het CNV bovendien een cruciale rol in het bereiken van het Flexakkoord. Zoals eerder aangegeven werden de onderhandelingen van de overeenkomst gekenmerkt door een traditionele machtsdynamiek, waarbij de conventionele vertegenwoordigers van arbeid en kapitaal in de partijpolitiek en de arbeidsverhoudingen een compromis onderhandelden. Zij waren dan ook in lijn met de propositie van *power resources theory*. Het akkoord was een uitruil tussen de afschaffing van het vergunningstelsel voor uitzendbureaus en de deregulering van het tijdelijke arbeidscontract aan de ene kant en het dekken van uitzendwerk met het arbeidscontract en het reguleren van oproepwerk aan de andere. Hoewel de FNV de belangenbehartiging van *outsiders* had opgepakt en de bijdrage van vakbonden aan de regulering van flexwerk toenam, liet het Flexakkoord ook de beperkingen aan de solidariteit van vakbonden zien. Het beschermen van vaste werknemers bleef de prioriteit van vakbonden, in lijn met *insider-outsider theory*. Door de beperkte machtspositie van de vakcentrales dwong deze prioritering de FNV en het CNV om akkoord te gaan met dereguleren van tijdelijke arbeidscontracten in ruil voor de regulering van flexwerk. Daardoor waren de vakbondspogingen om

flexwerk te reguleren met het akkoord niet effectief in het tegengaan van de Nederlandse arbeidsmarktsegmentatie. Tegelijkertijd suggereren de vele initiatieven die vakbonden ondernamen om de arbeidsvoorwaarden van *outsiders* te verbeteren, zoals beperkingen voor oproepwerk in CAO's, ook dat zij geen drijvende kracht in de ontwikkeling van flexwerk waren. Deze hervormingen droegen bij aan de vermindering van de verschillen tussen *insiders* en *outsiders* in tegenspraak met de verwachtingen van *insider-outsider theory*.

Vakbonden hadden ook grote invloed op de vormgeving van de Wet Werk en Zekerheid van 2014. Zoals aangegeven bij hoofdstuk 3, leidde verzet van de sociale partners tegen het regeerakkoord van het liberaal-sociaaldemocratische Rutte II kabinet ertoe dat de regering hen vroeg een alternatief bezuinigingspakket te onderhandelen. Hoewel veel van de oorspronkelijke bezuinigingen werden afgezwakt, bevatte het resulterende sociale akkoord nog steeds maatregelen voor de regulering van tijdelijke arbeidscontracten, oproepwerk en uitzendcontracten. Ten aanzien van payrolling wisten de sociale partners echter niet tot overeenstemming te komen. Het sociale akkoord werd grotendeels omgezet in de Wet Werk en Zekerheid. De onderliggende politieke dynamiek was vergelijkbaar met het Flexakkoord, in lijn met *power resources theory*. Wat betreft de regulering van flexwerk leunde het akkoord echter meer in de richting van de vakbondswensen omdat de prioriteiten van werkgevers bij andere onderdelen van de overeenkomst lagen.

Tijdens de tweede helft van de jaren 2010 vroegen vakbonden ook in toenemende mate om striktere regulering van zzp'ers naast uitzend- en oproepwerk. Vroege reacties op zzp'ers waren vergelijkbaar met de eerste reacties op uitzendwerkers en uitzendkrachten. Spanningen tussen *insiders* en *outsiders* waren met name hoog in traditionele economische sectoren waar zzp'ers een relatief nieuw fenomeen waren. Tegelijkertijd stapte de vakbeweging in het geval zzp'ers wel sneller over op een meer inclusieve, prikkelgebaseerde strategie. Nadat het liberaal-Christendemocratische Rutte III kabinet een verplichte arbeidsongeschiktheidsverzekering voor zzp'ers had aangekondigd, vroeg zij de sociale partners om de specifieke regeling uit te werken. De onderhandelingen tussen vakbonden en werkgeversorganisaties leidde in 2020 tot het voorstel om een aparte, verplichte arbeidsongeschiktheidsverzekering voor zzp'ers in te stellen. Het Rutte IV kabinet, bestaand uit dezelfde politieke partijen, nam vervolgens het voorstel van de sociale partners over in 2023. De regering kwam echter ten val voordat zij het voorstel door het parlement heen had kunnen loodsen.

## **Curriculum vitae**

Jeroen van Veldhoven was born in 1994 in Oosterhout (Noord-Brabant), the Netherlands. From 2013 to 2019, he studied History and Public Administration at Leiden University. After obtaining his Master Public Administration: Economics and Governance and Master History: Cities, Migration, and Global interdependence in 2019, Van Veldhoven began his PhD at Utrecht University under appointment of the Huygens Institute. In 2024, he published in the *Journal of Industrial Relations*. Since finishing the draft of the PhD thesis in 2024, he has worked for the Dutch Ministry of Finance.





