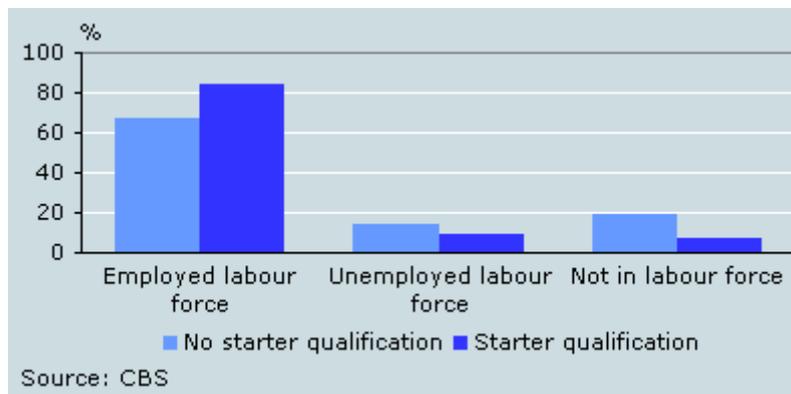


Unemployment in The Netherlands	National level					
	2010			2011		
	Total	Female	Male	Total	Female	Male
Unemployment rate	5,4%	4,9%	5,9%	5,4%	4,5%	6,3%
Immigrants	10,2%	9,7%	10,7%	13,1%	12,2%	14,0%
Persons up to 25 y.o.	9,7%	9,2%	10,2%	7,7%	6,8%	8,6%
Persons over 50 y.o.	4,2%	3,7%	4,7%	4,0%	3,1%	4,9%
Persons with no or low qualifications	-	-	-	-	-	-
Persons with low education level	-	-	-	-	-	-
Persons without job experience	-	-	-	-	-	-

There are not official recent statistics for people with low qualification or without qualification; this because the compulsory system of education includes also a qualification.

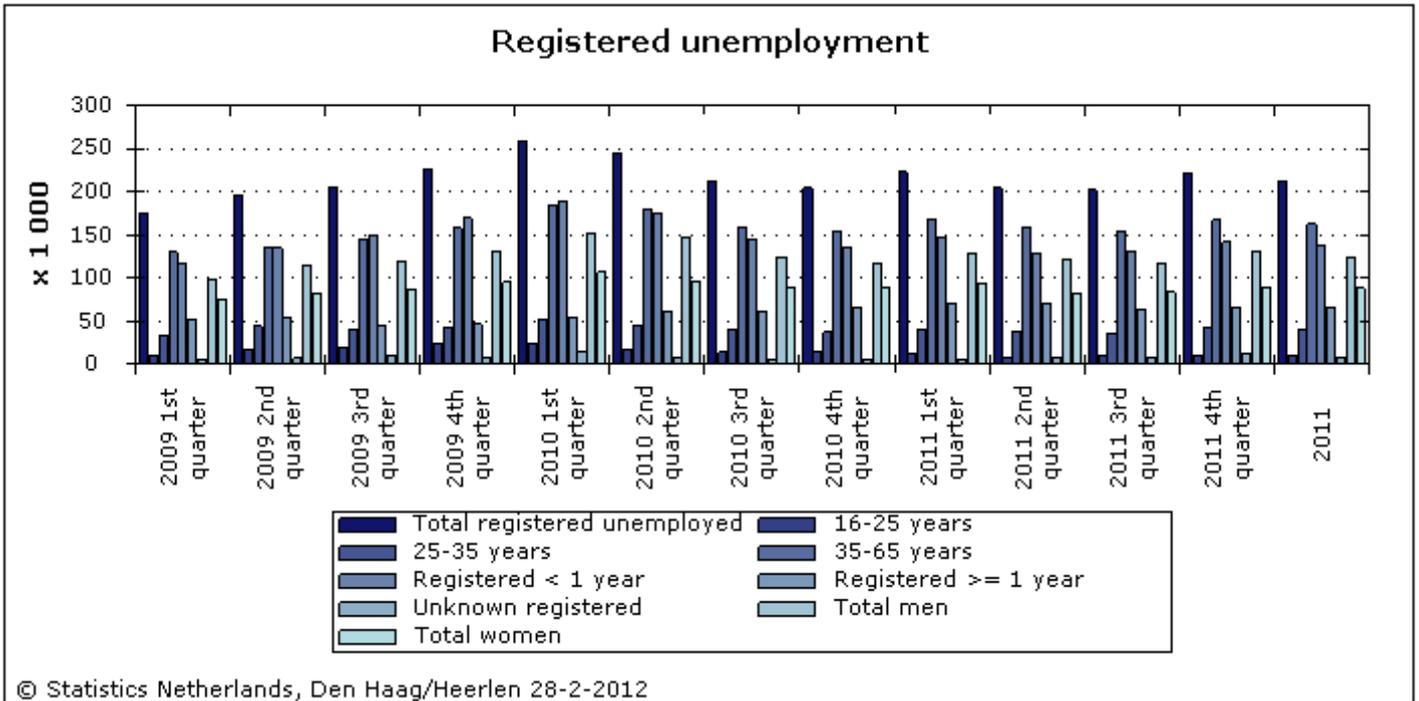
Young people are more successful on the job market when they have a starter qualification.

Young people without a starter qualification were more often not active on the job market. No less than 19 % were not part of the labour force, versus just over 7 % of the young people with a starter qualification.



Registered unemployed people include people registered with UWV Werkbedrijf (formerly CWI or employment agency) aged 16-64 years who:

- do not have a paid job, or have a paid job of less than twelve hours a week
and
- are available to start a job of at least twelve hours a week
or
- have accepted a job of at least twelve hours a week.



Officially registered unemployment in The Netherlands for the period 2009-2011

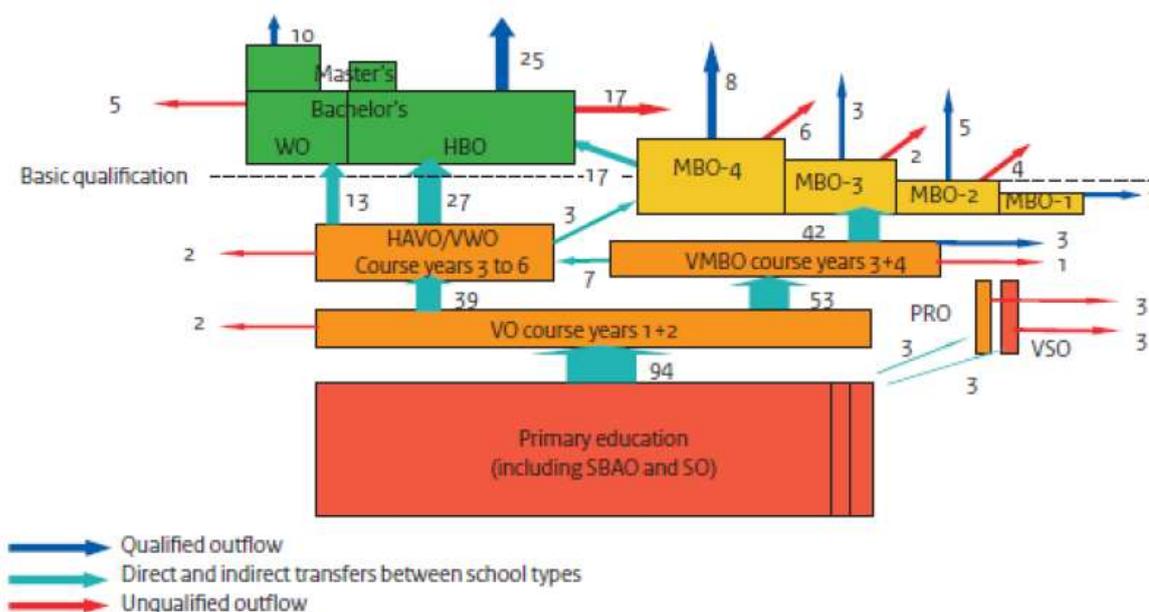
The unemployment rate in Netherlands was last reported at 6 percent in January of 2012. From 2000 until 2010, Netherlands' Unemployment Rate averaged 4.77 percent reaching an historical high of 6.70 percent in January of 2007 and a record low of 3.20 percent in May of 2001.

Strict employment protection legislation in Netherlands as well as incentives and training programs created for corporations and the unemployed labor force have helped in maintaining the low unemployment rate. More than 100,000 employees have utilized the part-time unemployment benefit, which was introduced post-crisis. A long-time unemployed worker is encouraged to accept part-time jobs or lower-paying jobs, and discrepancies will be covered by the government.

However, there is a penalty against unemployed workers that fall short in their job-seeking efforts and in cases of fraud or unwillingness to participate in training programs; in these cases, workers will receive reduced unemployment benefits. People who are not working will be punished, while job-holders, and their employers, will be rewarded. With such a unique labor market system, Netherlands has enjoyed a low unemployment rate among not only Eurozone members but Europe as a whole.

1. Short description about the Dutch system of vocational and adult education in the participating countries

Diagram of the Dutch education system, including transfers within the system



Vocational education in The Netherlands:

The concept of competence has become very popular in the Dutch Vocational Education and Training (VET) system, both at the level of policy-making and the level of educational practice. Competence-based education is the leading paradigm for innovation, both at the system level and at the level of learning environments. There is a growing recognition of the need for vocational education to be directed at developing competencies, and not just at acquiring a diploma; the emphasis has to be on capabilities and not on qualifications.

Pre-vocational education: *beroepsvoorbereidend onderwijs* (lower secondary level) is designed to introduce participants to the world of work and to prepare them mainly for entry into vocational education programmes. Successful completion of such programmes does not yet lead to a labour market relevant vocational qualification.

Vocational education: *beroepsonderwijs* (upper secondary level; including post-secondary nontertiary level) is mainly designed to lead participants to the acquisition of a set of knowledge, skills and attitudes (competences) for employment in a particular vocation or group of vocations; it may also lead to further learning at a higher level in the system. Successful completion of such programmes leads to a labour market relevant vocational qualification at upper secondary level recognised by the Ministry of Education. Technical education (*technisch onderwijs*) is a sector in vocational education.

Professional education: *beroepsonderwijs* (tertiary level) contains ISCED-5B programmes ('associate degree' programmes) and ISCED-5A programmes (professional bachelors/masters) recognised by the Dutch Flemish Accreditation Organisation. This education is provided by the universities of applied sciences, not academically research oriented.



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Higher education = tertiary education: *hoger onderwijs = tertiair onderwijs* has a binary system with two elements: (a) universities with an academic, largely theoretical and research orientation (ISCED-5A and 6), and (b) universities of applied sciences with a professional orientation (ISCED-5A and 5B).

Initial vocational education and training (IVET): *initieel beroepsonderwijs* is mainly education after fulltime compulsory education with the intention to lead participants to the acquisition of a set of knowledge, skills and attitudes (competences) focused on the entry to a vocation or group of vocations and to further learning too. It can be provided in a school-based environment with a component of workplace learning and in apprenticeship training.

School-based programmes: *beroepsopleidende leerweg (at upper secondary level)* take place in educational organisations; these programmes have a component of practical experience at the workplace during at least 20% of the study time in upper secondary VET.

Apprenticeship/alternance training: *beroepsbegeleidende leerweg (at upper secondary level)* is systematic, long-term training in a school and in upper secondary VET for at least 60% of the study time at the workplace. The apprentice has a contract with the school/training centre and a contract with the employer; the apprentice receives remuneration. The employer assumes responsibility for providing the trainee with training leading to a specific vocation.

By introducing competence-based education in Dutch VET has raised substantial interest in and support for developing and introducing teaching-learning arrangements in the direction of flexible pathways and self-directive learning, according to the principles of socio-constructivist learning theories.

Adult education in The Netherlands:

General adult education includes:

- basic education (ISCED level 1): *basiseducatie*
- general secondary education for adults (ISCED levels 2 and 3): *VAVO – voortgezet algemeen volwassenenonderwijs*; Age: from 18 (but 16/17- year-olds can also attend this type of education under certain conditions).

CVET comprises a range of vocational or more general courses for jobseekers, the unemployed, employees, self-employed people, and employers. IVET programmes can also function as CVET.

The terms 'higher education' and 'tertiary education' have the same meaning. As a binary system, higher education (ISCED level 5) has two components:

- higher professional education: the duration is four years (mainly Bachelor's degree, also associate degree and Master's degree). Provider: 'universities of applied sciences'.

Dutch abbreviation: *HBO – hoger beroepsonderwijs*. Age: from 17/18.

- scientific/university education (ISCED level 5; and 6 for doctorates): the duration is four years and for technology studies five years (Bachelor's/Master's degree). Dutch abbreviation: *WO – wetenschappelijk onderwijs*. Age: from 18.

As part of (academic) adult education, and providing a modular programme structure, the Open University has open access.

A bachelor's or master's degree is conferred by the institution on students who pass the final examination of a bachelor's or master's course. Graduates are entitled to use the titles 'Bachelor' or 'Master', abbreviated to 'B.' and 'M.' and placed after the name. They may opt to use a Dutch title instead of the relevant international title.



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2. About Unemployment in The Netherlands. Situation and challenges

The reasons for Holland's stable and relatively low unemployment rates are many. One major fortunate factor was the very tight job market when the crisis struck. In such times, firms are reluctant to release workers who were so hard to recruit ... workers greatly needed when the baby boomers start to retire in large numbers. In a weak economy, studies confirm that US firms tend to take the shortsighted view and release large numbers of the "less essential" workers – often far more than necessary – to protect their "more essential" workers. The latter are then forced to take up the workload of their fired colleagues.

The main key factors behind Holland's relatively low unemployment levels are:

(1) In the 70s and 80s, drastic reforms in the Dutch unemployment compensation system expanded the workforce.

Unemployment compensation benefits were reduced and qualifying for them became more difficult. Today, unemployment benefits are still generous by US standards – comprising a daily payment of 70% of one's last daily wage up to a maximum daily wage of €180.00 (\$240.00) or a maximum daily benefit of \$168.00 (70% x \$240.00) totaling \$43,700 annually. The benefit's duration depends on age and the number of months employed with a maximum of 38 months. As I've said before, this fair benefit acts as an *economic stabilizer during cyclical changes*.

Proposed social net cutbacks will reduce the maximum benefit period to 24 months, perhaps lower. The maximum daily payment may also be reduced over time ... to create more dynamic job search incentives. If the unemployed do not actively seek jobs or if work offered is refused, there is a penalty and less money is paid out. Other countries generally have less effective stimuli or none at all.

(2) A firmly entrenched Dutch part-time job culture also explains why unemployment rates are so low.

Nowhere is part time employment so popular as it is in the Netherlands. As one expert noted: "This has a huge effect on employment simply because we need more people for the same amount of work." The relatively high number of temporary workers also makes for a very flexible job market.

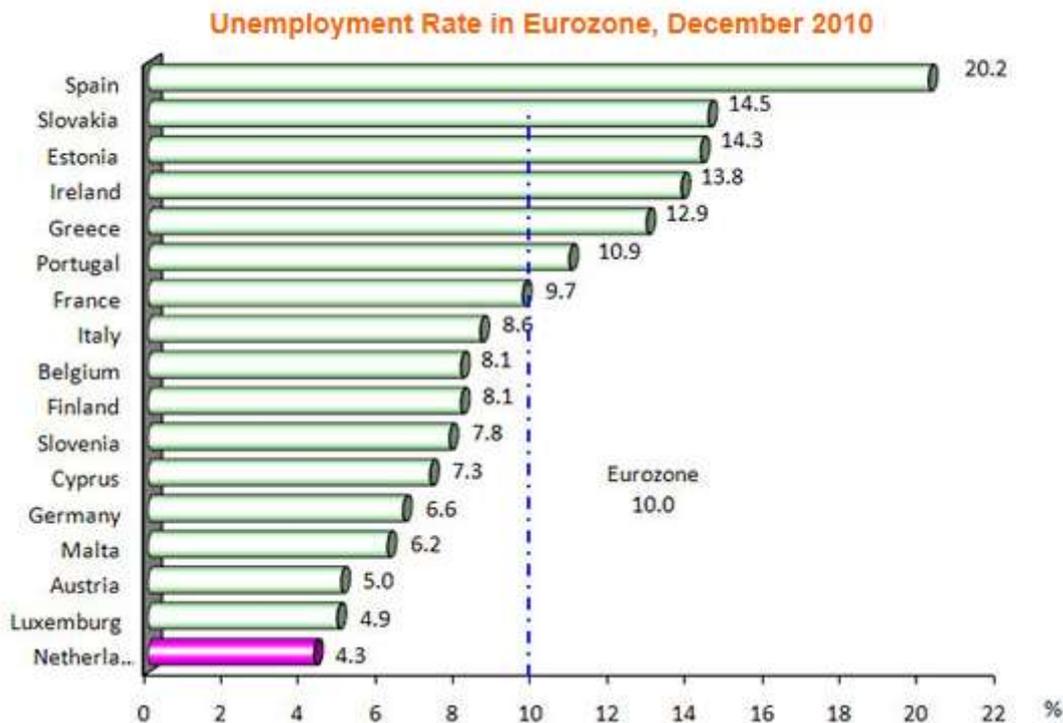
The large number of part time workers under contract (and exploding number of sole proprietorship firms) is a carry-over from the 80s when unemployment was accelerating – so politicians called for a better division of the few jobs that were available. Unions initially oppose part time jobs as second rate employment. When unemployment rates got out of hand (as they are now in the U.S.) in the 80s, the Unions changed their position on this issue. Since the 90s and to this day part time work has rapidly gained in popularity.

In other countries, however, part time work is still opposed by unions, mostly because of poor pay. In such countries, part time jobs consist predominately of poorly skilled labor. In contrast, Holland has refined a system (including subsidized worker retraining) that has advanced to full-fledged part time employment at decent wages (also subject to minimum wage laws) for all levels from low to medium and high skilled workers. People can perform rewarding, high value added, administrative or more routine work for 3 or 4 days a week. In a number of nations this is difficult if not impossible.

(3) Partly because of (1) and (2) factors above, the Dutch do not suffer the extraordinary unemployed and underemployed rates the US does, especially in deep recession times and especially for the bottom 50% household income group. Holland's flexible labor system, positive trade balances, fair unemployment payments, progressive tax rates, high 12% savings and low consumption (at 57-60% of GDP) all reinforce job stability.

3. Problems around long-termed unemployment for the a) Unemployed b) the trainers c) the society

The Netherlands had the lowest unemployment rate in the **Eurozone** in December 2010, according to figures from Eurostat, the European statistics office. 4.3% of the Dutch workforce was unemployed in the Netherlands.



Workers employed in lowest income range group suffered a 31% unemployment rate plus 1 in 5 workers (21%) in this group had underemployed poverty-paying part time jobs. This compares to unemployment rates of 4% and 3.2%, respectively, for the top two income groups comprising the top 20% income range in The Netherlands. These dramatically painful, shameful developments where lower middle classes took and are still taking the brunt of Wall Street's induced Financial Crisis have certainly not occurred in Holland nor in other mature European countries

(1) Low unemployment rates in Holland reflect the slow response to economic swings due to legal protections.

Traditional factors such as employment protection legislation for permanent workers also explain the higher degree of labor hoarding in good and bad times. Dutch law makes it harder to lay off people. This protection requires a delicate balance so as not to make the labor market too inflexible. Companies generally keep people on board longer in a recession before laying them off. The increased tempo of laid off workers comes later and can last longer after the recovery. However, at this time the Dutch unemployment rate is showing clear signs of already stabilizing, reflecting effects of a strong fiscal stimulus in 2008-09.



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(2) *The Dutch government has supported labor hoarding by introducing **work time programs**.*

These programs subsidize firms with falling activity levels to maintain their employment levels. The program is well-designed to improve efficiency, including provisions that only firms with large falls in business activity can apply. If workers are fired after enrollment in program, the employer must repay financial support provided by the government.

(3) *Government policy emphasizes providing more and better **targeted services** to job seekers.*

Job activation policies are aimed to be counter-cyclical by making resources devoted to activation proportional to the number of unemployed.

(4) *Holland's small industrial base is another reason for the relatively low unemployment rates.*

The manufacturing industry is always affected worse in a recession. Holland is a broad service economy with many jobs in information technology, software and high-tech equipment design, education, health care, technical services, drug research, banking, government sectors, etc. The Dutch economy is thus less prone to cyclical movements.