

**Life-course savings schemes and social policy reform in the Netherlands.**

On the relationship between the welfare state, social pacts and the management of new social risks

Marc van der Meer and Frans Leijnse\*

September 2005  
**ISSN Nr. 15.72.3380-19**

\* Marc van der Meer is associate professor at the Amsterdam Institute for Advanced Labour Studies. Frans Leijnse occupies the Willem Drees Chair at the Department of Sociology and Antropology at the University of Amsterdam and is lector at the Hogeschool van Utrecht.

**CITATION:**

Marc van der Meer and Frans Leijnse

**Life-course savings schemes and social policy reform in the Netherlands.** On the relationship between the welfare state, social pacts and the management of new social risks

TLM.NET Working Paper No. 2005-19

Amsterdam: SISWO/Social Policy Research

**CONTACTINFORMATION:**

TLM.NET co-ordinator:  
SISWO/Social Policy Research  
Plantage Muidergracht 4  
1018 TV Amsterdam, the Netherlands  
T +31 20 527 0600  
F +31 20 622 9430  
E [heuvel@siswo.uva.nl](mailto:heuvel@siswo.uva.nl)

Authors:  
Marc van der Meer and Frans Leijnse  
Amsterdam Institute for Advanced Labour Studies  
University of Amsterdam  
Plantage Muidergracht 4  
1018 TV Amsterdam  
[marc.vandermeer@uva.nl](mailto:marc.vandermeer@uva.nl)  
[frans.leijnse@hvu.nl](mailto:frans.leijnse@hvu.nl)

**THE TLM.NET THEMATIC NETWORK:**

The TLM.NET papers are published by the 'Managing Social Risks through Transitional Labour Markets' (acronym TLM.NET) thematic network. This network is funded by the Fifth Framework Programme of the European Commission and brings together scientists on the cutting-edge of labour market and social policy research. The author is solely responsible. The TLM.NET Working Paper series do not necessarily represent the opinion of the European Community, and the Community is not responsible for any use that might be made of the data in the paper. For more information on the network's programme and activities, visit the website [www.siswo.uva.nl/tlm](http://www.siswo.uva.nl/tlm)

## *Abstract*

*In the Netherlands, a unique though controversial life-course savings scheme ('levensloopregeling') will be introduced in January 2006. This paper discusses the origins of this scheme as an example of policy adjustment, which aims to strike a balance between new individual and collective labour relations. It appears that the standardised sequence of education, working and retirement has evolved into an erratic and less-predictable labour market pattern. Accordingly, a change in the nature of external and susceptible risks has occurred. The paper discusses the introduction of the life-course savings scheme, which gained political momentum when the need for cost containment of both the early retirement provisions and wage control were combined, culminating in a broad social pact between the government and social partners. We conclude that the management of social risks should be evaluated not only in terms of the 'combination scenario' as a particular form of a transitional labour market model, but also as an indicator for the current reform of the corporatist welfare state.*

## 1. Introduction<sup>1</sup>

The academic and political worlds are engaged in a profound debate about the life-course (or life-span).<sup>2</sup> This debate becomes more prominent when, like in many European countries, both men and women are increasingly working on equal footing, whereas the job opportunities and social rights accruing to individual members of society are still unequally distributed. The relationship between employment patterns and the life-course also changes over the course of time and differs from one country to the next. A person's job opportunities are closely related to the generation in which he or she grew up and to the tools of social policy deployed to enhance those opportunities.

Researchers who study the life-course can be divided into several different schools of thought. Broadly speaking, we can group these into two camps, the first concentrating on qualitative, biographical research and the second on quantitative research involving analyses of cohorts and life events.<sup>3</sup> To begin with, we have bibliographies of research on how groups develop in a society. Such studies bring together data on the life and job opportunities of certain persons or groups of persons within a specific social context, based on biographical and narrative research methods. Heinz and Krüger (2001) refer to Thomas and Znaniecki's (1920) study of Polish peasants who immigrated to the USA, as the pioneering work of this school. Researchers use interview techniques, oral history, private documents, letters, diaries and other ethnographic research methods to analyse, describe and interpret the choices made by individuals within their social environment and the labour market.

Secondly, we have quantitative studies that make use of systematic, longitudinal data to survey the significance of education, gender, ethnicity and social status in determining the life opportunities open to individuals in particular cohorts. Time series data can help to establish the relationship between date of birth, the amount of time spent on education and at which level, the departure from parental home, marriage and birth of children, division of labour between the sexes, and entering and leaving the labour market. This makes it possible to analyse inequalities between groups in the labour market and between generations.

As Heinz and Krüger assert, both schools have flourished and are communicating with one another with growing frequency. In addition, since the mid-eighties researchers have been interested in the role that "institutions" play in the development of life patterns. Institutions such as the family, organised religion, the educational system, the labour market and the social policy of the welfare state have standardised employment patterns, which as a rule can be divided into three phases: training for employment, employment and retirement (Kohli 1986; Heinz and Krüger 2001).

We can break this standard pattern down into its constituent elements when we consider the relationship between the nature of the welfare state and the employment participation rate of men and women (Esping-Andersen 1990; 1999). Not only does the employment participation rate of men and women differ sharply from one country to the next, but in conservative-corporatist welfare states such as Germany and the Netherlands, clear

---

<sup>1</sup> This paper is an extended and updated text, which was originally published in Dutch as an introduction to a special issue in *Tijdschrift voor Sociale Wetenschappen* (2003, nr 4). We are grateful to the participants of the November 2004 TLM-Net conference in Amsterdam, where this paper was first presented.

<sup>2</sup> In the following we will refer to the international literature. Recent overviews of the Dutch debate are published in the special issues of *Gerontologie en Geriatrie* (in preparation), *Bevolking en Gezin* (2003) and the *Tijdschrift Sociale Wetenschappen* (2003), by Siswo's labour market group (Van den Heuvel et al. 2003), as well as *Economisch Statistische Berichten* (2004).

<sup>3</sup> We are following Heinz and Krüger's authoritative review, "Life-course: innovations and challenges for social research", in *Current Sociology*, 2001, pp. 29-52.

gender distinctions used to exist: men had careers and women took care of the home, with the social insurance system being based on the male breadwinner model (Sainsbury 1996).

The rise of new employment patterns in organisations has put tremendous pressure on such welfare states to alter the institutional arrangements. The traditional institutions of the family, the church, the labour market and the state are changing. The process of modernisation is giving rise to more varied forms of cohabitation; standards and values are becoming more differentiated; and people switch partners, jobs, employers, homes and social preferences more easily than they used to. These developments put varying degrees of pressure on the demands for welfare entitlements, with clear generation effects.

Some researchers suggest that people will no longer go through the stages of learning, paid employment and retirement sequentially, but to some extent simultaneously (Heinz and Krüger 2001). As we will explain at greater length in this article, the reason for this change in the Netherlands is that people are living longer and organisations are deploying employees according to different patterns than before. Gradually, more and more people are simultaneously learning and working, combining work and care tasks, switching between paid and unpaid employment more regularly, working both as an employee and as a self-employed, semi-retiring, and so on (see for example SCP, 2004).

The German labour market sociologist Günther Schmid has summarised this trend in his concept of the “transitional labour market”, which encompasses both analytical and normative observations. The argument is that it should be easy for working people to move back and forth fluidly between paid employment and other social domains such as education, care, volunteer work and retirement. Schmid is in favour of uncoupling social insurance and the employment relationship. He argues that differentiation in employment patterns can be achieved by offering a sufficient level of income security, so that employment is distributed as fairly as possible among the largest possible number of people, who would all work an average of 30 hours a week (Schmid 2000; see also Korver and Oeij, 2003).

In the Netherlands, the transitional labour market above all shares the nature and the related problems of what has become to be called a ‘combination scenario’, according to which persons are undertaking several responsibilities at the same time. It is at this point in the debate that the concept of the “individual life-course” makes its appearance (SER 2001). Until recently, the main emphasis in the debate had been on how to change jobs as well as the social insurance system, to allow for the growing employment participation rate of women. Introducing the “life-course” concept, however, means shifting to a new perspective altogether, one in which neither men nor women see employment and career as the only reference points for their life choices. Increasingly, their chosen employment patterns are regarded within the context of broader life-course choices in which personal development, family relationships and the care and raising of children are at least as important as career and employment (Winsemius et al. 2001). Moreover, those life-course choices are dynamic over time; patterns vary and can easily change from one life phase to the next. The life-course is regarded as an individual project, one in which employment may not necessarily be dominant (Koopmans et al. 2003).

As a consequence, the persons involved are open to an accumulation of social risks. Esping-Andersen (1999) has developed a typology of social risks that has been reinterpreted by Günther Schmid and Klaus Schömann (2004), in terms of a more dynamic discussion of class, life-course and intergenerational risks. These authors have put the management of social risks at the policy and research agenda in order to safeguard income maintenance for vulnerable groups, to reduce income volatility, to raise income security, to keep income capacity, and to protect intergenerational risks.

In this paper we will relate the management of social risks to the debate on the adjustment and recalibration of the welfare state (Ferrera, Hemerijck and Rhodes, 2003). We

disentangle the concept of social risks in terms of gender, external and susceptible risks, and the distribution of responsibilities between individual citizens and the welfare state. Subsequently, we evaluate the current development of employment patterns and the nature of the policy and tax reform that the government currently is aiming at. We also analyse the social pacts of 2003 and 2004 between the government and the social partners that mitigated the need for social policy reform and the explicit introduction of the life-course savings scheme. Subsequently, we answer the question how social actors in the Netherlands define the responsibility of the management of new social risks in the labour market, and more in particular, how the introduction of the life-course savings scheme can be evaluated in terms of the current policy reform of the Dutch corporatist welfare state.

The paper is organised as follows. Section two looks at the labour market developments in the Netherlands. Section three deals with the associated new social risks. In section four the trade unions' proposals for social policy are presented. Section five explains the controversy of the life-course savings scheme and section six provides the details of the final Cabinet proposals. Section seven, finally, will review our main arguments and assertions.

## 2. Trends in employment patterns

The Netherlands' renewed interest in the life-course at the end of the 20th century must be seen within the context of the female emancipation and the participation of women in paid employment. Women began to battle for an independent position in society at the end of the 19th century, but it was only long after the Second World War that the traditional division of housework and paid employment between the genders began to change.<sup>4</sup>

Unlike most other European countries, the second surge of feminism at the end of the sixties focused mainly on women's right to self-determination (Ribberink 1998). The popular pro-abortion slogan *Baas in eigen buik* ("Boss in my own belly") provides a good example of what this movement stood for.<sup>5</sup> At the same time, in the early 1960s, and unrelated to the feminist movement, women began to enter employment in greater numbers when the first part-time jobs were created in a very tight labour market. Philips' management said it best in 1961: "We'll just have to bite the bullet and hire married women in part-time jobs."<sup>6</sup>

It was not until the 1970s and 1980s that women's financial independence and equal access to paid employment became major issues. The Netherlands trailed other countries in seeing a rise in the employment participation rate of women by cohort only as late as 1975 (OECD, 1993: 192). As we will explain later, the improving economy and broader acceptance of part-time work in both upper- and lower-level positions meant that the female employment participation rate rose to new heights.

Working life has thus changed fundamentally in the Netherlands in the past forty years. The most striking underlying change in the labour market is the shift from an agricultural and industrial economy to a service economy. In 1960, 55 percent of all workers was employed in farming and industry and 45 percent in services. By 1994, the ratio had been completely reversed: 28 percent worked in farming and industry and 72 percent in services

---

<sup>4</sup> For a description of the national exhibition on women's labour (1898) and trends in the twentieth century, see the splendidly illustrated book by H. Pott-Buter and K.G. Tjeldens (eds.), *Vrouwen leven en werk in de twintigste eeuw*, Amsterdam University Press, 1998.

<sup>5</sup> Compare this to *Dolle Mina*, a radical group of Dutch feminist activists in the 1960s.

<sup>6</sup> We are grateful to Jeanne de Bruijn for this suggestion.

(source: CBS-statline). This shift led amongst others to a considerable increase in the number of white collar jobs and a dramatic fall in the number of blue collar jobs, a trend that was accelerated by the automation of industrial processes, which brought about a further shift from operational work (largely blue collar) to planning and process control work (generally white collar).

Both the industry and the service sector are making ever-stricter demands on employee qualifications (De Beer 2001; Steijn 2001). The number of academic or upper-level positions is increasing and the number of middle segment positions is decreasing, although the pool of jobs at the lowest levels has remained constant. The simplest jobs, which require only minimal qualifications, are disappearing because they are relatively easy to automate. They are being replaced in some areas of the B2B sector by low-skill jobs, but these often involve a great deal of customer contact and therefore generally require good social and communication skills (Hövels et al. 1998). Employment growth can be found mainly in the middle and upper segments, precisely where, after the economic crisis of the 1980s, there have been growing shortages of labour (ROA 1999). The shift to a service economy, combined with constant pressure to “upgrade” and enlarge the remaining low-skilled jobs, has led to a decline in the number of routine, standard jobs. In the past twenty-five years, the percentage of employees doing monotonous, hazardous work has declined and employees have generally been given more autonomy on the job. There have been few if any changes when it comes to other aspects of the quality of work and opportunities for personal development. More and more jobs across the board require workers to be flexible and to accept more responsibility than in the past (De Beer 2001).

It is obvious that such changes in the qualifications’ structure of employment have run parallel to the growing level of knowledge intensity in the production. In the final decade of the 20th century, knowledge started to be the most important factor of production. Economic growth today depends less on natural resources and more on the availability of knowledge and the skill to use it effectively. At its summit meeting in Lisbon in the spring of 2000, the European Council committed itself to this idea by undertaking the goal to make Europe the world’s most dynamic and competitive economy by 2010.<sup>7</sup> Knowledge intensity is a key factor in this endeavour, but knowledge requires human beings, regardless of the form it takes. Generating new knowledge through research, but also organising and combining existing knowledge, and disseminating and applying it, are essentially social processes carried out by people (Gibbons 1994). The lonely inventor has become an anachronism in a time when the economic significance of knowledge is growing. Knowledge is now almost an all-pervasive factor in employment. It is becoming increasingly harder to define precisely what a “knowledge worker” is (Min EZ 2003).

Alongside the shift to a service economy and the trend towards upgrading and knowledge intensification, there has been a fourth unmistakable trend in employment in the past forty years: the “feminisation” of employment. The employment participation rate of Dutch women has increased steadily since the mid-1970s. In 1975, the Netherlands was well below the EU and OECD averages with a 48% overall employment participation rate measured in numbers of workers (26 percent for women and 71 percent for men). By 2002, that figure had increased to 63 percent (72 percent for men and 54 percent for women), giving the Netherlands a much higher position in the rankings and showing evidence of greater gender equality in the labour market.<sup>8</sup> Women are catching up, in other words. It has, however, been pointed out that a relatively large number of working women (more than 70%) has a part-time job. This means that women account for a considerably smaller share of the

---

<sup>7</sup> Declaration by European Council of Ministers, Lisbon, April 2000.

<sup>8</sup> OECD Internet data, complete series in OECD *Historical statistics* 2003.

participation rate when measured in total number of years of employment, than is suggested when measured in numbers of workers (Visser 2001).

What is also notable about the increase in the supply of labour in the 1990s is that, unlike in the 1980s, job growth during the two coalition governments under Wim Kok benefited women and men aged 50 to 64, flex-time workers and graduates of higher education. In particular, women aged 25 to 49 and immigrants from Surinam, the Netherlands Antilles and Aruba profited from the spurt in job growth in the second half of the 1990s, whereas young people under 25, low-skilled workers and the self-employed gained fewer advantages, relatively speaking (SCP 2001: 59-75).

The sharp rise in the female employment participation rate, the increase in part-time work and certain demographic trends, have also influenced the composition of household incomes. Research conducted by the Netherlands Family Council (NGR) shows that people's life-courses are taking on different forms today than in the past. A growing number of people (20%) remains childless, of which 10% is voluntarily (NGR 2001a: 47).

The Netherlands Family Council has identified two new phases in the new life-course, alongside the traditional trio of learning, working and retirement. To begin with, there is a new phase at the start of the working period, called *Liberia*: young adults no longer start a family immediately after leaving home; instead, they tend to live on their own or cohabit with others between the ages of 20 to 30 before starting a family at around 30 years of age. The second new phase can be explained by the increase of the average life expectancy and the overall improvement of public health. These demographic trends have resulted in "old age" being shifted to a higher age bracket and in a new phase, called *Consumptia*, being introduced between the ages of 55 and 75, when couples are on their own again after their children have left the nest (NGR 2001a: 68). These Latin labels are derived from Peter Cuyvers (2000), who introduced six life periods for the entire life-course: *Infantia*, *Juniora*, *Liberia*, *Familia*, *Consumptia* and *Seniora*. These phases are distinctive from the six periods applied to males which were introduced almost sixty years earlier in the historical and psychological study of Rümke (1938): *Puertia*, *Adolescentia*, *Juventus*, *Virilitas*, *Preasenum* and *Senectus*. We note that in transitional labour markets, demographic periods continue as set out, although learning, caring, and working and leisure coincide increasingly.

A significant and related trend is the decline of the traditional single breadwinner model and the rise of the "one-and-a-half breadwinner" model, in which two persons work the equivalent of one-and-a-half jobs and combine work and care duties (Visser 2001). What is notable about these families is that on average, the men account for almost three-quarters of the household income, whereas the women, who work in part-time, lower-paying jobs, contribute more than a quarter of the household income. This is to some extent the legacy of the historically low female employment participation rate in the Netherlands and the Dutch preference for the combination scenario, with part-time employment being used to make a better work/life balance possible (NGR 2001b).

The larger – and still increasing – number of women in the workforce is also having a qualitative impact on employment. Because women have different preferences than men, the feminisation of certain occupations is leading to a shift in working patterns. For example, the working patterns and the division of labour between doctors and nurses are changing (and a new position, the "nurse-practitioner", has been created), because women now account for a larger share of this occupational group and have different attitudes towards availability and working hours than was prevalent in the past.<sup>9</sup> The feminisation of employment has

---

<sup>9</sup> Compare this to the discussion about the "medical training continuum". For example: report by the LeGrand Committee, Ministry of Health, Welfare and Sport, spring 2003.

consequently seen a much broader, sweeping process than a mere rise in the percentage of women who make up the active labour force.

The changes in the nature and structure of employment described above, also entail that employees are not as interchangeable as they used to be. Employability has become an individual attribute, in which the employee's personal preferences play a more important role. Not only do employees today have different attitudes towards work than their forebears, but the meaning work has in their lives has also changed. In fact, the possibility has been created for this to happen. New, tailor-made personnel policies, the delegation of responsibility to individuals and the growing emphasis on output (rather than on attendance at work) have given employees the scope to assign a different meaning to paid employment in their lives. The meaning of work is increasingly being defined by the personal development opportunities that working affords, and by the degree to which the obligations associated with employment fit in with a broader pattern of social activity. Paid employment is becoming part of a broader individual life-course project.

Qualitative changes in the organisation of work have boosted the employee's position in the employment relationship. That position was further enhanced in the 1990s by a structural shortage of labour, particularly in the middle and upper segments of the labour market. The current economic downswing has led to some easing of the labour market situation, but there is an undercurrent of continuing tightness when it comes to secondary school and university graduates. The most important reasons for these structural shortages are demand-driven factors that are relatively unaffected by economic fluctuations: the acute demand for labour to replace the ageing population of workers and the continuous upgrading of jobs (ROA 1999: 20-35). Growth will be levelling off on the supply side, with the coming generations of school-leavers remaining virtually constant in size and the employment of women reaching saturation point. We can look forward to years of very moderate growth in the supply of labour, set off against a sharp demand for replacement labour as job requirements become even stricter. In such conditions, it is only logical that employees will secure an even stronger position in the employment relationship. In addition, these trends in the labour market are causing risks to shift between groups. New social risks and changing attitudes to older risks are making it inevitable for individuals to take more responsibility within the social insurance system.

### **3. New social risks and the demand to go beyond "repair legislation"**

Until the 1970s, the Dutch welfare state regime linked a strong corporatist and conservative emphasis on family and a low female employment participation rate to far-reaching social welfare provisions and to highly influential social partners (Esping-Andersen, 1990: 26-29). The overwhelmingly universal nature of the provisions reveals the influence of social-democratic consideration within the Dutch welfare state. As the economic crisis of the 1980s became entrenched, the combination of corporatism and social democracy was put under increasing pressure by the liberal welfare state regime. Provisions became less universal in nature and were scaled back to only a minimum safety net. Responsibility was shifted increasingly to the individual and market forces were allowed freer rein, which was made possible by a rise in private wealth among ever-larger groups of individuals. Prosperity was in fact on the rise, despite minimal real growth in individual incomes, because the number of incomes per household was increasing. In 1986, not even a third of all households (30%) had two or more incomes; by 1998, that figure had risen to more than a half (56%) (SCP: 2000).

The rising employment participation rate among women has therefore been by far the most important medium for change in the Dutch welfare state since 1980. What is striking

about the hybrid nature of the Dutch welfare regime, is the fact that unadulterated neo-liberalism did not get the upper hand. Visser and Hemerijck (1998) have already pointed out that the downsizing of the Dutch welfare state is by no means absolute, nor can it be described as an about-face from a social democratic to a liberal regime. For example, in many important respects the universal nature of the old-age pension provision has been retained: virtually everyone still has access to a combination of state pension and supplementary company pension, as was the case in the social democratic model (SER 2000).

Nor will it be left to the market to compensate for the impact on home and family life by the rising number of working women. Mainstream childcare is mainly a quasi-public facility and is therefore not keeping up with demand. A popular alternative among the Dutch is the “combination scenario”, with childcare and family duties being combined with shorter working hours.<sup>10</sup> The 1980s and 1990s saw an increase in the number of both male and female part-timers, rising to what is considered internationally as quite a large percentage of the working population.<sup>11</sup> The fact that people are choosing to work part-time for personal reasons does not mean, however, that the work/life balance is not increasingly regarded as a problem. In that respect, the emphasis on family relationships that is so characteristic of conservative-corporatist regimes has remained a constant factor in the Dutch welfare state, even in more neo-liberal times.

The call for more provisions to facilitate the work/life balance led to an increase in the number of official leave arrangements in the 1990s. After pregnancy and maternity leave had been extended, statutory schemes were introduced for parental leave, emergency leave, short-term care leave and palliative care leave (SER, 2001: 68). On the one hand, these provisions were intended to guarantee employees’ right to interrupt their working lives to take up duties of care; on the other hand, they were meant to compensate for the resulting loss of income. Three parties are responsible for compensating lost income during leave: the employer (obligation to continue payment of wages), the government (unemployment benefits), and the individual employee (lower wage).

The proliferation of leave arrangements, some of which were in line with European legislation, not only illustrates how important the work/life balance has become, but also that the government is thought to be responsible in some way. The increase in the number of part-time jobs may well be the result of individuals coming up with their own solutions, but society has not yet solved the general dilemma of how to combine work and care duties. The pressure on the social insurance system to cover “new social risks” is increasing (see Leijnse 2001, Leijnse et al. 2002). However, the traditional system – which is based on reciprocal insurance against external risks – is resisting the inclusion of such self-chosen “manufactured risks”, to quote Anthony Giddens (1994). At the same time, public debate is increasingly focusing on the problems associated with the preponderance of dual-earner households and the work/life balance. The traditional view of the family is being transformed by research revealing the sharp decline in purchasing power when couples have children as well as the notion of the “rush hour of life” between the ages of 30 and 60 (NGR 2001a, 2001b; Ester and Vinken 2000). The rising number of burn-out and occupational disability cases among young women with children shows how important this debate is (SER 2003: 53-54, 62-64).

Although the debate on new social risks seemingly has had no impact on the traditional social insurance system, the system itself has been the subject of almost continuous review for several years in the struggle to cope with the choices employees are making to combine work and care duties as they see fit. The biggest and most immediate consequence of

---

<sup>10</sup> See the Ministry of Social Affairs and Employment, *Sociale Nota 1996*, The Hague, 1995, pp. 33-36; and *Sociale Nota 1997*, The Hague, 1996, pp. 46-48; and *Nota Kansen op Combineren*, The Hague, September 1997.

<sup>11</sup> Ministry of Social Affairs and Employment, *Sociale Nota 1999*, The Hague, 1998, p. 31.

those choices is an irregular employment pattern, leading directly to a loss of entitlements in a system based on career continuity and final salary pensions (Koopmans et al. 2003: 20-21). The resulting proliferation of “repair legislation” clearly demonstrates that careers are gradually becoming more differentiated in nature. Not only are continuity and the gradual accrual of entitlements no longer the rule, but the nature of the career interruptions and the reasons for them are also becoming more varied. The question is whether enacting one repair law after another is the solution, or whether the very foundations of the social insurance system should be made more dynamic (Leijnse et al. 2002: 9-11). Even the old social risks of illness, occupational disability and unemployment mean something else in the new employment patterns than they did in the past.

The work/life controversy and the constant pressure to repair social insurance legislation have brought home the idea that there is more at stake than a superficial change in social preferences. It is slowly becoming clear that the “feminisation” of employment has broader consequences than a mere increase in the number of women in paid work. The role and significance of work in the lives of both men and women have changed, while the concept of work itself has become less clearly defined and less consistent. Paid employment is now regarded as being instrumental to a more meaningful existence, with employment patterns therefore becoming less regular and with a greater variety of options available. Transitions from one occupation to another and long-term combinations of work and other activities, such as care duties and training, are becoming more and more significant. Such transitions and combinations are increasingly being determined by the individuals concerned (Winsemius et al. 2001). The Dutch welfare state has traditionally focused on protecting the male breadwinner against external risks, such as occupational disability, unemployment and old age. Social insurance has protected the family as soon as it came under threat. The disappearance of the single breadwinner, the growth of new forms of cohabitation, and the rise in the number of dual-income households are undermining the need to protect the single breadwinner. Moreover, the question is whether these risks are really so external after all. Today, social risks increasingly come down to personal choice and individual action (Giddens, 1998). By investing in schooling and training, for example, one can reduce the risk of unemployment. One can also insure oneself in all sorts of ways against the risks of occupational disability and old age.

The key concepts in the Dutch public debate about the future of the social insurance regime are “external risks” (*externe risico's*) and “susceptible risks” (*beïnvloedbare risico's*). External social risks refer to those risks that are associated with exogenous occasions in one's personal life that citizens and employees cannot directly influence themselves. While susceptible (or internal) risks are associated with those occasions where human action and personal choice endogenously improve the opportunities and life changes of individual persons. Life-course risks include both the gender element in the division of responsibilities between men and women for the household and the formal economy, as well as the inter-generational element in the division of tax and income between younger and older cohorts in the labour market.

In theory, the aim of life course policies is to reduce the risks associated with critical life-course events and labour market transitions. As an example we may mention the introduction of measures that will take the pressure off during the “rush hour of life”, when people are raising children and have less money and time at their disposal, as well as measures to make better use of older people in the labour market than is now being the case. At the same time, it is vital that human capital should be maintained and upgraded in all the various life phases. The changes in employment patterns entail new risks that affect people on an individual level, but that they can be regarded as a collective phenomenon or societal trend because of their prevalence. These are risks that used to fall within the private domain, such

as child-rearing, caring for family and personal development (Leijnse et al. 2002). For example, knowledge is becoming increasingly important in organisations, but paradoxically it also becomes obsolete more quickly, making it essential that the labour force continuously updates its skills. People will attend training courses more often during the course of their careers. Those who do not work will not be keeping their human capital up to standard. Those who do work will find themselves having to combine too many tasks in the “rush hour of life”; they will be facing too many demands and will suffer burn-out. In addition, collective arrangements that once offered a safety net will no longer be available. Such problems can no longer be regarded as “private troubles” alone; their prevalence in society has turned them into “public issues” (based on Wright Mills 1951, quoted in Schuyt 1997: 60). To put it briefly: changes in employment patterns and the life-course, the management of external and susceptible risks and the future of the welfare state are all closely intertwined.

#### **4. Trade unions and the differentiation of social demands**

The past few years have thus seen a rapid disintegration of standard employment and career patterns, partly owing to a growing process of differentiation and diversification in society. Just as lifetime marriages have given way to fleeting relationships and serial monogamy, the job-for-life has been superseded in part by an erratic pattern of transitions and combinations. This has changed the debate on the nature of social risks, which implicitly has been taken up by organisations of employers and employees throughout the 1990s when they opted for an individualisation of particular stipulations within collective agreements, both at enterprise and at sector-level (Van der Meer, 2004). The collective demand for a broad package of provisions that will facilitate individual choice is growing quickly. At the same time, collective agreements are introducing individual choice systems to replace the generic assignment of entitlements. For example, “care in the community” requires more leeway in granting leave – something that present-day schemes do not offer.

One important difference with respect to the past is that the position of workers has become more powerful and is expressing itself more in individual than in collective action. In the 1960s and 1970s, the tight labour market led to a considerable upward pressure on wages, sometimes in response to widespread strike action. As workers lost their powerful position in the 1980s when the Dutch economy was being restructured, this pattern disappeared. However, when the unemployment figure fell after 1995, the tightness of the labour market became more structural in nature and the concentration and the structure of the strength of workers had changed dramatically. It were no longer the blue-collar workers in industrial sectors who gained strength from the limited supply of labour – something that would have complemented the existing organisational pattern of trade unionism. Today it is the individual knowledge worker who has the power to increase mobility and to demand better employment terms. This is much more an individual phenomenon than a collective one.

Trade unionism has responded to the change in the power structure by shifting its main focus from collective action and wage demands to other matters. Nowadays, Dutch trade unions concentrate on facilitating personal development. The first hint of change was the decision to put a portion of the wage and salary bill, as had been negotiated under collective agreements, into training and development funds (*Opleidings- en Ontwikkelingsfondsen*) in each branch of industry. Some years later, the Personal Development Plan (PDP) and Personal Development Account (PDA) introduced new concepts that offered a better response to employees’ putting personal growth at work at the top of their priority list. The unions are

also working on an employability agenda that will not only consider immediate employability, but also the employee's prospects for promotion and mobility (FNV 2003).<sup>12</sup>

When it comes to the work/life balance – employees second priority – the unions made efforts in the 1990s to expand statutory leave entitlements, supplemented by collective bargaining arrangements concerning the payment of wage during leave. These measures are relatively inflexible, however, since they focus mainly on childcare and child rearing, are limited in scope, and make no allowance for the growing list of different employee wishes on this point. For example, the existing schemes make almost no provision for the increasing incidence of “care in the community”, in which employees are obliged to care for loved ones and elderly relatives while continuing work. What is required is a switch to more generic provisions that can be tailored to the individual situation. “Save-as-you-earn” leaves and life-course schemes may well be the answer, and indeed since 2001 the trade unions have become increasingly interested in such measures (Leijnse 2001: 24-27).

The Netherlands did not witness the rebirth of collective action until the summer of 2004 when the unions massively opposed the government proposals on the revision of social security. In these proposals the government above all wanted to safeguard the participation of the elder part of the work force by curtailing the access to and fiscal support of collective early retirement provisions. In exchange it introduced an individually based life-span scheme that would facilitate employees to manage labour market transitions. The legal conditions of this taxation reform did above all infuriate the unions, who considered the collective basis of social security to be exposed to risks. However, employers' associations, banks, pension funds and the advisory board to the government were also affronted.

## **5. The Autumn pacts and the introduction of the life-course savings scheme**

Life-course savings schemes create a general scope for personal development and care duties by making it possible for individuals to stop working or to work part-time while continuing their original employment relationship and providing for some or all of the loss of income. The basic idea is that people can reserve a portion of their income to offset losses of income in the future. The reserve is used to make significant life choices possible; because these cannot be predicted in advance, flexibility in the use of the reserve is essential. Although the life-course savings scheme is based on the idea that employees must take responsibility for their own decisions, virtually all of the individual choices involve a public interest, thereby legitimising the intervention and support of the government. The government can install a regulatory framework for collective life-course savings schemes. It can also encourage employees to participate in such schemes by applying a delayed taxation system: contributions to the reserve and the assets accrued are tax-free, but any withdrawals from the reserve are taxed. The delayed taxation system does not, incidentally, offer a tremendous tax advantage; the difference between the deduction applied when the contributions are made and the tax charged at withdrawal is usually minimal. Finally, the government could conceivably subsidise accrual or withdrawals for specific purposes, in order to encourage individuals to make certain choices when a major public interest is at stake.

The basic principle is that the responsibility for using the life-course scheme is the individual employee's: it is up to him or her to decide whether to accrue entitlements facilitating leave and providing for a loss of income, as well as determining the kind of entitlements. Such responsibility fits in with the idea that the life-course is basically an

---

<sup>12</sup> The Social and Economic Council has ceased preparation of an advisory report on the life-course scheme for the time being.

individual project, in which a career is one of a number of social activities that are interrelated at the individual level. The life-course scheme does not prescribe the choices that an individual makes concerning his or her personal development and duty of care to others, and the associated choices with respect to availability for work; these choices are facilitated at individual level. The facilitating nature of the scheme makes allowances for the growing variety of wishes that employees are expressing on these points, as well as making the employee bear the main responsibility for the accrual of entitlements. The government and the employer do, however, play a significant role in creating the necessary conditions.<sup>13</sup>

Whether a life-course scheme proves appealing and will in fact be used, depends largely on those conditions. To understand why it is important to introduce enough scope for choice and to maintain the principle of solidarity in the social insurance system, we must look at two key features of the Dutch pension system: firstly, its “triple pillar” structure, and secondly the transition (starting in 1995) from a pay-as-you-go (PAYG) system to a fully-funded system at early retirement. The first “pillar” of the pension system, based on the PAYG method, consists of an old-age pension. In the second pillar, employees save under a collective agreement at industry or company level. In the third pillar, people themselves save for a supplementary private pension. Life-course schemes would fit in well with the second pillar if collective agreements were to include a fully funded group pension from which individuals could claim benefits at fixed intervals. Early retirement is one way of spending *leave* that employees have accrued throughout their working lives, but there are other ways as well; early retirement will also be one of the ways of spending the *salary* that employees have saved.

How has this been introduced? First, in spring 2002, the late ‘purple’ Kok II Cabinet presented a policy document called *Verkenning Levensloop* (Foresight Study on the Life-course, Min. SZW, 2002). Then in May 2002, the agitator and right-wing politician Pim Fortuyn was murdered while heading the election polls, while a growing uncertainty and distrust among citizens emerged about existing political institutions. In this period, the first Balkenende Cabinet came up with a number of prudent variations on the life-course scheme. It appeared that the scientific bureau of the CDA (where Balkenende had been employed one decade earlier) had been successful in translating the most recent labour market evidence from the Dutch Family Council into a new policy proposal on life course policies. These proposed policies neatly fitted with the “primacy of society” conviction of the newly arrived Prime Minister, concerning the responsibility of individual citizens (and not the state) to make society work.

The Cabinet first proposed to change the existing “save-as-you-earn” leave schemes and wage-savings-scheme (*Spaarloonregeling*), which were made less appealing to employees. The Cabinet then suggested introducing “time-banking” to allow employees to save up for leave periods. When, however, after three months, the First Balkenende coalition had to leave office, the new Christian-Democratic and liberal Balkenende II-coalition presented a proposal in 2003 for a life-course savings scheme facilitated by tax rules. Yet, in spite of a substantial austerity programme announced in the Cabinet declaration, the increasing public deficit immediately urged the Second Balkenende coalition to curtail another two billion Euro by reducing the tax support for the early retirement regulation, which directly influenced the collective bargaining between employers and employees.

The trade unions felt affronted, but understood that the combination of wage cost moderation and social policy reform were needed to maintain the competitiveness of the Dutch economy, to reduce the rising unemployment and to strategically respond to the ageing

---

<sup>13</sup> For a description of the conditions for participation, monitoring and conflict resolution in a decentralised governance system, see Van der Meer, Visser, and Wilthagen (2005).

of the labour force. Unlike regular practice, the cabinet did not ask the Social-Economic Council for advice on the detailed and complex change in taxation rules, but directly began to negotiate the life-course *cum* early retirement proposals with social partners in exchange for wage moderation. Under the conditions of rising wage costs, an emergency pact (*Autumn pact 2003*) was reached setting a ceiling on wage increases for the year 2004 (Van der Meer, Visser and Wilthagen, 2005). At the same time, the Government invited the social partners to spend half a year to reach agreement on the complete revision of the tax facilitation of voluntary early retirement and the introduction of the life-course savings scheme.

The Cabinet thus planned to scrape early retirement schemes by cancelling any associated tax relief and removing the obligation for employees to save up for early retirement, as stipulated in many collective agreements. Instead of early retirement, the Cabinet proposed to introduce the life-course scheme. Unlike the collective obligation to save for early retirement, the heart of the Cabinet's proposal is an individual savings scheme. In the May-proposal for 2004, employees were allowed to set aside no more than 12% of their gross wages and up to 150% of their annual income and use that money to finance leave to care for children or other family, to go on courses or to take early retirement.

During the annual tripartite 'Spring talks' (*'voorjaarsoverleg'*) between the government and the social partners on 18 May 2004, the government and the employers' associations voted in favour of early retirement at 62½ years of age and on a new life-course scheme. The unions however voted against the proposals. The government responded by threatening to implement the measures unilaterally (and with less advantageous early retirement rights). The unions rejected the agreement, however: they felt they had already sacrificed enough by agreeing to the wage freeze for 2004 and the government's economy measures (for example with respect to occupational disability benefits). Their opposition was not so much to the new minimum age for early retirement (62 or 62½) but more to the government's *opt-out* clause, allowing individual employees to choose not to pay for early retirement schemes. The unions contest the opt-out nature of the scheme, which they see as undermining solidarity between the generations. They claim that the scheme is too insubstantial (because the government does not intend integrating other savings schemes into it) and that the proposals will only benefit the well-to-do. Another complaint is that there is no relationship between the life-course scheme and leave entitlement granted by law or under collective agreements. Moreover, the unions claim, own-account or self-employed workers cannot make any use of the scheme. According to the FNV, this departed from the notion of 'collective' early retirement arrangements and therefore eroded solidarity between the generations. The FNV then balloted its members in a massive referendum among its rank and file and they rejected the agreement.

After the negotiations failed, the Government aimed to act unilaterally against the will of the unions by drafting the proposal on the fiscal treatment of early retirement and introduction of the life-course scheme (*Wet aanpassing fiscale behandeling VUT/prepensioen en introductie levensloopregeling*). In addition, it proposed to lift the general extension mechanism of collective bargaining, for if wage increases in particular sectors of the economy are higher than zero percent, this could damage the stable relations between both unions and employers' associations in these sectors.

It should be noted that not only the unions, but also several smaller employers' associations and especially those in the metal industry were *stupéfait* after this manifestation of arrogance by the government, which was not considering the individual capital accumulation in early retirement provisions that already had been implemented in the several sectors, such as the metal industry. During the period from May to August 2004 several employers' attempts to repair the negotiations on the early retirement have been initiated, which all failed. Subsequently, industrial relations were seriously damaged.

The unions claimed a moral victory when the Council of State (*Raad van State*), the highest advisory council of the government, disapproved of the Draft Act on Early Retirement. The Council deprecates the complicated double tax system (on both the premium contributions and the benefits) as foreseen in the Act, which aims to discourage early retirement. According to Doekle Terpstra, president of the national union CNV, this objection is ‘not only a juridical judgment, but also a first class political statement’ against the government (NRC Handelsblad, August 18<sup>th</sup> 2004).

Another political statement followed in September 2004, when the emancipation affects of the new proposed life-course savings scheme were evaluated by the Social and Cultural Planning Bureau (SCP), commissioned by the Government. The SCP concluded that the financial benefits of the scheme are slight, whereas especially higher income groups, men, older workers and couples without children will benefit as the potential users of the scheme. Moreover, the SCP does not foresee substantial growth of female labour market participation or independence due to the proposals, reaffirming the futility of the new legislation (Keuzenkamp *et al.*, 2004).

On September 7<sup>th</sup>, the trade unions interrupted their regular contacts with the government and the employers’ associations and deepened their open conflict. After several manifestations in Rotterdam, the unions packed up to 300,000 persons on the Amsterdam Museumplein on October 2<sup>nd</sup> in the second largest national union manifestation after the Second World War to protest against the budget cuts in social security. In response, the Minister of Social Affairs and Employment sent a mediator to evaluate the opportunities to repair the negotiations; this leaked out and it became clear that the accumulated public resistance would lead to new informal talks.

Then, on October 11<sup>th</sup>, a parliamentary audit was organised, where independent foundations for legal and financial expertise and advice disproved the reforms of early retirement and the life-course scheme.<sup>14</sup> The experts stressed above all the juridical inconsistencies and the complexity of the governmental proposals, as well as the unfortunate change in the pension system given the already ongoing 1997 pension reform, the administrative burden and the monitoring problems of the new regime, and its exclusionary nature (the 55-plus cohort was not touched, whereas self-employed persons and entrepreneurs were excluded from the reform). Also the emancipating benefits for younger families were doubted during the debate and an university professor (Janneke Plantenga) explicitly stressed the need for paid parental leave and widely available nurseries. In addition, several financial actors, especially private banks, insurance companies, and pension funds (which were not included in the original proposals and in which the unions have a 50% say in the corporate governance) were heard. For the financial organisations the opening of the market for social security including the proposals for a life-course savings scheme and early retirement regulation potentially is a beneficial opportunity. An average Dutch family spends 114 out of 1000 euro to several insurances; this share will probably rise when the government proposals for an individual risk management for disability (3 billion euro premiums on an annual basis) and early retirement (where 30 billion euro is accumulated) will be implemented (data for 2002, cited in NRC-Handelsblad October 26<sup>th</sup> 2004).

After the parliamentary audit, the Director of the authoritative Central Planning Bureau (CPB) saw itself obliged to rephrase its ‘economic’ criticism on the proposals, which in Parliament were misunderstood as a form of ‘political’ opposition. The CPB, however re-insisted on its expectation that the life-course savings scheme would be used above all by

---

<sup>14</sup> We refer to the position papers presented in this Audit of the permanent parliamentary committees for Finance and Social Affairs and Employment.

higher income categories, while it suggested the introduction of an alternative savings early retirement system (*Spaar-Vut*), slightly different than the one the government had proposed.

Under this overall pressure, the government realised that nothing could be gained by putting the unions in the corner and backtracked and watered down its original proposals in an unprecedented reform agreement, with a majority of the coalition government in Parliament (77 out of 150 votes). By early November 2004, the informal talks resulted in concrete negotiations between the government and the social partners on a social pact, where the government declared to revise its social policy proposals and the trade unions agreed to behave 'extremely reserved' in terms of wage increases for the year 2005, which again guarantees labour peace for the year to come (Van der Meer et al. 2005).

## **6. The possible effects of the Cabinet declaration on early retirement and life-course savings schemes**

The negotiations between the government resulted in both a Social Pact between the trade unions and the employers' associations and a separate Cabinet declaration, both issued at November 5<sup>th</sup> 2004. The Cabinet declaration persists in the abolishment of the tax deductibility of contributions for early retirement in 2006, though at the same time it includes a formal commitment to the introduction of a life-course savings scheme.<sup>15</sup> Individual employees are granted the individual right to accumulate 210% (in stead of the earlier proposed 150%) of their annual salary, which enables the person involved to spend three years of leave on 70% of that salary. In actual practice, the life-course scheme may be used for the income support of all kinds of subsequent labour market transitions. For example, persons may use this balance for early-retirement at 62 year, or for interrupting their career at earlier age to take care of children or the elderly, or to spend time on education or voluntary work. Persons may accumulate their individual disposal by saving an annual maximum accrual percentage of 12% of the annual income during 17.5 years. The Cabinet supports this provision by lifting income tax and by providing a reduction on the levy (*heffingskorting*) of EUR 183 per year for each year of participation. This tax credit will be indexed on an annual basis.

In contrast to the earlier proposal of the cabinet stated in May, a level playing field has been realised, because under the new regime, representatives of employers and employees may be willing to make different kind of arrangements that can result in non-tax-exempt life-course schemes. The social partners may also agree by collective agreement that a contract for a life-course scheme will be entered into with a commercial provider. In the November agreement -unlike the May proposals- not only banks and insurance companies, but also pension funds, pension administrators and their subsidiaries may offer such contracts. This implies that pension funds, where unions take 50% of board responsibilities, have the full right to become a player in the further development of such life-course schemes (in the second pillar of the pension scheme). All parties will be subject to the same statutory obligations, which guarantees a level playing field where agreements are to be negotiated in the various sectors of activity.

The agreement implies that the formal date of pensioning is still fixed at 65 years, though in practice employees can still retire at 63 years, when they have 40 years of work experience. Yet, if they have built up a life-course savings scheme and apply this to its fullest extent, they are able to retire three years earlier at the age of 60 at 70% of their last salary. As before, an employer's permission will continue to be required when employees take any leave

---

<sup>15</sup> See the text of the government declaration.

other than on the basis of statutory leave entitlements or arrangements stipulated in collective agreements.

In addition, though outside the scope of this paper, this broad ‘headline’ pact (in terms of Hancké and Rhodes, 2005) between the government, the trade unions and employers’ associations entails agreement on several other major policy dossiers. The trade unions were keen to agree on the Dutch occupational disability insurance act (*Wet op de arbeidsongeschiktheid, WAO*), where they felt seriously affronted by the cabinet that in earlier instances had ignored a unanimous proposal by the Social Economic Council (SER) on this issue. Now, the SER advisory report will be adopted almost in its entirety, implying that fully disabled persons as before are guaranteed a 70% social benefit provision, whereas the reinsertion of partially disabled persons will be regulated by a new legislation. Furthermore, a proposal for the revision of the Dutch unemployment insurance Act (*Werkloosheidwet WW*) was not implemented in the Cabinet declaration, but was extended in time for further study until April 2005. The cabinet also calls upon collective bargaining actors to establish employers’ contribution schemes to child-care in those sectors where such provisions are lacking. The price to be paid by the unions in the Autumn agreement, is to be ‘very restrained’ in their wage demands for the collective bargaining round in 2005. The cabinet on its turn will withdraw its threat, expressed in the summer of 2004, to only selectively declare part of the stipulations within collective agreements generally binding.

The Autumn accord was above all received with relief in a period of social economic uncertainty and social unrest in the Netherlands.<sup>16</sup> The trade unions claimed the ‘Museumplein agreement’ to be a major victory of a workers movement that is still alert and highly influential. The Minister of Social Affairs and Employment kept talking about the ‘Barrack-agreement’ (*karzerne-akkoord*), named after the place where secret negotiations were kept, as a fair compromise between ‘individual choice and solidarity’ (Het Financieele Dagblad november 2004).

In the parliamentary debate in both the Upper and Lower House, the life-course scheme received political support from all major political parties. Nevertheless, the political opposition and some commentators detected two design errors in the life-course scheme. The first argument was that the employer is not allowed to specify the application for particular categories of staff; on the contrary, the regulation is only meant as a general provision, which may discourage or block the introduction of the scheme for partial groups of employees who, in theory, could benefit from it. Another criticism raised concerns about the continuity of the already existing wage-savings-scheme (*spaarloonregeling*), alongside the life-course scheme, which is also fiscally supported by the Cabinet. The new regulation does not allow the transfer of money from the one into the other regulation, which hinders capital accumulation in the life-course scheme.

We expect that the implementation of the life-course scheme will be dependent upon negotiations in collective bargaining processes in the years to come. We foresee that in the short-run the trade unions will try to use decentral negotiations to safeguard early retirement as much as is possible. Soon afterwards, life-course schemes will most probably be developed in collective bargaining. The new government regulation allows negotiators new trade-offs between stipulations on time and money in collective bargaining. Given the retrenchment of early retirement-premiums, we estimate that on average 3-6 percent of the wage-sum may become available for individual capital accumulation. In addition, the unions will probably start lifting labour time reduction, and allow longer opening hours, more weekend and irregular work in *exchange* for additional savings into the scheme by establishing sector-wide

---

<sup>16</sup> Note that the agreement was signed three days after the film-director Theo van Gogh was murdered in Amsterdam, which resulted in a wide and fierce debate on the failure of the notion of a multi-cultural society in the Netherlands

and enterprise-wide life-course funds. Such collective funds will be negotiated both at enterprise and sector-level, in a similar structure as the current risk-funds, R&D-funds and the pension-funds in many collective agreements. The individual life-course schemes will then be covered by a collective framework-contract that is ruled by pension funds and individual social partners. Such behaviour will overcome the resistance of for instance the Association for small and medium-sized enterprises (MKB-Nederland) that has stated that it will not enforce the regulation, or the resistance of larger banks, that until now have defended their solid wage-savings-scheme (*Spaarloonregeling*). We estimate that the life-course scheme, however, has more economic potential than the wage-savings-scheme given the fact that 210% of an income may be saved. Depending upon local bargaining strength, trade unions and employers' representatives will strike deals for income maintenance, especially when people face the income consequences of the new emerging social risks in the labour market.

## 7. Conclusion

The Dutch corporatist welfare state is under revision because of the ageing of the labour force, the need for keeping human capital up-to-date and to enable the participation of the aged work-force, of women and vulnerable groups in the labour market (Bovenberg, 2003). Due to the austerity of public budgets, the conflict in the representation of these interests needs to be resolved in the public arena. Not only the coalition government but also the ideas expressed by the scientific bureaus of political parties, the advisory bodies of the government, such as the Dutch Family Council and the Social and Cultural Planning Office, the trade unions and employers' associations, as well as private banks, insurance companies and pension funds, play a role in this policy debate. This debate has culminated into a complex and unfortunate interrelation between early retirement reform, the introduction of a life-course savings scheme and the market creation for social insurances. The management of social risks, the labour market regulation, tax policy and welfare state reform thus appear to be closely intertwined.

During the parliamentary debate on the government proposals for the curtailment of early retirement and the introduction of a life-course saving arrangement, it once again has become manifest that the underlying views on work and care in the Netherlands have been changing; personal development became much more important to working people, particularly during the economic boom of the late 1990s. The concept of personal development should be interpreted broadly. The point is not what employees are earning or the status of their job, but how they can achieve personal growth in their work and which experience they can gain. A further concern is how best to combine activities, at work and in private life. Working has become more of a personal project than it was in the past. Also, from this angle a combination scenario is developing where people combine work and care, or work and training at the same time. This led us to conclude that the nature of social risks is changing.

In answer to our general question we may conclude that social actors both in politics and in industrial relations define both external and internal susceptible social risks in the labour market as their responsibility. We have explained how after a number of cases with repair legislation, a political debate has emerged on the future of the social insurance system. Within this system, the attention is shifting from saving to investing, from collective to individual responsibilities, and from external to susceptible risks as to guarantee an income provision during the life-course. This paper has reviewed various variations on such a model as well as requirements for its success. We have shown that after fierce resistance of the trade unions, and subsequent lengthy negotiations with the social partners, the government changed its original proposals and negotiated a social pact according to which it will now introduce an *individual* life-course savings scheme in exchange for a more restricted access to the

*collective* early retirement pension. The Cabinet's proposal creates a principle provision for income maintenance during *transitions* periods, with the aim to bridge the interest of the younger and elder cohorts on the labour market. It also guarantees intergenerational solidarity, by putting responsibility for capital accumulation in individual hands at the price of restricting the public responsibility for tax alleviation of collective pension contributions.

We have outlined that the introduction of the life-course scheme creates many opportunities for innovative collective bargaining as well as the establishment of framework agreements that allow for the introduction of individual savings schemes, which support employees in the management of their particular social risks. We stress however that the emancipation effects of the life-course scheme in the short turn will appear to be meagre, when they are not followed by further capital accumulation and savings for younger cohorts and by more accessible arrangements for childcare and caring for the sick and elderly, which spreads savings and income more effectively over the life-course.

## References

- Centraal Bureau voor de Statistiek, Enquête Beroepsbevolking, internet.
- Commissie LeGrand 2003. Commissie implementatie opleidingscontinuüm en taakherschikking, Den Haag: Ministerie van Volksgezondheid, Welzijn en Sport.
- Cuyvers, P.2000. You can't have it all, at least at the same time: Segmentations in the modern life-course as a treat to intergenerational communication and solidarity, in: European Commission: Family issues between gender and generations, Luxembourg: Office for Official Publications of the European Communities, 30-43.
- De Beer, P.T. 2001. Werken in de postindustriële samenleving, Den Haag: SCP.
- Bovenberg, A.L. 2003. Levensloop en sparen: investeren in nieuwe zekerheid, in: Tijdschrift voor sociale wetenschappen, 46 (4), 63-85.
- Esping-Andersen, G. 1990. The three worlds of welfare capitalism, Cambridge: Polity Press.
- Esping-Andersen, G.1999. Social foundations of post-industrial economies, Oxford: Oxford University Press.
- Ester, P. and H. Vinken 2000 Van later zorg. Verwachtingen van Nederlanders over arbeid, zorg en vrije tijd in de 21<sup>e</sup> eeuw, Tilburg: OSA/Globus.
- European Commission 2000. Declaration by European Council of Ministers, Lisbon, April 2000.
- Ferrera, M., and A.C. Hemerijck, M. Rhodes 2003. Recasting the welfare state, in: J.Hayward and A. Menon (eds.), Governing Europe, Oxford: Oxford University Press, 346-366.
- FNV, Federatie Nederlandse Vakbeweging 2003. Discussienota Levensloop en Prepensioen, Amsterdam: Stichting FNV Pers.
- Gibbons, M. et al. 1994. The new production of knowledge, London: Thousand Oaks.
- Giddens, A.1998. The Third way: the renewal of social democracy, Cambridge: Polity Press.
- Heinz, W.R. and H. Krüger 2001. Life-course: innovations and challenges for social research, in: Current sociology, 49 (2), 29-52.
- Hacké, B. and M. Rhodes 2005, EMU and labour market institutions in Europe: On the rise and fall of social pacts, in: Work and occupations, vol. XX, 1-33.
- Heuvel, N. van den, and P. van der Hallen, T. van der Lippe, J. Schippers (eds.) 2003. Diversiteit in levenslopen: consequenties voor de arbeidsmarkt, Den Haag; Reed Business Information.
- Hövels, B. and P. den Boer, J. Frietman 1998. Kritische vaardigheden voor de arbeidsmarktpositie van laagopgeleiden, paper voor de OSA-conferentie: 'Kwalificaties voor laaggeschoold werk', Nijmegen: Instituut voor Toegepaste Sociale Wetenschappen.

- Keuzenkamp, S. and K.Breedveld, S.Hoff, A.Oudejans, W.Portegijs, A.Soede, J.M.Wildeboer Schut 2004. Een EER voor de levensloop. Den Haag: SCP.
- Koopmans, Y. and A. Jaspers, T. Knijn , J. Plantenga 2003 Zorg in het huidige stelsel van sociale zekerheid en pensioen, Utrecht: De Graaff.
- Kohli, M. 1986. The world we forgot: a historical review of the life-course, in: V.W.Marshall (ed.), Later life: the social psychology of aging, Beverly Hills, CA: Sage, 271-303.
- Korver, T. and P.Oeij 2003.Van baan naar loopbaan: op weg naar een werkbare transitionele arbeidsmarkt, in: N.van den Heuvel and P. van der Hallen, T. van der Lippe , J.Schippers (eds.), Diversiteit in levenslopen: consequenties voor de arbeidsmarkt, Den Haag: Reed Business Information, 61-82.
- Leijnse, F. 2001. De gevarieerde verzorgingsstaat, Amsterdam : Vossiuspers UvA.
- Leijnse, F. and K. Goudswaard, J. Plantenga, J.P. van den Toren 2002 Anders denken over zekerheid, Den Haag: Ministerie van Sociale Zaken en Werkgelegenheid.
- Meer, M. van der 2004. Koördinierte Dezentralisierung der Tarifpolitik in den Niederlanden, in: Sonderheft WSI-Mitteilungen, nr.7.
- Meer, M. van der and J. Visser, T. Wilthagen 2005, Adaptive and reflexive governance, the limits of organized decentralization?. Forthcoming in special issue on Governance, European journal of industrial relations.
- Min EZ, Ministerie van Economische Zaken 2003 Nota Kenniswerkers, Den Haag: to be published.
- Min SZW, Ministerie van Sociale Zaken en Werkgelegenheid 1995 Sociale Nota 1996, Den Haag.
- Min SZW, Ministerie van Sociale Zaken en Werkgelegenheid 1996. Sociale Nota 1997, Den Haag.
- Min SZW, Ministerie van Sociale Zaken en Werkgelegenheid 1997. Nota Kansen op Combineren, Den Haag.
- Min SZW, Ministerie van Sociale Zaken en Werkgelegenheid 1998. Sociale Nota 1999, Den Haag.
- Min SZW, Ministerie van Sociale Zaken en Werkgelegenheid 2002. Verkenning levensloop, Den Haag.
- NGR, Nederlandse Gezinsraad 2001a. Gezin: beeld en werkelijkheid, Signalement 1, Den Haag: Nederlandse Gezinsraad.
- NGR, Nederlandse Gezinsraad/ Centraal Bureau voor de Statistiek 2001b. Levensloop en Gezin, Voorburg: CBS.

- OECD 2003. Historical statistics, Paris: OECD.
- OECD 1993. Employment Outlook, Paris: OECD.
- Pott-Buter, H. and K.G.Tijdens 1998. Vrouwen leven en werk in de twintigste eeuw, Amsterdam: Amsterdam University Press.
- Ribberink, J. 1998 Leidsvrouwen en zaakwaarneemsters: een geschiedenis van de Aktiegroep Man Vrouw Maatschappij (MVM), 1968-1973, proefschrift, Hilversum: Verloren.
- ROA, Researchcentrum voor Onderwijs en Arbeidsmarkt 1999. De arbeidsmarkt naar opleiding en beroep tot 2004, Maastricht: Researchcentrum voor Onderwijs en Arbeidsmarkt
- Rümke, H.C. 1968 [1938] Levenstijdperken van de man, Amsterdam: Arbeiderspers.
- Sainsbury, D. 1996. Gender, Equality and Welfare States, Cambridge: Cambridge University Press.
- Schmid, G. 2000. Transitional labour markets: a new European employment strategy, in: B.Marin, D.Meulders, D.J. Snowers (eds.), Innovative employment initiatives, Aldershot: Ashgate, 223-254.
- Schmid G., and K. Schömann 2004. Managing social risks through transitional labour markets: towards a European social model. TLM-net working paper, nr 2004-1.
- SCP Sociaal en Cultureel Planbureau 2000. Emancipatiemonitor 2000, Den Haag: SCP
- SCP, Sociaal en Cultureel Planbureau 2004. In het zicht van de toekomst - sociaal en cultureel rapport 2004, Den Haag: SCP.
- SER Sociaal-Economische Raad 2001 Levensloopbanen: gevolgen van veranderende arbeidspatronen: Rapport van de Commissie Sociaal-Economische Deskundigen, Den Haag: SER.
- SER Sociaal-Economische Raad 2000. Pensioenkaart van Nederland, Den Haag: SER.
- SER Sociaal-Economische Raad 2003. Werken aan Arbeidsgeschiktheid, Advies nr. 05, Den Haag: SER.
- Steijn, B, 2001 Werken in de informatiesamenleving, Assen: Van Gorcum.
- Thomas W.I and F.Znaniiecki 1920. The Polish peasant in Europe and America, Illinois: University of Illinois press.
- Winsemius, P. and L. van Driel, F. Leijnse, K. Vuursteen 2001. Naar een nieuwe maatschap, Den Haag: Ministerie van Economische Zaken.
- Schuyt, K. 1997. Sociale cohesie en sociaal beleid, Amsterdam: De Balie.

Visser, J. 2002. The first part-time economy in the world: a model to be followed?, in: Journal of European Social Policy 12 (1), 23-42.

Visser, J. and A. Hemerijck, 1998. Een Nederlands Mirakel: beleidsleren in de verzorgingsstaat, Amsterdam: Amsterdam University Press.