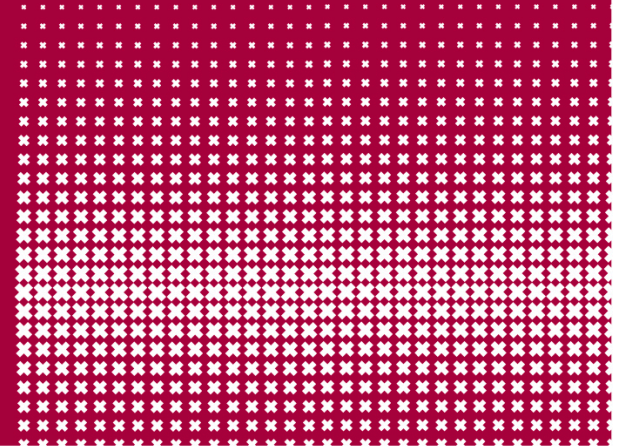




Negotiating wage inequality: The Netherlands



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'Hidden' outcomes wage inequality in apparent institutional stability

Still low sector differentiations in collective wage increases

- FNV (largest trade unions confederation) determinates yearly 'maximum' wage demands for negotiations in sectors.

High varieties in wage inequalities at decentralized levels

- high cross-sector variety in negotiating payment principles and wage levels;
- trade unions (and employers) are challenged by growing numbers of low-wage workers NOT under collective bargaining at all or with low standards in collective agreements.

Hourly de facto payments before tax, in deciles, 2013, 4 sectors

	Metal N=140,650	large retail N=454,090	Banking N=118,140	Education N=547,350	Total NL N=8391,020
1e	8.05	4.28	10.42	13.35	5.34
2e	16.77	5.82	19.58	19.20	10.68
3e	19.11	7.07	23.80	21.40	13.24
4e	21.03	8.63	26.90	23.75	15.57
5e	22.97	10.84	30.01	26.61	18.20
6e	25.13	12.89	34.18	28.72	20.82
7e	27.71	14.54	39.40	31.17	23.52
8e	31.36	16.23	46.00	34.86	27.16
9e	37.62	19.74	56.07	40.65	32.88
10e	66.73	41.93	101.36	58.91	58.62
9th/2nd	2.24 (*3)	3.39 (*1)	2.86 (*2)	2.12 (*4)	3.08
10 th /1 st	8.28	9.79	9.73	4.41	10.98

Education sector (NL)

- High wage equality
- CLA: salaries 1,500-8,000 monthly
- Bargaining including directors
- Legislation max. toplevels (2013)

- FNV aims levelling out vertical inequality, f.e. through wage increases by absolute amount lower groups

Metal industry (NL)

- Moderate wage equality
- CLA: salaries 1,800-3,500 monthly
- 20% top not included
- New low paid contracting

- FNV aims inclusion of higher paid workers in collective bargaining and equal pay for flex workers

- Employers aim opening clauses at company and individual levels

Banking sector (NL)

- Low wage equality (top)
- European guidelines on bonus systems changed pay systems (less variable, more fixed)
- Trade unions have no say and no power to lower (excessive) top salaries
- FNV: guideline of max ratio 1:20 lowest-highest salary (but *ING Bank's* ratio is 1:60.)

Supermarkets (NL)

- Lowest wage equality (low)
- Business model based on extreme low youth wages
- FNV did not sign CLA's after 2013:
 - Low collective wage increase
 - Reduced allowances inconv. hours
 - No willing employers to increase youth wages

Conclusions in the Dutch cases

- Bias on collective wage increases in negotiating wage equality, but:
 - Absolute amounts are very small for low paid workers;
 - Bogus self employed and labour contracting not under CLA;
 - Integration of the lowest and highest paid workers in wage bargaining is relevant.

- Very high diversity **between sectors** in wage bargaining/inequality: ‘sectoral varieties of capitalism’ within national neo-corporatism

- Too much inequality is controversial, but low bargaining activities:
 - Trade unions’ actions are limited public campaigns