

# State of decent work 2019

Inspectorate SZW, October 2019  
This is an overview of  
the "State of decent work",  
For more information: [www.inspectieszw.nl/](http://www.inspectieszw.nl/)  
[www.inspectorateszw.nl](http://www.inspectorateszw.nl)

## Risks at the bottom of the labour market

Even though the economy is booming, the Inspectorate SZW is seeing a pile-up of risks for those at the bottom of the labour market. In particular low-waged workers with a flexible contract and low-paid, self employed workers may experience: underpayment, long working hours, illegal employment and exploitation. This group of workers is quite large: more than 10% of all employed people in the Netherlands. They are also more likely to be subject to unsafe and unhealthy working conditions, such as heavy physical work and exposure to dangerous substances. This group is also more likely to apply for benefits under the Unemployment Insurance Act, social assistance and disability benefits. All of which points to an accumulation of labour related, social security and social security risks.

### Estimates of the group of workers with a vulnerable labour market position

878.000

Employed



708.000

Flex contract and less than 130% of the minimum wage



170.000

Self-employed with a poor financial position

75.000

Job-seekers



75.000

Actively seeking work for longer than one year

### The problems surrounding decent work



33%

Rise in persons reporting complaints regarding working conditions legislation

Including:

- the Foreign Nationals Employment Act (Wav)
- the Minimum Wage and Minimum Holiday Allowance Act (WML)
- the Working Hours Act (ATW)
- the Placement of Personnel by Intermediaries Act (Waadi)



Increase since 2015 especially under Wav and WML



100 (2017) to 138 (2018)

Rise in the number of investigations containing potential signals of labour exploitation

Creating disadvantages for employees and an unlevel playing field for employers. Many different schemes set up to avoid fair working conditions:



underpayment



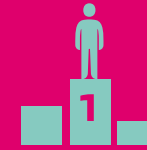
long working hours



exploitation

## 7

### Mechanisms that hinder decent work on the labour market



1 Increasing international competition in certain sectors, leads to downward pressure on prices and wages.

2 Free movement of people and services contributes to a large international supply of cheap labour.



3 Digitalisation and a growing demand for convenience services stimulate growth of the platform economy which leads to risks regarding the protection of employees.

4 The many types of labour relations permitted contribute to the potential for underpayment and dubious employment schemes.



5 Stimulating entrepreneurship and the possibility of turbo liquidations create opportunities for casual volatile entrepreneurship.

6 Social security benefit levels and the low perceived chance of getting caught create space for undeclared work an abuse of benefits.



7 The presence of vulnerable groups on the labour market increases the risks of exploitation, serious disadvantage and criminal mistreatment of employees.

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## Risks at the bottom of the labour market

	 Vulnerable labour market position	 Heavy physical work	 Hazardous work	 Hazardous substances	 Psychosocial workload (PSA)
<b>Hospitality</b>	41%	57%	4%	51%	54%
<b>Agriculture and fisheries</b>	23%	65%	5%	30%	28%
<b>Trade</b>	16%	53%	3%	17%	45%
<b>Commercial services</b>	14%	38%	3%	21%	42%
<b>Cultural and other services</b>	12%	38%	2%	26%	42%



### The number of employees with a low income and flexible employment



### The relationship between a vulnerable labour market position and the application for social security benefits

Employees with a low income and/or a flexible employment relationship have a bigger chance of applying for social security benefits within twelve months in comparison to employees with a higher income and a permanent contract.

Those with fewer years of education, young people, and workers with a non-Dutch background have a relatively higher chance of applying for social assistance benefits.



**WW influx** (7.4% vs 2.9%)

an increase of **2.5 X** 



**Social assistance influx** (2.4% vs 0.3%)

an increase of **8 X** 



**Work disability influx** (2.7% vs 1.6%)

an increase of **2 X** 