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Web Appendix: Negotiations on Socioeconomic Issues and Outcomes in the Low Countries, 1990-2010

Belgium

Year	Outcome of negotiation
1990	Government imposes socioeconomic and macroeconomic policy on social partners to qualify for the EMU. The process was not consensual. Failed coordination by/between the social partners and the national/federal government takes over incomes policy.
1991	See 1990.
1992	See 1990.
1993	Government imposes socioeconomic and macroeconomic policy on social partners and takes over incomes policy, based on EMU requirements. The process was not consensual. Failed central coordination by/between social partners and national/federal government (government tries to form a tripartite pact on national competitiveness, employment and welfare, but socialist unions oppose and talks do not even start).
1994	See 1993.
1995	Government imposes socioeconomic and macroeconomic policy on social partners and takes over incomes policy, based on EMU requirements (EMU used/framed by Dehaene II cabinet to reform welfare state and to reduce debt but also as a collective endeavor of government and social partners. This did not induce trade unions to cooperate with the government and the employers).
1996	Law on the 'Promotion of Employment and the Preventive Safeguarding of Competitiveness' (institutionalization of policy of wage moderation and calculating social benefits and employment conditions on the basis of economic criteria, whereby wage costs increases should remain below the average cost growth in France, Germany and the Netherlands – meeting EMU criteria is background of this 1996 law).
1997	See 1996.

1998	See 1996.
1999	Social partners and the government come to an agreement based on the proposal Central Economic Council (CEC) expert group. Government reduces social security contributions by social partners as part of the deal. Central agreement on wages and other issues for two years.
2000	See 1999.
2001	See 1999.
2002	See 1999.
2003	See 1999.
2004	No (central) agreement on wages etcetera in 2004 and 2005. Government takes over incomes policy based on draft agreement that was rejected by socialist union(s), but delivers an additional 225 million Euro to reduce social security contributions by social partners (and finance a number of other issues) as part of the package.
2005	See 2004.
2006	See 2004.
2007	Central agreement on wages and other issues for 2006 and 2007 (promotion flexible working time arrangements by cutting overtime costs; government reduces social security contributions as part of the deal).
2008	Social partners conducted an agreement, 'contribution to the recovery of trust', which became integrated in the federal government crisis plan for countering the economic downturn. Central agreement on wages and other issues for 2008 and 2009 (promotion of flexible working time arrangements by cutting overtime costs).
2009	See 2008.
2010	See 2008.

Sources: Boucké and Vandaele (2002); Cox (2005); Deschouwer (2006); Eironline (2007); Enderlein (2007); Grote and Schmitter (2003); Hancké and Rhodes (2005); Hemerijck et al. (2000); Houwing and Vandaele (2011); Jones (2002); Keman (2003); Swenden et al. (2006); Vandaele and Boucké (2005); Woldendorp (2011b).

The Netherlands

Year	Outcome of negotiation
1990	Tripartite Central Agreement (<i>Gemeenschappelijk Beleidskader</i> - Joint Policy Framework). The process was not consensual; decentral negotiations characterized by strikes and other conflicts, yet ended in compromises.
1991	Agreement between trade unions and employers (pressed by the government) on sick leave, disability and employment for ethnic minorities. Between July and October 1991, disability crisis. Lubbers III (CDA, PvdA) proposed to reduce both the percentage of last earning and duration of benefits, broadened the definition of suitable employment and made the exchange between days on sick leave and holidays compulsory. The process was not consensual. Employers and “crown” members of the SER wanted to limit disability benefits (duration and level); trade unions opposed. Broader definition of suitable employment was acceptable to most trade unions, employers and the “crown” members.
1992	Government refrained from reducing duration of disability benefit, but did reduce the benefit level. Existing benefits were frozen rather than reduced. All collective agreements that increase benefit percentages to 100% (sick leave) or 80% (disability benefits) had to be renegotiated, which was typically won by the unions. The process was not consensual. Trade unions clashed with government on its policy on disability and sick leave, and started a series of demonstrations and strikes.
1993	Faced with deteriorating economic prospects, the government got the unions and employer organizations to agree on a bipartite central agreement on a wage pause to formulate joint policies to boost employment and reduce unemployment. Negotiations on disability benefits should according to the employers be placed in the context of the EMU and its consequences for the Dutch consensus economy (<i>overleconomie</i>). A unanimous recommendation of the SER aims at revitalizing the Dutch consultation economy (i.e. more rather than less “consensus politics” due to EMU/EU integration in the context of a deteriorating economy).
1994	Bipartite Central Agreement (<i>Nieuwe Koers</i> - A New Direction), aimed to restore profitability of business and to increase employment (both jobs and people). Employers resisted collective reductions in working hours, trade unions agreed to further decentralization, differentiation and flexibilization.
1995	FNV distanced itself from – originally unanimous – SER recommendation on socio-economic policy for the new government’s term and rejected the continuation of austerity policy of budget cuts to comply with the EMU criterion of max. 3% deficit and no more than 60% debt. FNV accused by other parties of hurting the consultation economy. No Central Agreement but

	agreement on investigation on how to create more jobs.
1996	Extension of 1991 Central Agreement. In exchange, government ceased its policy of making collective contracts only provisionally binding. Decentral bargaining on incomes policy resulted in compromises.
1997	Trade unions and employers re-affirmed their commitment to the 1994 bipartite Central Agreement and the 1991 and 1996 bipartite Central Agreements.
1998	New bipartite agenda for contractual negotiations in the coming years (Agenda 2002), based on the 1994 bipartite Agreement with an added issue: continuous investment in adaptability of companies and employees.
1999	Trade unions and employers concluded a series of Central Agreements with each other and with the government. These both re-affirmed previous agreements and the adoption of new policy issues like childcare. Trade unions and employers end consultations with government in response to the latter's plan to oust them from the new organization that implements social security benefits. A compromise patched up the relationship: existing bipartite organizations were reorganized into one quango, but trade unions and employers remained involved in an advisory capacity.
2000	Negotiations took place on the decentral level and proceeded smoothly against the backdrop of a booming economy and government policy to boost the buying power of the lower paid.
2001	Bipartite Central Agreement on wage moderation to reduce risk of spiraling wages and prices. Government implemented its own agenda on social security reform, against that of the social partners.
2002	Central negotiations heavily influenced by 9/11; social partners decided not to adjust the bipartite Central Agreement 2001 on wage moderation.
2003	Government rejected unanimous SER advise on disability benefits and unilaterally implements only part of the compromise. After difficult negotiations, a bipartite Central Agreement was concluded. The process was not consensual. Social partners disagreed on the partial implementation of the SER advise on disability benefit reform.
2004	After very difficult negotiations, a bipartite Central Agreement for 2004 and 2005 was concluded. The process was not consensual. Negotiations followed the line of the 2003 negotiations, but with even more conflicts, especially the trade unions versus the government (e.g. week of actions by FNV).
2005	After very difficult negotiations, declarations of social partners and the government were issued. The government made concessions with regard to the early retirement issue; largely took on board the SER recommendation on disability (WAO); delayed its policies with regard to

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- unemployment until a SER recommendation due before 1 April 2005 (provided the recommendation delivered the same amount of reduction as the government's original plans); and promised to declare collective agreements binding for industries and sectors. In return the government expected social partners to exercise the utmost restraint with regard to wages. The process was not consensual. Many trade union actions, including the biggest one since WWII on 4 October in which 300,000 people participated.
- 2006 Relations between social partners and between them and the government were slowly mended after the acrimonious years 2003-2005. The improving economic conditions and the change in leadership contributed positively. The "Job Top" was a new start and positively evaluated by all. In addition, the linkage had been restored and the wage freeze in the (semi-)public sector ended. Trade unions had to accept the irreversibility of the government's reform agenda and employers succeeded in getting the dismissal issue on the socioeconomic agenda.
- 2007 The government was relatively inactive. The budget was prepared by the caretaker government Balkenende-III (CDA, VVD). The new government Balkenende-IV (CDA, PvdA, CU) only started in February. The social partners disagreed on the dismissal issue. CDA minister of Social Affairs Donner managed to get it on the agenda by asking social partners' advice on his projected policies for 2008. Relations between social partners and between social partners and the government were improving further (especially after the change of government), but trade unions had to accept that the dismissal issue had been firmly put on the socioeconomic agenda.
- 2008 The report of the committee Bakker did not provide a solution for the dismissal issue that all actors could agree upon. In view of the looming crisis the government decided not to increase VAT, and, on the initiative of the employers, social partners agreed to a pacification of the dismissal issue.
- 2009 The economic crisis induced the government and social partners to conclude two tripartite Central Agreements based on a Keynesian government expenditure package. Social partners could not agree on the retirement age issue and relations between them deteriorated considerably.
- 2010 Despite soured relations between social partners due to the failed agreement on the retirement age, they patched up their differences and used the political lull in socioeconomic and macroeconomic decision-making after the demise of the government Balkenende-IV in February to come to a bipartite Pension Agreement in June, just before the general elections.

Sources: Woldendorp and Delsen (2008); Woldendorp (2011a, 2011b). See also Hendriks (2011) on the issue of wage restraint between 1975 and 2005.

Luxembourg

Year	Outcome of negotiation
1990	Wage indexation intact (employers were against; trade unions in favor).
1991	See 1990.
1992	See 1990.
1993	See 1990.
1994	Wage indexation intact (employers were against; trade unions in favor). Tripartite policies to decrease unemployment.
1995	Wage indexation intact (employers were against; trade unions in favor). Still, wage increases slightly below the rise in national productivity; possible because trade unions accepted the principle of gearing wage policy to competitiveness of business in the face of growing international competition and productivity.
1996	See 1995.
1997	See 1995.
1998	Trade unions, in cooperation with unions from Belgium, the Netherlands and Germany, want to base wage claims on a formula that combine costs of living changes with productivity improvements (cf. the Dutch situation). Wage indexation intact (employers were against; trade unions in favor), with wage increases slightly below the rise in national productivity.
1999	Wage indexation intact (employers were against; trade unions in favor), with wage increases slightly below the rise in national productivity.
2000	Wage indexation intact (employers were against; trade unions in favor).
2001	Social partners and the government discuss pensions based on ILO report that warned against structural increases of pensions that would be unsustainable financially in the future, but take decisions based on assumptions on economic growth, job and population increases of 5% annually. The employers were against the decisions taken. Wage indexation intact (employers were against; trade unions in favor).
2002	Despite a negative turn in the economy, wage indexation was kept intact (employers were against; trade unions in favor). The government reduced the increase in expenditure by postponing expenditure in infrastructural projects.
2003	Wage indexation intact (employers were against; trade unions in favor).
2004	Many tripartite discussions on all aspects of macroeconomic policy including automatic wage indexation, pensions and social security benefits. Wage indexation intact (employers were against; trade unions in favor).

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- 2005 Many tripartite discussions on all aspects of macroeconomic policy including automatic wage indexation, pensions and social security benefits.
Wage indexation intact (employers were against; trade unions in favor).
- 2006 Many tripartite discussions on all aspects of macroeconomic policy including automatic wage indexation, pensions and social security benefits. April: tripartite agreement on automatic wage indexation until 2010 (less items counted, later payment of increases), a zero wage increase for the public sector and delinkage of benefits and pensions and minimum wage from inflation (employers regret that no structural policies are implemented, like automatic wage indexation only for wages up to 1.5 times the minimum wage).
- 2007 See 2006.
- 2008 See 2006.
- 2009 See 2006. Trade unions warn that they will not pay the price for the crisis, that a solution needs their cooperation and stage a big demonstration on 16 May. Employers want cost reductions for business to improve competitiveness. Despite a decrease in government revenue, government and social partners decide on a Keynesian package of increased infrastructure expenditure to counter the short-term effects of the financial crisis. For 2010 and following years, government announced proposals to balance the budget by 2014.
- 2010 January: Automatic wage indexation reinstated again. Spring discussions between the government and social partners on the government's proposals to balance the budget by 2014 do not result in an agreement due to disagreement between social partners. Employers want cost reductions for business to improve competitiveness. Trade unions are opposed to welfare cuts. The main bone of contention was again the system of automatic wage indexation. Negotiations between the government and social partners were continued bilaterally. The government and the trade unions struck a deal on the wage indexation in September. The system would remain intact until 2014 but indexation would be suspended until October 2011. In return tax relief on travel expenses would not be reduced. The government and the employers could not agree on compensation for the increased minimum wage as on 1 January 2011.

Sources: Clément (2009, 2010); Dumont and De Winter (2002); Dumont and Hirsch (2003); Dumont et al. (2010, 2011); Falkner and Leiber (2004); Hartmann-Hirsch (2010); Hirsch (2008, 2010); OECD (2010); Reding and Wantz (2000); Thill and Thomas (2009); Tunsch (1998); Zahlen (2008).

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