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the mid-1990s, the Netherlands could be described as a 'happy deregulator.' Introducing flexibility into the labour market was seen as one of the important steps, together with wage restraint and a decreasing government sector, which turned the 'Dutch disease' into the widely-cited 'Dutch miracle' (Hartog, 1998; Visser and Hemerijck, 1997).

After the first oil crisis of 1973, the 'golden era' of strong economic growth and low unemployment in the Netherlands ended and was followed by a period with double-digit unemployment and low economic growth (Hartog, 1998). The unions were defensive and promoted work sharing as a remedy for unemployment. Early retirement and propaganda to keep women at home as full-time housewives were used to decrease labour supply.

In 1982, the so-called 'Wassenaar Agreement' was concluded on a national level between employers and union representatives. In retrospect, this agreement was the turning point for the Dutch economy. A key feature of the agreement was that unions agreed to lower wage demands in exchange for shorter working weeks.

Tijdens (1998) sees that flexibility in the labour market has been achieved internally as firms have gained increased rights to intensively use their regular labour force in times of increased demand without having to pay overtime premiums. Such a bargaining agreement was made attractive for the unions because it was accompanied by a shorter regular full-time working week. Van den Toren (1998) observes that half of the employees whose working conditions are determined by collective bargaining agreements have a 36-hour working week. About 30 percent of the employed are members of a union and collective bargaining agreements regulate working conditions for 80 to 90 percent of the Dutch labour force. This follows from the *erga omnes* clause that stipulates that bargaining agreements concluded for a specific industry are automatically extended to also non-members working in the same industry.

Although there is extensive job protection, flexible work arrangements in the Netherlands gained momentum since the early 1990s. Temporary work agencies have become a big business, and Dutch agencies such as Randstad have become multinationals. For instance, Randstad is the market leader in the Netherlands, Belgium, Germany, and in the Southeast of the United States (Randstad, 2001).