In June 2003, the Dutch Trade Union Federation (FNV) decided on major cutbacks and restructuring as a result of its poor financial position. Its budget is to be cut by a quarter, activities are to be reduced (notably at regional level) and up to 90 out of 240 jobs may be lost.

Persistent stock market losses in recent years, reducing the value of its investments (NL0206105F), have compelled the Dutch Trade Union Federation (Federatie Nederlandse Vakbeweging, FNV) to cut its annual budget of EUR 21 million by EUR 5.2 million and engage in cuts and restructuring. The decision was taken by the FNV federation council (representing member unions) on 10 June. The aim is for FNV to concentrate more on its core activities and at the same time become more flexible.

Out of 240 jobs at FNV, between 40 and 90 will be lost, while major cuts will be made in services and organisation. Seven regional offices will close and their tasks will be taken over by two support desks in the north and south of the country. As a result, FNV will cease to play a significant role in various local meetings and participate less in local advisory bodies. Subsidies to smaller unions will be ended, notably affecting the Women’s Union (FNV Vrouwenbond), which to date has received an annual subsidy of EUR 225,000. In recent years, this union’s membership has fallen and become older, but it intends to continue working independently without the subsidy. Despite service cuts, FNV’s popular tax service (helping members fill out their tax returns) will continue to function, while its departments for benefit recipients and older people will be retained. FNV intends to focus its activities on national and international consultation and policy issues, as well as lobbying, political activity and its coordinating role.

FNV plans to cut its workforce mainly by shedding older employees (aged over 55) on the basis of special arrangements for such workers – almost a fifth of the federation’s employees fall into this age category and this proportion also constitutes the maximum number of positions to be cut. The federation does not plan to apply the ‘last-in first-out’ principle to the job losses and intends to maintain the existing balance between men and women and the current proportion of immigrant workers. However, a redundancy plan has yet to be drafted and discussed with the FNV works council.

The coming cutbacks by FNV and its virtual withdrawal from regional-level work may well provide new trade unions with more room to expand. Because it is relatively easy to establish a trade union and conclude collective agreements in the Netherlands, new groups are increasingly attempting to do so, with some success (NL0112135F). In some cases older, dormant unions have been taken over and have concluded collective agreements. This enables unions to generate income through the union bargaining subsidy (vakbondstientje) – a contribution paid by employers covered by collective agreements to unions to meet the costs of the collective bargaining process (NL0211104F). As long as employees do not protest, the employers tend to agree to such developments. A well-known example is the conclusion of a collective agreement by the Landelijke Belangen Vereniging (LBV) with the General Association of Temporary Work Agencies (Algemene Bond voor Uitzendbureaus, ABU). Agreements concluded by established unions may be faced with competition from more advantageous agreements reached by new unions.