

## **SER COMMITTEE SUPPORTS GOVERNMENT STRATEGY TO DRIVE DOWN CYCLICAL UNEMPLOYMENT**

Press release regarding advisory report 2005-10

1 July 2005

The SER Committee on Social Security endorses the Minister of Social Affairs and Employment's strategy to drive down cyclical unemployment and the associated call upon unemployment benefits.

The Minister wants employers in five sectors (the construction, painting, agrarian and hotel & catering sectors and cultural institutions) to pay a contribution towards redundancy pay (*ww-wachtgeld*) for employees in their sector. The amount of the contribution would be linked to the duration of the employee's contract: a high rate would apply for employees with a contract of less than a year and a low rate for employees with a contract of a year or more. The SER Committee agrees with this approach, and adds that the sectors must be allowed to play a major part in determining the amount. In addition, the Committee argues for the introduction of a regulation for occasional work in the five sectors, to prevent the higher rate from applying to vacation work or work-study programmes.

These are the main conclusions of an advisory report drawn up by the SER Committee on Social Security, on behalf of the SER, and presented to the Minister of Social Affairs and Employment, Aart Jan de Geus. In addition, the Committee believes that the government should better distribute its construction projects over the course of the year, and that employers and employees in the various sectors should make efforts to manage projects in such a way that the work is more evenly allocated. The Committee therefore proposes that the Council for Work and Income create an overview of the possibilities for better distributing government projects throughout the year, within the framework of local labour market policy. Furthermore, the Committee asks the government for the opportunity to investigate granting a bonus to projects commissioned during the period of cyclical unemployment. The Committee believes that it is in these three ways – through differentiated contributions to redundancy, a better distribution of projects over time, and a more even allocation of work – that cyclical employment can best be driven down.

### **Cyclical and seasonal unemployment**

The Minister's proposals and the SER advisory report bring to an end the current distinction between cyclical and seasonal unemployment. Cyclical employment is employment in which a period of work alternates with a period of unemployment in a fixed cycle. Seasonal employment is cyclical employment that, purely due to weather conditions, can only take place part of the year.

Under the current policy, workers who are seasonally unemployed are entitled to unemployment benefit for the period in which they do not have work, but workers affected by cyclical unemployment do not have the same right. Determining the boundary between cyclical and seasonal unemployment makes implementing the current regulation difficult.