

# The FNV ‘Industribution’ Project

## Trade Union learning in the Netherlands

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Projects initiated or supported by the regional branch of the Dutch FNV trade union confederation have introduced the concept of using “regional policy space”. Moreover, in the early 1990s these projects seemed able to halt the erosion of the confederation’s power. This article describes and analyses the “FNV industribution project”, focusing on the physical part of Value Added Logistics (VAL), aiming to cover this “white spot” with a social infrastructure. After five years of preparation, the project was launched in 1996. As four FNV unions were involved, FNV regional officers logically took the co-ordination role. This role was phased out with the amalgamation of these unions in 1998, while the new, unified union abolished their regional structures: the role of FNV officers as labour market specialists did not supply enough added value. An evaluation conducted in mid-2000 showed that the basis for a social infrastructure was laid, and that the union position was strengthened in two out of the four regions involved. Promising new ways of union working were developed, but the related learning effects were rather limited to individual regional officers. The virtual absence of organisational learning can be partly attributed to factors like the need for project management to concentrate on (external) funding, and partly to the rapid disappearance of FNV regional officers from the project.

**Keywords:** Trade unions, regional policy, evaluation, competence development, organisational learning

### 1. Introduction

The national trade union confederations have traditionally held a strong position in the Dutch trade union landscape. Following the principles set out at

the end of the 19th century by Henri Polak, the Socialist confederation and its unions and, later, their Catholic and Protestant counterparts, were based on strong internal discipline, full-time paid officials, adequate central strike funds, and high membership subscriptions. After the Second World War, centralisation was further reinforced by co-operation between the three “recognized” confederations, and by the setting up of the machinery of the Dutch consultative economy to include the union confederations. The Foundation of Labour (StAr, bipartite, a foundation under private law, founded in 1945) and the Social-Economic Council (SER, tripartite, governed under public law, 1950) were and still are its main institutions.

Since about 1985, however, the power of the union confederations has gradually eroded. In particular, the “added value” of the largest confederation, the Socialist/Catholic *Federatie Nederlandse Vakbeweging* (FNV, 14 constituent unions with 1.2 million members) has been questioned from within the union movement. The amalgamation of four major unions (manufacturing industry, food, services, and transport) into “FNV Bondgenoten” (“FNV Allies”) in 1998 saw the formation of a bloc of over 40% of total FNV membership. In 1999, both FNV Allies and *AbvaKabo*, the FNV civil service union with another 22% of FNV membership, withdrew from the FNV legal service centres and started providing their own services to members. This was a major indication of the erosion of central union services.

At national level, the union confederations still play a major role in the consultative machinery, yet after losing seats in social insurance and labour market bodies in the 1990s, their formal positions are now more concentrated in the SER and the StAr than in the preceding 40 years. Moreover, the rationale of the SER in particular has come under fire in recent intellectual and political debates, although regular surveys still show a widespread acceptance of and (passive) support for the trade union movement among the Dutch workforce. Figures can illustrate the huge gap between union acceptance and membership in the Netherlands: 78% of Dutch private-sector employees are covered by collective agreements, nearly three times the fraction of unionised employees, which is about 28% (on Dutch industrial relations see Visser and Hemerijck 1997; Visser 2000).

Surveys also point to the fact that popular support for the Dutch unions is even stronger at regional level, and this is the central focus of this article. The FNV confederation maintains a significant regional presence, with a rather small but highly active regional apparatus. From the FNV viewpoint, regional “policy space” should be used for developing a regional consultative economy,

more or less similar to consultation at national level, which is referred to as the “polder model”. The FNV strategy can be situated within this model. This does not imply consultations at any price, however. In the FNV’s view, regulation of the “polder” may also demand tough negotiations and conflicts (Roozmond 1999).

This strategy also holds true for the regional level. In their Political Programme 1997–2001, the FNV Board called for a strengthening of the position of the FNV in regional social-economic policies. Optimisation of the regional consultative economy, it was suggested, could be achieved by strengthening (a) the autonomous regional policy level, (b) the influence of outcomes of the regional consultations at national policy level, and (c) the effects of national arrangements and agreements of SER and StAr at regional policy level. Regional FNV activities should have an “added value” for both regional development and for national FNV policies. It might be assumed that these effects are interlinked, but this is not a hard and fast rule. In my view, creating such added value cannot be separated from processes of organisational learning by and within the trade union organisation. Therefore, following Huzzard (2000), I shall analyse the various parts of FNV as learning entities, using an approach analogous to socio-technical systems theory (STST), which concerns the functioning of companies.

About 20 regional officers of “FNV Regiowerk” represent the FNV confederation in a large number of bodies, varying from Chambers of Commerce, the ten regional Social-Economic Councils to regional and local employment initiatives. The impact of the regional institutional settings declined somewhat in the 1990s. Representations became more *ad hoc*, temporary, and theme-oriented. Nevertheless, recent lists of the seven FNV regions still show 20 to 45 representations each. In the same decade, FNV officers undertook a number of initiatives for union, bilateral and trilateral projects. A number of these projects were connected with the revitalisation of regional “economic space”, and gave rise to the discovery of regional “policy space”. International research had already pointed to the potential of local and regional coalitions, with the potential to develop into more stable partnerships including the trade union movement (e.g. Piore and Sable 1984; Pyke and Sengenberger 1992; OECD 1993). Even in a small country like the Netherlands, attention to regional socioeconomic differences, regional policy cultures and regional networks can increase the effectiveness of socioeconomic policies. STZ Research clarified opportunities for regional coalitions, especially in relation to labour market issues (flexibility and security, mobility, skill development, employability), and

issues of urban planning, traffic and transport, and the environment (Bouwman and Hermanussen 1998; Hermanussen and Van de Camp 1999). Indeed, since 1997, FNV has chosen themes related to “work and income” (labour market, employment) in combination with “sustainable growth” (urban planning, traffic and transport) as central policy points at regional level.

This paper reports on the “Industriation” project of FNV as an example of a regional trade union project, and conclusions are drawn concerning trade union learning. The contribution follows this project in chronological order. It is mainly based on the research report “*De FNV en de Regionale Overleg-economie*” [The FNV and the regional consultation economy]: Van Klaveren 2001). Two other case studies, on the FNV Schiphol project and on the Rotterdam Mainport project, were also considered when formulating the conclusions and recommendations in this report.

Before commencing my description of the FNV Industriation project, I should first explain the odd term “industriation”. This term is a contraction of (manufacturing) “industry” and “distribution”, pointing to the physical part of the more well-known VAL (Value Added Logistics). VAL can be described as adding services to physical distribution activities, both non-physical (such as invoicing) and physical (such as packing, assembling and labelling). STZ defines the additional physical services as “industriation” (examples are given below).

Examples of industriation activities (cf. Bouwman *et al.* 1998):

- assembly of laser printers, disk drives, etc.
- pre-assembly of car parts
- reconditioning of shoes
- reconditioning of clothing
- gluing crystal figures on porcelain
- adding certificates
- testing and quality control of monitors, laptops, etc.
- assembly of software packages
- repair of articles returned directly to sellers
- repacking and conditioning of medical products
- assembling sales promotion articles for retailers

The trade union movement was not the only stakeholder interested in the development of this new phenomenon. Indeed, in the early 1990s, government departments and employer pressure groups strongly advocated the growth of industriation activities and predicted huge employment growth in the area. Such predictions neglected its social context, however. As project leader

Hidding stated in 1998, “the initial idea at the start of the FNV project was that a new sector was growing, evading social infrastructures”. She summed up: “Without collective agreements and other collective rights like pensions, with low wages and bad labour conditions, without any vocational training system, and with hardly any Works Councils. After all, at the time union density was depressingly low: a white spot in union country”. From 1995 on, FNV union leaders openly questioned whether a sector with such characteristics could in the long run develop into a stable pillar of the Dutch economy.

Even during the the 1980s, the main contours of this “white spot” had become visible to insiders. Nevertheless, I start the chronological order in 1990, the year in which FNV Regiowerk began its activities in relation to industriestribution in Rijnmond, the greater Rotterdam area. I survey the early history of the Industriestribution project (1990–1995), followed by a description of the vicissitudes of the project itself (from 1996 to mid-2000), and completed by a brief analysis.

## 2. The Early History (1990–1995)

*1990*

The origins of the FNV Industriestribution project can be found in the debate about the supply and discharge facilities of the port of Rotterdam. In June 1990 the Rotterdam Port Authority (GHR) initiated the project “Rotterdam Internal Logistics” (RIL), which was intended to counter the threat of congestion of container traffic to and from the interior of the Rotterdam port. RIL soon developed into a tripartite project. It was run by a Steering Committee with local government, employer and trade union representatives. Theo Berger, regional officer of the FNV confederation for the province of South Holland, played an active role in this committee. However, after some months he felt very limited, working on his own. Following Berger’s cry for help, the FNV confederation decided to include efforts to persuade RIL of the need for a joint approach by means of their project “Quality care and logistics”, co-financed by the Ministry of Economic Affairs. FNV project leader Wim Sprenger tried to convince the Industry Union FNV (manufacturing industry), Transport Union FNV (ports, logistics) and FNV Services Union (distribution centres).

*1991*

The original RIL plan focused on long-term solutions for the problems of transport to the hinterland. However, under pressure from GHR and an employers' lobby, RIL concentrated mainly on short-term pilot projects, such as nighttime traffic and flexibilisation of staff and working methods. FNV tried to keep the long-term perspectives open. There was a strongly felt need for research to be commissioned by the trade unions in order to support these perspectives. FNV asked STZ Consultancy & Research to assess the social consequences of the ongoing pilot projects and of other plans. FNV, Transport Union and STZ decided to maintain the link with the broader, long-term development of the Rotterdam region. Thus, research included the employment and environmental effects of future projections of the Rotterdam Port Authority (Harbour Plan 2010), and plans of private companies, like those of ECT, the largest container-handling company, to develop new container terminals on the Maas Plain, to be extended a further 15 km into the North Sea.

*1992*

From March to September, STZ researchers interviewed many stakeholders in the port of Rotterdam, including manufacturing and transporting companies, ship brokers, the main stevedoring companies, and NS (Dutch Railways), as well as a number of trade unionists and municipal officials. Training meetings were organised for paid and unpaid trade union officials. Presentations of research results and debates led to growing insights into:

- the rapid development of logistic corridors, especially the growth of the west — east corridor from the Rotterdam port through North Brabant to Venlo and further eastbound to the German and East European hinterland;
- the development of new industrial and distribution sites on the edge of these corridors, such as the Distripark just outside the Rotterdam Port collective agreement area, giving rise to “low-wage areas”;
- activities on these sites, later to be referred to as VAL (Value Added Logistics) and indistribution.

*1993*

In March the STZ report on RIL was discussed in a study conference attended by the FNV confederation and the three FNV unions involved. STZ researcher

Theo Bouwman reviewed the social consequences of the RIL projects, especially in respect of nighttime traffic, the development of Multimodal Transport Centres, and the rapid expansion of the Distripark. Bouwman concluded that the development of logistic chains was exerting heavy pressure on traditional collective bargaining structures in the Netherlands, especially those in the ports and at Schiphol airport. He ended by putting some urgent questions to his trade union audience, such as “How can we organise our activities across single union borders, in order to influence such trans-union developments?”

Agnes Jongerius, national secretary of the Transport Union FNV, discussed the efforts of employers to evade the erection of port-related collective agreements. The collective agreement for port forwarding activities had expired in 1989, and the employers' organisation was unwilling to sign a new one, which was to include more integrated, less monotonous functions. Martin Spanjers, national secretary of the FNV Services Union, stressed the rapid growth of the wholesale sector. Spanjers asked for more internal trade union co-operation, including efforts to negotiate wider collective agreements, as well as for closer co-operation of trade unions with the official regional labour supply agencies. After these introductions, an open and intense debate was held concerning possible solutions. Seven years later, a number of pioneers of the FNV indistribution project pointed to this conference as playing a crucial part in its development.

In Autumn 1993, the optimism in employers' and government circles about the potential employment effects of the expansion of VAL / indistribution in the Netherlands reached its peak. A report by the US management consultants A. T. Kearney and Knight Wendling for the NDL lobby predicted that over 80,000 new jobs could be created in these activities between 1993 and 2000. According to this report, VAL could even generate a structural demand for 200,000 to 400,000 full-time equivalent jobs (fte) in 2015 in the Netherlands. In 1996–1997, these sky-high expectations were put into perspective by research of both STZ and Statistics Netherlands (CBS); the figures turned out to be gross overestimates.

*1994*

In Spring, Jongerius of the Transport Union initiated talks with colleagues from other FNV unions on an “FNV-wide” project concerning VAL, notably the Industry Union and the Service Workers. In the course of these talks a growing number of union policy makers proved to be aware of the growing importance

of new activities influenced by new technology, new logistic concepts, new forms of outsourcing and management concepts like “back to core business”, and the danger that employment might shift to non-unionised branches and areas. A lot of tensions and co-ordination problems existed between the relevant FNV unions, however. Main sources of tension were the potential membership gains in (sub-) sectors that still were to be demarcated between unions, including most indistribution activities.

In June 1994 a booklet written by STZ researcher Theo Bouwman was presented in a carriage in the Dutch Railway Museum in Utrecht. The booklet contained an analysis of the effects of the new logistic trends. Bouwman assessed the great number of logistic expansion plans in the Netherlands, together with those of the “mainports” Rotterdam and Schiphol, and sounded a warning on a tremendous growth of road freight traffic with substantial adverse environmental effects. Bouwman advocated rail transport. He criticised the assumptions about the rapid growth of indistribution activities, arguing that a majority of the jobs envisaged were of the short-cycle, assembly type. The related low wage levels and poor labour conditions might seriously frustrate their attractiveness to the Dutch labour force and the Dutch economy. On the other hand, improving these jobs could make them acceptable for groups of low-skilled workers. Such perspectives might offer new chances for trade union work, Bouwman concluded.

In the debate after this presentation, board members of the FNV unions involved at that moment (industry, transport, services) agreed on a joint union effort to come to grips with the indistribution phenomenon. They suggested activities in the regions in the west — east corridor through the Netherlands: Rotterdam, the middle and east of North Brabant (Tilburg, Eindhoven), and the Venlo region in the north of Limburg province. Looking back, most key persons pointed to this “debate in the carriage” as the second event that was crucial in the realisation of the indistribution project — even more significant than the study conference of March 1993. Jongerius (Transport Union), Sprenger (FNV) and Bouwman could go on to prepare the ground for a union project. In December 1994, Bouwman reported that nearly all regional players in the Rotterdam area, including GHR and OBR (Development Agency Rotterdam), both important local governmental players, felt committed to the project in the making.

1995

In Spring 1995 a number of preparatory activities for an industriation project were carried out, mainly by the FNV confederation and the FNV Transport Union, with varying degrees of success. Trade union research was initiated to chart VAL-type activities. This survey failed due to a low response rate and budget limitations. The failure resulted in growing uncertainty among the union representatives in the preparatory committee about features of the “new sector”. “What exactly are we talking about?”, was a recurrent complaint in this group. The committee stressed the need for more knowledge, and subsequently made an effort to build up a profile of VAL/industriation activities from the bottom up, by gathering information from district officers and their contacts. However, after three months this effort was judged to be proceeding too slowly. FNV requested STZ's Theo Bouwman, first of all to build up a regional contact network and to write a draft project plan. This plan was especially meant to tap into financial resources, mainly national and regional government subsidies.

In Autumn 1995 the Food Workers FNV joined the preparatory committee, and this union took part in formulating definite project goals and a working schedule. At the time, eight goals were formulated, including raising the degree of unionisation, building up a “social infrastructure”, and improving the quality of work and creating vocational training facilities.

### 3. The “Industriation” Project (1996–2000)

1996

The four FNV unions now involved envisaged that they might encounter serious co-ordination problems at regional level when starting the project. Sprenger and Bouwman pointed to the capacities of the regional FNV organisation, which had been out of the picture since the Rotterdam RIL activities in 1990/1991. The four unions asked FNV Regiowerk to take the lead in forming regional working groups in the three pilot regions, bringing together the regional officials from the four unions involved. On top of that, a National Steering Group was formed by FNV and the unions, chaired by Jongerius of the Transport Union.

In April 1996, Jongerius presented a draft project plan, mainly based on her and Bouwman's preparatory work. This plan identified two main goals: raising union membership and density as well as building up a social infrastructure.

The project was to last three years, with evaluations each half year. The Steering Group met for the first time two weeks later. The Group commissioned STZ to carry out a "Preliminary indistribution study", covering 15 selected companies, five in each of the three regions. An explorative main research project, covering interviews with 80 companies, as well as a telephone survey including 300 companies, were planned to follow this preliminary study. In April and May, Bouwman carried out a number of talks about financial assistance and policy inputs with the four ministries interested in the project: Transport and Public Works; Social Affairs and Employment; Economic Affairs; and Agriculture and Nature Conservation. By May both the preliminary and the explorative main research projects and a modest public relations campaign were already ensured.

In June the boards of all four unions gave the formal "green light" to start the indistribution project. The council of the FNV confederation followed suit in early July. FNV Regiowerk and the project leadership signed an agreement concerning the assistance of Regiowerk in the project. In the meantime, finding patterns of co-operation between the national and regional union levels turned out to be rather difficult. The high degree of informality at the start could not be maintained. Three Regiowork officials advised a more stable regional structure, including working arrangements and task descriptions. This proposal was by and large accepted by the FNV and unions' representatives. The latter accepted the suggestion to have the three regional groups chaired by regional officers of the confederation too. These regional chairpersons were to co-operate closely with the two part-time project workers, financed by government subsidies.

The regional project group North Brabant/Limburg, in which the two pilot regions Tilburg/Eindhoven and Venlo co-operated, made a quick start, while the regional Rotterdam group only got off the ground with difficulty. The North Brabant/Limburg group, under the inspiring chair of the two FNV regional officers Els Bos and Anne-Marie Snels, obviously made clever use of their initially high degree of autonomy. Local authorities in these two provinces proved to be keen on the development of VAL/indistribution activities. Preliminary talks by Jongerius, Snels and Bos with them and labour supply agencies, as well as the preliminary research carried out by STZ, showed that bottlenecks in the supply of warehousing and related jobs formed a good starting point for building up a trade union position. Joint labour pools were discussed as solutions: for the trade unionists, "joint" here not only meant co-operation between employers, but pools run by foundations in which the unions and local government should also participate, although management

should be afforded sufficient policy space to run the daily business. In the Venlo region, the first explorative talks were followed by tripartite consultation on this subject shortly afterwards.

However, the Rotterdam region, where a “social dialogue” with intensive debates between unions, employers and employers’ federations and local government representatives broke down in 1991/1992, now lacked consultative structures. Moreover, the FNV regional officers in the province of South Holland were heavily involved in a number of *ad hoc* debates, like those on the future expansion of the Rotterdam port (“Rotterdam Mainport”). This situation meant that one of the early strategic lines of the industriation project — creating learning effects between union strongholds (like the Rotterdam port, with a 70–80% union density) and “white spots” — could hardly be taken forward. The lack of this transfer mechanism might have contributed to the fact that Jongerius, chair of the National Steering Group, and Bouwman used much more time than planned in supporting the regional groups in North Brabant and Limburg. Bouwman did this as project manager, a role which he did not quite aspire to, and STZ, but created in the project structure because of the need to have regional project activities formalised and subsidized.

In October Ms Bos wrote an evaluation report about the first six months’ of the project. She concluded that “industriation” was rapidly developing into a policy issue. Bos sketched the dominant position of the Transport Union as a major internal problem. She also pointed to the amalgamation talks that the four unions involved had started in the interim, and to the paralysing effects these might have on the project. As a third threat Bos described the growing incompatibility between trade union goals and “external” goals, the latter linked with the way the project was subsidised. The project ran the risk of becoming “externally driven”: the goal of seizing external opportunities, including finance, could dominate over building up union work. This did not mean that Bos advised an inward-oriented attitude. She suggested that the trade union movement, in order to create regional win-win situations, had to look after potential coalition partners outside the (small) circle of modern employers. Her evaluation ended by stating that at this stage the preconditions of the project were in place, but that the next half year still had to witness the turn from a “structure for talks” to a “structure for action”.

In December the four The Hague ministries guaranteed the funding for (re-) training and other labour market measures within the project, as well as underwriting the organisational project expenses. In the same month Theo Bouwman presented the results of the preliminary STZ study. One of its goals

was to test the commitment of 15 (selected) employers to labour pools and other initiatives to build up a social infrastructure. The results of the preliminary study seemed to point to quite a high commitment. Obviously, the “normal” employers’ solution for filling in the many production peaks — hiring workers from temporary employment agencies at random — was already causing a growing number of problems of loyalty, reliability, cost, and performance.

1997

The official launch conference of the FNV indistribution project took place on March 6. Central to the conference were presentations of a videotape and a brochure, based on the results of the preliminary STZ study. The brochure recommended a number of joint initiatives by trades unions, employers and government bodies: labour pools and (vocational) training programmes, a joint inventory of main problems in labour conditions, efforts to improve the many short-cyclical jobs in indistribution, and regular union-employer consultations. Only as a regulated sector, striving for “quality”, would indistribution be able to develop into a stable pillar of the Dutch economy, the FNV brochure argued. Ad Melkert, Minister of Social Affairs and Employment, supported this vision in his speech.

Shortly afterwards, in April, the four FNV unions involved in the project announced their intent to amalgamate. They were to adopt the name “FNV Bondgenoten” (“FNV Allies”). The merger was to be realised in early 1998. The partners appointed a new national project leader, Ms. Hidding, whose decision-making power seemed to be quite great. Nevertheless, the “classical” union branches maintained their autonomy in relation to indistribution-type activities in their resort. It became clear that the new union was going to abolish the old regional structures of the existing partners and their regional coordinators. Therefore, FNV regional officers stressed the necessity of continuing to chair and co-ordinate the regional working groups, as it became clear that the FNV would remain the only connection between FNV-affiliated trade unionists who were active at regional level. This claim was honoured in a new project agreement with FNV Regiowerk.

In spite of these problems, promising developments were going on in two out of the three pilot regions. In the Venlo region, regular consultations started between officers of FNV, FNV unions and employers’ federations concerning labour supply arrangements for logistic functions.

FNV Regiowerk also took the initiative in the Tilburg region. Using a statement of the regional employers' federation concerning the large shortages of logistic production staff, Bos started to build up a network to discuss solutions. Both the Venlo and Tilburg developments had an encouraging effect on new labour supply arrangements and the creation of vocational training facilities for logistic staff elsewhere, as in the Arnhem/Nijmegen area.

In Rotterdam, FNV regional officers initiated the STZ research project on "Trade unions in search of new economic activities", which offered them opportunities to develop more precise ideas about future employment opportunities linked with port activities — like industriation.

These developments fed the need for strategy development of the FNV confederation concerning mobility constructions, the integration of various collective agreements, and the continuation of the project. Together with the FNV Training Institute, Regiowerk organised two training days for paid officials and militants on "union organisation in white spots" and "problems of new collective agreements". On the other hand, it could not be denied that results of regional developments were slowly affecting the national policy level of FNV. For example, a structured debate at FNV headquarters about the pros and cons of labour pools did not take place before October 1998.

### 1998

On January 29 the foundation congress of FNV Bondgenoten was held and the four single unions were disbanded. Of course, the merger had some quite positive effects on the project, such as unity in decision making at the top and the gradual disappearance of the old tensions between the four unions (although the origins of paid officials continued to play a certain role for some two or three years to come). However, the abolition of the old regional union structures caused serious problems.

The actual debate in the Group concentrated on the risk of the project developing into one that was "externally driven" and relying too heavily on the efforts of paid officials and external consultants. As a result, the Steering Group agreed on a working plan for 1998 that concentrated on intensive contacts with unpaid union officials and works councillors in spearhead companies. Paid and unpaid officials alike should focus on developing internal networks, on setting up Works Councils where they did not exist, raising union density, and further building on a social infrastructure.

From April on, developments in the Tilburg region went in the last direction

surprisingly quickly. Based on reports by STZ consultant Ankie van de Camp, a local network was created to prepare arrangements for a labour pool at the main industrial site there, Katsbogten, for two functions: warehouse worker and logistics worker. The idea was developed in the regional steering committee to organise a bid for temporary employment agencies that might run a labour pool. Some of them, notably Randstad and Adecco, very actively tried to take the lead in the process, at times forcing the FNV regional officer to run after the facts.

In the Venlo region, the position of FNV developed somewhat more comfortably. Here, the regional FNV officer took the initiative to create the Industriebond Foundation of North Limburg (i.e. the Venlo region), the board chaired by herself, and succeeded in maintaining the initiative. Within the FNV, this development was regarded as trend-setting for regional labour market constructions.

In the course of 1998, the functioning of the National Steering Group came to an end. Its role was taken over by bilateral contacts of the Regiowerk officials with the project leader, representing FNV Bondgenoten. In October, the project leader decided to give a new impetus to the project. In an evaluation note she concluded that the project was not “translated” sufficiently towards union militants and (potential) ordinary union members. Based on a two-day meeting with all relevant national paid officials of Bondgenoten, a number of spearhead sub-branches and companies were selected. Concrete, quantified goals were set.

In November, STZ researchers Theo Bouwman, Ankie van de Camp and Arjen van Halem presented the final report on the main research project, “*Sociale aspecten van industriebond*” [Social aspects of industriebond]. In this report, they agreed with the project leader that “there is no such thing as an industriebond sector”. The researchers suggested that, on the one hand, in developing a social infrastructure it makes sense to link up with “old” (sub-) sectors and collective agreements, while on the other hand solutions for issues like labour supply could better be based on joint initiatives of companies with industriebond activities.

### 1999

On January 28 the major conference on “Working on Quality, social aspects of industriebond” took place in the Automobile Museum of North Brabant, the input being the final STZ report. Project leader Hidding tried to link the future prospect of industriebond activities with immediate trade union needs. The

headlines of her interview with FNV Magazine, published on conference day, clarified these needs: "Working hard, earning little. Industriation is crying for a collective agreement". In her conference speech she emphasized that many industriation companies still did not fall under such an agreement. After her, Minister of Economic Affairs Annamarie Jorritsma, affirmed that "From a social viewpoint, something has to be done". Jorritsma praised FNV Bondgenoten for introducing training facilities for all-round warehouse workers in Venlo and Tilburg: "These people get a view on challenging and better work, while the employers get motivated and flexible staff". Hidding pointed out that this should be the only practicable way for the sustainable development of these activities in the Dutch economy: "Industriation has to turn towards quality".

By forming Regional Industriation Working Groups (RWI), FNV Bondgenoten took steps to hand over more responsibilities to paid officers with the centre of gravity of their work in the regions (although they did have national responsibilities). In February, a new agreement was concluded between FNV Regiowerk and FNV Bondgenoten, in which the role of Regiowerk in the project was phased out. A number of FNV regional officers had mixed feelings about this ending of the confederation's involvement, because they judged a two-years period to be too short to embed results of the project in FNV organisation and policies. From mid-2000 on, the industriation project as a whole was practically "owned" by Bondgenoten alone.

In Spring, the RWI Rotterdam/South West (Netherlands) took off, with a number of logistic companies, market-garden wholesale, and second-hand clothing wholesale companies as spearheads. The main goals were to bring these companies and branches into collective agreements, and to build up groups of unpaid officials as well as to train them. After an internal discussion about which union bodies could help in attaining these goals, the RWI took the initiative to approach FNV Regiowerk in South Holland.

In February, too, a new RWI got off the ground, namely the one for Amsterdam. Its function was based on an inventory of industriation activities in the Amsterdam region, produced by STZ's Arjen van Halem. The Amsterdam Working Group chose second-hand clothing wholesale as its main spearhead.

In a new evaluation note in July 1999, the project leader was much more positive about the development of the project than she had been in August 1998. Hidding concluded that "despite the difficult start, the extra value of the Bondgenoten union is now reflected by good co-operation between the colleagues from various branches". Concrete goals had been set concerning spearhead branches and companies, and these had been largely met. In some-

what less than a year, the number of companies carrying out indistribution activities under a collective agreement grew from 37 to 68, representing 60 per cent of the spearhead companies. The number of militants doubled, the number of Works Councils grew from 43 to 58 (covering 50 per cent of all relevant companies). Membership grew by 600 to 1,810. Based on these figures, Hidding asked the board of Bondgenoten to continue the project in a modified, more low-profile form until the end of 2001. This was agreed.

### *2000*

In an interview with the FNV Magazine in July 2000, Hidding gave an update on the latest project results. Again, these were rather positive. Union membership in indistribution activities had again grown by 600. Close co-operation between Works Councils and FNV Bondgenoten had recently yielded good results, especially among groups of workers, mostly migrants, with whom the union hardly had established contacts before.

## **4. Analysis**

The most important policy themes in the FNV indistribution project were labour market and employment policies, followed by urban planning and environmental issues. Judging from four years, from the situation in mid-2000 (after four years, at the moment that FNV Regiowerk nearly totally disappeared out of the project), the project could be called quite successful for at least three reasons:

- the basis of a social infrastructure had been laid;
- a number of companies seemed to move into the direction of quality-oriented production; and
- trade union presence had been strengthened.

Of course, these outcomes were facilitated substantially by the Dutch economic boom of the 1995–2000 period. Nevertheless, the project also succeeded in creating some momentum of its own.

However, the substantial appreciation of the project by quite a number of outsiders may mask the rather slow and hesitant internal development. Indeed, the project may be called innovative from a (Dutch) trade union viewpoint, especially looking at the way officers of the FNV confederation and of single

FNV unions integrated these themes into their “regular” work and adapted them at regional level. Generally, this was done rather flexibly, directed at the creation of internal and external networks, looking for win-win situations and without losing sight of policy efficiency. As an outcome, the autonomous regional policy level seems to have been strengthened in at least two of the four regions involved. So far, so good. Yet, these (at least partly) new ways of trade union work, and the related learning effects, were relatively limited to individual regional officers or small groups of them, with little impact on the wider union organisation. Transfer of positive regional experiences to the national level remained scarce. Insufficient mechanisms were used to create “regional to national” learning effects. On the other hand, it was also disappointing to see that “national to regional” learning effects could scarcely be discovered. Influence in this direction mostly took the form of rather classical top-down instructions. I could neither trace new instruments for knowledge development nor new union working routines at confederation level. This relative absence of possible learning effects and internal feedbacks, which was also noted in other larger FNV projects, like Schiphol and Rotterdam Mainport, did not support the position of the FNV confederation vis-à-vis the affiliated unions, or at least stop its erosion.

I can see three main factors that hampered a quicker and broader internal development of the FNV industriation project: the need to concentrate on (external) funding and other outside support in crucial phases of the project; the difficult relationship between the regional FNV organisation and the FNV unions; and the difficulties in defining an industriation “sector”. From mid-1998 on, FNV Bondgenoten undertook efforts to reduce the tensions between the internal and external pace of developments, which in the end by and large succeeded, especially by formulating and striving for genuine trade union targets like a minimum union density, sufficient militants, and achieving good collective agreements. At the same time FNV Regiowerk, the other project partner, maintained a number of activities, especially those concerning labour pools. Both partners tried to broaden the basis for a project approach within the FNV movement by organising training courses and by a lot of publications concerning the project.

A second group of problems could be traced back to the relationship between the regional FNV organisation and the FNV unions. Until 1998, FNV Regiowerk had built up a broad professional expertise concerning labour market policies, as well as (the credit for) a uniting role in many respects. This position was undermined by the merger of the four unions. Moreover, the new

union created a vacuum in the regions by rapidly abolishing the old regional single union structures. A majority of the Regiowerk officials and the FNV confederation board then chose the option of Regiowerk leaving the industrial distribution project. This happened very quickly, at the cost of possibilities to create learning effects, i.e. to embed important elements from the project into the national (employment, labour market) policies of the FNV confederation and affiliated unions. About one year later, the same thing happened to the FNV Schiphol project. It seems that the efforts needed to select and transfer learning effects from these projects, from the regional FNV level to the national FNV and union levels and *vice versa*, have been broadly underestimated. From mid-1999 on, potential learning processes were not guided any longer by training activities and policy debates with a distinct role for FNV Regiowerk. Transfer of regional experience was not structured any longer.

A third source of problems were the difficulties in defining an industrial distribution “sector”. In the course of the project, experience undermined the idea of a more or less homogeneous cluster of activities and companies. The STZ report of November 1998 concluded that the existing branch divisions within the trade unions should be as open and flexible as possible, also in view of the rapid changes in logistic chains. This approach was preferred over creating a new branch division. The FNV Bondgenoten board decided to follow this recommendation. Yet it lasted one year, till the end of 1999, before union manpower and resources were clearly re-allocated towards spearhead companies with VAL/industrial distribution activities. After a promising start in the 1990–1995 period (the “early history” of the project), neither the FNV nor the affiliated unions matched the development of new logistic structures and new combinations of economic activities, leading to the blurring of old boundaries between branches and the formation of new ones, with learning cycles, based on the combination of research, training and internal debate. If this weakness is not addressed, the problems of “finding” branches, economic networks or clusters relevant for the grouping of union activities will cause problems every time when branches, networks or clusters split off and lose their relevance for employers’ federations and government institutions. Recent developments in the Rotterdam area show the urgency of a stronger trade union involvement in these issues (cf. Van Halem and Wetzel, 2001).

In identifying the main critical success and failure factors in the industrial distribution project as follows, I can point to the main strengths and weaknesses in the learning processes involved.

– *Building up internal trade union networks*

Directly after the start in 1996, the project organisation left a great deal of autonomy to the regional pilot projects. Yet, up to 1998 the pilot networks had to cope with major uncertainties, concerning the branch division within the trade unions involved, the division of power related to it, and uncertainties caused by a rather large staff turnover. In the first 118 months of the existence of FNV Bondgenoten, decision making on the project was diffuse, sometimes becoming a plaything of branch managers engaged in a competence struggle. These problems were magnified by the weak project organisation. For example, no systematic project documentation was maintained, either by FNV Bondgenoten or by FNV Regiowerk.

Under these conditions, decisions to concentrate on gathering external funding and to work with external project pioneers inhibited the development of organisational learning by union officials. In the first two project years, they had no chance to build up networks of their own nor did they gain any competence in project management. In the next phase, from mid-1998 on, the project was run mainly by paid officers with hardly any input from unpaid ones. Under Dutch conditions, with little institutionalised experience with bottom-up union activities, it is quite likely that “white spot projects” in their first three or four years would have to be developed and run by paid officials. Nevertheless, it remains a weak point that the transfer of union manpower and experience from strongly to weakly organised branches went slowly, even with project support, and that the creation of learning effects between union strongholds and “white spots” was frustrated.

– *Developing and using external networks*

In general, the development and use of external networks can be assessed as a success factor in the industrialisation project. Here FNV regional officers played a leading role, using their formal networks but also creatively making use of their basis of trust to create informal networks, including government bodies, intermediaries, training institutes, management and employee consultants, and groups of employers. Some networks developed into long-lasting coalitions and even into partnerships.

Positive and negative experiences from building external networks turned out to be quite personal. A number of officers enjoyed it, including the related uncertainties (the “early adapters”), but others retained their institutional orientation and continued to remain more or less alien to “networking”. It should be admitted that the union organisations (confederation., Bondgenoten, Regiowerk itself) were not very supportive of the group of early adapters.

– *Competencies of regional trade union officers*

The following competencies of the FNV regional officers acting as project pioneers have to be regarded as (a combination of) success factors:

- creativity, ability to improvise and orientation towards union renewal, showing competence in rapidly scanning and using possibilities for new union activities;
- competence to define the regional “policy space”, based on prospects and problems of the regions involved;
- competence to assess the possibilities for developing regional networks and coalitions, eventually into partnerships;
- competence in starting and using regional networks, acting as a “broker in labour relations”;
- competence in adequately using the regional policy culture;
- ready-to-use knowledge concerning legal constructions and funding possibilities at various levels (region, branch, country, EU);
- competence in claiming, advertising and disseminating project results, especially to unpaid officials and ordinary union members.

A distinction should be drawn between the first and second echelon of regional FNV officers. The first echelon contains the “early adapters”, people who already had an aptitude for this type of union work and developing the competencies summarised above during the project. Yet the gap between them and most other officers involved grew, and obviously few of the second echelon were able to close it during the project. In my opinion this gap can only be partially closed. The trade union organisation has to accept these differences, by and large. On the one hand, all-round regional trade union officers, “pitchers” who are willing and competent to start up and run larger union projects as well as to function in “classical” institutional settings (still widespread in the Netherlands) will continue to be scarce. FNV Regiowerk management should try to retain them in the organisation and give them excellent opportunities for further qualification. On the other hand, the second echelon of good “catchers” is needed as well, both in institutional consultation and in projects. These officers should bring in project experience in the union representation in institutions like the labour supply authorities, the provincial socio-economic councils, and the Chambers of Commerce.

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