

7 Final considerations

The purpose of this advisory report is to contribute to a social and economic policy that will properly guide the process of globalisation, while at the same time reinforcing public support for globalisation. Such support is under pressure owing to uncertainty in certain segments of society about the globalisation process. The fear is that it is uncontrollable, undermining government scope for policy, and leading to continuous job losses, or the threat of such losses.

This report argues that government has sufficient scope for policy-making even in an increasingly open economy, and that its policy choices are in fact becoming more important. Addressing the issue of globalisation requires a country to clearly define government's primary tasks (a sound education system, a social welfare system that "activates" the labour force, and safeguards for public interests). The European Union plays a crucial role in influencing and shaping the globalisation process as such, and that role has implications for the Netherlands as well. Reinforcing the international rule of law and pursuing an ancillary policy that promotes fundamental labour standards and Decent Work will help ensure that more people in more countries derive benefits from the process of globalisation.

The starting point for a meaningful deployment of this policy scope is a broad interpretation of the concept of prosperity in which economic, social and ecological objectives are interrelated. This report makes recommendations in that respect for the various policy levels (national and European) and for the Netherlands and EU's efforts in multilateral institutions.

The recommendations for national policy are founded on two basic principles: 1) increasing income by means of a higher employment participation rate, productivity growth and an emphasis on comparative advantages; 2) providing income protection and easing the adjustment processes. Both principles are needed to key into the globalisation process and boost support for open markets.

Surveys have revealed that the majority of Dutch citizens have a positive view of globalisation, but that they are concerned about its possible implications, for example the relocation of businesses and take-overs by foreign companies. This is related to the adjustment processes inherent to specialisation, which can have a major impact on individual lives. That could lead to a discrepancy between the largely positive macro-image of globalisation for the Netherlands and the way it is perceived at local level. In addition, the adjustment processes are often highly visible (for example, when a plant shuts down) and therefore feature in the media, whereas job creation and the macro-benefits of the specialisation process are often felt only in the longer term and/or are less high-profile. Thanks to globalisation, for example, many consumer products have

become cheaper. For the average consumer, however, the price effect is nothing more than a statistical phenomenon.

Many of the adjustment processes resulting from economic restructuring and associated with globalisation are familiar ones in the Netherlands. There is no reason to doubt society's willingness to make a good job of these reform processes, including a proper social safety net, and to do everything possible to help those affected find new jobs, although people are and will continue to be responsible for supporting themselves and acquiring the necessary qualifications and skills to do so. The consultation economy also has an important role to play in guiding the adjustment processes in a favourable direction, but lowering the adjustment costs will primarily be up to the national governments and the social partners.

Not all these reform processes can be ascribed to globalisation. It is often thought, for example, that globalisation would inevitably lead to liberalisation and the privatisation of public services. EU policy and the world trade rules offer scope for the regulation of public services, and do not make it necessary for governments to privatise or liberalise such services. That gives countries the necessary scope to pursue their own policy. The introduction of elements of a free market system into the public service sector – for example health care or public transport – is the result of a political decision-making process. Such a decision is mainly motivated by the fact that the free market gives users more choice, fosters innovation, and is more cost-efficient. The Social and Economic Council has emphasised in previous advisory reports that any such decisions must clearly identify the public interests involved.

The Netherlands has much to gain from a broadly supported approach to the subject of globalisation, the underlying premise being that a careful policy focused on sustainability can be of enormous benefit to the world, to Europe, and to the Netherlands. At global level, the point is to arrive at a process of globalisation that is of benefit to a growing number of people.

The forces that are being unleashed are powerful; it is hard to imagine that they can be reversed. There is every reason to trust that the Netherlands will be able to successfully tackle the reform processes initiated by globalisation. It has a long tradition to uphold in that respect.

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