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Towards a sustainable economy

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abstract

Towards a sustainable economy

The Social and Economic Council's views on sustainable development, based on its advisory reports on the Fourth National Environmental Policy Plan and sustainable consumption

September 2003

The Social and Economic Council in the Netherlands

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This abstract is based on the SER's advisory reports on the Fourth National Environmental Policy Plan and sustainable consumption. The Dutch titles of these reports are:

Nationaal Milieubeleidsplan 4
2001, 58 pp., ISBN 90-6587-807-6, order no. 01/08, € 5.65

Duurzaamheid vraagt om openheid: op weg naar een duurzame consumptie
2003, 90 pp., ISBN 90-6587-848-3, order no. 03/02, € 5.65

ISBN 90-6587-855-6 / CIP

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1 Introduction

Prosperity and sustainable development

The Social and Economic Council (SER) of the Netherlands has published a range of advisory reports in recent years focusing on the topic of sustainable development¹. Sustainable development is an aim that closely matches the Council's traditional goal of increasing prosperity through social and economic policy². In this context, prosperity is regarded as the overall value that people derive, either individually or as a group, from using scarce, multi-purpose resources, for example reproducible goods and services and non-reproducible goods such as the ecology and the landscape. Prosperity therefore implies more than material progress (comfortable circumstances and productivity growth); it also means social progress (wellbeing and social cohesion) and a good quality of life (in both the spatial and environmental senses).

Negative external effects prevent environmental damage from being expressed in the prices charged for goods and services on the open market, nor do these prices always reflect generally held notions of fairness. Government intervention on behalf of sustainable development is justified by such negative external effects and on social grounds. As a concept, however, sustainable development is open to subjective evaluation and prevailing ideas about the quality of society and the living environment. In other words, the content of sustainability is time and place specific. This is a particularly important point because sustainable development also means offering future generations and those who live beyond our national borders enough opportunities to prosper. Because sustainability is so firmly context-bound, the Council regards efforts to achieve sustainable development as a collective process in which we search, learn, consider and commit ourselves to a course of action. It is up to government to identify the objectives and the conditions within which society will have to make choices.

Sustainable development requires both production *and* consumption to become sustainable. Basing itself largely on its advisory reports on the Fourth National Environmental Policy Plan (NEPP4) and on sustainable consumption, in this paper the Council describes how it believes we can achieve sustainable production and consumption. Its point of departure is the NEPP4, a policy document that sets out the Netherlands' mid-range and long-range environmental policy. The NEPP4 focuses mainly on the supply side, and bases many of its projections on technical breakthroughs. In its

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- 1 The most specific of these is the recent advisory report entitled *Nationale strategie voor duurzame ontwikkeling* [A national strategy for sustainable development] (publication no. 02/07, The Hague 2002). The present document will refer at various points to Council advisory reports in which sustainability plays an important role.
 - 2 See the biennial SER advisory reports on mid-range social and economic policy, for example *Sociaal-economisch beleid 2002-2006*, publication no. 02/08, The Hague 2002. A summary of this paper is available in English, French and German.

advisory report on the NEPP4, the Council agrees that technical innovation is necessary, but it also argues that without a broad basis of support in society and without more sustainable consumer and producer behaviour, the transition to sustainability will simply not succeed. It is this conviction which has prompted the Council to draft a separate, supplementary advisory report focusing specifically on sustainability from the perspective of citizens and consumers and on efforts to make consumption itself sustainable.

Structure of this summary

This paper is organised as follows. *Chapter 2* is divided into three sections outlining the Council's opinions on the NEPP4. Section 2.1 briefly describes the Dutch context, and section 2.2 then looks at the Council's opinions on the transition policy, i.e. the policy reform that is the focus of the NEPP4. Section 2.3 looks more specifically at how the Council would like to see the transition policy on energy efficiency and renewable energy take shape.

Chapter 3 concentrates on the policy that the SER believes should be pursued to encourage sustainable consumption. The starting point is the analytical difference between the citizen and the consumer (section 3.1). Section 3.2 then uses a diagram of the production chain in its social and political context to illustrate, in simplified form, the connection between production and consumption and to point out relevant policy pretexts. The following sections continue this line of thought and describe in succession how citizens can stimulate the process leading to sustainable development (section 3.3) and precisely which aspects of policy should concentrate on citizens and which on consumers (section 3.4). This section also describes specific key policy objectives which the Council believes must be met in order to promote sustainable consumption.

2 Policy reform in the NEPP4: transition policy

2.1 The Dutch context

The Netherlands has particular features that make it more susceptible to environmental pollution than other European countries. The Netherlands:

- has the greatest human and livestock population density in Europe;
- is one of the world's biggest exporters of agricultural products (due to extremely intensive farming practices);
- is responsible for a substantial share of freight and cargo transport in Europe, in particular via Rotterdam, the largest port in the world, and Amsterdam Airport Schiphol;
- has a very energy-intensive industrial sector;
- is one of the wealthiest EU Member States (measured in gross domestic product per capita) and therefore sees high consumption levels.
- Bearing all of the above in mind, it comes as no surprise that environmental policy has been a key factor in Dutch government policy for many decades. In 1989, the ambitious first National Environmental Policy Plan was published¹.

The Dutch government uses a combination of different instruments to encourage sustainable production and consumption: it influences prices (subsidies and taxes), prohibits certain activities and makes others mandatory, and it influences general standards and values. The various tiers of government (national, provincial and local) also enter into agreements – known as “covenants” – with businesses and NGOs concerning environmental targets. The Netherlands' environmental policy has been reasonably successful, but it has not been able to do away with various persistent environmental problems. The OECD, for example, came to the following conclusion²:

Since the early 1990s, the Netherlands has made considerable progress in decoupling a number of environmental pressures from economic growth and meeting several of its ambitious environmental targets. This progress reflects the reshaping of the Dutch economy and the strengthening of environmental policies, including in the EU context. Today priority environmental issues include: loss of biodiversity, climate change, over-exploitation of natural resources, threats to human health and external safety, damage to the quality of life, and possible unmanageable risks. Several of these issues reflect pressures on the environment deriving from the Netherlands' development choices, such as intensive agriculture and transport.

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- 1 For a detailed evaluation of the Netherlands' environmental policy, see OECD, *Environmental Performance Review of the Netherlands*, Paris 2003. The Council has advised the government on the National Environmental Policy Plan (publication no. 89/17), the National Environmental Policy Plan-Plus (90/17), the Second National Environmental Policy Plan (94/10) and the Third National Environmental Policy Plan (98/10).
 - 2 OECD, *Environmental Performance Review of the Netherlands*. op.cit., Chapter Conclusions and Recommendations.

2.2 Transition policy

The Fourth National Environmental Policy Plan (NEPP4, 8 June 2001), drafted under former Prime Minister Wim Kok's second coalition government, focuses on the persistent environmental problems summed up by the OECD. The traditional set of instruments have proven inadequate in a number of cases; what the NEPP4 offers instead is a significant strategic reform in the shape of a long-range transition policy. A transition is defined as radical, across-the-board social change that requires thirty to fifty years to take effect. The NEPP4 sets out three "transitions to sustainability"; they are energy, agriculture and the use of biodiversity and natural resources. Later, the transition to sustainable mobility was added to this list.

In its advisory report on the NEPP4, the Council backs the idea that sweeping changes are required in a number of fields if the Netherlands is to become a sustainable society. It was a bold and innovative move for the Cabinet to have thought in terms of transition, which the Council believes consists of three essential elements: *fundamental reform* in technology and institutions; a *long-term horizon* and *collaboration* between the various tiers of government, between other stakeholders and government, and between other stakeholders. The transitions described in the NEPP4 therefore require a long-range policy, an international approach, broad support from society, and a government that is consistent and trustworthy in its actions. It will not, however, be easy to achieve an effective transition; for one thing, no one has the requisite experience. Long-term policy of this kind further requires the dismantling of seemingly unshakeable barriers between the public guardians of various policy fields, and to get today's and tomorrow's politicians to think in terms of long-range policy without giving in to short-term interests. It is not as if the government would be starting entirely from scratch, however: there are good examples of initiatives in such areas as farming (see box) and energy from which it can draw lessons³.

3 With respect to energy, one example is in the field of CO₂ emissions trading. The Council advocates the introduction of this system in Europe, to be used as an energy and climate policy instrument. See the Council's advisory reports *Emissiehandel in klimaatbeleid* (00/06) and *Nationale CO₂-emissiehandel in Europees perspectief* (02/04). The English summary of the latter is entitled *National CO₂ emissions trading in European perspective*, order no. 02/04e, The Hague 2002.

Innovation for sustainable food production and nature management

After a long period of productivity growth and rising production levels, farmers and market gardeners in the Netherlands have come up against social, economic and ecological limits which require them to develop into a sustainable sector. According to the Council, they can be expected to run financially healthy enterprises, deliver good quality products and do so in a socially viable manner. The Council regards Good Agricultural Practice (GAP) as an expression of corporate social responsibility and therefore as setting the standard for agricultural enterprise in the 21st century. GAP reflects important criteria for ensuring the continuity of farming, with a view to:

- preserving – and where necessary restoring – natural recycling processes on which farming ultimately relies;
- ensuring sufficient social legitimacy (*licence to produce*) for agricultural enterprises.

One important instrument for achieving the transition to sustainable agricultural production and nature management is innovation. In general this involves product and process innovation which can be achieved largely at enterprise or organisational level.

In addition, system innovation is also required. This form of innovation is the result of a concerted effort on the part of the various parties concerned which rises beyond the level of the enterprise or organisation.

In the Council's view, there are two significant problems in making the transition to sustainable agricultural production and nature management. The *first problem* is that the primary producers (or most of them) are powerless to organise effective collaboration geared towards improving quality (of products and production processes) and transparency within food chains. That is because they are almost wholly dependent on the other links in the chain – processing, trade and distribution – for clear indications as to consumer preferences and in order to market certain quality marks. The government should therefore promote and facilitate system innovation throughout the entire chain. In addition, it is important that consumer wishes are clearly expressed, but also that consumers are made to understand the implications of their choices. This should take place within the context of a social dialogue, with retail and the manufacturers of consumer products taking the lead as important interpreters of consumer wishes.

The *second problem* is the lack of transparent, confidence-building prospects for expanding agricultural enterprise by explicitly placing a value on nature management services. The development of agriculture-related nature and landscape management as an important component of the expansion of agriculture and horticulture keys in to the needs of society. It is possible to place at least a partial value on nature management services – above and beyond GAP – provided by farmers by means of the contributions made by the users of, e.g., recreational facilities. However, many nature management services (including water storage) are very much in the nature of a collective good.

- SER advisory report, *Innovatie voor duurzaam voedsel en groen*, publication no. 02/09, The Hague 2002 (English summary: *Innovation for sustainable food production and nature management*).

According to the Council, the two most important questions with respect to the transition policy are (1) how to accelerate, reinforce and facilitate the initiatives that have already been taken and (2) what new initiatives should be taken in order to spur on the necessary transitions. It is the government – i.e. the national government – that manages transition. The Cabinet is right to let the market come up with the precise solutions and to limit its role to guiding the market towards sustainability. Society is becoming more complex, and with respect to the environment it demands clear-cut policy and accountability.

During the transition process, the government will have various different roles and duties. Some traditional duties will remain, while other new ones will be added. Throughout this process, however, the basic principle will be that the Cabinet and Parliament will determine the objectives and rules and that the national government will be charged with directing, enforcing and monitoring. It is furthermore important that the transition policy has broad support. It will only be effective if all those involved – the government, trade and industry, centres of expertise and a range of other interest groups – are committed to it. Government will also be given a new duty: to search specifically for new and creative solutions in concert with other stakeholders. The government must learn to collaborate. Because it will have to play a broad range of different roles and take on a variety of different duties during the transition process, the government will have to clarify, time and again, the capacity in which it holds other stakeholders accountable.

2.3 Transition to energy efficiency and renewable energy

In its advisory report on NEPP4, the Council suggests a strategic plan for making the transition to sustainable energy management⁴. It agrees with the Cabinet that the transition to energy efficiency and renewable energy must begin with the Minister of Economic Affairs. In order to express the integrated nature of the transition policy, the Council recommends setting up a ministerial subcommittee to be chaired by the prime minister and charged with setting the *main outlines of policy*. This would make it possible to draw together the relevant policy fields and to consider all the various political and strategic aspects involved. In concrete terms, an integrated policy means that the Ministry of Economic Affairs would bear responsibility for coordinating all the relevant fields of policy, including, for example, sustainable building and mobility. Coherence between the various elements of the transition process should be monitored by a single body.

In addition, an *executive body* is needed which operates outside of the administrative and political dynamics of the ministries. The executive would operate in three different areas to achieve the transition in the field of energy envisaged in the NEPP4: renewable sources of energy, efficiency improvement (in particular as regards the use of energy at the end of the cycle) and advanced energy-related technology (“clean fossil fuels”). The trick will be to make use of the knowledge and experience gained through existing programmes, in research institutions and in non-governmental initiatives and at the same time to get other innovation-driven projects of a different type off the ground. New coalitions with unexpected partners could play an important role in this respect. Experience has shown that long-term innovation requires interaction between five categories of partners: government, business, centres of expertise, intermediaries and consumers/citizens. Each of these categories must be involved in a project at some point or another during the transition process.

In order to select specific policy targets, it will be necessary to perform an analysis which measures the strengths and weaknesses of the Dutch economy in each of the three areas referred to above and compares its scores with those of other countries. The specific policy targets that are ultimately selected will depend on the country’s strengths and comparative advantages. At this early stage, it will be necessary to keep as many options open as possible, to the extent that support may even be given to competing technologies. A coalition should be formed for each policy target made up of the parties that wish to explore the opportunities and build on them together. Serious consideration should also

4 The Council has, on previous occasions, argued in favour of a “Delta plan for sustainable energy management”. The term “delta plan” refers to the major programme of interconnected dikes and storm surge barriers that the Dutch implemented in the second half the 20th century in their battle with the sea. See SER advisory reports *Uitvoeringsnota klimaatbeleid, deel 1*, publication no. 99/14, and *Sociaal-economisch beleid 2000-2004*, publication no. 00/08 (Section 13).

be given to partnerships with parties abroad. These “coalitions” will be in the vanguard of the relevant market or niche, and their followers must be encouraged to catch up. A follow-up is therefore very important. The outcomes of experiments must be followed up, for example with standardisation, stricter standards or financial incentives. These strategies will help to bring the rest of the pack up to speed.

3 Towards sustainable consumption

3.1 The difference between citizens and consumers

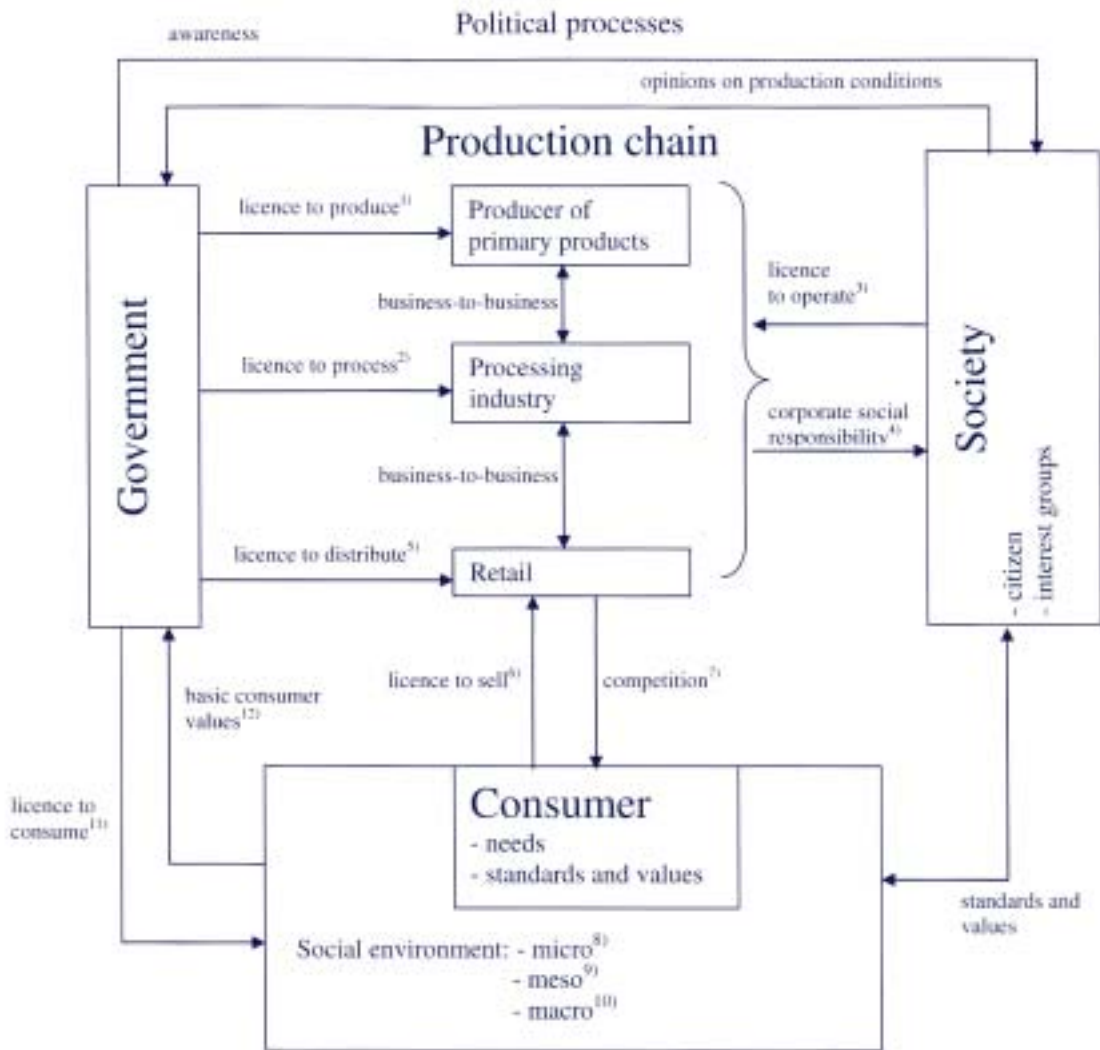
In working towards a sustainable society, there are two other categories of actors that play an important role besides the government, businesses and expertise centres: citizens and consumers (who may organise themselves into interest groups). The Council believes that the NEPP4 pays too little attention to these actors, and it has examined the roles that they play in transitions to sustainability in its advisory report *Duurzaamheid vraagt om openheid: op weg naar een duurzame consumptie*.

The role of the consumer is different to the role of the citizen, although the two roles may be united in a single person. In its analysis of consumer behaviour, then, the Council differentiates between the two roles. The citizen plays a role in society (as a voter and as a member of an interest group), whereas the consumer plays a role in economic life (as a link in the production chain). The citizen is basically concerned about problems facing society, whereas the consumer – at the moment consumption takes place – mainly concentrates on elements of self-interest such as safety, health, price, quality, taste and convenience. Both citizens and consumers expect companies to take responsibility for the negative side effects of their actions, for example environmental pollution or child labour. Consumer behaviour is therefore influenced not only by product features such as price, quality and so on, but also, and quite strongly, by the physical (e.g. infrastructure) and social environments in which consumption takes place. The social environment also involves shared values and standards for which people are held accountable by their family, friends and colleagues. Only a sufficiently clear understanding among citizens will ensure that social (and political) support can be generated for measures – some of them onerous ones – needed to move towards sustainability.

3.2 The production chain within its social and political context

Sustainability policy can only be effective if it consists of a coherent set of policy lines pursued on various fronts and affecting both the supply and the demand sides of the production chain. The diagram below shows, in simplified form, the relationships between production and consumption and the interactions between the various actors, as well as the policy pretexts.

Diagram – The production chain within its political and social context



- 1) E.g.: permits.
- 2) E.g.: Commodities Act, packaging covenant, product standards. Also: market regulation.
- 3) Confidence that a company practices corporate social responsibility.
- 4) Creating long-term value in three dimensions: profit, people, planet.
- 5) e.g.: business location policy, Trading Hours Act.
- 6) Key into consumer wishes: enjoyment, ease, health, return on investment (= value for money), safety and related information. Also: consumer concerns.
- 7) Market power, competition policy. Also: alternatives regarding sale, use, disposal.
- 8) Household, family, friends, neighbours.
- 9) Work, school, club, what shops offer and have in stock.
- 10) Advertising, media, government, interest groups.
- 11) Consumer legislation, physical infrastructure (bottle banks, roads), consumer education.
- 12) Government supervision in such areas as safety, health, labour, animal welfare and the environment.

Essentially, there are four links in the chain: the producer of raw materials (primary sector), the processing industry (broadly defined: secondary and tertiary sectors), retail and consumers. The final link covers overall consumption, ranging from product purchase to use and disposal. In reality, there are often various intermediate links as well. In addition, the links in the upper part of the diagram will often be cross-border ones, which complicates matters. The chain may start in a developing country, where it may be difficult to check up on ecological concerns and whether international labour standards are being enforced. The close trade relations between the Netherlands and the other European Union Member States also mean that the production chains stretch across Europe.

Every link is influenced by external factors, but by the same token it needs these factors. The diagram shows three of them: society, the government and the social environment of the individual consumer. The external factors must allow the links in the production chain to perform their activities. The licences referred to here may be tangible documents (a permit), but often they are less tangible: the “licence to operate”, for example, actually represents public support (see box).

A “licence to operate” due to corporate social responsibility

Public acceptance and a good reputation are important conditions for the continuation of many companies. The need for public acceptance is also expressed in terms of a “licence to operate” which must be earned, and renewed from time to time.

This basic idea plays an important role in the Council’s advisory report *De winst van waarden* (published 15 December 2000, publication no. 00/11), which examines corporate social responsibility. The paper describes companies as for-profit organisations and long-term partnerships between various parties – stakeholders – involved in it.

Companies create value by producing goods and providing services and by creating jobs and sources of income. According to the Council, corporate social responsibility involves two crucial factors:

- 1 consciously targeting business activities at value creation in three dimensions – Profit, People, Planet – and hence at contributing to society’s prosperity in the longer term;
- 2 maintaining a relationship with the various stakeholders which is based on transparency and dialogue and which responds to legitimate demands from society.

How a company interprets corporate social responsibility is up to it – but it is a choice with strings attached. The enterprise is therefore subject to a number of forces: what it *must* do (because of legislation and regulation and public expectations), what it *should* do (from personal conviction) and what it finds profitable to do (for example, serving its own interests by improving its reputation). Corporate social responsibility also involves open communication as the basis for a dialogue with the main stakeholders. It is important that corporate action is transparent. The company is therefore well advised to provide clarity about its own objectives (company code, mission statement) and their realisation. The internal and external effect of a company code is reinforced by taking effective measures for evaluation and updating, reporting, handling of complaints and external verification.

- An amended version of *De winst van waarden* was published in English under the title *Corporate Social Responsibility: A Dutch approach*, Assen 2001.

3.3 Citizens spur processes

The Council has identified the actors involved in the production chain and analysed the interactions between them. The many interactions, which are in turn interrelated, reveal that all the actors will need to take action to achieve sustainable consumption and production, but that *citizens* can spur the process. There is quite a bit of evidence that citizens find sustainability important; for example, they become members of interest groups that promote sustainability. By expressing a desire for sustainability, citizens are charging society with a task, but to complete this task, all the various actors (government, businesses, interest groups, consumers and citizens) must take action.

The process would be as follows. Citizens demand that companies take responsibility for the negative external effects of production and that they minimise these effects. The other actors can back up this demand. These two elements – the public reputation of companies and the fact that many different actors are stakeholders in sustainability issues – are the focus of the Council's advisory report *De winst van waarden* (see box referred to earlier).

The actors involved in the production chain can take action to support the citizens' sustainability demand in the following way. *Interest groups* can give forceful expression to this demand. *Consumers* can choose to purchase products that are relatively sustainable compared with other products, but only if they know which products have been produced in a more or less sustainable fashion. It is therefore important to have transparency in the production chain, and that is where *businesses* have a duty and a

responsibility¹. The *government* enforces the citizens' demands, for example by setting minimum requirements, by encouraging innovation, and by intervening to make the prices of sustainable products more favourable. The government can also influence consumer behaviour by intervening in the physical infrastructure and in building regulations. Such measures – which require broad social support – make it easier for consumers to meet standards of sustainability in their behaviour.

3.4 Policy focusing on the citizen and the consumer

3.4.1 *Combination of instruments required*

Before citizens can spur on the process leading to sustainable consumption, they must understand how important sustainability is and realise that all the actors are required to act accordingly in order to achieve sustainability. The Council advocates a policy that specifically targets citizens and consumers, as a supplement to the transition policy described in the NEPP4. Part of this policy will involve intensifying existing measures. It will also mean analysing the sustainability effects of existing policy (in a range of different fields) in order to determine how effective a specific sustainability policy will be. There may be tremendous sustainability gains to be made by designing policy with sustainability effects in mind.

The government will be forced to intervene in the production chain if there are *negative external effects* or if individual behaviour is affected by *social dilemmas*. Environmental pollution is a classic example of a negative external effect. To achieve sustainable market results, prices must be made to reflect the actual cost to society (including the external effects): “the polluter pays” principle should be the basic policy rule here. The government has made this principle part of its policy for many years²; what the Council wishes to emphasise is that the government must continue to work on this premise, including via the channel of international diplomacy.

Producers and consumers both face social dilemmas, in other words situations in which the conduct of others determines one's own conduct to some extent. Such dilemmas may arise if there is general agreement about a goal and the sacrifice that individuals must make to achieve it, but the stakeholders are unable to force each other to commit to the shared goal, leaving scope for free-riders (someone who enjoys the benefits but does not pay a share of the costs). Such dilemmas are common in sustainable consumption and production. Well-meaning producers and consumers want to be able to depend on others

1 See also the box on the agricultural sector in section 2.2.

2 With respect to businesses, the Council also finds it important that the government create a stable and confidence-inspiring context with precise definitions and standards. The Council also advocates that government (at the lower tiers) allow businesses in the environmental vanguard freedom to act, encourage the followers to catch up with the leaders, and force businesses that lag behind to meet minimum requirements of acceptable environmental conduct.

to do their share as well. A single, individual contribution scarcely makes a difference, after all.

There are three ways of resolving social dilemmas: social control, government penalties for free-riders, and mitigation of the individual sacrifice (by offering suitable alternatives). In the ideal scenario, all three of these methods are employed: the alternative sustainable behaviour is made clear, the sacrifice is minimised and the desired behaviour becomes so internalised that deviating from it is simply “not done” and invokes public censure. Once a social dilemma is resolved, many individuals will be able to act in the public interest regardless of the conduct of others.

It takes a combination of instruments to deal with external effects and social dilemmas. These are: financial instruments, prohibitions, commands, and standards and values. What is needed, in other words, is a mixture of carrot, stick and sermon. In addition, the Council believes there are four policy targets that must be achieved before sustainable consumption becomes a reality. The following sections will describe these briefly.

3.4.2 *Increase citizens' awareness of sustainability*

Citizens are part of the consumer's social environment and therefore influence consumer behaviour. It will take patience to increase the awareness of sustainability; children and pupils will have to be taught that it is an important social value. In concert with the many initiatives taken in the field of education, the government must ensure that sustainability becomes part of the curricula at various educational levels. Aspects of sustainability should also be considered within the context of “life-long learning”. It is further important to gather and disseminate information about the effects of refusing to act in a sustainable manner and about the “state of sustainability”. Sustainability indicators can provide citizens with an idea of how sustainable consumption and production have become. They can also help determine how effective government measures are in promoting sustainability and show what citizens are expected to do to supplement these measures. By increasing the awareness of sustainability, citizens will put pressure on businesses and consumers will become more critical in their behaviour.

3.4.3 *Encourage sustainable consumption through the consumer's social environment*

A greater awareness of sustainability will not lead automatically to sustainable consumption. Policy can influence the consumer's social environment to a much greater extent than it does today to adopt the sustainability credo. Consumer behaviour is heavily influenced by the social context. An individual's social environment can be provoked to take action when confronted with the damaging effects of behaviour (as has recently happened with the campaign against drink driving). Public information must, however, ensure that the message conveyed to citizens (in the media or otherwise) expresses realistic (or possibly the desired) social standards and that alternative modes of

behaviour are offered. The need to be acknowledged by society and to avoid accusations of anti-social behaviour will influence conduct. Shared social behavioural standards are also an important tool for resolving the social dilemmas that consumers (and producers) frequently face with respect to their individual contribution to achieving a common goal. Finally, it is important that the government and public figures set the right example.

3.4.4 *Encourage sustainable consumption through the physical environment*

The physical environment in which consumption takes place is made up of the physical infrastructure, housing and spatial planning. These aspects limit or encourage individual behaviour in a certain direction. The government can intervene, for example by issuing building regulations and by adopting measures within the general context of spatial planning and infrastructure.

3.4.5 *Promote chain transparency and product information*

If consumers are to have a genuine choice when it comes to sustainability, they or an interest group must be able to investigate the manner in which a product was produced (chain transparency) and what the properties of the product are (for example, energy consumption). Under certain conditions, company codes and quality marks can be useful in this respect. It should further be borne in mind that adequate information does not guarantee sustainable consumption.

To promote transparency in the production chain, the Council recommends setting up a permanent body of stakeholders, for example business organisations, trade unions, consumer advocates and environmental protection organisations. The parties that make up this body would act on a level playing field, and meet regularly to negotiate agreements concerning the disclosure of relevant information on production processes, production chains and products. The government would be responsible for orchestrating these consultations; it would bring the stakeholders together and ensure that genuine agreements are made. The organisations that make up the Social and Economic Council are prepared to make a constructive contribution to this body.

The government can give consumer organisations and other NGOs more scope to elicit consumer preferences. The position of NGOs can be enhanced by involving these organisations in consultations and in decision-making processes.

List of publications

Advisory reports

<i>Adviezen van de Bestuurskamer inzake hergroepering bedrijfslichamen 1998-2003</i> 2003, ISBN 90-6587-845-9 deel 1 (212 pp.) deel 2 (219 pp.)	€ 10,20 € 10,20
<i>Adviezen van de Bestuurskamer inzake beleid of regelgeving 1998-2002</i> 2003, 160 pp., ISBN 90-6587-840-8	€ 7,90
<i>De rol van de werknemers in de Europese vennootschap (SE)</i> 2003, 118 pp., ISBN 90-6587-853-x, bestelnr. 03/08	€ 6,80
<i>Naar een doeltreffender, op duurzaamheid gericht Gemeenschappelijk Landbouwbeleid</i> 2003, 88 pp., ISBN 90-6587-854-8, bestelnr. 03/07	€ 5,65
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Bezuidenhoutseweg 60
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ISBN 90-6587-855-6