

Annual Report 2008

Foreword

The latest magic word is “sustainability”, and it is being applied at every turn to all kinds of activities, sometimes because of missionary zeal and sometimes from a need to “cover your back” ideologically. We hear of corporate sustainability, sustainable investment, sustainable consumption, sustainable production.... But what does sustainability actually mean? Basically, it means trying to find a balance between economic, social, and ecological interests, both now and in the future. It means striving for growth without shifting the responsibility onto others.

That is easier said than done. The good news is that the popularity of the term confirms that the message has come across and the need for sustainability has been registered as urgent and inescapable. The bad news, however, is that our progress towards sustainability has so far been totally inadequate. The challenge now is to give the message real substance and to develop it so that it is convincing and inspiring.

The Social and Economic Council of the Netherlands (SER) is contributing to that process. My predecessor Herman Wijffels had few rivals when it came to identifying personally with the need for sustainability, and he was involved in a series of Council advisory reports on the topic. That tradition is very much alive. The advisory report *On Sustainable Globalisation: a World to be Won* (2008), for example, was one of the most interesting that I have myself been involved with. To emphasise that action must be suited to the word, the good intentions of the employers and employees that are to be found in that report – regarding such things as human rights, working conditions, and the environment – were published as a separate declaration, which will have highly practical consequences in 2009 and later years. We also intend working in 2009 on a wide-ranging sustainability report, with several ministries contributing.

Sustainability cannot avoid politics, but politics is neither its beginning nor its end. Besides sustainability, there are very few political topics where the personal involvement of concerned citizens is of such decisive significance in getting real changes onto the agenda and then actually implementing them. Those changes concern our thinking regarding what the planet must demand of its inhabitants and vice versa, changes in what we actually do and do not do. We need to do more of what we currently fail to do as regards how we live, work and travel; and conversely we need to cease to do a lot of what we now do if we find that it wastes rather than strengthens.

No topic is more appropriate for the Council’s Annual Report for 2008 than the problem of sustainability. If 2009 turns out to be as difficult economically as all the forecasts would have us believe, then there is yet more reason to make promoting sustainability a leading principle when adopting the necessary measures. It will then be possible for the growth that will at some point resume in the Netherlands and the rest of Europe to be of benefit, more than ever, to people, planet, and profit.

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Mission and tasks

As an advisory and consultative body of entrepreneurs, employees and independent experts, the Social and Economic Council of the Netherlands (SER) aims to contribute to public prosperity by helping to create social consensus on national and international socio-economic issues. The Council strives for quality and support: a high level of expertise combined with broad agreement and public support.

The Council has a number of tasks within the framework of the Industrial Organisation Act [*Wet op de bedrijfsorganisatie*]. In the first place, it advises the Dutch government and Parliament on the outlines of social and economic policy, being the main advisory body in this field. The Council's advisory reports ideally have a dual role: to help shape Government policy so as to ensure that it enjoys broad public support and to help the business sector to operate in a socially responsible manner. The Council's advice is guided by the objective of social prosperity in its widest sense. This encompasses not only material progress (i.e. increased affluence and production), but also social progress (i.e. improved welfare and social cohesion) and a high-quality environment in which to live (i.e. environmental and spatial factors).

In its work, the Council is committed to detecting and interpreting signals from society. It offers various civil society organisations the opportunity to contribute specific expertise. The Council also shares information extensively with knowledge institutions and policymakers in the Netherlands and abroad, and has regular contact with Parliament and the various government departments.

The Industrial Organisation Act also designates the Council as the body responsible for implementing this piece of legislation and for administrative and financial supervision of the commodity and industrial boards in particular. As the supreme body within the statutory industrial organisation (PBO), the Council encourages the boards to contribute effectively and transparently to the development of their sector, and to ensure that they have sufficient support within that sector.

Advisory task

Below is a selection of the advisory reports issued by the Council in 2008. English summaries of all advisory reports are produced.

Date	Topic of Report	Requested by	Unanimous?	Initial response of Government/Parliament
29 January	Draft decree announcing regulations for local government	State Secretary for the Interior and Kingdom Relations	Yes	Government adopted the recommendations
February 15	Balancing the interests in a enterprise	Minister of Social Affairs and Employment	No	Government adopted most of the recommendations
14 March	Nuclear energy and sustainable energy provision	Own initiative	Yes	Government adopted most of the recommendations
18 April	Long-term care assured	State Secretary for Health, Welfare and Sport	Yes	Government adopted most of the recommendations
18 April	Making the Randstad go a long way	Minister of Housing, Spatial Planning and the Environment	Yes	Government adopted most of the recommendations
16 May	CAP reform and public services of agriculture	Minister of Agriculture, Nature and Food Quality	Yes	Government adopted most of the recommendations
2 June	Industrial Organisation Act	Own initiative	Yes	No response from Government as yet; much use made of report in discussions in House of Representatives
20 June	On Sustainable Globalisation: a World to be Won	State Secretary for Economic Affairs and Minister of Social Affairs and Employment	Yes	Government adopted most of the recommendations
20 June	Revision of financing for senior secondary vocational education	Own initiative	Yes	SER report will be used during the legislative process
20 June	Strategic agenda for higher education, research, and science policy	Own initiative	Yes	No response from Government as yet; much use made of report in discussions in House of Representatives
13 November	Prioritising carcinogenic substances	Ministry of Social Affairs and Employment	Yes	Ministry adopted the recommendations
2 December	Regulations for electronic announcement of regulations by local government	State Secretary for the Interior and Kingdom Relations	Yes	No response as yet

Requests for advice from the Government and Parliament

One important basis for the work of the Council is the letter that the Minister of Social Affairs and Employment sends out annually on the occasion of Budget Day. In this “Budget Day Letter”, the Government lists the topics on which it intends requesting advice from the Council in the coming budgetary year. The Council then incorporates these topics into its work programme. In addition, the Government also regularly submits unforeseen requests for advice to the Council in the light of current events. In 2008, this involved advisory reports on the balancing of interest within enterprises, the Exceptional Medical Expenses Act (AWBZ) and *Randstad 2040* (development of the highly urbanised region in the west of the country). The Council also received a large number of requests for advice in 2008 that were not included in the Budget Day Letter.

Ministers and state secretaries increasingly hold consultations with the Council’s committees. The Government clearly benefits from this less formal advice. Consultations of this kind took place on three occasions in 2008.

Besides the Government, the Senate and House of Representatives can also request the Council to provide advice. In 2008, the House of Representatives asked the Council to advise on the operation of market forces and public interests.

During the year under review, the Council also provided an advisory report on its own initiative on the topic of *Nuclear Energy and Sustainable Energy Provision*; this was directed to the Minister of Economic Affairs and the Minister of Housing, Spatial Planning and the Environment. Advisory memoranda were also provided at the Council’s own initiative regarding amendments to the Industrial Organisation Act, the revision of financing for senior secondary vocational education, and the strategic agenda for higher education, research, and science policy.

Procedure for dealing with requests for advice

When a request for advice is received, the Council’s Executive Committee decides whether it should be dealt with and if so how the advice should be provided, for example in the form of broad recommendations or restricted to a number of components.

In reaching its decision, the Executive Committee applies a range of criteria. These include the policy relevance of an advice project, the Council’s advisory remit, the point in the political decision-making process at which the request is made, whether the requested date for providing the advice can be met, the added value compared to previous advisory reports, the extent to which the request is a concrete one, and finally the capacity that the Council and its various sections have available.

The Executive Committee also decides which of the Council’s various committees will deal with the request for advice. Generally speaking, the Executive Committee charges one of the standing committees with the task of preparing the advisory project, assuming that the topic falls within the remit of the committee concerned. An ad hoc committee may be formed if the matter concerned touches on the field covered by more than one of the standing committees. A list of the various committees is given at the end of this Annual Report.

The Administrative Chamber has a special role, focusing specifically on the administrative tasks of the Council. The Administrative Chamber acts as the preparatory

committee for the advisory reports, decisions, and regulations to be adopted by the Council in an administrative context. It has also been empowered by the Council to draw up independent advisory reports and to take decisions.

Preparation within committees

To a large extent, the preparatory committee determines its own working methods, for example setting up a working party to prepare certain work; using special methods to incorporate the knowledge of third parties (for example working conferences, workshops, hearings, secondment, contracting out research, questionnaires, or written consultation, etc.); providing less formal advice (consultation discussions, advisory memoranda); foresight studies of the field; and informal consultations within a limited circle.

The draft advisory report – “the white version” – drawn up by the committee represents the provisional position adopted. The “white version” is sent to various parties including the organisations involved so that they can consult those they represent. The draft advisory report is generally announced in a press release, which is uploaded to the website.

After the committee has incorporated any comments and caveats from those represented by the various organisations and comments made in the course of discussions among the Crown-appointed members, the draft then becomes the “green version” and is submitted to the Council for public adoption. In some cases, a committee provides an advisory report on behalf of the Council after being authorised to do so by the Council or by the Executive Committee or if the committee concerned was appointed by the Council at the request of a Minister.

Discussion and adoption of advisory reports within the Council

The full Social and Economic Council basically meets monthly, on the third Friday of the month, with a press release and a report then being drawn up. The full versions of the press release and report are made available on the Council’s website. Once adopted, the Council’s advisory reports – with the exception of advisory memoranda – are also uploaded to the website and published in book form.

Domain covered by advisory reports

The Council advises on the main outlines of socio-economic policy, both when requested to do so and at its own initiative. In many cases, the topics covered fall within the classic socio-economic domain, for example the labour market, employment law, social security, and general and international socio-economic issues. From its inception, the Council has also advised on matters that would not seem at first sight to fall within the classic socio-economic domain. As early as the 1950s, for example, it already produced advisory reports on agricultural policy and transport policy, focusing specifically on spatial planning and mobility, the environment and energy, healthcare, and education.

The common criterion for the issues on which the Council advises is that policy in the areas concerned has a major impact on general socio-economic policy. Increasingly, an integrated analysis and assessment is required of trends and proposals. The Government is also tackling problems more and more in an integrated manner and less from the perspective of a single ministry. This trend is in line with the concept of “social

prosperity in its widest sense” (see above) which the Council introduced in the early 1990s. Ultimately, it is socio-economic relevance that determines whether a topic is appropriate for being dealt with by the Council. The Social and Economic Council is not, after all, an environmental council, education council, health council, or spatial planning council; it therefore always focuses on the socio-economic aspects of particular issues.

Involvement of other groupings

Specifically when one is dealing with topics that fall outside the classic socio-economic domain, the contribution of other groupings than those directly represented within the Council can be highly relevant, with the advisory report that is produced then gaining in both quality and support. Organisations with a specific perspective as regards the field concerned, or that represent a specific interest, can be brought in when an advisory report is being prepared within a committee.

This can be done in a number of different ways. The committee can “question” organisations by means of a hearing, a panel discussion, written consultation, interviews, or a working visit; this is in fact done on a regular basis. Certain organisations can also become ad hoc committee members (for a specific project) and assist in preparing the advisory report. Another option is for organisations to become regular members of a committee, meaning that they are then basically involved in all advisory projects in the policy field concerned. The Dutch Consumers’ Association [*Consumentenbond*], for example, is a member of the Committee for Consumer Affairs, while nature conservation and environmental organisations are members of the Committee for Sustainable Development and the Committee for Spatial Planning and Accessibility.

Impact of advisory reports

The impact of the advice provided by the Council is primarily on the Government and Parliament. The interaction with both of these is guaranteed, amongst other things, by prior discussion of the request for advice with the ministries concerned, by means of ministerial representation when an advisory report is being prepared by the relevant committee, and by a certain amount of follow-up once the report has been published. The follow-up may consist, for example, of submitting the report to the ministers concerned or a presentation to a committee of the House of Representatives or at a conference or symposium.

Whether and how an advisory report has an impact on Government policy cannot always be determined within just a year after it has been published; in some cases it takes longer. One example of this is the “SER ladder”, a conceptual model published in 1999 which assumes that new business parks will only be created after optimum use has been made of the space at existing business parks and after more intensive use has been made of the space available (advisory report *Commentary on the memorandum on Spatial Economic Policy*). In 2008, the Minister of Housing, Spatial Planning and the Environment, Jacqueline Cramer, and the Minister of Education, Culture and Science, Maria van der Hoeven, decided that the SER ladder should be incorporated into an Order in Council. This obliges municipalities and provinces to apply the model when planning new business parks.

The following survey of the advisory reports presented in 2008 deals in each case with the impact on political decision-making, insofar as this was known at the beginning of 2009.

ADVISORY REPORTS

Balancing the interests in an enterprise

The Social and Economic Council adopted this advisory report on 15 February 2008. In it, the Council claims that a fundamental overhaul of Dutch employee representation systems is unnecessary. Existing arrangements could, however, be utilised more effectively. Not only does the position of employees depend on such arrangements, but so do the quality of management and the amount of care taken to balance the various stakeholder interests.

The Dutch Government's request for advice focused on whether the position of employees within companies required improvement, with various options being given. The Council thereupon investigated the position of Dutch listed companies compared with such companies abroad and how employees' right to representation in Dutch companies measured up to similar arrangements in Belgium, France and Germany.

The investigation produced various reference points for answering the Government's questions concerning the position of employees and for considering employee representation systems in greater detail. In addition, the investigation led the Council to make recommendations concerning the right to institute an enquiry and the enquiry procedure.

According to the Government's response to the advisory report, it is preparing a number of measures intended to contribute to reinforcing internal supervision. The Government considers that as long as there is sufficient internal supervision in actual practice, it is probably not necessary to make it compulsory (other than for companies with statutory two-tier status [*structuurvennootschappen*]). One significant point as far as the Government is concerned is that listed companies in fact already have arrangements for internal supervision.

The Government followed the Council's recommendations regarding the right to speak for the works councils of listed companies. This recommendation has been incorporated into a parliamentary bill which not only allocates works councils the right to speak regarding the above matters but also regarding remuneration policy. The advisory report was also a reason for the Minister of Social Affairs and Employment to consult parties within the Council early in 2009 regarding the organisation of employee representation within companies. These consultations are part of the preparations that are being made for a Government "vision paper" on the future of employee representation. The Government has announced that it will send a memorandum on this matter to the House of Representatives by the end of 2009.

Nuclear energy and sustainable energy provision

The Social and Economic Council adopted this advisory report on 14 March 2008. In the report, the Council urges the Dutch Government to conduct balanced and objective investigations into all the various energy options, including nuclear energy. Such investigations must consider reliability, environmental impact, safety and economic

viability. The Council believes that the results of these investigations should be taken into account when evaluating the climate and energy policy that the Government intends to implement in 2010, with a view to meeting the 2020 objectives.

On the instructions of the Council, the Energy Research Centre of the Netherlands (ECN) carried out a fact-finding study last year as preparation for the advisory report. This ECN report has resulted in a joint understanding of the state of play in nuclear energy and the underlying technology.

This advisory report is a follow-up to *Towards a promising and sustainable energy policy with economic potential*, published in December 2006.

In its 2008 Energy Report, the Government provides a response to the Council's report. The Government follows the Council's main recommendations. Partly in the light of the advisory report, the Government believes that no options should be excluded beforehand and that none of the options natural gas, coal, and nuclear energy is by definition better than another. In line with this, the Energy Report considers radioactive waste, safety, and non-proliferation. The Government also considers that it is too early to give a definite answer to the question of what role nuclear energy should play in the future provision of energy in the Netherlands. The Government agrees with the Council that it is desirable for there to be discussion regarding this matter with stakeholders and experts on the basis of a continuous fact-finding process. To that end, the Government outlines a number of possible scenarios for nuclear energy in the Netherlands; these will be worked out in greater detail in the near future.

Long-term care assured

The Social and Economic Council adopted this advisory report on 18 April 2008. The Council argues in favour of significantly improving the Exceptional Medical Expenses Act (AWBZ) in the next four years. This will be necessary in order to improve the quality of care, ensure that costs are manageable, and guarantee its financial basis. Claims filed under the AWBZ must be clearly delineated. Essentially, the focus should be on the client and not on the care provider. A "core AWBZ" should remain for persons who are disabled at a young age and for comparable groups.

The advisory report sets an agenda for amending the AWBZ in the short and medium term. The agenda essentially covers all the various elements or parts of the AWBZ and also involves its relationship to adjoining policy domains, for example the Healthcare Insurance Act [*Zorgverzekeringswet*] and the Social Support Act [*Wet maatschappelijke ondersteuning*].

The position adopted by the Government is broadly in line with the recommendations made by the Council. The Government proposes, for example, that there should be no major changes in the system for the moment but it says that it will produce a major agenda for change in the coming years, something which the Council has argued for. In some respects, the Government is more cautious than the Council and a number of the policy initiatives will need to be investigated further and worked out in greater detail.

Making the Randstad go a long way

The Social and Economic Council adopted this advisory report on 18 April 2008. The Council supports the Dutch Government's ambition of turning the "Randstad" – the

highly urbanised region in the west of the country – into a sustainable and competitive top European region. The report focuses on the importance of creating a complete and appealing investment climate there for both the public and businesses.

The Council recommends transforming the Government's ambition into an investment and innovation strategy for the Randstad region. This includes developing an investment agenda and strategic execution plan (with financial framework, timeframe and appropriate measures). The agenda reveals the Council's wide-ranging perspective: it is not only spatial and economic policy that merits attention, but also the social and ecological components.

The report played a role in drawing up the Structure Strategy Randstad 2040 [*Structuurvisie Randstad 2040*] which the Government adopted in September. The Government accepted most of the Council's recommendations. An investment agenda for a long series of years is at odds with the budgetary rules, however.

CAP reform and public services of agriculture

The Social and Economic Council adopted this advisory report on 16 May 2008. In it, the Council recommends a thorough reform of European and domestic agriculture policy. The point is to reward socially relevant performance by farmers where the market fails to do so. In that respect, the Council is proposing replacing the current European system of single farm payments by targeted forms of reward for socially desirable performance, in which context the Member States should bear greater responsibility for co-financing. It goes without saying that competition in the internal market for agricultural products must not be distorted as a result.

The advisory report lists the most important social values of agriculture. Examples include food security and safety, employment, nature and biodiversity, water storage, animal welfare and health. Many of these social values require protection in the form of government intervention. In most cases, market regulation is the most suitable approach. European rules pertaining to nature conservation and environmental protection, health (human, plant and animal), and animal welfare play a key role in this respect.

Even prior to its publication, the report already provided the basis in April 2008 for the Government's position regarding the Common Agricultural Policy in the EU budget evaluation. The "rough sketch" of agricultural policy published in September by the Minister of Agriculture, Nature, and Food Quality, Gerda Verburg, broadly adopts the recommendations made in the report. The report is also an important frame of reference for a number of parliamentary parties.

On Sustainable Globalisation: a World to be Won

This advisory report was adopted by the Social and Economic Council on 20 June 2008. This report makes proposals for properly guiding the process of globalisation. It suggests ways to improve the position of the Netherlands in the globalisation process and to make that process fairer and more sustainable. The three key questions addressed in this advisory report are:

- What policy mix can the Netherlands/Europe Union use to prepare for the possible acceleration of the international specialisation process?
- How can we promote sustainable globalisation?

- How can we ensure that horizontal expansion and ancillary policy can lead to more countries and more people benefiting from the globalisation process?
- The advisory report addresses these questions based on the broad concept of prosperity as defined by the Social and Economic Council. The purpose of this approach is to create a basis for sustainable development by achieving and maintaining a proper balance between people, planet and profit.

In the view of the Council, globalisation is not a new phenomenon but it is entering a new phase, one that is more rapid and that will have a greater impact. The Netherlands therefore needs to distinguish itself by adding greater value to its products and services. The Council argues in favour of a socio-economic system that is enterprising, resilient, and responsive. What this actually involves is encouraging innovativeness, making workers more employable, mobilising vulnerable groups on the labour market, and ensuring that the consensus economy functions effectively.

Anchoring within Europe is indispensable if the Netherlands is to be more competitive and to attract businesses more effectively. The report argues in favour of the EU focusing more on reinforcing the internal market and expanding the European knowledge economy.

In its initial overall response, the Government endorses the view that globalisation has benefited the country and that there are also good prospects for profiting from it if proper advantage is taken of broadening and deepening the process. In its later full-scale response, the Government writes that this remains the case despite the financial crisis and the altered economic situation that is in part due to it. It is true, however, that the financial crisis is encouraging the feeling that globalisation is not being properly managed. In the view of the Government, restoring the balance between governance and interdependence is the key to a sustainable approach to globalisation.

Statement on International Corporate Social Responsibility

On 19 December, the parties that make up the Social and Economic Council drew up a Statement on International Corporate Social Responsibility. The Social and Economic Council calls on trade and industry to actively pursue responsible supply chain practices. The Council's Statement provides the basic principles for doing so. The Social and Economic Council has set up a special committee that will meet twice a year commencing in 2009. This International Corporate Social Responsibility (ICSR) committee will report annually on the progress made in introducing responsible supply chain practices.

The Council's Statement encompasses the guidelines and recommendations issued by the ILO, the OECD, and the ICC, which the Social and Economic Council regards as the normative framework for international corporate social responsibility. It also provides a brief explanation of these guidelines and recommendations. The ICC recommendations incorporated into the Statement mainly concern how companies can arrive at supply chain responsibility and offer businesses and sector organisations a reference point for their supply chain responsibility practices.

OTHER COMMITTEE ACTIVITIES

Occupational Exposure Limits

The subcommittee on Occupational Exposure Limits advises on the limits for genotoxic carcinogenic substances in the workplace, in other words for substances for which no safe limit can be determined. For these substances, a limit is recommended on the basis of risk thresholds and risk levels. In 2008, the subcommittee advised unanimously that a limit should be applied to substances or groups of substances on the basis of the feasibility of the risk levels tested. The feasibility test and discussion of the results regarding the substances were complex and consequently took a great deal of time.

Because of the active role that it plays in bringing about European cooperation regarding limits, the subcommittee maintains contact with foreign organisations concerned in setting limits. Since 2005, the subcommittee's secretariat has been attending the meetings at which institutes and organisations from Austria, Germany, and Switzerland participate which are involved in determining the limits in the various countries. The 2008 meeting took place in Vienna. As a result of these contacts, the secretariat produced an article on the Dutch procedure for determining limits for carcinogens without a safe threshold value; this was published in a German specialist periodical.

General Terms and Conditions – Consumer Complaint Boards

The Self-regulation Coordination Group provides an open framework for employers' organisations and consumer organisations regarding the general terms and conditions applicable to the purchase of goods and services by consumers. The text of the bilateral general terms and conditions is available on the Council's website. There are currently some forty consumer complaint boards, half of which are active each year; in the year under review, a total of ten new sets of general terms and conditions were drafted. This was thanks to the 2006–2008 campaign launched by the State Secretary for Economic Affairs to increase the number of sets of general terms and conditions. In the year under review, consultations led to new consumer complaint boards for sun protection, roofing, and independent clinics. Bilateral general terms and conditions were also drafted for private educational institutions after the relevant consumer complaint board was set up in 2007.

Agreement was also reached on a new Aviation Consumer Complaint Board, as a blueprint for a future European board of this type. This will deal with disputes regarding the application of European passenger rights, for example refusal of boarding, cancellation or major delays, and the rights of people with a disability. Organisations representing providers and clients in the care sector have also commenced consultation on general terms and conditions. Pending agreement on the general terms and conditions, the Care Institutions Consumer Complaints Board began work in mid-2008. The Hospital Consumer Complaint Board, which has existed for many years, was incorporated into the new board. Bilateral general terms and conditions for hospitals are currently being drafted.

Finally, new general terms and conditions for home shopping were drawn up in the course of 2008. Together with a code of conduct, they form the assessment framework for a certification body from within the market. Starting in 2009, that body will subject every member of the home shopping trade association (www.thuiswinkel.org) to annual assessment to determine whether it complies with the framework. This kind of monitoring of compliance with the agreements reached during consultations on general

terms and conditions is something new and will further reinforce consumer confidence regarding home shopping.

International Socio-Economic Affairs Committee

The International Socio-Economic Affairs Committee again studied the European Commission's annual work and legislation programme for proposals that could require the Council's attention in the coming year. The European Commission's proposals for revision of the European budget and expansion of "neighbourhood policy" (i.e. relations with the countries to the south and east of the EU) were designated as a possible topic for consultation discussions with the State Secretary for European Affairs, Frans Timmermans, in 2009. The findings of the review were conveyed in a letter to the ministers of Social Affairs and Employment and the State Secretary for European Affairs.

Pensions Committee

In early January, the Pensions Committee submitted its report *Towards understanding pensions: The findings of the debate on pension awareness* to the Minister of Social Affairs and Employment, Piet Hein Donner. The report is the conclusion of a debate on public awareness of pensions that the Council organised in 2007 at the request of the Minister and in the light of a motion in Parliament. The Pensions Committee arranged three panel meetings involving users, pension scheme administrators, and experts, as well as a concluding conference.

In the course of the debate, it was confirmed that public awareness of pensions is extremely low. Another finding was that increasing that awareness cannot be achieved with just a few simple measures. People in fact find it difficult to assemble and process financial information, and the choices they make are also influenced by non-rational factors. Proper information can increase awareness of pensions, but it must be easy to understand, must focus on particular groups, and must link up with significant events in people's lives. The pensions register that is being prepared can be an important stimulus in this respect. In a response, Mr Donner said that he shared the concern regarding the low level of pensions awareness. He referred to the policy that had been started and the provisions regarding information in the Pensions Act, saying that he wished to see how these actually turned out. He also said that he was confident that the pension scheme administrators and the social partners will provide full and effective information and explanations regarding pensions.

At the request of the Labour Foundation, the Pensions Committee initiated three evaluation studies in the course of 2008:

- final evaluation of the renewed covenant between the Labour Foundation and the Central Collaborating Pensioners' Organisations (CSO) regarding a qualitative improvement in the way that pensioners have in the implementation of pension schemes (2003);
- a survey and evaluation of the Principles for Good Pension Fund Governance (2005);
- evaluation of "Modern and Affordable Pensions for All Employees", an updated agenda with recommendations for pension consultations at local level in the coming years (2001).

Administrative task

The statutory industrial organisation (PBO) consists of the Council – the “apex” of the system – and the commodity and industrial boards. Their legal basis can be found in the Industrial Organisation Act [*Wet op de bedrijfsorganisatie*]. The Act stipulates that, in addition to its advisory task, the Council should monitor the statutory industrial organisation. It may also undertake other administrative tasks. The purpose of monitoring the commodity and industrial boards is to ensure that they function lawfully and efficiently and to encourage them to do so. The Council checks whether the ordinances and decisions of the boards conflict with the law and whether they may be detrimental to the interests of the business community.

Implementation of supervision memorandum/setting up of Supervisory Chamber

The Council has reassessed its supervision policy regarding the statutory industrial organisation, with the emphasis being shifted from *rule-based* supervision to *principle-based* and *risk-based* supervision. Where in the past supervision mainly involved setting rules – sometimes detailed rules – and enforcing them, the new approach will involve supervision that focuses on formulating principles and basic premises. Supervision will therefore focus on the risks that may arise as regards the boards. The revised supervision policy will be given more detailed shape in the coming period.

In order to make supervision more clearly independent of policy and of the parties being supervised, a Supervision Chamber was set up on 1 July. The Council’s supervisory tasks – assigned in the first instance assigned to the Council itself (in this case to the Administrative Chamber) – will now be delegated to the Supervisory Chamber. The latter will carry out its duties independently and will consist solely of Crown-appointed members. The chairman is Crown-appointed member Hans Kamps. With a view to coordination with the ministries, the Supervisory Chamber also includes observers from the ministries concerned.

The supervisory tasks of the Chamber relate, amongst other things, to assessing and approving ordinances and decisions adopted by the commodity and industrial boards. The Supervisory Chamber is also charged with the task of carrying out periodical studies of the extent to which the member organisations are in fact representative. In addition to these existing duties, the Supervisory Chamber will be allocated two further supervisory tasks when the amended Industrial Organisation Act comes into force, namely supervision of the four-yearly study of support among individual entrepreneurs and supervision of implementation of the Good Governance Code for the commodity and industrial boards.

Good Governance Code

The Good Governance Code is intended to encourage every administrator of a commodity board or industrial board to act in a socially responsible manner and to account publically in that regard. The code contains provisions, for example, on the appointment of board members, the allocation of remuneration, and the prevention of conflicts of interest.

The boards would appear to have tackled implementation of the code in an energetic manner, and most of them have implemented it in full and in good time. However, not all of them have entirely implemented the principles regarding the appointment of board

members, personal unions, the integrity protocol, the communication plan, and the procedure for dealing with complaints. The boards that have not yet implemented all the various points will be encouraged to do so as soon as possible.

Although the boards have tackled implementation of the code in an energetic manner, actual day-to-day implementation in the year under review was variable. Some parts of the code, for example those relating to the burden of administration, are being properly complied with and are already being reported on in the boards' annual reports, even though that is not obligatory. A number of chairmen were also appointed in 2008 in accordance with the procedure specified in the code. Nevertheless, the code is not yet being complied with fully as regards transparency, for example where personal unions are concerned.

Merger code

The Council enforces compliance with the *SER Resolution concerning the Merger Code 2000 for the protection of the interests of employees*. The employers' associations and trade unions represented in the Council have voluntarily undertaken to uphold the Code. The number of mergers of which the Council was notified in the year under review fell significantly compared to 2007, from 694 to 502.

Four disputes were brought before the committee in the year under review. Two of these were still pending from 2007. The complaint by ABN AMRO and Barclays against De Unie was upheld in early January 2008. In the case of FNV Bondgenoten and the CNV versus Brabant Alucast International BV, the committee upheld certain components of the unions' complaint while rejecting others. In the case of FNV Bondgenoten versus The Phone House Netherlands BV, the committee upheld FNV Bondgenoten's complaint. One case was withdrawn just prior to the hearing after the parties managed to resolve the dispute by mutual agreement.

Communications and international relations

The Council informs interested parties, both Dutch and foreign, regarding the development and functioning of the consensus economy and on socio-economic policy issues that are the subject of the advice it provides. Communication by the Council is also intended to optimise the effect of its advisory reports and other publications. An English summary is produced of each report and uploaded to the website. If the matter concerned is of specific interest to speakers of French or German, then the summary is also translated into those languages.

Symposia

The Council regularly organises symposia on issues of current relevance, preferably doing so in collaboration with other organisations. In 2008, there were three such symposia. On 10 April, for example, there was a study afternoon devoted to evaluation of the EU budget; this was organised together with the Representation of the European Commission in the Netherlands. It dealt with issues including the future of EU policy and which components should receive more or less money.

The first *Verwey-Jonker/SER lecture* took place on 3 September. The intention of the lecture series is to stimulate debate of social cohesion and renewal; they also serve to honour Hilda Verwey-Jonker, an ex-Crown-appointed member who was the first female member of the Council. The lecture was given by Pauline Meurs, Professor of Healthcare Policy at Erasmus University Rotterdam, and was entitled “*Sociaal vertrouwen: een kwestie van durf*” (Social trust, a question of nerve). The other speakers were Aukje Nauta (holder of the endowed chair of social-psychological and organisational-psychological aspects of pro-social behaviour at the University of Amsterdam), who lectured on “*Vertrouwen op flexibiliteit*” (Trust and flexibility), and Beate Völker (holder of the endowed chair of the sociological determinants of pro-social behaviour at Utrecht University), who spoke on “*Lokale relaties en sociaal vertrouwen op waarde geschat*” (Local relations and social trust judged on their merits).

On 7 October, a study day took place organised by the Council and its Flemish counterpart, the Flanders Social and Economic Council (SERV). The two councils organise a study day every two years at which current policy issues are studied and compared. The intention is for the two bodies to learn from one another by sharing knowledge and insights. This year, the central theme was “*The Tight Labour Market*”.

Open door for visitors

As in previous years, the Council received a number of visiting groups from both the Netherlands and abroad. Fifteen came from the Netherlands; they were made up of students and school pupils, members of a political organisation for young people, young civil servants, and employees of Statistics Netherlands.

There were also a total of sixteen groups from Benin, China, Guatemala, Hungary, Japan (three delegations), Kyrgyzstan, Romania (two delegations), Rwanda, South Korea (three delegations), Thailand (two delegations), and Vietnam. The groups were interested in the Dutch consensus economy and in the Council itself. Some of them had a special interest in specific matters, including labour market policy, the interests of young people, social security, employment policy, and the minimum wage. They were

generally officials of unions and employers' organisations, high-level ministerial civil servants, scientists, and politicians.

The Council's Chairman and Secretary-General regularly receive ambassadors and embassy officials, for example economic attachés, who come to discuss the situation in their own country and the socio-economic policy and consensus economy of the Netherlands.

International contacts

The Council maintains contacts, through various channels, with institutions and with social and economic councils in other countries. This involves not only regularly receiving foreign delegations but also participation by the Council's Chairman and Secretary-General in the networks of European social and economic councils and the International Association of Economic and Social Councils and Similar Institutions (AICESIS). The Chairman of the Council is also on the board of AICESIS, while the secretariat is involved in the activities of the European Economic and Social Committee in the context of the Lisbon Strategy.

In 2008, the annual meeting of the network of European social and economic councils took place in Malta. The central theme of the event was managing migratory flows, with issues of current relevance also being discussed: what contribution can the consensus economy make to coping with the consequences of the credit crisis? There was also great interest in the experience gained by the Netherlands, for example as regards the arrangements for reducing working hours. The European social and economic councils have set up a portal giving access to their websites: www.eesc.europa.eu/ceslink.

AICESIS was set up in 1999, with the Social and Economic Council of the Netherlands being one of the initiators. The object of this global association is to share experience and to encourage the setting up in other countries of social and economic councils or institutions to promote and reinforce social dialogue. The Association has grown considerably in recent years and now takes in more than sixty countries in Europe, Africa, Asia, and Latin America. (www.aicesis.org)

International Summer school

At the annual meeting of AICESIS in Rome, the Council's Chairman Alexander Rinnooy Kan proposed that an international summer school should be organised in 2009 with the title "Economic and Social Councils in a Globalizing World". The proposal was greeted enthusiastically and the Social and Economic Council of the Netherlands was asked to make the necessary preparations. The target group for the summer school consists of promising young employees of the social and economic councils of various countries; employees of organisations representing the social partners will also be invited to attend. This initiative is receiving financial support from the Ministry of Foreign Affairs and the GAK Foundation [*Stichting Instituut GAK*].

The summer school will be held in Noordwijk and will run from 16 to 22 August 2009. Its aim will be to enable participants to learn from one another and share experience. The Council hopes that the summer school will also strengthen the links between the members of AICESIS and promote the dialogue on social matters in the various countries concerned.

Lisbon Strategy

The Council's secretariat contributed to the work of the Lisbon Strategy Observatory (LSO) set up by the European Economic and Social Committee (EESC), at the request of the European Commission, in order to strengthen the involvement of relevant stakeholders in the EU's Lisbon Strategy, which aims to promote further development of a sustainable knowledge-based economy. Together with other social and economic councils, the Social and Economic Council of the Netherlands was asked to comment on a draft opinion drawn up by the EESC on the role of "organised civil society" in formulating, managing, monitoring and evaluating the national Lisbon Strategy. The draft opinion proposed a large number of new consultation structures within the EU Member States and management of the Lisbon Strategy by the relevant stakeholders. The Social and Economic Council believes that consultation via the existing structures in fact functions satisfactorily in the Netherlands and is in favour of final responsibility for the Lisbon Strategy remaining with national governments. These comments led to substantial changes in the draft opinion.

Finances

Although established by law, the Council is not a government body and is financially independent of the Government. It is financed from fees paid by all businesses in the Netherlands to the Chambers of Commerce. This method of financing is based on the idea that businesses are in fact a partnership between employers and employees. The size of the fee depends on the size and the type of business (legal form). The basic fee in 2008 was EUR 2.70.

The budget for 2008 was EUR 15.1m. Personnel costs represent the largest item of expenditure. The Council's workforce is 109.2 FTEs (2008 budget, based on a 38-hour working week).

Members of the Social and Economic Council

The Council consists of three groups, each with 11 members, making up a total of 33 members. This tripartite composition reflects social and economic relations in the Netherlands. The first group consists of members representing employers, the second consists of members representing unions, and the third consists of independent or “Crown” members appointed by the Government.

Employers’ representatives

Confederation of Netherlands Industry and Employers [*Vereniging VNO/NCW*]:
7 members.

Royal Dutch Association of Small and Medium-sized Enterprises [*MKB Nederland*]:
3 members.

Dutch Federation of Agriculture and Horticulture [*LTO Nederland*]: 1 member.

Union representatives

Dutch Trade Union Federation (FNV): 8 members.

National Federation of Christian Trade Unions in the Netherlands (CNV): 2 members.

Trade Union Federation for middle and higher level employees (MHP): 1 member.

Crown-appointed members

Crown-appointed members are independent experts. They are often university professors with a chair in Economics, Finance, Law or Sociology. They are appointed by the Crown, but are not accountable to the Government. In appointing such members, special care is always taken to maintain a fair balance between the various fields of interest and political views in the country. A representative of the Dutch Central Bank and the Director of the CPB Netherlands Bureau for Economic Policy Analysis [*Centraal Planbureau*] are both Crown-appointed members. The Chairman of the Council is also appointed by the Crown, on the Council’s advice. The Chairman’s post is a full-time post; all other SER members have other principal posts.

Departmental representatives

All public SER meetings and the closed meetings of the Council’s commissions and working parties are attended by representatives of government departments as observers. These officials are appointed as observers due to their expertise in certain areas of policymaking. Their attendance improves the flow of information between government departments.

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