

**Abstract of
Annual report 2011**

The Netherlands Social and Economic Council (SER, Sociaal-Economische Raad)

Foreword

Turbulence. A scene of confusion, commotion, and unpredictable patterns – that is how many Europeans will see 2011. From day to day and from week to week, the financial and economic crisis unrolled, as the euro area teetered on the edge of the abyss. Against that background, virtually all other problems paled away: the Pension Accord and all its after-effects, and the discussion of the statutory industrial organisation (PBO) in the Dutch House of Representatives. But still: those problems also involved developments that saddle well-respected institutions with an uncertain – and for the present turbulent – future, whereas institutions are specifically intended to provide certainty and something to hang on to. Whatever the future may bring, institutions offer a familiar environment with tried and tested mechanisms for achieving a solution that can stand the test of time. But even time-honoured institutional traditions cannot always escape being reconsidered, and then the perspective shifts from solving problems to structural reform.

Turbulence. For physicists, understanding turbulence was for centuries an impossible challenge –until the discipline of fluid mechanics developed and made the unpredictable comprehensible. But social turbulence is not susceptible to such theoretical understanding. There is at most a certain predictability in how society deals with turbulence: the call for decisiveness combined with the search for a scapegoat.

Institutions have permanent value if they are able to adapt to new circumstances and if they are able to meet unexpected challenges. The consensus economy can then provide the right environment for channelling socio-economic turbulence. Whatever the differences between the Council's various European sister organisations, their key instrument – social dialogue – has turned out for many of them to be part of the range of solutions for coping with the crisis as effectively as possible.

In other parts of the world, governments are struggling with entirely different challenges. The fact that the Dutch consensus model is still a source of inspiration is demonstrated by the great interest shown by a country like Oman, where the Dutch tradition in this field has been welcomed as a model for the country's own plans for reform.

Turbulence. It puts us to the test, but it also promotes pace and depth in a rethink that refreshes and renews. If the turbulence of 2011 has a refreshing and renewing impact on Europe and the Netherlands and if institutions rediscover their roles after this ordeal, then all the efforts will not have been in vain. On the contrary, the moments of uncertainty will turn out, with hindsight, to have been harbingers of renewal and improvement.

*A.H.G. Rinnooy Kan,
President*

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MISSION AND TASKS

As an advisory and consultative body made up of entrepreneurs, employees and independent experts, the Social and Economic Council of the Netherlands (SER) aims to contribute to public prosperity by helping to generate social consensus on national and international socio-economic issues. The Council seeks quality and support by combining a high level of expertise 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 serve two purposes: to help shape Government policy so as to ensure that it enjoys broad public support, and to assist the business sector in operating 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 with research and expertise centres 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, in particular, for supervising the administrative and financial affairs of the commodity and industrial boards. 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 2011. English summaries are available of all the advisory reports.

Date	Advisory report	Requested by	Issued by	Unanimity	Initial response of Government/Parliament
1 March	Access to justice for consumers and traders	Own initiative	Committee for Consumer Affairs (CCA)	Yes	Government will ensure simple procedure for consumers.
18 March	Own-account workers and working conditions	Minister of Social Affairs and Employment	Council	Yes	No Government response yet received.
18 March	Naming and using population shrinkage	Minister of Housing, Communities and Integration (WWI)	Council	Yes	Government sees advisory report as support for its policy.
18 March	Future training and education for works council members	Own initiative	Administrative Chamber	Yes	Government has adopted the recommendations.
15 April	Making work of job-to-job mobility	Minister of the Interior and Kingdom Relations	Council	Yes	Government endorses views of Council.
15 April	Time and society	Minister of Education, Culture and Science	Council	Yes	Government agrees with views of Council.
15 April	Strategic agenda for higher education, research, and science policy	State Secretary for Education, Culture and Science	Council	Yes	Government has adopted majority of recommendations.
18 April	Complaints procedure for pre-appointment medical examinations	Minister of Social Affairs and Employment	Executive Board	Yes	No Government response yet received
27 May	Exposure limits for asbestos	Own initiative	Occupational Exposure Limits Subcommittee (GSW)	Yes	Government has adopted the recommendations.
16 September	Development through sustainable enterprise	State Secretary for Foreign Affairs/Development Cooperation	Council	Yes	Government accepts the Council's recommendations regarding important points.
28 October	Works councils and international corporate social responsibility (ICSR)	State Secretary for Economic Affairs, Agriculture and Innovation	ICSR Committee	Yes	Government endorses views of Council.

Requests for advice from the Government and Parliament

The Council received nine requests for advice in 2011. Three of these led to an advisory report being produced during the year, while the others were still being dealt with at the end of the year. All the new requests for advice came from the Dutch Government. In 2011, the Government twice sent a letter to the Council specifying subjects on which it intends seeking the Council's advice. The first letter, in March, listed six subjects on which the Government wished to request advice during 2011. During the year, this led to six actual requests for advice. In October, the Council received a second letter listing subjects on which advice would be requested in 2012. These include energy and the

economy, nature policy, the ageing of the population and the national savings surplus, working conditions, and government policy and working hours.

In lieu of issuing an advisory report on a particular topic, the Council can also organise consultations between members of the Council and its committees and Government ministers or state secretaries. This means of providing advice clearly meets a need on the part of the Government. In 2011, consultations were held regarding the EU Spring Summit. The planned consultations regarding consumer policy had to be postponed to early 2012 for various reasons. A decision was taken on one occasion during 2011 to send a joint letter from the chairs of the Dutch employers' federations and trade union confederations, together with the President of the Council – an approach that combines features of both a written advisory report and consultations. This particular letter concerned the crisis within Europe.

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.

The Executive Committee applies a variety of different criteria in reaching its decision. These include the policy relevance of the advisory 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 available capacity of the Council and its various sections.

Preparation within committees

The preparatory committee largely determines its own working methods. For example, it may set up a working party to perform certain preparatory work, use special methods to incorporate the expertise of third parties (such as working conferences, workshops, hearings, secondment, contracting out research, questionnaires, or written consultation, etc.), provide less formal advice (consultation discussions, advisory memoranda), conduct foresight studies of the field, and engage in informal consultations within a limited group of advisors.

The draft advisory report – the white-paper version – drawn up by the committee represents the Council's provisional position. The white-paper 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 and remarks made in the course of discussions among the Crown-appointed members, the draft then becomes the green-paper 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.

One special committee is the Administrative Chamber. The Administrative Chamber focuses 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.

Discussion and adoption of advisory reports within the Council

The full Social and Economic Council basically meets on the third Friday of every 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 on its own initiative. In many cases, the topics covered fall within the traditional 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 do not at first glance appear to belong to the traditional concerns of social and economic policy. As early as the 1950s, for example, it produced advisory reports on agricultural and transport policy, focusing specifically on spatial planning and mobility, the environment and energy, healthcare, and education. The issues on which the Council advises have in common that policy in the relevant areas has a major impact on general socio-economic policy. Increasingly, an integrated analysis and assessment of trends and proposals are needed. The Government is also increasingly tackling problems in an integrated manner and not merely rely 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 always focuses on the socio-economic aspects of particular issues.

Involvement of other groupings

When the Council deals with topics that fall outside the traditional 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 that offer a particular perspective on the field concerned, or that represent a specific interest, can be brought in when an advisory report is being prepared within a committee. For example, the committee can consult with such 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.

Some examples of the involvement of other groups in the provision of advice by the Council:

- During preparation of the advisory report on the “shrinking regions”, a hearing was organised with representatives of the three shrinking regions. There were also working visits by the secretary and chair of the committee to shrinking regions, together with constructive involvement by various provincial social and economic councils and one of the provinces.
- In preparing the advisory report on development cooperation, the committee acquired the views of third parties by means of a hearing and an open written round of consultations.

- On 6 April – as a follow-up to its advisory report *Meer chemie tussen groen en groei* [More Chemistry between Green and Growth] – the Council organised a conference on *Making Work of the Bio-based Economy*.

Impact of advisory reports

The Council's advice has the greatest impact on the Government and Parliament. Interaction with both is guaranteed in a variety of ways: 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 involve submitting the report to the ministers concerned or giving a presentation to a committee of the House of Representatives or at a conference or symposium.

Whether and how an advisory report has affected Government policy is not always clear within a year of its publication; in some cases it takes longer for the impact to be felt.

The Government is not obliged to follow the Council's advice. A unanimous opinion by the employers' confederations, trade union federations and Crown-appointed members does, however, send a powerful signal to the Government. It has been agreed that the Government will comment on an advisory report within three months of its publication. If the Government disagrees with a Council advisory report, it must explain why.

The Government responded to most of the advisory reports that the Council produced in 2011 before the end of the year. Government responses were also issued to the advisory reports submitted in 2010. In virtually all cases, the Government endorses the view of the Council, and it also accepts many of the Council's recommendations. One example of an advisory report that took a long time to implement was that on *Simplified Court Proceedings for Straightforward Civil Cases* produced by the Council's Committee for Consumer Affairs in 2007. In his Innovation Agenda for the Legal System (October 2011), the Minister of Security and Justice, Ivo Opstelten, indicated that he would be introducing such a speedy and simplified system in 2013.

Advisory projects still being dealt with as of 31 December 2011

- Affordable healthcare for future generations;
- Cultural aspects of occupational health and safety;
- Europe 2020;
- Heat stress in the workplace;
- Post-initial training market;
- Composition of the Council;
- Shifting economic balance of power.

Advisory projects in 2011

Access to justice for consumers and traders

The Dutch Government wishes to introduce cost-covering court registry fees. In response, the Committee for Consumer Affairs (CCA) provided the Government with an advisory memorandum reminding it of the inherent responsibility that the authorities have for the proper operation of the entire system of dispute resolution, whether by means of legal proceedings or out of court. As regards resolution via legal proceedings, the CCA refers to its earlier advisory report (2007) on *Simplified Court Proceedings for Straightforward Civil Cases*, the recommendations of which the Government has hardly complied with. The CCA also refers to positive developments as regards out-of-court

dispute resolution. It recommends that the Government should take speedy further steps to introduce simplified court proceedings for straightforward civil cases and should also consider its intentions regarding access to justice within the whole system of dispute resolution.

In its response to this advisory report, the Government announced the introduction in 2012 of a speedy, informal, digital procedure that will enable parties to submit their dispute to the Sub-District Court within a secure electronic environment.

Own-account workers and working conditions

In the view of the Working Conditions Committee, ensuring that own-account workers can work under the same conditions as employed persons requires that more components of the health and safety regulations apply to such workers. The basic principle here is that the same working conditions, level of protection, and workplace safety should apply to all workers. This means:

- “target-setting provisions” in the health and safety regulations – i.e. those provisions that set specific standard limits and/or process standards – should be declared applicable to own-account workers;
- the general policy provisions of the Working Conditions Act (the “system provisions”) should not apply to own-account workers, with the exception of three specific provisions. These are the provision regarding the general duty of care, the requirement to pursue a health and safety policy and draw up a Risk Inventory & Evaluation (RI&E), and the obligation to report fatal and serious accidents to the Labour Inspectorate; this is important as regards investigating undesirable risks or unsafe working practices.

The Council considers that declaring the system provisions fully applicable to own-account workers may lead to undesirable effects and in some cases to a disproportionate administrative burden because, to a significant extent, they assume the existence of an employment relationship between a worker and the person for whom he/she works. In the view of the Council, the system provisions – with the three exceptions noted – do not have any added value as regards healthy and safe working conditions for own-account workers.

The Government has yet to publish its response to this advisory report; it is expected to do so in the course of 2012.

Naming and using population shrinkage

With the Parkstad Limburg region as the front runner, an increasing number of regions in the Netherlands are having to deal with a declining population. This regional population decline is often accompanied by dejuvenation, ageing, and a reduction in the number of households. These trends affect economic dynamism, the demand for goods and services, development of the labour market, and spatial planning. This dynamic is also affected by autonomous non-demographic trends such as concentration, increases of scale, and individualisation. Unless there is a change of policy, shrinking regions will be confronted both with properties lying empty and homes being poorly maintained, and with a diminishing supply of schools, medical care, and shops.

The Council assumes that in an increasing number of regions population shrinkage is an irreversible process. A transition is under way from a situation in which population growth was the norm to one in which population shrinkage is an accepted and manageable phenomenon. The challenge is to ensure

that this transition results in a new equilibrium for the shrinkage regions, with sufficient economic support for high-quality public facilities, for people to live and work in pleasant conditions, and for businesses to invest successfully. That process will be completed at the point when a region is sufficiently vigorous – economically, socially, and spatially – to comply with these conditions without exceptional government support.

Regional population shrinkage can lead to major restructuring challenges, certainly in the regions where this process is already in full swing. However, population shrinkage also offers opportunities, especially when all concerned can adapt to the changing circumstances in good time and key into them effectively. If that is the case, then overinvestment must be avoided. The Council is convinced that – based on a transitional policy enjoying public support – there are sufficient opportunities to utilise demographic trends in order to guarantee the vitality of present and future shrinkage regions. Seizing those opportunities requires, amongst other things:

- awareness on the part of local authorities, the business community, civil-society institutions, and citizens of the new demographic reality and a shift in thinking and action;
- collaboration between these stakeholders in the region;
- innovative entrepreneurship that actively responds to the new circumstances;
- an integrated approach that links up with the specific qualities (i.e. comparative advantages) of the region and that connects together the various policy fields;
- good administrative preconditions that make a tailor-made approach possible. In other words, the relevant legislation and regulations must be made “shrinkage-proof”, there must be adequate funding for shrinkage regions, and scope must be provided for experimentation so as to create options for administrative, economic, and social innovation.

All those concerned have their own responsibility as regards the further steps to be taken in the transition towards vigorous shrinkage regions. There is no blueprint available; transition policy involves customisation. It is also too simple just to refer matters to the authorities. The authorities must indeed provide direction and create the necessary preconditions, but ultimately it is primarily the business community – both business owners and employees – civil-society organisations and institutions (including housing corporations, schools, and healthcare institutions), and citizens who ensure the sustainable development of the region in day-to-day practice.

The Dutch Government responded positively to the advisory report, viewing it as support for policy that has already been set in motion (or will be). The advisory report has contributed to raising awareness of population shrinkage and its key message and recommendations are not a matter of dispute. In the light of the report, the Government has re-accentuated certain matters, with the emphasis on reinforcing the economic, social, and spatial vitality of the regions.

Future training and education for works council members

The Dutch Works Councils Act [*Wet op de Ondernemingsraden, WOR*] provides that members of a works council are entitled to training and education. The company and the works council jointly determine the number of days when they will receive this, with the minimum being five days a year. The works council itself determines the nature of the training and education. All the costs incurred by the works council in order to fulfil its duties – i.e. including the cost of training and education for its members – are payable by the company.

A company that is subject to the obligation to set up a works council, or that has already done so, is currently required to pay a levy, the size of which is determined annually by the Council. The proceeds are intended to promote training and education for works council members. The Joint Centre for Works Councils (GBIO) makes the proceeds from the levy available in the form of grants towards the cost of training and education, on condition that these are provided by an institution recognised by the GBIO.

The Council's Administrative Chamber finds that the current system of training and education for works council members has been beneficial. In the past few years, however, there has been less support for the principle underlying the system, namely training and education funded by means of a levy on all companies required to set up a works council. This reduced level of support is having an increasingly negative impact on the effectiveness of the system.

The Administrative Chamber has therefore considered the options for setting up a system that can rely on greater support and that will consequently have improved prospects for the future. One important principle is that the Council continues to favour and pursue a high-quality system for employee participation. This includes high-quality training and education for works council members.

The Council consequently produced an advisory report on a new system for such training and education. The report includes the recommendation that the current levy on companies be scrapped and that their statutory payment obligation as regards training and education be tightened up. In order to determine the extent of this payment obligation, the Council would each year determine a recommended amount per training morning/afternoon/evening.

In a revised system, it would also be important to continue to involve the social partners in monitoring the quality of the training via a foundation set up for that purpose. This would be made up of representatives of government employers and the sector association of training institutions. A special Council committee would also be given the task of promoting employee participation within businesses. It would provide information on certified training providers and also advise the Government and Parliament on matters concerning employee participation.

According to the advisory report, it should be possible to raise issues regarding whether the legislation is being complied with in a simple and speedy manner. It is therefore proposed that companies and works council members should be able to submit questions directly to one of the sectoral committees so as to acquire an authoritative judgment within the short term.

In the new system, the GBIO – which was set up 35 years ago by the Council and the Dutch Labour Foundation – would be abolished. The GBIO has played a significant role in the development of employee participation.

In a response to the advisory report, the Minister of Social Affairs and Employment said that the proposals would be accepted and that there would be further consultations regarding the details of some components.

Making work of job-to-job mobility

In this advisory report, the Council presents its views on how the social partners and government can promote and support voluntary job-to-job mobility. It must be made easier and more normal for

working people to voluntarily change jobs. This offers advantages for both employees and employers, for example improving employees' knowledge and development so that they can work longer, more productively, and more healthily; switching to a more suitable job; increasing the dynamism within the organisation; and greater knowledge-sharing. It also promotes a properly functioning labour market because voluntary job-to-job mobility also helps prevent impending labour market problems.

But more mobility is not always better mobility. It is not the maximum level of job-to-job mobility but the optimum level that is needed. Employers and employees benefit neither from too few nor too many changes in the workforce or the working environment. In the case of too few changes of job, employees run the risk of becoming stuck in their current job. For their part, employers risk missing out on knowledge and experience from outside, with reduced dynamism within their organisation and less sharing of knowledge with the outside world. Conversely, too much mobility makes expenditure on adaptation necessary for both the employer (for example because of loss of expertise and the cost of recruitment and selection) and for the employee (for example insufficient time to acquire specialised know-how).

Important conditions for job-to-job mobility also include the availability of proper information about present and future job opportunities, the presence of good career policy, the possibility of acquiring the necessary knowledge and competencies, and sufficient certainty in making the switch. There remain obstacles regarding these points such that job-to-job mobility fails to operate even though it is or may be desirable. Career policy still devotes insufficient attention to the positive aspects of changing one's job. Financial access to the necessary job and/or supra-sectoral training – and the use made of that training – is still too restricted and the external job possibilities are often still unclear.

It is primarily up to employers and employees to take the necessary steps to encourage and facilitate job-to-job mobility, with government playing a facilitatory role in certain respects. The Council has formulated recommendations along three main axes.

1. First, employers and employees must become more aware of the benefits of changing jobs more often. Job mobility must play a bigger part than at present in the personnel policy of organisations. A "mobility culture" is needed in which it is normal to change jobs more often.
2. Employers, employees and government must invest in the training and deployability of employees. This requires the development of a personal budget which employees can use to attend training courses in order to advance their career within the sector. The existing options for training must be utilised more effectively, including for groups that currently make little or no use of them. Finally, the Council makes recommendations for training aimed at smoothing the transfer to a different sector. For this, it must be possible to call on the existing sector training and development funds and, if applicable, the funds earmarked for reintegration (via co-financing).
3. An improved information and network structure must lead to improved facilities to assist workers in changing to a different job. This requires improved access to labour market information. The supply of vacancies and jobseekers must be transparent in order to ensure a good match and faster placement. This can be achieved by making greater use of modern search and recruitment channels.

The Netherlands is changing. People increasingly have to divide their time between paid employment, the household, care, voluntary work, and other activities. An increasing number of working people feel subject to enormous time pressure and lack of time as regards the work-life balance. The Government has requested the Council to indicate how a solution to these time-management problems can be achieved, and what contribution can be made by the public services, authorities, employers, and employees.

The Council considers that a “smarter” organisation of work and services can be achieved via two routes: businesses and “environment”. Within the civil-society environment (care, municipalities, education, childcare), there is a need for changes in opening hours and optimum use of digital service delivery. Within businesses, employees need to have a greater say and influence on when and where they carry out their work. At the same time, businesses must be able to quickly take account of increasing international competition, and adjust their production and services accordingly. The needs of the employer and the employee demand reciprocal flexibility and a careful weighing of the interests involved.

Currently, workers frequently cope with their time-management problems by working part time. The Council considers that a combination of strategies is necessary at businesses and public services: a shift or extension in opening hours, work that is not tied to a particular time or place (telework and work at home), the use of leave and changes in working hours (for example temporarily working less or more), and flexible working hours. This has positive effects as regards a better work-life balance, greater labour market participation and optimum deployment of working people, and it contributes to long-term economic growth, with good prospects (jobs, business) for all concerned.

The Council argues that a more modern and time-efficient arrangement of the day is required for children aged 4 to 12. The main principle here is that school and nursery opening hours should fit in with working hours and that the best use should be made of the options provided by a full school week in which Wednesdays and Fridays are also considered regular working days. It would be valuable for facilities to open earlier, with regular school hours on all days of the week, and with the introduction of a continuous timetable. The primary responsibility for such a time-efficient way of arranging the day lies with the authorities.

The Council’s recommendations in its *Time and Society* report are directed mainly to employers and employees (and the organisations representing them) within businesses and the civil-society environment. In the view of the Council, it is they who need to act first, with the primary tasks of the Government being to support and facilitate. The Government’s response on 7 November 2011 endorses this view and offers an insight into the efforts of central and lower tiers of government to increase labour market participation and the number of hours worked without time pressure increasing.

The Government wishes to contribute to the development of an arrangement that links up as regards time and content and that comprises education, childcare, and recreation, that makes it simpler for parents to combine work and care, that improves schools’ results, and that makes a positive contribution to children’s development. The Government has consequently adopted the ambition that as many schools as possible should offer a way of arranging the day that is efficient as regards both time and content. The Government aims to achieve that ambition within the current system and within the budgetary frameworks. It is therefore supporting various experiments, extending funding for the National Centre for Community Schools [*Landelijk Steunpunt Brede Scholen*] by three years, and

drawing up an agenda for the future. In the years ahead, the Government will also monitor the “five equal days model”, which the Council sees as an incentive for labour market participation.

Strategic Agenda for Higher Education, Research, and Science Policy

A significant number of students now drop out of higher education, talented students are not challenged sufficiently, and the system is not flexible enough to deal effectively with the varied demands of students and the labour market. This leads to students dropping out, choosing the wrong programme, switching programmes, and consequently studying for long periods, meaning that young people in the Netherlands enter the labour market relatively late. As the Council states in its advisory report, this is disadvantageous not only for the young people themselves but also for Dutch society and for the economy.

With a view to improving the situation, the basic quality of higher education needs to be increased. With a better basic level of quality, programmes to promote excellence could focus on exceptionally talented students at both research universities and universities of applied sciences. Greater efforts must also be made to get the right students in the right places. Better provision of substantive information by education institutions about fields of study and programmes, better preparation by students, and selection and matching so as to coordinate students and programmes more effectively are all required. As regards the latter point, it is important to ensure that selection and financial measures do not operate at the expense of access. The Council wishes to draw attention to programmes that can play a role in resolving problems on the labour market.

The Council favours greater differentiation in higher education so that it can serve both students and the labour market more effectively (i.e. a varied and efficient range of study programmes). Fragmentation of the range of courses offered must therefore be reduced. The Council believes that the new funding system for higher education should focus less on student numbers and more on quality and distinction, and should be simple and transparent.

Consultations at national level would be highly beneficial in the context of collaboration between employers' associations and the higher education sector, with a linkup to the nine key economic sectors. Those sectors also form a good point of contact for research, although it should be remembered that relevant research, innovation, and valorisation also take place in scientific and scholarly fields outside those sectors.

The Council notes that achieving the country's aim of being one of the top five knowledge-driven economies will demand not only the effective and efficient deployment of existing funds but also extra investment, certainly in the medium and long term. The Council emphasises that this involves investment with a clear positive return, for both the individual and the country as a whole.

The State Secretary for Education, Culture and Science responded to the Council's advisory report in the *Strategic Agenda for Higher Education, Research, and Science Policy: Quality in Diversity [Kwaliteit in verscheidenheid]* (published on 1 July 2011). The emphasis in the report on utilising quality; having the right students in the right places; improving the quality of education as regards information, teaching (including more teachers), and distinction; broader Bachelor's degree courses; scope for excellence; collaboration with the business community; and valorisation can be found to a similar or even greater extent in the Strategic Agenda. In so far as there is in fact a difference, it concerns primarily the tone and scale rather than the desired direction.

Complaints procedure for pre-appointment medical examinations

The Medical Examinations Act [*Wet op de medische keuringen, Wmk*] provides that pre-appointment medical examinations are only permitted subject to stringent conditions, namely if the position concerned requires certain medical requirements to be met.

The Council responded favourably to a proposal made in 2009 by the then Minister of Social Affairs and Employment that the complaints procedure for pre-appointment medical examinations be transferred to the Council. In 2012, the Complaints Committee for Pre-Appointment Medical Examinations (CKA), which reports to the Ministry of Social Affairs and Employment, will become a Council committee.

In 2011, the Minister of Social Affairs and Employment requested the Council to advise him on the draft bill for the Medical Examinations Act and the draft decrees to amend the Pre-Employment Medical Examinations Decree [*Besluit aanstellingskeuringen*] and the Pre-Employment Medical Examinations (Complaints) Decree [*Besluit Klachtenbehandeling aanstellingskeuringen*]. These draft regulations implement the transition from the CKA to the Council and a number of related matters.

Speaking on the half of the Council, the Executive Committee states in the advisory report that it is desirable for the new decree to in any case ensure that the majority of members of the new Council committee are independent, i.e. that they are appointed directly by the Council. The Council should appoint three independent members and three deputies, all of whom should be doctors or lawyers (in a balanced ratio). One of the independent members would be the chairperson. Two members of the committee (and their deputies) would also be appointed on the recommendation of the central representative organisations of employers and employees.

The Executive Committee also considers it important that the decrees should include consistent arrangements between the Ministry and the Council regarding the transfer of the CKA. Those arrangements would basically mean that in the fourth year after the Pre-Employment Medical Examinations (Complaints) Decree came into effect, there would be an evaluation, with the conclusions then being effectuated (including those regarding the funding for the Council committee).

Exposure limits for asbestos

The Council's Occupational Exposure Limits Committee (GSW) has recommended that the statutory limit for exposure to asbestos should be reduced to the target risk level (i.e. the lowest level) determined by the Health Council of the Netherlands [*Gezondheidsraad*] in 2010. For chrysotile asbestos, this means a reduction to 0.002 fibres per m³; for amphiboles, a new limit of 0.00042 fibres per m³ will apply (with both values being the time-weighted average for the eight-hour working day, measured by means of electron microscopy).

These exposure limits will need to be enforced effectively; there is little point in reducing the limits if there is no specific enforcement policy. The Committee therefore calls on the Ministry of Social Affairs and Employment to strengthen supervision of the most dangerous class of work involving asbestos (class 3) by being directly involved in the certification procedure for companies that carry out such work.

The Committee recommends that the new exposure limits take effect on 1 July 2013. The State Secretary for Social Affairs and Employment has stated that he accepts both of the Committee's recommendations.

Development through sustainable enterprise

In this advisory report, the Council states that a well-developed private sector is crucial if the opportunities offered by globalisation are to be utilised. Effective economic cooperation with developing countries should therefore focus on promoting local economic activity as the engine for sustainable growth and decent employment. The Dutch commercial sector can make an important contribution to international corporate social responsibility, in proper cooperation with the social partners and civil-society organisations. With the aid of specific tools, the policy for development cooperation can reinforce the impact of that contribution.

In the view of the Council, responsibility for reinforcing the private sector lies primarily with local authorities, businesses, and social partners. Dutch parties can contribute, however. The Council recommends supporting the local authorities in developing countries in the work of reinforcing the private sector as the engine for sustainable growth by improving the preconditions for sustainable enterprise (the "enabling environment").

The Council believes that the business community, social partners, and civil-society organisations must be more actively involved in applying the funds for development cooperation. This can be achieved by making better use of Dutch expertise and making more funds available for the purpose. Demand from developing countries will be central. Co-operation with Dutch private parties must contribute visibly to private sector development and decent employment in the developing countries themselves. The Council also recommends that compliance with the revised OECD guidelines for international business practice should be enforced as a strict condition for the allocation of grants from development funds. This involves streamlining the current grant conditions (restriction of the administrative burden) but also greater monitoring of compliance by the Dutch authorities.

The Council considers that the position of the social partners in developing countries must be reinforced; it recommends supporting programmes to strengthen organisations that represent employers and employees. The fundamental labour freedoms to unionise and for independent and professional social partners to engage in collective negotiations should also be a more central component of the bilateral contacts.

On 4 November 2011, the State Secretary for Economic Affairs, Agriculture and Innovation, Ben Knapen, submitted the letter *Development through Sustainable Enterprise* to the Dutch House of Representatives. The letter also comprised the Government's response to the Council's report of the same name, in which the Government expresses its gratitude for the Council's well-considered advice. The advice is a welcome addition to the previous report by the Scientific Council for Government Policy (WRR), which devoted relatively little attention to private sector development and cooperation with the business community. The Government considers the advice as helping to focus the new policy for development cooperation more specifically on economic development and self-reliance. The Government also accepts the Council's recommendations regarding important points, for example application of the revised OECD guidelines, new programmes to strengthen the deployment of Dutch expertise, changes in the Development-Related Infrastructure Development Programme (ORIO), and

support for social dialogue. There is also a substantial extension of funds for developing the private sector.

Works councils and international corporate social responsibility (ICSR)

The State Secretary for Economic Affairs, Agriculture and Innovation asked the Council whether works councils can play a role in promoting international corporate social responsibility (ICSR).

The Council believes that works councils can play a role in encouraging ICSR. The Dutch Works Councils Act [*Wet op de Ondernemingsraden, WOR*] and the Civil Code [*Burgerlijk Wetboek, BW*] provide various options for structuring the role of the works council in this regard; no change in the legislation is necessary. In addition to documents including a separate annual CSR report, the social annual report can play a role within companies, specifically in medium-sized companies that are not obligated to report non-financial information in an annual report.

To further support the role of the works council in promoting ICSR, the Council has drawn up a separate appendix to the Model Rules of Procedure for Works Councils in which the legal options for structuring the role of the works council in this regard are elaborated and which includes possible voluntary agreements between the company and the works council.

In a letter to the President of the House of Representatives, the State Secretary for Economic Affairs, Agriculture and Innovation, Henk Bleker, said that he endorsed the Council's view; he therefore sees no reason for the legislation to be amended. Mr Bleker welcomes the Council's initiative to amend the Model Rules of Procedure for Works Councils.

Other advisory activities

An EU Spring Summit took place on 24 and 25 March 2011. Preparations to define the position to be adopted by the Netherlands at the Summit included consultations between the Minister for Economic Affairs, Agriculture and Innovation, Maxime Verhagen, and the Council on 23 March 2011. During the consultations, the focus was mostly on the package of measures submitted to strengthen the economic direction of the Economic and Monetary Union (EMU).

The Two-Tier Entity Act [*Structuurwet*] imposes certain obligations on large companies and cooperatives. After consulting the Council, the Minister of Security and Justice can grant an exemption. In the year under review, the Council received a single request for an exemption. The Council's Subcommittee on Exemptions under the Two-Tier Entity Act (OSW) advised that the exemption be granted subject to certain conditions. The Minister of Security and Justice adopted this recommendation.

Other committee activities

Progress on international corporate social responsibility (ICSR)

In 2008, the Council drew up a statement on International Corporate Social Responsibility (ICSR). The second progress report was published in 2011. This will be followed in 2012 by a final evaluation in which policy-related conclusions will be drawn.

In the ICSR statement, the national employers' confederations and trade union federations say that further support and incentives for ICSR are necessary at all levels, and they call upon businesses and sectors to contribute actively.

The signatories to the statement are undertaking various activities to promote implementation of ICSR. The progress reports are based on various sources and aim to give the best possible picture of the activities, specifically within the business community. Besides monitoring progress, the second progress report focuses on a deeper study of the basic philosophy by exploring the scope of supply chain management and discussing various remedial mechanisms. It also deals with the results of a survey commissioned by the Council of sustainable procurement at companies.

The Council takes responsible supply chain management to be the voluntary – but not non-committal – undertaking by companies to exercise a positive influence on the social and environmental policy of their suppliers. The second progress report once more looks closely at this description, concluding that it is not realistic to try to indicate just how far companies' responsibility extends within the chain. Companies can be expected, however, to select their primary suppliers carefully and to check their impact within their supply chains and where the main CSR issues are to be found. Due diligence (a risk analysis) is important. Interpretation of supply-chain responsibility is a dynamic process, with it often being the dialogue with the company's "environment" that clarifies what abuses within the chain need to be tackled.

Where remedial mechanisms are concerned, the Committee endorses the importance of a properly functioning point of contact that provides access to external stakeholders from producer countries and that focuses on independent intermediation and problem-solving. The Committee also argues for there to be more effective internal complaints procedures.

In the Council's survey of sustainable procurement, companies indicate that they engage in more ICSR activities than would appear from the reports. Attention to sustainable procurement would seem to increase the more that companies have non-western suppliers and also have a certain level of market power over those suppliers. The Council's survey consequently provides a more nuanced picture than that revealed by monitoring public reporting. Front runners and followers say that they pursue a sustainable procurement policy primarily because of intrinsic motivation: they consider that it is right and fitting – and also worth the trouble – and far less that it is mandatory. At the same time, the Council's study indicates a number of challenges. A significant number of the companies surveyed said that they did not have a policy on sustainable procurement, that they required more information about this issue, and that they would place themselves at the bottom or halfway up the sustainability ladder.

All in all, the Council's second progress report reveals that the issue of CSR is in fact a live one among the public and that there is a modest range of activities at central, sector, and company level. There is growing awareness that CSR is – or should be – the natural basic feature of business today and that it should therefore not be merely a non-committal matter.

Development of working conditions

The Council's Working Conditions Committee devoted a great deal of attention to the role and position of company medical officers [*bedrijfsartsen*]. The report on the study of the position of company medical officers – carried out at the request of the Ministries of Social Affairs and Employment and Housing, Welfare and Sport – was discussed at length in the presence of a number of experts. The Government's response to the study was also dealt with. The Committee decided to return to the topic of the "duties and position of company medical officers" in an advisory report for

which the Council expects a request for advice next year in the light of the outline vision of the construction of the health and safety system that is being drawn up by the Government, and that is expected to be published early in 2012. The Committee will use the intervening period to carry out an international survey of the duties and position of company medical officers and occupational healthcare in a number of European countries.

In the context of exposure limits for target requirements, the Health Council of the Netherlands produced detailed recommendations regarding heat stress at the end of 2011. The Committee is now awaiting the response of the Ministry of Social Affairs and Employment to those recommendations. The nature of that response will determine the work required of the Committee in the context of this request for advice. There was also a joint meeting of the Working Conditions Committee and the Occupational Exposure Limits Subcommittee to discuss the progress of the advice procedure regarding exposure limits. A number of topics were covered, including determination of low concentrations, feasibility in relation to the principle of reasonableness, and the international context.

In December, the Committee held a closed meeting of experts on the Supplementary Risk Analysis and Evaluation Regulations [the “*ARIE*” regulations]. This gave the Ministry of Social Affairs and Employment, the Labour Inspectorate, and the social partners the opportunity to put forward their expert opinions. The instigation for this was that, early in the year, the Minister of Social Affairs and Employment had already announced the abolition of the regulations during general consultations with Parliament’s Permanent Committee for Social Affairs and Employment. According to the Minister, one is dealing here with more specific national legislation than arranged in an EU context, and it has been agreed in the Government’s coalition agreement that no such legislation should supersede European directives. The Minister also states that even without the *ARIE* regulations it is possible to guarantee the same minimum level of protection and high-quality monitoring of the risks associated with hazardous substances and safety. This position differs from that adopted by the then Minister of Social Affairs and Employment in 2010 with respect to the unanimous advice regarding the *ARIE* regulations.

Adjustment of occupational exposure limits

One of the duties of the Occupational Exposure Limits Subcommittee (*GSW*) is to advise the State Secretary for Social Affairs and Employment on limits for genotoxic carcinogenic substances and inhalant allergens in the workplace for which no safe limit can be determined. The Subcommittee is organising a feasibility test focusing on the safest level. In the case of genotoxic carcinogens that is the target risk level, while for inhalant allergens it is the risk level for a 1% higher risk of sensitisation; both of these are based on recommendations by the Health Council of the Netherlands. The Subcommittee will submit an advisory report to the Minister in the light of the test. In 2011, the Subcommittee also worked on the feasibility test (not yet completed) for flour dust and started on the feasibility test for hardwood dust, benzo(a)pyrene, and polycyclic aromatic hydrocarbons (*PAHs*) derived from coal. Discussion of the relevance of determining a statutory exposure limit for endotoxins was concluded; it has yet to lead to an advisory report by the Subcommittee. In a joint meeting with the Working Conditions Committee, there was a discussion of the provision of advice regarding exposure limits; the Subcommittee then continued dealing with the topic of “determining low concentrations”. In that connection, it wishes to provide an answer to the question of the circumstances under which – in the absence of a validated method of analysis – a model approach is useful and applicable in practice in order to assess exposure concentrations in the workplace. The main point is that this allows one to determine – with a specified level of reliability – cases when the

exposure limits for genotoxic carcinogens and allergens are exceeded. This concerns substances for which no safe limits have been determined, and that often occur in only low concentrations in a workplace setting.

The Subcommittee considers it extremely important for digital information on occupational exposure limits to be made more easily accessible for third parties. This applies both to the Exposure Limits Database on the Council's website and the digital guidelines on *Working Safely with Chemicals* [*Veilig werken met chemische stoffen*]. A substantial increase in the number of safe working methods during the year under review has made the guidelines more user-friendly.

The Subcommittee is greatly in favour of European cooperation and maintains contact with foreign organisations that are involved in determining occupational exposure limits in their countries. In that context, the Council hosted the 2011 "Institutes Meeting" attended by representatives of institutions and organisations in Austria, Germany and Switzerland, together with the Subcommittee secretariat.

Consumer conditions for more sectors

The Council's Self-regulation Coordination Group (SER CZ) 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 final stage is the setting up of a disputes board for the sector.

A lot of attention was focused in 2011 on the consultations on terms and conditions in the healthcare sector. In 2010, there were successful consultations on basic sets of terms and conditions in the nursing, homecare, and convalescent care sector. Building on that success, more specific terms and conditions for maternity care were drawn up in 2011. There was also a successful conclusion to the consultations that had already been going on for some time regarding the terms and conditions for hospitals and hospital specialists. During Parliamentary consideration of the bill regarding client rights in the healthcare sector, the Government clarified the relationship between the bill and the consultation on terms and conditions, to which the Government attaches great importance: "The general terms and conditions lay down a large number of important matters that are relevant to the proper provision of healthcare."

There were also consultations outside the healthcare context. These resulted in new bilateral terms and conditions, including a disputes board for the following sectors: fitness centres, paving/surfacing, and jewellery/clocks and watches. The terms and conditions for the fitness centres sector specify, for example, the information that each side must provide before a contract is concluded, as well as the duration of the contract and the notice period required to cancel it. In the paving/surfacing sector, a number of important issues were regulated: suspension of the work during bad weather and completion/delivery of the work. The terms and conditions for the jewellery/clocks and watches sector regulate matters including repair and maintenance. Evaluation consultations also produced new consumer conditions for the travel sector. On the one hand, the price guarantee for consumers has been extended – it now also applies, for example, to foreign charters in Europe and the Mediterranean countries – but a tour operator can now require the customer to take out travel insurance.

In 2011, SER CZ had a study carried out of the legal form for rulings by disputes boards. This concerns disputes boards operating under the banner of the Consumer Affairs Disputes Boards Foundation, better known simply as "*The Disputes Board*" [*De Geschillencommissie*]. Rulings by

disputes boards are currently in the form of a binding opinion. In his study, Prof. Henk Snijders (Leiden University) concludes that disputes boards should make greater use of the instrument of consumer arbitration. In a response, the board of *The Disputes Board* concluded that there was insufficient reason to convert all the arrangements from a binding opinion to arbitration, but it did introduce a number of improvements to the currently applicable procedure.

ADMINISTRATIVE TASK

The Social and Economic Council and the commodity and industrial boards together make up the statutory industrial organisation [*publiekrechtelijke bedrijfsorganisatie*, PBO]. The Industrial Organisation Act [*Wet op de bedrijfsorganisatie*, WBO] provides the legal basis for both the Council and the boards. The Council's administrative task is based mainly on the WBO, but also on other legislation, for example the 1977 Chambers of Commerce and Industry Act [*Wet op de Kamers van Koophandel en Fabrieken 1997*] and the Works Council Act [*Wet op de ondernemingsraden*, WOR].

In accordance with the WBO, the Council supervises the commodity and industrial boards in order to ensure that the boards function efficiently and in accordance with the law. By exercising supervision, the Council helps both the separate boards and the entire system operate effectively.

The Council delegates most of its administrative duties to its Administrative Chamber [*Bestuurskamer*] and Supervisory Chamber [*Toezichtkamer*]. The Administrative Chamber is a committee that basically consists of the members of the Council (or their deputies). The Supervisory Chamber is a committee made up of three Crown-appointed members (or their deputies) that acts autonomously in performing its supervisory duties.

Revision of rules regarding supervision of the statutory industrial organisation [PBO]

The Council's most important supervision rules – the Statutory Industrial Organisation (Finances) Ordinance [*Verordening financiën bedrijfslichamen*] and the Policy Rules (Supervision) Decree [*Besluit beleidsregels toezicht*] – were revised and readopted in 2011. The Ordinance establishes detailed rules for financial management and accountability by statutory industrial organisations and sets out rules regarding long-term financial forecasts, budgets, and annual financial statements. The new rules will be applied for the first time to the statutory industrial organisations' budget cycle in 2012. The Decree indicates how the Supervisory Chamber [*Toezichtkamer*] must carry out a number of its supervisory duties, in particular those regarding approval and agreement. The texts of the two sets of rules have been published in booklet form.

Joint sectoral committees

The Council installs joint sectoral committees pursuant to the Working Conditions Act (WOR). Their main task is to mediate between parties in disputes that can be traced to that Act. Since 2010, there have been two joint sectoral committees for the market sector. They are the Joint Sectoral Committee Market I, for enterprises in commercial sectors, and the Joint Sectoral Committee Market II, for those in the care, social welfare, and social/cultural sectors. The Council runs the secretariats of both joint sectoral committees. The committees have their own website – www.bedrijfscommissie.nl – and they publish their own annual report.

Levy for training and education for works council members

In 2011, the Administrative Chamber published the advisory report *Future Training and Education for Works Council Members* [*Toekomst scholing en vorming leden ondernemingsraad*] on behalf of the Council. The report recommends altering the system (including funding) for training works council members. In a response, the Minister of Social Affairs and Employment said that he would adopt the Council's recommendations. The new system is expected to be introduced in 2013.

Complaints procedure for pre-appointment medical examinations

The Council runs the secretariat of the Complaints Committee for Pre-Appointment Medical Examinations. The purpose of the committee is to monitor and promote the quality of pre-appointment medical examinations within the meaning of the Medical Examinations Act [*Wet op de medische keuringen, Wmk*]. The Committee advises when asked to do so and issues opinions on complaints. It reports to the Ministry of Social Affairs and Employment and publishes its own annual report. Six complaints were submitted to the Complaints Committee in 2011, one of which was dealt with by means of two rulings (one against the employer and the other against the examining doctor). Two of the other complaints were dealt with by means of recommendations, two were not pursued, and one was deferred. Three complaints from 2010 were dealt with in 2011 by means of rulings. The Complaints Committee also published 46 sets of recommendations in 2011. The Complaints Committee has its own website: www.aanstellingskeuringen.nl.

With effect from mid-2012, the Complaints Committee's tasks will come under the auspices of the Social and Economic Council. The Council responded favourably to a proposal made in 2009 by the then Minister of Social Affairs and Employment that the complaints procedure for pre-appointment medical examinations should be transferred to the Council. Specifically, this means that – after the necessary legal changes – the Committee will become a Council committee.

COMMUNICATIONS AND INTERNATIONAL RELATIONS

The Council informs interested parties, both Dutch and foreign, about trends and developments in the consultation system and about the socio-economic policy issues on which it advises. Communications by the Council are 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.

Symposiums

The Council regularly organises symposiums on issues of current relevance, preferably doing so in collaboration with other organisations. Brief reports, with texts and images, are available on the Council's website. Six symposiums took place in 2011.

On 6 April, the Council held a working conference, *Making Work of the Bio-based Economy*. This was a spinoff from the advisory report *More Chemistry between Green and Growth*, in which the Council calls on the Government to focus on the development of a "green" economy in which waste is a thing of the past and finite resources are replaced by renewable ones. The conference was aimed at employers and employees, regions and sectors, businesses, and umbrella associations. The speakers were Council President Alexander Rinnooy Kan and Fokko van Duyne, chairman of the Council's Committee for Sustainable Development. A number of leaders in the field of bio-based business gave

an insight into how they deal with the opportunities and dilemmas presented by the bio-based economy.

Together with its counterpart in Flanders, the Council held a study day in Antwerp on 7 April on the topic of “sustainable employability”. A record number of persons attended this event, which is held every two years. Dutch and Flemish labour market experts shared practical examples according to the motto *Sustainable Employment for All*. In addition to representatives of the Flemish and Dutch social partners, the speakers included Jules Theeuwes, Professor of Applied Economics at the University of Amsterdam, and Luc Sels, Professor of Economics and Business Studies at *Katholieke Universiteit Leuven*. The next study day will be held in 2013, this time in the Netherlands.

Against the background of the financial and economic crisis in Europe, the Council organised a symposium on 4 May entitled *Dealing with Differences within the Euro Area*. The speakers were Crown-appointed Council member Lans Bovenberg, Maarten Keune (Professor of Social Security and Labour Relations), Loes van Embden (Confederation of Netherlands Industry and Employers, VNO-NCW), Henk van der Kolk (FNV trade union), Wim Boonstra (chief economist at Rabobank Nederland), and former politician Arie van der Hek. The conclusion was that financial discipline is needed in order to prevent further problems within the euro area but that at national level the social partners must continue to have the scope to negotiate.

Together with the National Youth Council (NJR), the Council organised a conference on 7 June with the title *Later Starts Now: Young People on the Way to the Labour Market*. The conference focused on two questions, with the first being: What do young people need if they are to develop their talents to the maximum so as to be properly prepared for entering the labour market? The second question was: How can we prevent those who have not obtained any basic qualifications from being left on the sidelines? NJR board member Tijn van Vugt, Crown-appointed Council member Hans Kamps, and the Minister of Education, Culture and Science, Marja van Bijsterveldt, attempted to provide answers. There was then a discussion of a number of statements by board members of the youth organisations LAKS, ISO, LSVb, FNV Jong, CNV Jongeren, and Jong Management.

Together with MVO Nederland, the Council organised a working conference on 21 June entitled *Speeding up International Corporate Social Responsibility (ICSR)*. The conference was intended for sector organisations so as to enable them to gain inspiration and learn from one another’s experience. It dealt with responsible supply chain management and preventing abuses. After presentations by Alexander Rinnooy Kan and Willem Lageweg, the director of MVO Nederland, participants attended discussion workshops at which they could also learn about practical ways of promoting ICSR. The workshops highlighted a number of dilemmas, which were then discussed in a plenary session with Jan-Willem van den Braak (Confederation of Netherlands Industry and Employers, VNO-NCW) and Peter Gortzak (FNV trade union). The conference concluded with a presentation by Henk Bleker, State Secretary for Economic Affairs, Agriculture and Innovation.

The fourth Verwey-Jonker/SER lecture took place on 17 November and concerned representation within the network society: *Who Do I Actually Represent?* To a large extent, our social structure is based on speaking and acting on behalf of others. Members of Parliament, agents, and representatives act on behalf of collective identities. However, representation can no longer simply be taken as a matter of course. The lecture is a joint project by the Verwey-Jonker Institute and the Council, and was given this year by the philosopher and publicist Stine Jensen. The other speakers were political

scientist Sarah de Lange and FNV board member Catelene Passchier. Hans Boutellier (director of the Verwey-Jonker Institute) then chaired a lively discussion with those present in the hall. The full texts of the various Verwey-Jonker/SER lectures can be accessed via the Council website.

Open door for visitors

The Council received a number of visiting groups from both the Netherlands and abroad.

There were 22 groups from the Netherlands, They comprised students (majoring in HRM, public administration, economics, business administration, management, economics & law); staff of the Ministry of Social Affairs and Employment and Jong UWV; LAKS board members; postgraduates taking the “BoFEB” programme; participants in the Dialogue Academy and the Ministry of Defence’s Top Management Programme; and the Parliamentary parties of the VVD, SGP, and D66.

There were 16 visiting groups from abroad, namely from Albania, Finland, Georgia, Indonesia, Latvia, Macedonia, Norway, Oman, Poland, Serbia, Spain, South Korea, and Sweden. There was also a group of employees of the European Commission and a group of legal civil servants from the candidate Member States. These groups were interested in learning about the Dutch consultation economy and the Council. Some groups also expressed an interest in specific subjects, for example Europe 2020, working conditions, part-time work, and the regulations regarding occupational disability. In general, the delegations consisted of trade union officials, administrators of employers’ associations, senior public servants, researchers, and politicians. The Council’s President and Secretary-General also 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 relations

The Council maintains contact, through various channels, with institutions and with social and economic councils in other countries. The President and Secretary-General participate in the network of European social and economic councils and the International Association of Economic and Social Councils (AICESIS).

The Netherlands Social and Economic Council hosted the 2011 annual conference of the European social and economic councils. The secretary-generals of the councils met at the SER building on 12 and 13 May to pool ideas and discuss the future of social dialogue. They were addressed by Council President Alexander Rinnooy Kan, Prof. Jelle Visser, and Martin Westlake, Secretary-General of the European Economic and Social Committee (EESC). The various secretary-generals each gave a presentation about the social and economic council in their own country. Participants came from Austria, Belgium, Bulgaria, the Czech Republic, Finland, France, Ireland, Italy, Luxembourg, Romania, Slovakia, Slovenia, and Spain.

The presidents and secretary-generals of the European social and economic councils met at the SER building on 9 and 10 November for a two-day conference on the involvement of the next generation in the social dialogue within Europe. Representatives of a number of countries gave a presentation about

the current situation. There was also discussion of future generations and trends on the labour market, with presentations by Alexander Rinnooy Kan (SER), Hans Boutellier (Verwey-Jonker Institute), and Anne Sonnet (OECD).

The President and Secretary-General of the Council attended two meetings in the context of AICESIS: the general meeting of members in Rome in July, and a board meeting in Amman (Jordan) in December.

Social media

The Council is making increasing use of social media, including by participating in discussions within specific LinkedIn communities and by regularly tweeting. The year under review also saw the start of online consultations in addition to the usual methods – for example hearings, round-table discussions, and working visits – that the various Council committees utilise to acquire information about current issues within the relevant sector. In the course of the programmes for advising on development post-initial training, the Council made it possible for anyone to contribute their views on certain problem categories via the Council website. The Council is highly interested in the views and responses of stakeholders. This approach also creates an extra method for the Council to inform the public about requests for advice.

FINANCES

Although established by law, the Council is not a government body and is financially independent. 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 2011 was EUR 2.20.

The budget for 2011 was EUR 13.9m. Personnel costs represent the largest item of expenditure. The Council's workforce is 110.5 FTEs (2011 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 of members representing unions, and the third of independent or Crown members appointed by the Government.

Employer representatives

Confederation of Netherlands Industry and Employers [*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 DNB (the Dutch central bank) and the director of the Netherlands Bureau for Economic Policy Analysis are both Crown-appointed members. The president of the Council is also appointed by the Crown, on the Council's advice. The president has a full-time appointment; all other Council members also hold positions elsewhere.

Ministerial representatives

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

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