

The Social and Economic Council of the Netherlands



The Social and Economic Council of the Netherlands

A first introduction



The SER's mission

As an advisory and consultative body of business owners, employees and Crown-appointed members, the Social and Economic Council of the Netherlands (SER) seeks to contribute to sustainable economic growth by reaching mutual consensus on national and international socio-economic issues. The SER strives for quality and public support: high-quality expertise combined with broad-based consensus and support in society.

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Video ►

What does the SER do?

What is the SER?

In the Netherlands, we use consultations to try to reach agreement on the goals and the means of socio-economic policy. This happens at several levels. In companies, the works council consults with management. At industry level, trade unions negotiate collective employment conditions with trade associations. And at the national level, there are the SER and the Stichting van de Arbeid (Labour Foundation). All these forms of consultation are part of the so-called consultation economy.

The SER comprises business owners, employees and independent experts (Crown-appointed members). They advise cabinet and parliament on socio-economic policy. The SER also undertakes governance duties, such as overseeing compliance with the rules of conduct for mergers and promoting self-regulation in the interests of consumers. In addition, the SER has the important task of encouraging the business community and trade unions to always put the public interest first and actively pursues this in their work.

The SER as an advisory body

For advice on social and economic issues, the cabinet and parliament call on the SER. In this respect, the SER is the most important advisory body in the Netherlands. The SER advises - whether invited or not - the cabinet and parliament on the key points of socio-economic policy. In doing so, the SER is able to draw on a wealth of knowledge.

After all, the SER brings together experts from science, the business community, and trade unions. This enables the SER to advise on issues that affect many people in the Netherlands, such as work, income, social security, taxation, vocational education, spatial planning, the environment, healthy and safe work practices, employee participation, diversity and inclusion.



SER can secure broad-based support

The SER as a governance body

The SER also has governance duties. For example, the SER helps enforce several laws that are important for employers and working people, such as the Works Councils Act (WOR) and the Medical Examinations Act (WMK).

The SER: anchored in law and society

The SER carries out its tasks from a broad base. This base is rooted in society, in the backgrounds of the parties that make up the SER: trade unions and trade associations with their respective constituencies and, in addition, Crown-appointed members. The SER also has its own legal basis. The Social and Economic Council Act, formerly known as the Business Organisation Act, regulates what the SER is and what it does. The SER's place in society is determined by public support and its statutory tasks.

The cabinet is not obliged to act on an advisory opinion from the SER. However, when business owners, employees and Crown-appointed members are unanimous, their advice does send a powerful signal to the cabinet. The general arrangement is that the cabinet gives its response within three months of issuance of an advisory opinion. Often, recommendations from advisory opinions are adopted into cabinet policy.

The SER's mission

As an advisory and consultative body of business owners, employees and Crown-appointed members, SER seeks to contribute to sustainable economic growth by reaching mutual consensus on national and international social and economic issues.

To this end, the SER strives for quality and broad-based support: high-quality expertise combined with broad consensus and support in society.



The consultation economy: typically Dutch?

The consultation system is not a typically Dutch phenomenon. In other countries, too, consultations take place between business owners and employees amongst themselves and with the government. In many countries, collective bargaining agreements are concluded, and similar institutions like the SER exist. The European Union even requires a form of social dialogue (i.e. consultation between employers and employees on company policy) as a condition for accession to the EU. Also in countries outside the EU, people see the importance of good collaboration between social partners and the government.

The Dutch consultation system is also known as the 'polder model'. We

prefer not to use that term, because it is a static concept, which our consultation system is not. Moreover, the term 'model' falsely suggests that it can be adopted arbitrarily by another country. For that, however, countries differ too much from each other institutionally and culturally. However, interesting lessons learnt here can inspire reforms elsewhere. While the Dutch consultation system has always had periods of ups and downs, parties have always felt compelled to start talking to each other again. We have a duty to each other to make good policies. This need is perhaps typical of the Netherlands, as we have always been a country of relative minorities. Without an absolute majority, there will always be a need to form coalitions, to consult and to collaborate.

What is the reason why the SER exists?

The SER was established by law in 1950. This was after a long period of discussion about the social and economic order in the Netherlands. Discussions mainly centred on the role that government and civil society organisations were to take. These were the years of reconstruction after World War II. The great economic crisis of the 1930s was still fresh in everyone's minds. It was generally felt that the government should become more involved with economic growth, employment and social security. But the government could only fulfil this daunting task if it found a way to permanently involve business owners and employees in solving these issues. This could be done by giving them more influence.

Foundation

The greater involvement of business owners and employees in socio-economic policy was laid down in 1950 in the Business Organisation Act (*Wet op de bedrijfsorganisatie*). This act is now called the Social and Economic Council Act. Through this act, the SER was established as a public law governance body. It was through the SER that business owners and employees were given an advisory role. Business owners and employees were also given governance powers and the opportunity to set up commodity associations and trade associations. These bodies allowed business owners and employees to organise the issues they considered to be in the best interest of their own industry.



Three key goals

In one of its first advisory opinions, the SER formulated the objectives for socio-economic policy, which were subsequently adapted to the times in later SER advisory opinions. For a well-functioning consultation economy, it is very important to have consensus on these goals. Common guiding principles help parties reach agreement on more concrete choices in socio-economic policy. In 2024, the goals of the SER were reviewed and adopted:

The goal of the SER is to promote broad prosperity, whereby society, the economy and the environment are in balance, here and now, in the future and elsewhere. We achieve this by working together on the following points:

- promoting entrepreneurship and decent work,
- promoting sustainable growth,
- creating an inclusive society where there is a fair distribution of income.

These goals have been detailed in the SER work agenda, which forms the basis for the issues that the SER is going to work on. Read more about the goals on page 16.

SER and the consultation economy

Government and social partners each have their own task. Nevertheless, parties are able to call each other to account on the way they fulfil their task. This is the essence of the consultation economy. The SER is an important platform for coordination and consultation on important socio-economic issues. These consultations culminate in publicly available advisory opinions that contain analyses, reasoned standpoints and recommendations.

Finances

Although established by law, the SER is not a government institution. In financial terms, the SER is also independent from the government. The work of the SER costs approximately €21 million per year. Since 1 January, 2013, that money has been raised by the business community through the General Unemployment Fund (Algemeen Werkloosheidsfonds) that all companies in the Netherlands pay into.

The SER is funded by all companies in the Netherlands.





Labour Foundation (StvdA)

In addition to the SER, there is another organisation within the consultation economy at a national level: the Labour Foundation. This organisation was established in 1945, almost immediately after World War II, by the central organisations of business owners and employees. As such, it is a private law institution. Unlike the SER, the Labour Foundation does not have independent members, as it is made up purely of the social partners. The Labour Foundation can play a coordinating role by making recommendations to negotiating parties in companies and industries. From time to time, the Labour Foundation consults with (members of) the cabinet on the policy to be adopted.



Who are part of the SER?



Three parties

Three parties make up the SER: business owners, employees and independent experts. Together, they form a reflection of the socio-economic state of the Netherlands. Employees and business owners have a seat on the council through their central representative organisations. Together, they form the organised employee and employer community here in the Netherlands. The allocation of seats depends on the size of the organisations. The council has a total of 36 members: 12 members representing business owners, 12 members representing employees, and 12 independent experts, i.e. Crown-appointed members. Council members are appointed for a term of two years each time. Each member votes ‘without compulsion or conferring’ and has a deputy. The executive board of the SER is also composed of these three parties.

The current allocation of seats is:

A) Three central employer organisations;

- VNO-NCW (8 seats)
- MKB Nederland (3 seats)
- LTO Nederland (1 seat)

B) Three central trade unions:

- FNV (8 seats)
- CNV (2 seats)
- VCP (2 seats)

The parties in the SER are a reflection of the organised employee and employer community

The Crown-appointed members (C) in the SER are independent experts. By and large, they are professors in economic, financial, legal or social science fields. They are appointed by the King (Crown) on the recommendation of the cabinet. They are tasked with serving the public interest. In addition, the Crown-appointed members act as bridge-builders when employees and business owners disagree, offering their expertise in their respective fields. When Crown-appointed members are nominated, a balanced representation of the different fields of expertise is taken into account. Consideration is also given to the political currents in our country.

Crown-appointed members also include representatives of the Dutch central bank (*De Nederlandsche Bank*) and the CPB Netherlands Bureau for Economic Policy Analysis.

The chair of the SER is also a Crown-appointed member.



What does the SER do?

Under the Social and Economic Council Act, the SER has been assigned a number of advisory, governance and self-regulatory tasks.

Adviserende taak

The SER's most well-known task is to advise the cabinet and parliament on the main points of socio-economic policy. The council provides both solicited and unsolicited advice. The arguments and positions in these advisory opinions often play a role in the public debate on socio-economic issues, both in parliament and beyond. The SER's advisory opinions are public and are posted on the internet. They cover a wide variety of socio-economic topics, including in the following areas:

- macroeconomic policy;
- sustainable development;
- social security and pensions;
- functioning of the labour market;
- education and child care, work-life balance;
- position of young people;
- healthy and safe work practices;
- employee participation and corporate law;
- position of the consumer;
- European integration.

Broad concept of prosperity

The SER has also often expressed its views on other topics that may, at first glance, not be part of the traditional socio-economic domain. For example, advisory opinions on agricultural and transport policy were published as early as in the 1950s. Over the years, the SER has published more and more of these advisory opinions.

These dealt in particular with spatial planning and mobility, climate and energy, healthcare and education. Read more about the SER's vision of broad prosperity on page 16.

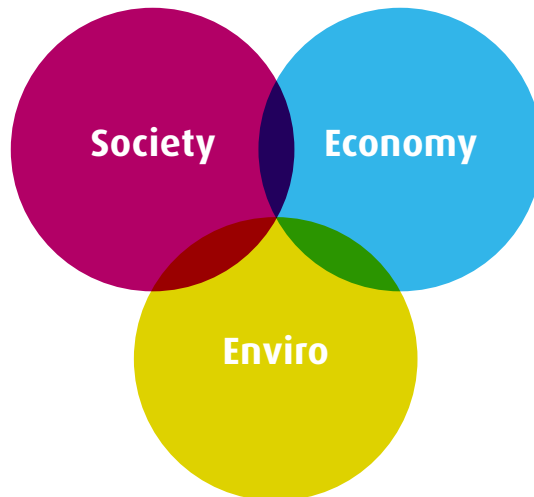
Work agenda for 2024-2026

SER Work Agenda

The SER has its own work agenda that forms the basis for the topics that the SER will work on. This work agenda is based on the revised SER goals and the SER vision 'Perspective on broad prosperity by 2040'. The new SER goals are:

To promote broad prosperity, whereby society, economy and environment are in balance, here and now, in the future and elsewhere. We do this by working together on:

- Promoting entrepreneurship and decent work
- Promoting sustainable growth
- Creating an inclusive society where there is a fair distribution of income





Broad prosperity by 2040

The SER has also finalised its ‘Vision of the Future: Perspective on Broad Prosperity in 2040’. The Work Agenda for 2024-2026 translates this vision into concrete courses of action that contribute to broader prosperity by 2040.

Guided by our new vision, government, social partners, civil society parties and citizens can work together to achieve broad prosperity.

With the work agenda, the SER is taking the initiative to proactively respond to the major challenges facing our society now and in the future. It also allows the SER to respond flexibly to questions and priorities from the cabinet and parliament, such as requests for advisory opinions and other work.

The value of SER advisory opinions lies mainly in the fact that they combine knowledge and broad-based support.

The reason for this is that policies in the areas mentioned have a major impact on general socio-economic policy.

They often have far-reaching socio-economic repercussions. This requires an integral analysis and appraisal of all developments and proposals. The cabinet, too, is approaching problems more and more in an integral way and less from the perspective of a single department. This is why members of government regularly submit joint requests for advice to the SER.

This development fits in with the ‘broad prosperity concept’ introduced by the SER in the early 1990s. Prosperity is more than just material progress (prosperity and production growth). Prosperity also encompasses aspects of social progress (welfare and social cohesion) and a good living environment (spatial and environmental quality).

Of course, socio-economic relevance ultimately determines whether a topic is right for the SER. After all, the SER is not an environmental, educational, health or a spatial planning council. It focuses on the socio-economic aspects of issues around these and other topics.

Value through knowledge and broad-based support

The value of SER advisory opinions lies mainly in the combination of knowledge and broad-based support that the council can bring to the socio-economic debate. Starting with knowledge: Crown-appointed members and social partners contribute a wealth of expertise. Crown-appointed members from their field of expertise, and social partners from their day-to-day practice in companies. Bundled together in the SER, they provide a valuable source of knowledge.

What’s more, SER advisory opinions also indicate to what extent social partners are willing to endorse the cabinet’s intentions or legislative bills. In the first instance, trade associations and trade unions are there to represent the interests of their members. These interests both differ and overlap. SER advisory opinions challenge social partners to make the public interest the starting point for their efforts and actions.



SER advisory opinions go beyond expressing mere standpoints. Policy recommendations are underpinned by analysis and arguments. They test whether the public interest, as in social prosperity, is served by the recommendations.

A SER advisory opinion can give the cabinet broad-based support for a particular policy proposal. If the SER unanimously issues a positive advisory opinion on a certain issue, the cabinet can count on a lot of support for that policy among employees and employers, and by extension, among a large part of Dutch society. But if an advisory opinion is dismissive and opts for a different solution, the cabinet knows that its plans lack support among a significant part of society.

Governance duties

Apart from an advisory role, the SER is also tasked with governance work. For example, the SER helps enforce the Works Councils Act. We call this a co-governance duty, because it is a responsibility of the government that the government has partly outsourced to the SER. The Committee to Promote Employee Participation (CBM) is tasked with promoting employee participation and the quality thereof in companies. One of the ways it does this is by drawing up guidelines for high-quality works council courses.

The committee also decides on applications by companies for exemption from the legal obligation to set up a works council. It also advises the cabinet and parliament on employee participation matters. Furthermore, the committee has set up two arbitration committees that mediate in the event of a conflict between the works council and the director of a company. They also serve as a database for questions about employee participation matters (see: www.bedrijfscommissie.nl). The SER serves as the secretariat of these board governance committees.

Prosperity is more than material progress; it is also about well-being and a good living environment.

Self-regulation

According to the Social and Economic Council Act, the SER must promote the interests of the business community. And it must encourage the business community to adopt the public interest as a guiding principle for its own actions. For example, the following self-regulatory activities of the SER fall under this heading:

The Merger Code of Conduct

Business owners, employees and Crown-appointed members have agreed on a code of conduct in the SER to protect the interests of employees in the event of a merger: the Merger Code of Conduct.

This states that companies planning to merge must notify the relevant trade unions and the SER in good time. The SER Merger Code of Conduct Disputes Committee deals with complaints about violations of the Merger Code of Conduct.

General terms and conditions for consumers

The SER helps business and consumer organisations in their negotiations concerning balanced General Terms and Conditions. These are the 'small print' used by business owners when consumers buy goods or services. In many industries, agreements have been reached through the SER, and this number is still growing.

Energy Agreement for Sustainable Growth

In 2013, 47 parties signed the Energy Agreement for Sustainable Growth. This marked the start of a concerted effort to make the Netherlands' energy supply more sustainable more quickly. In 2019, the agreements from the Energy Agreement that were still in force were incorporated into the Climate Agreement. In the main, focus is on CO₂ reduction. These agreements were made with more than 100 parties, including many from the Energy Agreement. The SER hosted the Climate Agreement Progress Consultations (Voortgangsoverleg Klimaatakkoord) established by the Ministry of Economic Affairs up to the end of 2022.



Do SER advisory opinions have influence?

It is difficult to express in figures the influence of SER advisory opinions. You cannot measure the effectiveness of SER advisory opinions purely by their impact on laws and regulations, because not all advisory opinions are aimed at bringing about a legislative bill. Sometimes it is only about the response to or vision of the SER on, for example, a policy document. In the process, we often see that parts of the advisory opinion are later incorporated into laws or regulations after all. Moreover, policy is slow to take effect; it can take a long time before the impact of the advisory opinion becomes visible.

The effectiveness of SER advisory opinions manifests itself not only in the concrete actions taken by the government in response, it is also important to spark discussion among business owners, employees and Crown-appointed Members and among their constituencies. The added value that the SER provides also lies in bringing parties together, creating broad-based support for policy changes and sparking public debate on socio-economic issues. The SER does this by generating media exposure for its advisory opinions and organising webinars and meetings.

Diversity and inclusion

Legislation on the hiring quota and gender balance targets aims to ensure a more balanced male-female ratio in high-level positions at large companies. The SER's diversity portal helps companies to achieve this by providing information on the law and best practices of companies, a help desk and tools for more diversity at the top and tips to make their organisation more diverse. Through its 'SER Topvrouwen' programme, the SER supports companies in finding women for high-level positions with, among other things, a database of talented women.





Lifelong Learning and Development Action Agenda (LLO)

The SER helps build a strong, positive learning culture so that people can continue to learn and develop themselves, throughout their whole lives. This agenda involves the SER collecting good examples of places where learning is already happening, advising on available options under laws and regulations, and identifying and discussing opportunities and problems with representatives from national organisations as well as policymakers. Apart from that, the SER organises meetings to bring people together and exchange knowledge.



Occupational Health & Safety Platform

The SER Occupational Health and Safety Platform is the central information point for social partners on healthy and safe work practices. The Occupational Health and Safety Platform offers advice, exchange of knowledge and inspiring examples to employers, employees and occupational health and safety experts. What's more, companies and employees can come here with their questions about healthy and safe work practices. The aim is to work together on good working conditions. The SER has issued many advisory opinions on working conditions, such as on working with a chronic illness and on threshold values of hazardous substances in the workplace.

How does the SER work?

To carry out its tasks, the SER has chosen a way of working where the executive board, committees and the secretariat all play an important role.

Council

In principle, all members of the council meet once a month. These meetings are held in the Council Chamber of the SER building. The most important part of a council meeting is the discussion and adoption of advisory opinions. These are prepared by a committee (see box on page 24). As a rule, council meetings are open to the public. Interested parties do not need to register in advance if they want to attend a meeting. Agendas, council meeting minutes and adopted advisory opinions are posted on the SER website.

Committees

The council has several committees assisting it in its work. The committees are made up of business owners, employees and independent experts. Furthermore, advisory members are often appointed, such as NGOs or other advisory councils, e.g. the PBL Netherlands Environmental Assessment Agency. Most committees prepare advisory opinions for consideration by the plenary council. Some committees may also issue advisory opinions directly to the cabinet or parliament. In principle, committees are chaired by a Crown-appointed member.

Input from other groups

The SER also involves groups other than employees, business owners and Crown-appointed members in its advisory work, so as to make advisory opinions even higher quality and more broadly supported. Organisations with a specific perspective or interest in the respective area can be involved in the preparation of an advisory opinion through a committee.

Forms of work

There are various ways of involving other groups in the advisory work. The committee can invite experts or go on a working visit. This often happens. Committees also sometimes organise internet consultations where larger groups can share their vision on a particular topic with the SER.



SER Youth Platform

The SER Youth Platform was established in 2015 on the initiative of former chair Mariëtte Hamer and the Crown-appointed members of the SER. Having started out as a rather informal sounding board group, the platform has grown into a serious discussion partner, representing more than 10 youth organisations. The SER established the Youth Platform to ask young people to provide general input on current issues on the one hand, and to contribute to specific advisory processes on the other. The platform also issues advisory opinions independently. Either solicited or unsolicited.

The SER also involves groups other than business owners, employees and Crown-appointed members in its advisory work.

Organisations can participate in committees on an ad hoc basis (for a particular advisory project). As an example, patient federation NPCF joined the committee that prepared the advisory opinion on affordable care. Companies can become members of a committee on a permanent basis, which means, in principle, that they are involved in all advisory projects in the respective policy area. For example, the Dutch Consumers' Association (Consumentenbond) is a member of the Consumer Affairs Committee, and nature and environmental organisations are members of the Sustainable Development Committee.

Ministerial representatives

At the public meetings of the council and closed committee meetings, ministerial representatives are always allowed to be present as observers. These are officials who specialise particular policy areas. The ministerial representatives facilitate timely and proper exchange of information between the council and its committees and the various departments.



The secretariat

The secretariat assists the council and its committees in the preparation and implementation of their various activities. This also includes carrying out governance duties and supporting self-regulation. The secretariat has 150 staff and is headed by the general secretary.

How does a SER advisory opinion come about?

- A minister, secretary of state or parliament prepares a request for advice and sends it to the SER.
- The executive board of the SER decides which committee will prepare the advisory opinion.
- This committee holds several meetings to prepare a draft text.
- Social partner organisations discuss the draft internally and come up with a response ('constituency consultation').
- Responses are discussed in a committee meeting and incorporated into the draft text. The committee will seek a unanimous draft text.
- The draft opinion is sent to the council.
- The council discusses and adopts the draft advisory opinion at its public meeting
- The advisory opinion is then sent to the person or body that requested the advisory opinion.



Want to know more?

Up-to-date information on the work and composition of the SER and its committees can be found on the website of the SER (www.ser.nl). All advisory opinions published since 1950 can also be found there.

Websites

www.ser.nl
www.stvda.nl
www.vno-ncw.nl
www.lto.nl
www.mkb.nl
www.fnv.nl
www.cnv.nl
www.vcp.nl
www.eesc.europa.eu
www.aicesis.org

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This brochure is intended as a first introduction to the Social and Economic Council of the Netherlands (SER). It outlines the establishment, composition, tasks and working methods of the SER.

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