The Social and Economic Council of the Netherlands (SER)
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The SER’s mission

As an advisory and consultative body of employers, employees and independent experts, the SER aims to contribute to greater prosperity in society by establishing a consensus on national and international socio-economic issues. In doing so, it aims for quality and consensus, in the form of a high level of expertise, combined with a broad basis of agreement and public support.
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In the Netherlands, we try to reach agreement on the objectives and means of social and economic policy through consultation between various parties. This consultation takes place on a number of different levels. Within companies, the Works Council consults with management. At sector level, trade unions consult with employers’ organisations on collective employment conditions, while at national level consultations take place both within the Social and Economic Council – the SER – and within the Labour Foundation (Stichting van de Arbeid). All these various consultations form part of the Dutch ‘consultative economy’.

The SER comprises representatives of employers’ and employees’ organisations and several Crown members appointed by the government. Together, they advise the Dutch government and parliament on social and economic policy, and also perform a number of administrative tasks. In addition, the SER is required to encourage industry to consider the public interest, and in this connection the SER oversees compliance with merger regulations and self-regulation in consumer affairs.

The SER as advisory body
The SER is the main body advising the Dutch government and parliament on social and economic issues. Upon request or at its own initiative, the SER advises government and parliament on the outlines of social and economic policy. As the SER is made up of experts from academia and industry, it is able to draw on considerable knowledge in these areas. This enables the SER to advise on issues that affect many Dutch citizens, such as work, income levels, social security, taxes, professional education, town planning and the environment.
SER – Ensuring widespread support for public policy

The SER as administrative body
In addition to its advisory role, the SER also has an administrative role. The SER, for example, monitors compliance with important industrial legislation, such as the law governing works councils.

Embedded in law and in society
The basis for the SER’s performance of its tasks is firmly rooted in both society and law. With respect to society, the SER’s membership comprises representatives of employees’ and employers’ organisations, with their following, as well as representatives of the Crown. The SER’s legal basis is laid down in the Social and Economic Council Act (previously the Industrial Organisation Act), which defines what the SER is and what its tasks are. This social support and legal mandate define the SER’s role in Dutch society.
Consultative economy – typically Dutch?

The system of consultation among social and economic partners that exists in the Netherlands is not a uniquely Dutch phenomenon. Such consultations between employers, employees and the government can also be found elsewhere; and many other countries have collective labour agreements and institutions that are comparable to the SER. A form of social dialogue is a prerequisite for membership of the European Union; and many countries outside the EU also appreciate the importance of close collaboration between social partners and the government.

The Dutch system, or ‘consultative economy’, is also sometimes referred to as ‘the Polder Model’. However, this is not a term we like to use, because in referring to a static concept, it fails to do justice to the dynamic nature of the system. What is more, the term ‘model’ wrongly implies that the system could be adopted as it stands by other countries, whereas in fact the differences between countries in terms of their institutions are too great for this to work in practice. Of course, important lessons that we have learnt here in the Netherlands may well serve to inspire reforms elsewhere.

The Dutch consultative system has had its ups and downs, but the parties involved have always found it essential to consult with each other. We have a duty to work together to ensure sound public policy. This sense of obligation to consult may be characteristic of the Netherlands, which has always been a country of relative minorities. Since no one group ever has an absolute majority, there is always a need to form coalitions, conduct negotiations and to work together.
Why was the SER established?

The SER was established by law in 1950, following a long period of discussion on the social and economic order in the Netherlands. The main focus of the discussion involved the role to be played by the government and social organisations. This took place during the period of rebuilding after the Second World War, when the major economic crisis of the 1930s was still fresh in everyone’s mind. Most people felt that the government should be more involved in economic growth, employment and social security. For the government to be able to do that, it needed the ongoing involvement of industry (i.e., employers and employees). This could be achieved by granting them a greater say in socio-economic issues.

Establishment
The 1950 Industrial Organisation Act (Wet op de bedrijfsorganisatie) laid down this greater involvement of employers and employees in social and economic policy, and legally established the SER as a public body. Its present name is the Social and Economic Council Act. Through the SER, industry was given an advisory role, as well as being granted administrative powers, including the option of setting up commodity and industrial boards. These boards provided a forum for employers and employees to deal with key issues affecting their sector. The SER used to supervise the commodity and industrial boards to ensure that they functioned lawfully and efficiently. In 2015 these boards were discontinued and the SER’s supervisory work came to an end.
Three main objectives
In one of its earliest advisory reports, the SER set out its social and economic policy objectives; these were later updated in subsequent SER advisory reports to take account of changing times. For a consultative system to work properly, unanimity on objectives is essential. The joint objectives set out by the SER help the parties involved to reach agreement on more tangible decisions in social and economic policy. The SER’s three key objectives are:
- balanced economic growth and sustainable development
- the highest possible employment rate
- a fair distribution of income.
The SER and the consultative system
The government and the social partners each have their own tasks. However, the parties have the right to call each other to account on how those tasks are carried out. This is the essence of the consultative system. The SER is the primary platform for coordination and consultation on important socio-economic issues. This consultation results in public advisory reports, supported by analyses, arguments and recommendations.

Funding
Although established by law, the SER is not a government body and is financially independent of the government. The SER’s work costs approximately €16 million per year, and is funded by industry.

The SER is funded by all businesses in the Netherlands
Besides the SER, there is another national organisation involved in the consultation system – the Labour Foundation (Stichting van de Arbeid). This was set up in 1945, almost immediately after the Second World War, by the central employers’ and employees’ organisations. As such, it is a private, not a public body. Unlike the SER, the Labour Foundation has only representatives of the social partners: it has no independent members. The Labour Foundation can play a coordinating role by making recommendations to negotiating parties in companies and industry sectors. Twice a year, in spring and in autumn, the Foundation consults with the government on the policy to be pursued.
Who are the members of the SER?

Three groups

The SER consists of three groups: employers, employees and independent experts. This tripartite structure reflects the social and economic relations in the Netherlands. Employers and employees, represented by members of their central representative organisations, together form organised industry. Seats are allocated according to the respective sizes of these organisations. In total, the Council has 33 members: 11 representing employers, 11 representing employees and 11 independent or Crown members. Council members are appointed for a term of two years. Each member votes as an independent individual and does not take instruction from any outside party. Each member has a deputy. Four members from each of these three groups sit on the Executive Board of the SER.

Three major employers’ organisations are represented in the SER:
- VNO-NCW (7 seats)
- MKB-Nederland (3 seats)
- LTO Nederland (1 seat)

Three trade union federations are represented in the SER:
- FNV (8 seats)
- CNV (2 seats)
- VCP (1 seat)

Crown members are independent experts, and are often university professors with a chair in Economics, Finance, Law or Sociology. They are appointed by the Crown. Their task is to protect the general good. They also act as mediators by formulating compromises when employers and
employees are unable to agree. In appointing a Crown member, special care is always taken to maintain a careful balance among the fields of expertise available in the SER and among the various political views in the country. Crown members include representatives of the Dutch Central Bank (Nederlandsche Bank) and the CPB Netherlands Bureau for Economic Policy Analysis (Centraal Planbureau). One of the Crown members also serves as the Chair.
What does the SER do?

The Social and Economic Council Act ascribes the SER a number of advisory and administrative tasks, and gives it a role in promoting self-regulation in business.

**Advisory task**
The SER’s best-known function is to advise the Dutch government and parliament (on request or at its own initiative) on the outlines of social and economic policy. The arguments and opinions expressed in the SER’s advice often play a role in public debates on socio-economic issues, both within and outside parliament.

The SER’s advisory reports are available to the public and are usually published in book form and on the internet. They cover a wide range of social and economic issues, including issues to do with:
- macro-economic policy;
- economic structural policy;
- spatial planning and transport infrastructure;
- sustainable development;
- social security and healthcare;
- pensions;
- the labour market and its relationship to education;
- employee participation and labour and industrial law;
- labour conditions;
- consumer affairs;
- international social and economic affairs.

**Broad concept of prosperity**
The SER has also often expressed its views on matters that might, at first sight, seem to lie outside its normal scope of socio-economic affairs. For example, in the 1950s, it made recommendations on agricultural and transport policy.
Over the years, the proportion of such recommendations has grown, especially in the fields of spatial planning and mobility, the environment and energy, and health and education. This is because policy in those areas has a great effect on general socio-economic policy, with far-reaching socio-economic consequences. This requires a holistic analysis and assessment of developments and plans. Government, too, is increasingly approaching problems more holistically rather than from the point of view of a single ministry. This explains why ministers often submit joint requests for advice from the SER.

This development fits in with the broad concept of prosperity that the SER introduced in the early 1990s. Prosperity is not just material progress (greater affluence and growth in production). It also includes aspects of social progress (well-being and social cohesion), and a good quality of living environment (spatial and environmental quality). Socio-economic relevance naturally determines whether a subject is appropriate for the SER to consider. The SER is, after all, not an environmental, education health or spatial planning council. It focuses on the socio-economic aspects of environmental, education, health and spatial planning issues.

**Value through knowledge and social support**

Although the government is not obliged to follow the SER’s advice, any unanimous agreement between the employers’ organisations, employees’ organisations and Crown members serves as a powerful signal. The government is obliged to respond to the SER’s advice within three months. If the government chooses to deviate from the SER’s advice, it must state its reasons for doing so.

The added value of the SER’s advice lies mainly in the combination of knowledge and social support that the SER brings to the socio-economic debate. Both the Crown members and the social partners (i.e., the employers’ and employees’ representatives) contribute a high level of expertise. The Crown members provide expertise in their personal fields, and the social partners provide expertise based on daily practice.
within companies. Together, these insights serve as a valuable source of information.

The SER’s advice also gives the government insight into whether there is sufficient support among the social partners for its intended plans or proposals. The function of employers’ and employees’ organisations is above all to protect the interests of their members: these interests may, at times, differ. The SER’s advice challenges social partners to also take into account the common interest in their endeavours and actions.

The SER’s advice is therefore not limited to reporting the views of the parties. The SER’s policy recommendations are supported by an analysis and arguments, making it possible to assess whether these recommendations serve both the public interest and the objective of social prosperity. The advice that the government receives from the SER – unanimous or divided – allows it to determine whether there is sufficient support among the various representative members for a particular proposed policy. Unanimous advice clearly indicates broad support, whereas a divided opinion shows the government that support is lacking in certain important sectors of society.

**Administrative tasks**

In addition to an advisory task, the SER also has administrative tasks, such as being partly responsible for implementing the Dutch Works Councils Act. We call this a co-administrative task, because it is a government task that is implemented in part by the SER.

The Committee to Promote Employee Participation is charged with promoting employee participation and its quality in companies. It does this by specifying guidelines for the cost of setting up good training programmes for Works Council members. The Committee also decides on applications from companies for exemption from the legal obligation to establish a Works Council. In addition, it advises the government and parliament about matters relating to participation. The committee has also set up two
The SER encourages industry to be guided by the public interest.

joint sectoral committees that mediate in conflicts between the Works Council and the employer. They also act as a source of information concerning participation issues (see: www.bedrijfscommissie.nl). The SER runs the secretariats of the joint sectoral committees.

Self-regulation
The Social and Economic Council Act requires the SER to promote the interests of trade and industry and to encourage industry to be guided by the public interest in its operations. In this context, the SER has the following responsibilities to ensure self-regulation:

Merger Code
The representatives of the employers’ organisations, employees’ organisations and Crown members within the SER have agreed on a code of conduct to protect the interests of employees in the event of a merger: the SER Merger Code. It stipulates that enterprises that are intending the merger must report this in good time to the trade unions in question and the SER. The SER Merger Code Arbitration Committee (SER-Geschillencommissie Fusiegedragsregels) deals with complaints to do with violations of the Merger Code.

General Terms and Conditions for Consumers
The SER encourages business and consumer organisations to consult each other about mutually satisfactory general terms and conditions, i.e. the ‘fine print’ that applies when consumers purchase goods or services from businesses. The SER has provided the basis for such arrangements in a varied and increasing number of sectors of the economy in the Netherlands.

Energy Agreement Assurance
In 2013, the SER supervised and facilitated the conclusion of the Energy Agreement for Sustainable Growth. The SER Energy Agreement Assurance Committee, which is chaired by an independent party, ensures that the arrangements put in place in the Energy Agreement are complied with. All signatories to the Energy Agreement are represented on this
The effectiveness of the SER’s advice is not easy to quantify. It cannot be measured purely by the extent to which it is incorporated into legislation and regulations, as not all advice is given for the purpose of developing a legislative proposal. In most cases, the advice given concerns the SER’s response or views on a policy document, for instance. Often, parts of a SER advisory report are eventually laid down in legislation and regulations. As it takes a long time for policy to be implemented, it may be some time before the effects of the advice become apparent.

The effectiveness of the SER’s advice can be seen not only in the actual action taken by the government on the basis of a SER advisory report, but also in the way in which it stimulates discussions between the employers’, employees’ and Crown members, as well as those they represent. The value that the SER adds also lies in the fact that it brings the various parties together and creates support for policy changes.

More than 80% of the SER’s advice is unanimous. Of the divided opinions (the remaining 20%), approximately half are unanimous on the key issues, and only divided on minor matters. In only 10% of the SER’s recommendations are opinions divided on major matters.

assurance committee and include employers, employees, nature conservation, environmental and civil-society organisations, and central and decentralised government.

International Corporate Social Responsibility (ICSR)
Since 2008, the national employers’ confederations and trade union federations within the SER have been working to promote international corporate social responsibility (ICSR). In its advisory report on ICSR agreements (2014), the SER argues that economic sectors and businesses should take the initiative to conclude agreements with government, trade unions and civil-society organisations. These ICSR agreements provide a new tool for effectively tackling risks relating to human rights violations and environmental harm in the supply chain. The SER facilitates the conclusion and implementation of such agreements.
To ensure that the SER can carry out its many tasks efficiently and effectively, it is assisted by a number of committees and a permanent secretariat. The SER is led by an Executive Committee.

Council
In principle, the full Council meets on the third Friday of every month in the council chamber of the SER building, primarily to discuss and finalise the SER’s advisory reports. Prior to this stage, the reports are prepared and discussed intensively by a separate committee (see box). Where the SER’s advice is not unanimous on all points, the differences of opinion are set out in the report. The meetings of the Council are open to the public, and interested parties may attend the meetings without having to notify the Council of this in advance. The agendas, reports of the meetings and draft recommendations are available on the SER website.

Committees
The SER has set up various committees to carry out its tasks and prepare its advisory reports. Like the SER itself, these committees are made up of employers’ representatives, employees’ representatives, and independent experts. Most of the committees draft the advisory reports for discussion in the full Council meeting. Other committees may give their advice directly to the government or parliament. In principle, each committee is chaired by a Crown representative.

Participation of other groups
The SER also invites other groups, besides employers, employees and Crown members, to contribute to the discussions leading up to the formulation of a recommendation.
Input from others can prove useful and lead to better recommendations that have broader support, especially in matters that fall outside the SER’s usual socio-economic domain. Organisations that have a specific viewpoint, or represent a particular interest may be involved in preparatory discussions at the committee stage, but they are not members of the Council and therefore have no input or involvement in the formal establishment of a recommendation.

**Work forms**
The ways in which other groups are involved in advisory work take various forms. The committee may, for instance, hold a hearing, arrange a panel discussion or (often) pay a working visit. Committees regularly hold consultations via internet, in which anyone can share with the SER anything they wish to say about a particular subject. In addition, for a particular advisory project, representatives of a group may be co-opted onto a committee. For example, the Patients’ Federation (NPCF) is on the committee responsible for prepa-

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**How does a SER advisory report come about?**

- A minister, deputy minister or member of parliament draws up a request for advice and sends it to the SER.
- The SER’s Executive Board decides which committee will be responsible for drafting the advisory report.
- This committee draws up a draft over the course of a few meetings. This draft is generally available to the public and can be consulted on the SER website.
- The respective organisations of the social partners discuss the draft internally and provide feedback (following consultation with their members).
- The committee discusses the feedback and incorporates it into the report.
- The draft advisory report is then sent to the Council.
- The Council discusses the draft report at its public meeting and finalises it.
- The advisory report is sent to the commissioning body.
ring recommendations about affordable healthcare. In some cases, an organisation may be invited to become a permanent member of a committee, so that, in principle, they are involved in all advisory projects in the field in question. Examples of groups involved in this way are the national consumers’ organisation (Consumentenbond), which sits on the Consumer Affairs Committee, and nature and environmental organisations, which sit on the Committee for Sustainable Development and on the Committee for Spatial Planning and Transport Infrastructure.

**Ministerial representatives**

Representatives of government ministries – civil servants specialised in certain areas of policy – are at all times welcome to attend, as observers, the public meetings of the Council and the private meetings of committees. This facilitates the good and timely interchange of information between the Council, its committees and relevant government departments.
Secretariat
The Secretariat of the SER helps the Council and its committees to prepare and carry out their various activities, including the SER’s administrative tasks and its promotion of business/consumer self-regulation. The Secretariat, led by the Secretary-General, consists of three directorates, three departments and a facilities service. Some 100 people work at the Secretariat.
More information on the SER can be found on the SER website (www.ser.nl), including an up-to-date list of Council members, news and press releases. The website also features links to the websites of the commodity and industrial boards, social partners, ministries, and SER counterparts, both at provincial level and in other countries.

All advisory reports online
All SER advisory reports issued since 1950 can be downloaded free of charge from the SER website. Some reports are also available in print and can be ordered at communicatie@ser.nl.
Relevant 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
This brochure provides a general introduction to the SER, and includes an overview of its establishment, composition, responsibilities and way of working.