



Abstract of 2014 Annual Report

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

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NEW PRESIDENT

On 9 October, Mariëtte Hamer was sworn in as the Council's president by the Minister of Social Affairs and Employment, Lodewijk Asscher. Ms Hamer is the Council's first female president. She succeeds Wiebe Draijer, who became chairman of the board of Rabobank Nederland on 1 July. During the swearing-in ceremony, Mr Asscher presented Ms Hamer with a letter listing various subjects about which the Government may be requesting the Council's advice. In her inaugural speech, Mariëtte Hamer argued that the Council is more necessary than ever. As the economy and society grow increasingly dynamic, employers, employees and government must come up with new and smarter forms of cooperation. The strength of the Netherlands lies in cooperation – and the Council is the ideal forum for it, according to the Council's new president.

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.

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.

ADVISORY TASK

Below is a selection of the advisory reports issued by the Council in 2014. English summaries are available on all these advisory reports.

Date	Advisory report	Requested by	Issued by
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28 January	Right of appointment to Council	Minister of Social Affairs and Employment	Council
17 April	Discrimination doesn't work!	Minister of Social Affairs and Employment	Council
25 April	ICSR agreements	Ministers for Foreign Trade and Development Cooperation and Economic Affairs	Council
20 June	Works council endorsement rights on company pension schemes	State Secretary for Social Affairs and Employment	Council
22 August	Emergency Unemployment Benefits Scheme	Minister of Social Affairs and Employment	Council
19 September	Better work-related health care	Minister of Social Affairs and Employment	Council
8 October	Expanding and increasing SME financing	Own initiative	SEA Committee
19 December	Labour migration	Minister of Social Affairs and Employment	Council
19 December	Priorities for the Dutch Presidency of the EU	Own initiative	Executive Committee

In 2014, the Council completed the advisory reports listed in the table and initiated several advisory projects that will continue in 2015:

- Future of the pension system
- Future labour market infrastructure and unemployment insurance structure
- Social entrepreneurship

ADVISORY REPORTS IN 2014

Right of appointment to Council

The Council observed that there is no reason to alter its composition going into the 1 April 2014 – 31 March 2016 term. Every two years, prior to the new term, the Minister of Social Affairs and Employment asks the Council whether there is any reason to amend the Royal Decree that identifies which employers' associations and unions have the right to appoint representatives to the Council.

Discrimination doesn't work!

A charter encouraging businesses to pursue a pro-diversity policy, a bigger role for works councils in combatting discrimination, more information and training for employers and employees, stricter enforcement of anti-discrimination legislation, and closer monitoring of complaints by the Social Affairs and Employment Inspectorate. These are just a few of the Council's recommendations for combatting discrimination in the workplace.

Discrimination is widespread, and can also be found in the workplace. Employers, employees and the authorities must work together to create a workplace climate in which discrimination is unthinkable. It is crucial to combat all forms of discrimination, even unconscious discrimination based on stereotyping.

ICSR agreements

The Council believes that economic sectors and businesses should take the initiative to conclude international corporate social responsibility (ICSR) agreements with government and civil-society organisations. Doing so will give them a new framework for interpreting the UN and OECD guidelines and for lowering the risk of human rights violations and environmental damage in the supply chain. It will also offer employees and local communities better protection against negative effects and help businesses deal with problems that they cannot solve on their own. Members of the Social and Economic Council have set themselves the goal of concluding ten ICSR agreements by 2016. The Council has identified various key elements that can serve as a frame of reference for such agreements.

Giving works councils endorsement rights on company pension schemes

Works councils should be given the right to endorse decisions proposed by companies on pension agreements without having to distinguish between pension providers. In some situations, works councils have no right to comment on any change in employee pension arrangements. This gap in employee participation occurs when employers entrust employee pensions to a corporate pension fund or when employers voluntarily join a pension fund arranged through a collective agreement. Article 27 of the Works Council Act and the Pensions Act will both have to be amended.

Emergency Unemployment Benefits Scheme

The Council recommends maintaining the current schemes pertaining to adverse weather conditions and short-time work. It does not advocate merging the two schemes into a new Emergency Unemployment Benefits Scheme. In the Council's view, the uniform waiting times and implementation provisions contained in the proposed new scheme ignore the differences between sectors and their unique attributes. It would prefer employers and employees to continue arranging these matters in collective agreements.

Better work-related health care

The Council has proposed a scenario for better work-related health care. In it, the Council proposes putting more emphasis on preventive medicine, paying closer attention to the work context in primary care, building a sound knowledge infrastructure, and fostering closer cooperation between general practitioners and occupational physicians. In addition, good work-related health care should be available to *everyone* who works (employees, flex workers and own-account workers), for one thing because it is important for long-term employability. Opinions in the Council are divided as to the best methods for achieving this.

Expanding and increasing SME financing

The Council's Social and Economic Affairs Committee (SEA) observes that various forms of market failure have led to problems in commercial credit facilities for small and medium-sized enterprises (SMEs). The financing problems that such enterprises are encountering require a broad, long-term approach. SMEs would be better off being less dependent on banks for credit. Other suppliers are needed to extend more venture capital to SMEs. Before that can happen, however, information-related problems and scale disadvantages must be resolved. These forms of market failure are most obvious in the case of the smallest SMEs.

Labour migration

Cross-border labour mobility is an integral part of the EU and an internationally oriented economy. However, it is only when labour mobility takes place within a broader context of fair competition and a level playing field for businesses and workers that a situation will arise that is both positive for the Netherlands and for migrants. To generate more support for the free movement of employees and, more importantly, the free movement of services/posting of workers, the Council believes that a "trust offensive" is required. First of all, this means that the applicable rules for free movement within the EU must be vigorously and consistently enforced. The Council further believes that the Services Directive and Posting of Workers Directive should be reviewed because they could well create an unlevel playing field for employees and businesses. To gain the public's trust, the Council advises the Government to consult the social partners about an action plan for promoting fair labour mobility in the EU.

Priorities for the Dutch Presidency of the EU

On behalf of the Council, the Executive Committee sent a letter to the Minister of Foreign Affairs, Bert Koenders, recommending topics that should be prioritised during the Netherlands' Presidency of the European Union. The Minister had invited the Council to submit its recommendations. The letter offers an initial survey of topics of major social and economic significance that have the broad support of the Council's various members. One of the most pressing points is the recovery of sustainable growth and employment. The Council looks favourably on the Government's plan to use the upcoming Presidency to better acquaint the Dutch public with the impact and importance of European integration and cooperation. The Council would like to continue the work of refining the priorities of the Dutch Presidency and developing any related activities.

Consultations concerning EU Spring Summit

DATE: 5 March; MINISTER: Henk Kamp of Economic Affairs; SUBJECT: EU Spring Summit in Brussels on 20 and 21 March 2014

To prepare for the consultations, the social partners and Crown-appointed members drew up a list of common discussion topics.

PLATFORM AND DIALOGUE

In addition to its role as an advisory body, the Council also functions as a platform for discussions of relevant social and economic issues. In some cases, the discussions form part of an advisory process, but in other cases they are meant to explore a subject and place it on the public and political agenda.

The Council asks stakeholders – including those not numbered among its members – for information and ideas. In 2014, the Council organised a series of broad dialogue meetings related to two of its advisory projects, i.e. the Dutch pension system and the future job market infrastructure. It also regularly organises symposiums and expert

meetings on topical issues. Fourteen dialogue meetings and symposiums took place in 2014.

Symposiums:

15-16 January – Workshop on Business and Human Rights Impact; Risk Identification and Prioritisation

5 February – Conference on policymaking with regard to the job market and unemployment insurance: Social partners at the controls – lessons from abroad

6 March – Working conference on Due Diligence: Respecting people and the planet in international business dealings

17 March – “Nederland Nu” lecture by Yves Leterme

20 and 26 March, 16 April – Three regional dialogue meetings on the Future of the Job Market

9 April – Sector dialogue meeting on the Future of the Job Market

3 June and 28 November – Two working conferences on Governance and Employee Participation

24 June, 6 October, 4 November – Three dialogue meetings on the Future of the Pension System

11 September - Symposium on Participating in Employee Participation

26 November – Expert meeting on multiple jobs

ONGOING ACTIVITIES RELATED TO GOVERNANCE TASK AND SELF-REGULATORY MATTERS

In addition to preparing advisory reports on broader social and economic issues, the Council also carries out other tasks related to governance and self-regulatory matters. Whereas advisory projects come to a close once an advisory report is issued, these activities are ongoing from year to year.

Working Conditions Committee / Subcommittee on Occupational Exposure Limits

The Council has a number of duties related to occupational health and safety matters. It is responsible for informing employers and employees about the hazards of working with chemical substances, for example by maintaining a public database of Occupational Exposure Limits and the digital guidelines for Working Safely with Chemicals. The Subcommittee on Occupational Exposure Limits – a subcommittee of the Working Conditions Committee – advises the Minister of Social Affairs and Employment about chemicals in the workplace.

Committee on International Corporate Social Responsibility (CSR)

In 2013 and 2014, the International Corporate Social Responsibility (ICSR) Committee addressed the theme of “due diligence”, also known as CSR risk management. CSR risk management allows businesses to reduce the risk of human rights violations or poor and

unsafe working conditions in their international supply chain. The overarching theme for 2014-2015 is "opportunities for global sustainable development".

Supervision of commodity and industrial boards

Under the Industrial Organisation Act [*Wet op de bedrijfsorganisatie*, WBO], the Council supervises the commodity and industrial boards to ensure that they function lawfully and efficiently. The Council's Supervisory Chamber [*Toezichtkamer*], which is charged with this supervisory task, assesses regulations, new or revised budgets, and the annual accounts of the boards, and monitors compliance with the principles of good governance enshrined in the law.

In 2014, the Council's supervisory work was dominated almost entirely by the impending discontinuation of the commodity and industrial boards. Among other activities, it ensured that the boards had drafted a phasing-out plan in which they were required to describe all activities related to their discontinuation. On 27 August 2014, the Supervisory Chamber issued an interim Supervisory Report 2014 with an update on the phasing-out process. The report also included a financial overview of each board. The Ministry of Economic Affairs will act as the boards' liquidator from 1 January 2015. Now that the boards are being discontinued as of 1 January 2015, the Council's supervisory task has come to an end.

Employee participation

The Council has been allocated governance tasks within the context of employee participation. It has assigned these tasks to the Committee to Promote Employee Participation [*Commissie Bevordering Medezeggenschap*]. Other organisations operating in the same area are the independent Works Council Training Certification Foundation [*Stichting Certificering Opleiding Ondernemingsraden*] (SCOOR) and the Market I and Market II joint sectoral committees.

Committee to Promote Employee Participation (CBM)

The CBM is charged with the general duty of promoting good quality employee participation in businesses and other organisations. It undertook various activities within that context in 2014. To begin with, it published a series of brochures, flyers and web pages giving practical guidelines for improving employee participation. It also published a manual on the works council's roles and powers in combatting discrimination in the workplace. In addition, the CBM contributed to specialist works council journals and conferences. The CBM also performs activities related to training and education. One of these is to recommend prices for good-quality training for works council members, which are then adopted by the Council. In 2014, the CBM also conducted a poll on the use of training facilities. The CBM further monitors the work of the two joint sectoral committees for the market sector. On 11 September, it organised a symposium on "Participating in Employee Participation".

Works Council Training Certification Foundation (SCOOR)

The purpose of the SCOOR is to monitor the quality of training programmes for works council members by certifying relevant training institutes. The actual certification process has been outsourced to an independent auditor, based on the SCOOR Certification Scheme. The final elements of this scheme were completed in early 2014. The SCOOR

also worked on the SCOOR register in 2014. Initially, the register included only the 35 training institutes covered under the transition plan. In 2014, the SCOOR received thirteen applications for certification.

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. They also answer questions concerning employee participation and the Works Council Act. In 2014, the two joint sectoral committees received 22 requests for mediation. The Market I and II joint sectoral committees established a Training Chamber to answer questions and mediate in disputes concerning the training and education of works council members.

Merger Code

The employers' associations and unions represented in the Council have undertaken to uphold the Merger Code. The Council promotes compliance with this self-regulatory arrangement.

Working Group on Utilising the Employment Potential of Young Migrants (BAM)

The Working Group on Utilising the Employment Potential of Young Migrants [*Werkgroep Benutting Arbeidspotentieel Migrantenjongeren*, BAM] published a report in late 2013 entitled "Make way for a new generation" [*Maak baan voor een nieuwe generatie*]. The report signalled the start of the exploration phase of Link2Work, a project initiated by the members of the Council, the Ministry of Social Affairs and Employment, the government-appointed Youth Unemployment Ambassador Mirjam Sterk, and the Cities of Amsterdam and Rotterdam. The initiators have recruited business mentors from their networks in these regions and matched them with young people who run an extra risk of unemployment.

Now that the pilot phase has ended and Link2Work will be carried out in several regions, the working group is no longer actively involved in the project. BAM is working on a proposal outlining how it plans to help ethnic minority youths obtain a better position in the job market and education.

General terms and conditions for consumers

The Self-Regulation Coordination Group brings together industry and consumer organisations to negotiate bilateral general terms and conditions. In 2014, they agreed on various sets of new general terms and conditions and evaluated existing sets.

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.

Subcommittee on Exemptions under the Two-Tier Entity Act (OSW)

The two-tier entity laws contained in the Dutch Civil Code [*Burgerlijk Wetboek*] present the Council with special duties relating to exemptions from the two-tier structure regime. The legislation subjects large companies and cooperatives to certain obligations. The Minister of Security and Justice [*Veiligheid en Justitie*] may exempt them from these obligations after obtaining a formal opinion from the Council. The Council's OSW subcommittee prepares these formal opinions. The Council received and dealt with four exemption requests in the reporting year.

ENERGY AGREEMENT ASSURANCE COMMITTEE

The Energy Agreement for Sustainable Growth is meant to offer broad support for a sound and future-proof energy and climate policy while at the same time helping to bolster the Dutch economy and create jobs.

Representatives of all the organisations that signed the Energy Agreement for Sustainable Growth on 6 September 2013 together make up the Energy Agreement Assurance Committee. They represent employers, unions, environmental, nature conservation and civil-society organisations, and central and decentralised government. The committee is chaired by Ed Nijpels and provides assurance that progress is being made under the Energy Agreement for Sustainable Growth.

Considerable progress was made in 2014 implementing the Energy Agreement. The assurance process focuses on twelve themes:

- 1 Energy savings in the built environment
- 2 Improved energy efficiency in industry and the agro sector
3. Large-scale renewable energy generation
- 4 Decentralised renewable energy generation
- 5 Energy transmission networks for CO₂
- 6 ETS lobby and international
- 7 Coal-fired power plants and CCS
- 8 Mobility and transport
- 9 Employment and training
- 10 Incentives for commercialisation
- 11 Financing
- 12 Heat

The initial results:

- The *Stroomversnelling* programme produces the first energy-neutral rental housing
- The Government has designated locations for offshore wind farms

- A code of conduct for onshore wind energy has been introduced
- The Human Capital Agenda in the Energy sector has been launched (“green skills” for skilled workers)
- Green deal urban logistics

See <http://www.energieakkoordser.nl/> for an English summary of the Energy Agreement.

COMMUNICATIONS AND INTERNATIONAL RELATIONS

In its communications, the Council aims to optimise the impact of its advisory reports and other activities. 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. The Council also utilises social media.

Open door for visitors

The Council welcomed a number of groups from the Netherlands and abroad. Most of our Dutch visitors were students majoring in variety of different disciplines. The Council also welcomed a group of social partners and politicians from Bonaire and St Maarten.

Eighteen foreign groups visited from Austria, Italy, Denmark, Norway, Finland, Lithuania, Tunisia, Azerbaijan, Korea, Japan, India, Thailand, Argentina, Peru and the United States. The delegations generally consisted of union officials, high-ranking ministry officials, researchers, students and politicians. In addition, the president and secretary-general regularly welcome ambassadors and embassy officials such as economic attachés. They come to discuss the situation in their own countries and the socio-economic policy and consultation economy in the Netherlands.

International relations

The Council is in contact with institutions and with social and economic councils in other countries through various channels. 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 secretary-general attended the annual meeting of European social and economic councils in November. The meeting was held in Paris. A Council policy officer participated in the network of European Economic and Social Councils (EESC) and national social and economic councils concerning the Europe 2020 strategy, and also delivered papers at two meetings (in Brussels and Rome). Under the AICESIS, the secretary-general attended three board meetings (in Rome, Bucharest and Rabat) and gave a presentation about social dialogue in the Netherlands during an *Atelier d'expériences*. In November, the Council welcomed a high-ranking delegation from the Chinese social and economic council, headed by their president, Du Qinglin.

The deputy secretary-general presented the Social and Council of the Netherlands as a case study during an ILO course about social dialogue. The Council corresponded with the social and economic council of Flanders (SER-V) about working methods and their work programmes. A policy officer delivered a paper in Egypt about international corporate social responsibility in the Netherlands and the Council's views on this subject.

Appearances by the president

The Council's president receives daily requests to be interviewed, write an article, or give a lecture. These requests cover a wide range of topics, such as innovation policy, the future labour market, education, entrepreneurship, workmanship, work and care, and pensions.

FINANCES

Although established by law, the Council is not a government body and is financially independent. The Council's most important source of income is the contribution it receives from the General Unemployment Fund [*Algemeen Werkloosheidsfonds, AWF*]. The budget for 2014 was EUR 15 million. Personnel costs represent the largest item of expenditure (EUR 9.5 million).

MEMBERS OF THE SOCIAL AND ECONOMIC COUNCIL

The Council consists of three groups, each with eleven members, making 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 Professionals (VCP): 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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