

**March 2020**

## **Contribution of the Dutch social partners to the National Reform Programme relating to the EU 2020 Strategy**

March 2019 – February 2020

### **Preface**

The EU 2020 Strategy, which the European Union (EU) agreed in 2010, focuses on the promotion of sustainable, inclusive and smart growth, i.e. growth that is driven by knowledge and innovation. The aim of this strategy is for the EU to achieve a higher level of employment, social cohesion, and productivity.

The objectives of EU 2020 are summarised in five headline targets and ten guidelines. Based on the agreements, the Member States are required to set their own national targets and sub-targets that must ensure that the targets agreed in the strategy are achieved in 2020. When the guidelines were adopted, the Commission decided that the guidelines should remain fixed until 2014 to ensure a focus on implementation. Starting in 2014, the guidelines would be established annually.

The five headline targets are:

- increasing the employment participation rate from 69% to 75%;
- increasing R&D expenditure from 1.9% to 3% of GDP;
- 20/20/20 targets: CO2 emissions, energy from renewables and energy efficiency;
- reducing school drop-out rates to 10% and increasing the percentage of 30-40-year-olds who have completed tertiary education to 40%;
- reducing the number of people in or at risk of poverty by at least 20 million.

Each year, the EU Member States prepare their own National Reform Programmes (NRPs), in which they set out their strategy for meeting the EU 2020 targets. As a matter of practice, the Dutch Government has decided to discuss a draft version of the NRP with the social partners each year. The Government, however, will bear full responsibility for the final content.

Each year, in cooperation with the Social and Economic Council of the Netherlands [*Sociaal-Economische Raad*] (SER), the Labour Foundation [*Stichting van de Arbeid*] prepares a report entitled “Contribution of the Dutch Social Partners” regarding achieving these joint European goals. This report is added as an appendix to the NRP. The report contains the social partners’ main contributions towards meeting the headline targets in

the past year, arrived at within the framework of the Labour Foundation and the SER. Contributions that the social partners have made separately to achieving these targets fall outside the scope of this report.

This report clusters the ten guidelines for each theme of the EU 2020 strategy and indicates the measures the social partners undertook between March 2019 and February 2020 in order to achieve the headline targets of that strategy. Of course, many of the social partners' recommendations and advisory reports pertain to several headline targets and guidelines. Where this is the case, the contribution concerned is not included in respect of several guidelines, but has been placed with the most suitable guideline.

- ***Final remarks***

Finally, it should be stressed that it is mainly through their policy on conditions of employment, which incorporates the recommendations and advisory reports of the Labour Foundation and the SER, that the centralised and decentralised social partners contribute to the EU 2020 Strategy.

## 1. European cooperation

As members of the SER and the Labour Foundation, employer organisations and employee organisations regularly discuss their views and possible contributions to the European consultations on achieving these EU 2020 targets.

### *Consultations concerning the social and economic aspects of Europe*

On 17 April, the Dutch Minister of Social Affairs and Employment [*Sociale Zaken en Werkgelegenheid*] (SZW), Wouter Koolmees, will hold consultations at the SER. The agenda includes the recommendations that the Netherlands has received from the EU. Important topics will be the scope for wage growth, increasing the flexibility of the labour market, the administrative burden regarding labour, the position of vulnerable groups, and the necessary investments in knowledge and skills.

An important issue at EU level is how to achieve a better balance between the social and economic aspects of European integration. This requires a new European strategy which Dutch policy will have to be able to align with. The Minister wishes the SER to be involved in consideration of this issue.

One way to achieve this is by keying in to major changes such as digitisation, climate change, and artificial intelligence, all of which will have far-reaching consequences for the operation of the Dutch labour market. On the one hand, this poses a threat for workers and companies, but on the other it also creates new opportunities. The challenge is to enable everyone to benefit from these opportunities, which they can do by learning new skills. That will cost money, but it will also generate great benefits for society. People will have a better chance of getting a job and there will be scope for higher wages.

## 2 Wage, unemployment and pension developments

**Guideline 1: Ensure the quality and the sustainability of public finances.**

**Guideline 2: Address macro-economic imbalances.**

**Guideline 3: Reduce imbalances in the euro area.**

The Government is ultimately responsible for fulfilling these three guidelines. The principal role of the social partners primarily regards the development of negotiated wages and pensions.

### 2.1 Wage, employment and unemployment developments

- ***Rises in negotiated wages***

The Netherlands Bureau for Economic Policy Analysis (CPB) has calculated a 2.5% movement in negotiated wages in the private sector for 2019. The CPB is forecasting a 2.8% movement in negotiated wages for 2020. The hourly wage rate (wage costs) rose by 3.0% in 2019. A 3.0% rise is also expected for 2020.

Inflation (harmonised price index) was 2.7% in 2019; inflation for 2020 is estimated at 1.4%.

- ***Unemployment***

At the end of 2019, the unemployment rate stood at 3.4%. The CPB expects this rate to increase slightly to 3.6% in 2020, taking it to about the point at which it stood prior to the 2008 credit crisis.

Because of the risks posed by international (US) trade policy, Brexit, the nitrogen problem, and the coronavirus, the CPB indicates that the estimates for 2020 entail the necessary uncertainties.

### 2.2 Pensions

- ***Funding ratio development***

Based on the average funding ratio over the past twelve months, the pension funds' policy funding ratio fell from 108% to 103% in 2018. This was primarily due to the persistently low interest rate, which reached a new low in 2019. Partly in view of the Pension Agreement concluded with the social partners in June 2019, the Dutch Government decided on 19 November 2019 to give the pension funds more time to recover, so that reductions can largely be avoided in 2020.

The social partners discussed the state of affairs regularly with the Minister of SZW, the Dutch Central Bank [*De Nederlandsche Bank*] (DNB), and the Federation of the Dutch Pension Funds [*Pensioenfederatie*].

- ***Pension Agreement of 5 June 2019***

On 5 June 2019, the Dutch Government, together with employers' and employees' organisations, concluded an agreement in principle on a new pension system. At the same time, the SER issued an advisory report on the design of the future pension

contract. The Agreement comprises a package of measures. The individual components will be worked out in 2019 and 2020 by a steering committee of social partners and Government and then laid down in legislation and regulations.

The Dutch Government has also requested the social partners to present a proposal for a system of occupational disability insurance for the self-employed.

The reform of the supplementary pension system was elaborated in the SER's advisory report *Towards a New Pension System*. The aim of this reform is to create a sustainable system that:

- is more likely to offer the prospect of a pension with purchasing power, which also means that the pension will follow the development of the economy more closely;
- will make one's pension more transparent and personal;
- is more in line with developments within society and the labour market.

The main pension components of the Agreement and the SER's advice are explained below.

○ *Elimination of the average pension contribution system*

An important basic principle for pension schemes will be an age-independent contribution with participants accruing benefits that match the contribution paid in. Because young people's contributions yield returns longer, their contributions lead to a relatively higher pension accrual at a younger age compared to accrual by older people. The current average pension contribution system – whereby the same contribution leads to the same pension accrual – will therefore be eliminated.

The new method of accrual is more appropriate to the changing labour market. Working people will no longer encounter unintended effects if they switch to an employer with a different type of pension scheme or into self-employment. Because elimination of the average pension contribution system will have consequences for current pension fund participants and insurers, the Government and the social partners are devising measures to compensate them.

○ *Future pension contract*

Since 2016, the Improved Contribution Schemes Act [*Wet verbeterde premie-geling*] has already made it possible to agree on a contribution arrangement under which participants build up personal pension assets during their working life, and during the period prior to retirement, they gradually become a member of a benefit collective within which risks are shared. However, these contracts are not possible for sector-wide pension funds because these are required to apply the average pension contribution system.

The SER recommends that the improved contribution scheme should now also be made accessible for sector-wide pension funds.

The SER also recommends a new pension contract, namely a contribution scheme in which there is also risk-sharing during the accrual phase. With such a contract, participants accrue pension entitlements but the focus on nominal security by

means of a buffer is abandoned. The new pension contract is a contribution scheme under which pension entitlements are purchased annually at the then prevailing market interest rate, without any degree of certainty applying. The social partners will arrive at an arrangement on a stable contribution and will periodically recalibrate that arrangement with a view to their target pension.

○ *Withdrawing an amount all at once (lump sum)*

Each member is given the option of withdrawing part of their pension benefit as a lump sum on their retirement date. That part may not exceed ten percent of the value of the retirement pension accrued for this participant. The same statutory option will be created for those who accrue a provision for their retirement in the third pillar of the pension system.

○ *Longer time schedule for raising the state pension age*

The state pension age has risen rapidly in recent years without sufficient attention being paid to sustainable employability. It has therefore been agreed that the state pension age will rise less rapidly in the coming years. It will be fixed at 66 years and four months for a period of two years. This was laid down in legislation at the end of 2019. The state pension age will then be increased to 67 years in 2024. From 2025 on, it will not increase by one year if the increase in life expectancy is one year, but instead it will increase by eight months. The state pension age will therefore continue to be linked to life expectancy but to a lesser extent.

○ *Tackling “blank space” pensions*

An innovative Statistics Netherlands (CBS) research method has shown that the number of employees who are not accruing any pension pursuant to terms and conditions of employment – the so-called “blank space” [*witte vlek*] is higher than has been assumed in recent years. It has therefore been agreed that, starting in 2020, the Labour Foundation will put forward a plan to reduce this blank space. Possible measures include encouraging agreements within sectors where there are currently no arrangements for a pension scheme, so that more employees can accrue pension rights.

○ *Flexibility regarding early retirement*

In order to accommodate employees who have been unable to make preparations for the increase in the state pension age and who cannot continue to work in a healthy manner until they reach it, there will soon be the possibility of agreeing retirement arrangements within sectors and companies that give employees the option of retiring a maximum of three years before their state pension age. The Dutch Government will facilitate these arrangements by generically easing the final levy on early retirement schemes (the “RVU” levy) for a period of five years from 2021 if employees’ early retirement takes place within the final three years before reaching the state pension age.

- *Pension-accrual by the self-employed*

Self-employed persons have various options for saving for retirement but they make only limited use of them. One of the options for such people to build up a pension is voluntary continuation of their existing pension scheme. This is currently only possible if the self-employed individual has previously participated in such a scheme as an employee. In line with the SER's recommendations, the Government and the social partners will consider how the self-employed can voluntarily join the pension scheme in the sector or company where they work, even if they have not previously participated as an employee.

- ***Other pension-related issues***

In addition to the Pension Agreement on the future pension system, the social partners in the Labour Foundation have been focusing mainly on developing solutions for the imperfections in current pension legislation and regulations. A few examples follow.

- *Request for an advisory report on surviving dependants' pension*

The great variety of pension schemes often leaves members and their partners unaware of what financial consequences the member's death will have. It seems desirable to standardise the surviving dependants' pension more and make it easier to understand.

The Minister of Social Affairs and Employment requested advice on this matter from the Labour Foundation on 14 January 2019. In 2019, the social partners, based on pre-defined objectives, worked out the options for a standardised surviving dependants' pension scheme. They are expected to present their advisory report early in 2020.

- *Small pensions*

In a letter dated 9 April 2019, the Labour Foundation, the Dutch Association of Insurers, and the Federation of the Dutch Pension Funds called on the Minister of Social Affairs and Employment to also make possible the automatic transfer of small pensions after, for example, a collective termination of an administration agreement, and not only if the small pension is a result of an individual changing their job. The Foundation also advocates a commutation option [*afkoopmogelijkheid*] for small net pensions because the automatic transfer of accrued entitlements is legally impossible.

In September 2019, the Minister submitted a number of additional questions regarding these two proposals, to which the Labour Foundation responded in January 2020.

- *Diversity within pension fund boards*

In November 2018, the Federation of the Dutch Pension Funds and the Labour Foundation called on the pension funds and the nominating employer and employee organisations to increase diversity within pension fund boards. This will primarily involve appointing more women and young people to such boards.

The report on compliance with the 2018-2019 Code of the Dutch Pension Funds [*Code Pensioenfondsen 2018-2019*] shows a slight improvement for the first time in years. At the end of 2018, 72% (2017: 64%) of pension funds had at least one

woman on the board and 45% (2017: 38%) had appointed at least one young person.

### 2.3 New risks to the stability of the Dutch economy

The SER has investigated the extent to which the Netherlands manages macroeconomic volatility risks better than it did in 2013.<sup>1</sup> No unambiguous answer is possible, however, with the study revealing a varied picture.

The report is a follow-up to a study in 2013<sup>2</sup>. There is a great need for further follow-up research. This exploratory study provides a basis for further in-depth discussion.

There have been stabilising reforms in many policy areas, such as banking, housing, and pensions. At the same time, there are developments that could again increase volatility risk. Examples of new risks include the long-term low interest rate, digitalisation of the economy, ongoing flexibilisation of the labour market, ever-more urgent transition challenges, and increasing geopolitical uncertainties. Against this background, the following topics will be discussed.

- **The EU.**  
Since 2013, the external geopolitical environment has become more uncertain. By itself, the Netherlands can do little about this, but the country will be stronger on the world stage within a properly functioning EU. The Netherlands would therefore be well advised to support reforms that enable the EU to play a stabilising role.
- **Households.**  
Households can find themselves in financial difficulties in the event of an economic setback, due to a combination of low disposable incomes, high fixed costs, and insufficient financial reserves. Households have barely benefited, if at all, from the growth in prosperity over the past 20 years. In the event of an economic setback, many households immediately find that they have to keep a tight hold on the purse-strings, which contributes to the volatility of domestic consumption.
- **The housing market.**  
Major steps have been made in recent years to reduce the risk of negative mortgage equity in the event of a fall in house prices. However, the structural undersupply of housing also leads to new risks. There is, for example, a serious shortage of rented homes in the middle segment of the housing market. That scarcity of housing drives up the price of owner-occupied houses. In addition, the low interest rate allows households to pay ever higher mortgages, even if it is actually irresponsible for them to do so. It is therefore very important to boost construction and planning capacity and make it less dependent on the economic cycle.

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<sup>1</sup> SER study *Volatiliteit van de Nederlandse economie nader bezien*, January 2020.

<sup>2</sup> SER report *Nederlandse economie in stabielere vaarwater*, April 2013.



- Financing of SMEs.  
Compared to SMEs in other European countries, Dutch SMEs are subject to relatively stringent credit conditions. They pay higher interest and are more likely to have their requests for credit rejected. In the current favourable economic climate, SMEs can offset the decrease in bank lending with financing from retained earnings.  
A volatility risk is that bank lending may become even tighter in the event of an economic downturn.

Part of the task of budgetary policy is to stabilise the economy. In difficult times, government may create a budget deficit in order to stimulate the economy, while in good times, there is then a compensatory budget surplus. This SER study indicates that Dutch budgetary policy does not do enough to fulfil this stabilising task. Since 2008, for example, the burden on citizens and businesses has increased by some 4% of GDP, which has deepened the recession and thus had a procyclical effect.

#### **2.4**                    *SER advisory report Priorities for a Fair Europe*

The SER published its advisory report *Priorities for a Fair Europe* in April 2019. The Netherlands needs the EU in order to tackle the major problems of our time, such as climate change, migration, and digitalisation – problems that the country is too small to tackle on its own. The countries of Europe need to work together more closely to achieve this; the shifting global balance of power makes that necessary. For a strong and close-knit EU, it is important to improve living conditions, employment, productivity and incomes, and to reduce disparities between and within countries.

The advisory report notes that economic freedoms and social rights go hand in hand and are equally valuable. In order to deepen the internal market and make it fairer, it is important for countries to comply with the EU rules. New agreements are needed to improve the operation of the internal market for goods and services and to achieve prosperity gains. Existing European rules need to be tightened and enforced more effectively. This can, for example, prevent A1 certificates for posted workers from being unreliable or letterbox companies and “regime shopping” from achieving unfair competitive advantages to the detriment of employees. New rules are needed for international transport because it is insufficiently clear which labour legislation actually applies. Monitoring the independence of the judiciary in all member states is also essential, to ensure that citizens and companies throughout the EU can count on having equal rights. SMEs need clear and accessible information on the specific rules of each member state.

The SER recommends that the European Commission and the European Parliament make it a priority to reduce the current disparities between European regions. Productivity, living conditions, working conditions and employment should be improved, which will reduce these disparities. This process of “upward convergence” has been successful for a long time, but it has stagnated in recent years. Enabling people to catch up and improving living conditions are important for increasing prosperity for all. Support for Europe

will grow when more people see that it is strengthening their rights and improving their personal living conditions.

Reducing disparities must be the top priority of the new multi-annual strategy of the EU and the member states. To achieve this, there must be major investment in people's skills and infrastructure (transport, telecom, knowledge, and energy). The key issue here must be social rights such as the right to education. The EU can supplement national policy with the Erasmus Plus programme, for example. This will require funds from the EU and the member states, which will have to be found in the EU budget and the European Fund for Strategic Investments (EFSI).

In this way, a deeper and fairer internal market will contribute to Europe's competitive strength and economic growth. This will also benefit Dutch prosperity and employment.

### 3 Growth capacity, sustainability and innovation

**Guideline 4: Optimise support for R&D and innovation, strengthen the knowledge triangle and unleash the potential of the digital economy.**

**Guideline 5: Improve resource efficiency and reduce greenhouse gas emissions.**

**Guideline 6: Improve the business and consumer climate and modernise and develop the industrial base in order for the internal market to function optimally.**

#### 3.1 Implementing the Energy Agreement for Sustainable Growth

The energy transition in the Netherlands gained significant traction with the conclusion of the Energy Agreement for Sustainable Growth [*Energieakkoord voor duurzame groei*] (Energy Agreement) in 2013. This agreement between public authorities, social partners and other stakeholders ensures that the implementation of countless measures remains cohesive, cooperative, and result-oriented. For the term of the agreement, a special SER committee has been tasked with safeguarding the Energy Agreement.

The Climate and Energy Report [*Klimaat- en Energieverkenning 2019*] (hereafter: *KEV 2019*) notes strong growth in the share of renewable energy, with this share expected to reach 16.1% in 2023. The goal of 16% will therefore be achieved. According to the *KEV 2019*, the envisaged speed of energy saving of 1.5% per year on average in the period 2013 - 2020 will also be reached. The *KEV 2019* does not give an up-to-date estimate of the increase in the number of full-time jobs. However, in 2017 the National Energy Study [*Nationale Energieverkenning*] concluded that this objective was also expected to be achieved.

According to the EU directive on calculation methods, the objective of 14% renewable energy in 2020 will come to 11.4% of gross final energy consumption in 2020 – a policy shortfall of 2.6%. This is principally due to the economic upturn of the last few years. This means that the increase in renewable energy is not keeping pace with the projected growth in energy consumption in the Netherlands.

According to the *KEV 2019*, the objective of saving 100 petajoules (PJ) of extra energy in the country's final energy consumption by 2020 will not be achieved and the saving will be 80 PJ of extra energy in that year. The policy shortfall of 20 PJ in 2020 is largely linked to a delay in compliance with the Environmental Management Act [*Wet Milieubeheer*].

The Government has announced additional measures in order still to achieve the above-mentioned goals in 2020.

#### 3.2 National Climate Agreement

Following intensive consultation, the next phase of the energy transition and climate policy started on 28 June 2019: an ambitious Climate Agreement that paves the way towards providing low-carbon power and a circular and sustainable economy by the middle of this century.

The national Climate Agreement is the Dutch implementation of the Paris Agreement.

The aim of the agreement is to reduce greenhouse gas emissions in the Netherlands by at least 49% in comparison to the levels in 1990. In 2018 and 2019, very intensive consultations were held to reach a national Climate Agreement in order to achieve this target. The agreement presented on 28 June is the result of a consultation process involving five sector tables, three task forces, and dozens of working groups. The Climate Agreement consists of an extensive package of approximately 600 commitments and measures that will reduce Dutch CO<sub>2</sub> emissions by the intended 49% by 2030.

The Dutch Climate Act provides the legal framework for the Climate Agreement. The agreement was adopted on the basis of decisions taken by the Dutch Government. What are called sectoral implementing committees [*sectorale uitvoeringsoverleggen*] have been created for implementing the agreement. The members of these committees are those parties that have committed themselves to the Climate Agreement and that are necessary for its implementation. The implementing committees focus on drawing up agreements in sectors and solving problems jointly. This does not involve any renegotiation of the agreements reached.

Alongside the implementing committees, there is a Progress Committee which guarantees coherence – liaison, coordination, alignment, and knowledge sharing – relating to the most important implementation programmes, which affect multiple sectors. The independent chairs of the implementing committees and leaders of the other structures, such as Labour Market and Training, Innovation, and Financing, take part in the Progress Committee.

The Progress Committee also operates as a platform that keeps the Climate Agreement community constantly connected and enables community members to learn with and from each other. This platform operates mainly in the form of meetings with the participating organisations, as well as organisations or target groups, including citizens and small business owners, which are not – or are not yet – actively taking part in implementing the Climate Agreement. The SER facilitates this platform role.

### **3.3 International Responsible Business Conduct (IRBC)**

In its 2014 advisory report on IRBC agreements, the SER argued that economic sectors and businesses should take the initiative to conclude IRBC agreements with government, trade unions and civil-society organisations. Such agreements give rise to a new instrument that can considerably lower 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.

The agreements are based on the existing aims and standards laid down in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The current Government will continue the approach proposed in this SER advisory report. An evaluation is currently being carried out to find out whether additional policy is needed. The SER committee for IRBC expects a request in spring 2020 for an advisory report on the broad outlines of a new IRBC policy.

Ten IRBC agreements have now been made, in the sectors garments and textiles, banks, insurers, pension funds, metals, gold, natural stone, food, floriculture, and sustainable forestry. The SER is helping eight parties to implement their agreement.

You can find the latest information on <https://www.imvoconvenanten.nl/en>.

## 4 Operation of the labour market, employment and social inclusion

**Guideline 7: Increase labour market participation for both men and women, reducing structural unemployment and promoting job quality.**

### 4.1 Policy regarding terms of employment

- ***Piecework***

Since 1 January 2018, it has been possible, for certain activities in a sector, to work with a standard for piecework pay. This must involve activities for which employers cannot properly supervise the activities of a worker. The workers then have a certain degree of freedom to organise their work themselves. The standard specifies a certain amount of time spent on the different individual activities and the associated remuneration. The condition this standard must meet is that a worker must be able to earn at least the statutory minimum wage by carrying out the activities.

The piecework standard in force since 2018 for delivering newspapers was extended by one year in 2019 and 2020. In April 2020, with the approval of the Labour Foundation, a piecework pay standard will also apply for delivering unaddressed printed advertising material and free local papers.

- ***Housing for migrant workers***

On 6 December, the Labour Foundation recommended to collective labour agreement parties that they make collective agreements on guaranteeing the quality of housing for migrant workers. The Labour Foundation recommends that the parties make a move to improve quality by including in their collective labour agreement that employers, hirers, and temporary employment agencies that deploy migrant workers will offer accommodation that meets the quality level of the Flexible Housing Standards Foundation [*Stichting Normering Flexwonen*] (SNF) and, specifically for the agricultural sector, the level of the Agricultural Quality Mark for Flexible Housing [*Agrarisch Keurmerk Flexwonen*] (AKF). If a request is submitted for an order declaring a collective agreement binding on an entire industry [*algemeenverbindendverklaring*] (avv), it is recommended that the accommodation of migrant workers also be put forward for such an order. This can ensure that illicit practices relating to housing do not damage a sector or the migrant workers. However, this does not solve the problem, as there is also a severe shortage of housing for migrant workers. In order to tackle this problem, the Labour Foundation has asked the Minister of the Interior and Kingdom Relations (BZK) and the Minister of Social Affairs and Employment (SZW) to call on all stakeholders to join forces in solving the shortage of good accommodation for migrant workers. This administrative consultation will take place on 11 March 2020.

- ***“Hard core” of conditions of employment***

On 9 December 2019, the Labour Foundation again urgently called on parties to collective labour agreements that frequently deal with secondments from abroad to register the “hard core” of their collective labour agreement in Dutch and English to the Ministry of Social Affairs and Employment or to ascertain whether the “hard core” already registered is up to date.

The Dutch Posted Workers in the European Union (Working Conditions) Act [*Wet arbeidsvoorwaarden gedetacheerde werknemers in de Europese Unie*] (WagwEU) determines which conditions of employment apply to employees who have been posted to the Netherlands from other member states. As a result, the employers concerned are obliged to grant their employees the “hard core” or the “extended hard core” of the collective labour agreement provisions that have been declared to be binding. The Ministry of Social Affairs and Employment has offered to have this “hard core” translated into English at the Ministry’s expense in 2020 and 2021.

- ***Implementation of Posting of Workers Directive***

The Labour Foundation has advised on translating this directive into Dutch legislation and on the creation by the Ministry of Social Affairs and Employment of the hotline for posted workers.

- ***Advice on planned legislation for self-employed workers***

On 27 November, the Labour Foundation advised the Government not to submit the legislative proposal relating to the Self-Employed Persons (Minimum Remuneration) Act [*Wet minimumbeloning zelfstandigen*] and the Self-Employed Person’s Declaration Act [*Wet op de zelfstandigenverklaring*].

The legislative proposal is too complex. This bill will lead to major problems for implementation and enforcement, would mean a huge increase in the administrative burden, will not ensure the protection of the group comprising vulnerable self-employed workers, and will have a significant effect on social security and tax income.

## **4.2 Employment and industrial relations**

- ***“House for Whistleblowers”***

In a letter to the Minister of BZK dated 12 April, the Labour Foundation expressed its concern regarding the progress of a relaunch of the Dutch Whistleblowers Authority, or “House for Whistleblowers” [*Huis voor Klokkeluiders*]. In the letter, it urged the Minister to take short-term measures, such as appointing an independent person who can ensure screening of the workforce and design a sound appointment procedure. The Foundation also pointed out that arrangements must be made to ensure the involvement of social partners in their role as ‘critical friends’.

On 20 February, the Foundation, together with the Council for Public Sector Personnel Policy [*Raad voor het Overheidspersoneelsbeleid*] (ROP), wrote a letter to the House of Representatives. The two organisations noted the great importance of preserving the character of the Whistleblowers Authority, with the protection of the whistleblower as the top priority. They advocate the creation of a fund to provide help and support to whistleblowers, both psychosocial and legal, if they run into difficulties.

- ***Informal care and work***

On 11 November, the Labour Foundation, in cooperation with the Ministry of Social Affairs and Employment, organised a meeting of experts to hear the views of academics, advocates, informal carers, and employers on combining informal care with work. The

afternoon was mainly spent discussing possible improvements in supporting informal carers who are in employment and their employers.

Based on this meeting, the Foundation will discuss how it can facilitate decentralised parties to collective labour agreements, employers, and works councils in achieving a properly functioning combination of work and informal care. In addition, the Foundation is closely involved in compiling a guide for businesses, which has been commissioned by the Ministry of Social Affairs and Employment.

The Pension Agreement reached in June 2019 also paid attention to the issue of sustainable employability. In order to encourage sustainable employability, the Government has made four payments of €200 million available for the period from 2021 to end-2024, as well as €10 million in structural funds. The available funds are meant for parties to collective labour agreements, which are working to promote sustainable employability and to ensure that workers reach the pensionable age in a good state of health. It must become second nature to employers and employees to keep working in support of sustainable employability.

- ***Sector plans***

This extensive and highly differentiated programme was implemented because in the Social Agreement of 11 April 2013, the social partners and the Government agreed to actively combat the economic crisis by means of the Sector Plan Co-financing Scheme [*Regeling Cofinanciering Sectorplannen*].

Virtually all of the sector plans ended in 2018. The Foundation was involved with the evaluation that was carried out at the behest of the Ministry of Social Affairs and Employment in 2019. The National Government has provided nearly €330 million for the sector plans, while sectors, regions, and individual employers have spent nearly €730 million. Most participants have made use of training measures and most of the budget has been spent on apprenticeships.

The evaluation study showed that the sector plans made a limited contribution toward the broad goal of resolving the crisis on the labour market. They mainly provided funding for measures that employers and sector funds were less able to pay for due to the crisis. There were delays in implementation, with the result that many measures were only carried out after the crisis was over. The researchers conclude that in the event of another crisis, it would be sensible to introduce a scheme such as the sector plans before there is a big rise in unemployment.

- ***Prospects Action Plan for Over 50s***

The goal of the action plan was to improve the job prospects of over 50s through a number of campaigns between 2017 and 2019. A number of activities were carried out under the umbrella of this action plan, both by the Ministry of Social Affairs and Employment and social partners. For example, more than 20,000 over 45s were able to obtain Development Advice. The Employees Insurance Agency (UWV) obtained extra funding to offer more personal support to older job seekers. There was also a publicity campaign to improve the image of over 50s in employment.

The action plan was evaluated at the end of 2019 and the evaluation is expected to be published in spring 2020.



#### 4.4 Working conditions and vitality

- ***Coordination and monitoring***

Het SER Arboplatform, the occupational health and safety (arbo) platform, is an initiative of social partners: a central information platform in the area of healthy and safe working for and by social partners. The Arboplatform is managed by the SER and the Labour Foundation is closely involved in its implementation.

All the occupational health and safety instruments of the SER and the Labour Foundation can be found on the platform, including the manuals that the Foundation had developed in 2014/2015 to offer support to sectors in drawing up an occupational health and safety catalogue. These manuals are being updated in the 2019/2020 period. In 2019, the manuals on Occupational Health & Safety Measures for Temporary Work [*Arbomaatregelen Uitzendwerk*] (June) and Language and Safety Risks [*Taal en veiligheidsrisico's*] (December) were updated and placed on the Arboplatform.

In addition to providing instruments, the platform encourages the exchange of information and shows good examples from various sectors. There is also the possibility of asking arbo-related questions. A newsletter keeps social partners informed of developments in the area of healthy and safe working.

- ***Knowledge discussion between SZW and the Labour Foundation***

In meetings once every one or two years, occupational health and safety specialists of the Ministry of Social Affairs and Employment and the Foundation exchange ideas on current topics. In 2019, the strategic knowledge discussion addressed two themes: compliance with occupational health and safety obligations and tackling low literacy skills.

The first theme looks at the question of compliance with occupational health and safety obligations in the Netherlands compared with other European countries. Based on an international comparison, carried out by Prevent at the behest of the Ministry of Social Affairs and Employment, there were discussions on the Risk Inventory & Evaluation (RI&E). This is an oft-recurring theme, because fewer than half of companies in the Netherlands have drawn up an RI&E (which is in fact a legal requirement) and an accompanying action plan. Partly as a result of this study, the Ministry of Social Affairs and Employment has launched a programme to create an RI&E 2.0, with new ideas and a broad-based group of stakeholders.

The second theme concerns the approach to low literacy skills and in particular how low language skills can influence workers' health and safety in the workplace. In a presentation by the Reading & Writing Foundation [*Stichting Lezen & Schrijven*], it was emphasised that low literacy skills require a positive approach and should be tackled in a comprehensive fashion, embedded in the desire to be and remain employable in the labour market. Research has shown that people with functional illiteracy have an above-average chance of absenteeism due to health problems or an unhealthy lifestyle. In the context of prevention and absenteeism management, occupational health and safety professionals have a role to play in identifying and referring on employees with deficient language skills.

- ***Psycho-social strain***

Everyone should be able to feel safe at work. The Working Conditions Act [*Arbowet*] requires employers to implement policy to prevent or reduce psycho-social strain. This relates to undesirable behaviour such as discrimination, sexual intimidation, aggression & violence, and bullying. A confidential counsellor can play a key role in a company or an industry in tackling undesirable behaviour of colleagues or managers. To help confidential counsellors, employers and employees with this, the Netherlands Organisation for Applied Scientific Research [*Nederlandse Organisatie voor Toegepast Natuurwetenschappelijk Onderzoek*] (TNO) developed the Guide for Confidential Counsellors Regarding Undesirable Behaviour in the Workplace [*Wegwijzer Vertrouwenspersonen Ongewenste Omgangsvormen op de Werkvloer*]. This was commissioned by the Ministry of Social Affairs and Employment and social partners were involved in the work. This guide was published in February 2020.

Research (2018) on codes of conduct relating to undesirable behaviour in the workplace showed that a general code of conduct is not useful, because sectors differ too much from one another. However, sectors do need guidance and tools in order to draw up a code of conduct for their individual sector. For this reason, TNO, at the behest of the Ministry of Social Affairs and Employment and in consultation with social partners, has drawn up a manual with practical general tips for drawing up a code of conduct in relation to undesirable behaviour. The manual is expected to be published in March.

- ***Reviewing health and safety catalogues – amending the 2010 Policy Rule***

The Social Affairs and Employment Inspectorate has laid down the procedure for drawing up, reviewing and applying occupational health and safety catalogues in a policy rule. Because the procedure, which dates from 2010, was due for review, it was replaced as of 14 June by the 2019 Policy Rule on Occupational Health and Safety Catalogues [*Beleidsregel arbocatalogi 2019*]. The new Policy Rule was drawn up in close consultation with the Labour Foundation. The most important changes are:

- For each measure in the occupational health and safety catalogue, it should be stated explicitly which risk to health and safety it addresses;
- A validity period of six years has been introduced for a positively assessed occupational health and safety catalogue;
- The term “marginal” review has been dropped because it caused confusion;
- In the review letter, the Social Affairs and Employment Inspectorate provides information on how it reviews and what the status is of an occupational health and safety catalogue with a positive review when a company is inspected.

Six months after introduction (December), the Foundation and the Inspectorate discussed how things stood. The Inspectorate sent all sectors a letter explaining the new policy rule. In addition, letters were sent to the sectors that have an occupational health and safety catalogue that is more than six years old, starting with 2008, and that needs to be updated. Sectors generally approach the Inspectorate for advice on how to deal with various matters. If necessary, the central social partners will urge their members in the sectors to update their occupational health and safety catalogues.

- ***Occupational health and safety policy in practice***

In 2020, the Ministry of Social Affairs and Employment will carry out a policy review of budget line 1, Labour Market. This statutory provision covers a number of areas, one of which is working conditions. For the purposes of the review, it was studied to what extent government policy as referred to in the Ministry of Social Affairs and Employment Policy Agenda 2020, which contains specific activities and measures for the years 2012-2019, has been efficient and effective.

The study “*Healthy and safe working; research on the system for health and safe working since the 2012 Policy Agenda*” [Gezond en veilig werken, onderzoek naar het stelsel voor gezond en veilig werken sinds de Beleidsagenda 2012] by the research organisation De Beleidsonderzoekers has prompted the Labour Foundation to look into this issue as well. In January, social partners talked about what is needed to ensure that occupational health and safety policy is implemented in the workplace. Questions to be addressed include: “How can companies be brought on side?”; “How can it be made easier to draw up an RI&E?”; “How can instruments be better used?”; etc.

- ***Testing for alcohol, drugs and medicines (ADM)***

Following a study by the Ministries of Social Affairs and Employment (SZW); Justice and Security [*Justitie en Veiligheid*] (JenV); and Health, Welfare and Sport [*Volksgesondheid, Welzijn en Sport*] (VWS) on the circumstances and conditions in which testing for alcohol, drugs and medicines (ADM testing) can be extended, the Labour Foundation is considering whether an extension is at all desirable. To this end, in various meetings with representatives of industries/companies as well as trade unions, the Foundation discussed ADM policy in their respective sectors/companies. Employers wish to be able to test when there is a suspicion of substance use, in view of the safety of individuals and the responsible use of machines and hazardous substances. This should be made possible through a statutory provision. Employees also value safety in the workplace, but they are apprehensive about the handling of privacy-sensitive data, should the opportunities for testing be expanded. This discussion between employers and employees has not yet been concluded.

In her letter dated 16 January, the State Secretary of Social Affairs and Employment announced measures including an exploratory study of the legal possibility of enabling ADM testing in companies that work with hazardous substances (companies to which the Major Accidents (Risks) Decree 1999 applies), for workers with jobs that are crucial for safety. The State Secretary indicated that if social partners put forward a joint proposal for a different – and more effective – approach, she would respond positively.

- ***Diversity in labour relations and working conditions***

The type of labour relationship has an influence on the working conditions. Flexible workers – temporary contract workers, on-call workers, and stand-in workers – do hazardous or physically demanding work more often than permanent employees. But permanent employees more often have a heavy workload that is also emotionally taxing. This is shown in a study carried out for the SER.

## 4.5 Social Security

- ***Private supplemental unemployment and partial disability benefits***

On 28 November, the Labour Foundation called on trade unions and employers to point out to employees in relation to a termination agreement that they may be entitled to a privately extended benefit upon termination of an unemployment (WW) or wage-related partial disability (WGA) benefit. It appears that many employees are not aware of this. More than two million employees are now members, through their employers, of the PAWW Foundation, which was set up by the Labour Foundation. The PAWW is the Private Supplement to the WW (Unemployment Benefit Scheme) and WGA (Return to Work [Partially or temporarily Disabled Persons] Scheme) [*Stichting Private Aanvulling WW en WGA*] (SPAWW). This is the organisation that is responsible for implementing these benefits.

- ***Contingency measure***

With the introduction of the Balanced Labour Market Act [*Wet arbeidsmarkt in balans*] (Wab) on 1 January 2020, the sector classification for the Unemployment Insurance Act [*Werkloosheidswet*] (WW) disappeared. As a result, the schemes for unworkable weather are no longer paid through the sectoral contributions, but out of the General Unemployment Fund [*Algemeen Werkloosheidsfonds*] (Awf). For this reason, the Minister of Social Affairs and Employment wanted to standardise the number of waiting days applicable to the unworkable weather scheme as of 1 January 2020, to five days. This prompted the Labour Foundation on 19 September to urge the Minister to set the number of waiting days to zero, and not five, per season. This request contributed to the final decision to set the number of waiting days to two.

- ***Evaluation of Participation Act***

At the end of 2019, the Government evaluated the operation of the Participation Act [*Participatiewet*] – based partly on a study by the Netherlands Institute for Social Research [*Sociaal Cultureel Planbureau*]. Social partners responded to this with the observation that in their opinion there was a lack of urgency and of a will to tackle matters more quickly. According to them, government policy did not offer sufficient reassurance that the sticking points identified would be solved. Above all, it appeared that municipalities were not sufficiently aware of, or attentive to, the “classic recipients of benefits” and that they had little contact with a large part of the population regarding possible reintegration programmes.

In response to the evaluation, the Government has now drawn up a draft legislative proposal which also includes deadlines for contacting clients.

- ***WIA measures***

The coalition agreement presents proposals for including incentives to return to work in occupational disability schemes. The proposed measures did not draw much support from either employers or employees. For this reason, at the end of 2018, it was agreed with the Minister of Social Affairs and Employment that the Labour Foundation, in consultation with the Ministry, would investigate how to increase the employment participation rate of this target group. In 2019, the Labour Foundation put a great deal of time and

energy into this study, looking at the supporting instruments; the manner of establishing the degree of incapacity for work; the incapacity for work criterion; service provision to people who have become less than 35% occupationally disabled; and training. A meeting on 5 September gave occupationally disabled employees, employers, employment experts, and work reintegration coaches the opportunity to discuss these issues. They exchanged experiences, which provided additional input in order to arrive at a sound analysis. The Labour Foundation is expected to publish its recommendations in early 2020.

- ***Mandatory occupational disability insurance for the self-employed***

In the Pension Agreement it was established that there would be a legal obligation for the self-employed to take out occupational disability insurance. The aim of this obligation to insure is to offer this group of workers sufficient protection from the consequences of long-term incapacity for work and to ensure that everyone can obtain insurance.

The Labour Foundation submitted its proposal to the Minister of Social Affairs and Employment, Wouter Koolmees, on 3 March 2020. During the preparation of this advisory report, two associations of self-employed workers were represented in the working group that advised on the matter. In addition, a number of meetings were organised to hear the views of the other organisations of the self-employed, as well as funds grouping self-employed workers in order to cover the risk of incapacity for work via the “mutuality principle”.

The core of the Foundation’s proposal is that occupational disability insurance with options for self-employed workers should be made available. This will enable every self-employed person to decide which insurance policy is appropriate. As a standard, each self-employed worker takes out insurance that provides a payment of 70% of the last income earned up to the limit of approximately €30,000 per year gross (143% of the statutory minimum wage). The insurance payment is a maximum of €1,650 gross per month, which is 100% of the statutory minimum wage. The premium for the standard insurance is indicatively 8% of income and is deductible. The benefit has a standard excess period, or waiting period, of 52 weeks, with the option of altering this to 26 or 104 weeks. The insurance continues until a person has reached the state pension age and is administered by the Employee Insurance Agency: claim assessments, benefit payments, and reintegration. The Tax and Customs Administration is responsible for collecting the premiums.

- ***Projects providing services to job seekers, and for labour market cooperation and control***

On 11 March 2019, the Labour Foundation sent the Minister of Social Affairs and Employment a list of the initiatives within the “Temporary Scheme for co-funding for projects providing services to job seekers and for labour market cooperation and control” [*Tijdelijke regeling cofinanciering projecten dienstverlening werkzoekenden en projecten samenwerking en regie arbeidsmarkt*] (DWSRA). The Foundation would regret it if financial support were to be discontinued because the subsidy period has ended, while the projects might well deserve to be restarted after the evaluation. According to the Foundation, a number of transitions with major consequences for the labour market, such

as the energy transition and robotisation, will make it essential to continue the labour market infrastructure that has recently been created by social partners.

In a letter dated 20 June 2019, the Minister indicated that he saw no room for providing additional funding to the DWSRA projects. Neither does he want to anticipate the outcome of the impact evaluation when it comes to deciding on a possible follow-up to the DWSRA scheme. The Foundation was involved in the evaluation, which will be published in spring 2020.

#### **4.6 Consultation and cooperation between the Labour Foundation and the Association of Netherlands Municipalities**

- ***The Workroom***

The Workroom is the platform for consultations between the Labour Foundation and the Association of Netherlands Municipalities [*Vereniging van Nederlandse Gemeenten*] (VNG). In recent years, The Workroom has been working primarily on achieving one of the agreements contained in the Social Agreement to help 100,000 occupationally disabled job seekers find jobs in the private sector and to help another 25,000 find jobs in government.

- ***Jobs Agreement***

The agreement in the Social Agreement of 11 April 2013 to provide 125,000 extra jobs for people with occupational disabilities by 2026 at the latest is still on track. The 2018 objective of 43,500 extra jobs for people with occupational disabilities was amply met with the creation of nearly 52,000 additional jobs. Increasing numbers of people with occupational disabilities are being placed in the private sector in particular. However, the public sector is again lagging behind. This prompted the Ministers of SZW and BZK to reach an administrative agreement with all parts of the public sector, which contained a number of specific agreements.

As an aid, on 23 March, the Labour Foundation, together with the Association of Netherlands Municipalities, published an indicative distribution of the number of jobs to be created for people with occupational disabilities for the 35 labour market regions for the years 2019 and 2020.

- ***Facilitating transition from special secondary and practical education into work***

On 31 January, The Workroom wrote a letter to State Secretary of Social Affairs and Employment Tamara van Ark on the importance of properly facilitating special secondary education and practical education, in order to support those students who make the transition into work. The Workroom supports the appeal for such facilitation from the umbrella organisations in special education. The Workroom also argues that the aftercare should not be limited to two years and that coordinators should be recruited to strengthen coordination and cooperation in the regions.

## 5 General and vocational education and training

**Guideline 8: Develop a skilled workforce responding to job market needs and promote lifelong learning.**

**Guideline 9: Improve the quality and performance of education and training systems at all levels and increase participation in tertiary or equivalent education.**

- ***Lifelong development***

In the division of tasks between the Labour Foundation and the SER, the Foundation has the task, in consultation with the Ministry of Social Affairs and Employment (SZW) and the Ministry of Education, Culture and Science (OCW), to develop policy in the field of lifelong development, while the SER has been asked by the Government to play a driving role by working with a broad network of stakeholders on an action agenda.

- ***Labour Foundation***

The Labour Foundation is busy drawing up a recommendation to both the Government and decentralised social partners for encouraging lifelong development.

Partly in response to the advisory reports on lifelong development issued by the SER, OECD, and the Committee on Demand-driven Funding in Vocational Education [*Commissie Vraagfinanciering mbo*] in 2017, this has become a topical theme for the Government and social partners. There is broad support for achieving a breakthrough in this area. It must become a matter of course for all job holders and job seekers to examine their careers regularly and ask themselves what knowledge and skills they will need to continue to do their own job or practise their own profession, and to be able to continue following developments in this regard.

Some means of achieving a positive learning culture is to stimulate general training and facilitate development through vouchers, individual training and education accounts, and rights to draw on a collective budget. Advice and support in the form of information, career advice, and/or coaching are important prerequisites in this area.

The Labour Foundation holds regular consultations with the Ministries of SZW and OCW, among other things about using tax regulations to facilitate individual development budgets, the introduction of a personal development budget for training and development for all (STAP budget), and a subsidy scheme for learning and development in SMEs (SLIM scheme).

- ***SER***

In 2018, the Ministers of SZW and OCW asked the SER to play a driving role by working with a broad network of stakeholders on an action agenda. The goal is a bottom-up movement in which the development of people, but also of a learning culture, becomes a matter of course within organisations and companies. Among other things, the SER does this by linking and strengthening regional, sectoral and cross-sectoral initiatives in the area of lifelong development. To achieve this, an action agenda has been drawn up to ensure a number of specific breakthroughs.

With this agenda, the SER wants to:

- Inspire by showing good examples of places where learning is already firmly embedded;
- Advise on opportunities in legislation and regulations by collecting opportunities and problems and then discussing them with representatives of national organisations and policymakers;
- Bring people into contact with each other and help them to exchange knowledge.

- ***Lifelong development in social security***

The SER notes that in social security – the Unemployment Insurance Act and the Participation Act – the key principle is that a benefit recipient should obtain work as quickly as possible. Legislation and the funding system mainly contain incentives to shorten as much as possible the period in which benefits are paid. This inhibits a broad commitment to lifelong development and thus a sustainable return to work.

For this reason, the SER makes the following recommendations:

- Encourage a sustainable return to work by finding out how people can be better helped during unemployment or occupational disability to work on lifelong development. Implementing bodies must be attentive to, and be able to respond to, personal circumstances that present obstacles, such as debts, low development or care for family members. Municipalities can address such obstacles with the Participation Act and/or other social services. In the current situation, the Employee Insurance Agency (UWV) cannot do this.
- Create broader training opportunities. Services and facilities must be mobilised in the event of an approaching redundancy. Training that continues after the end of benefits under social security law must also be facilitated.
- Provide reliable information and a good service. It is important that job holders, unemployed persons and employers know where they can go for support with lifelong development. This can be done, for example, through a central point where everyone can find out about the full range of training available in the country, and which also makes it clear what the ‘value’ is of a training course.
- Focus more strongly on groups with lower and medium education levels. It is advisable to provide direction nationally in order to inform precisely these groups thoroughly and structurally, for example through a public campaign, about the need and opportunities for lifelong development.

- ***Low literacy skills***

In March, the Ministry of OCW, together with the Ministries of SZW, BZK and VWS, sent the Approach to low literacy skills 2020-2024 to the House of Representatives. Although social partners were consulted beforehand, they could not agree with the tenor of the letter. They considered it to have too little ambition, both as regards resources and scope. As many people as possible should be reached and the approach must not be at the expense of the “NT2 group” (Dutch as a second language group). In addition, the approach must be better aligned with the SER advisory report (April), which offers structural solutions for the longer term. Finally, the approach, as outlined in the letter, is too fragmented and not binding enough for municipalities. Social partners advocate greater national direction and management, with regional details.



One of the measures from the government paper is a Point of expertise for basic skills [*Expertisepunt basisvaardigheden*]. In summer, the Ministry of OCW held talks on this subject with stakeholders, including social partners. Social partners indicated that a national centre of expertise could be useful, provided it did not just give information about legislation and regulations, and subsidies, but also had the task of encouraging, supporting and facilitating implementation of the Approach to low literacy skills. National and decentralised social partners should have a substantial role and close involvement. They know best what employees need in order to develop in the workplace and what employers need to support that development, and they should be facilitated to this end by the Government. However, the contours of the planned centre of expertise offer little space for industries and sectors to have a clear role and responsibility. Furthermore, the Government is making (too) few resources available.

Social partners are still in talks with the Ministries of OCW and SZW about the details of the centre of expertise and the role of social partners in it.

- ***Cooperating on language: an advisory report on low literacy skills***

In this advisory report, the SER draws attention to the urgent problem of low literacy skills. Low literacy skills – or functional illiteracy – refers to people who cannot read, write and/or calculate well enough and/or lack sufficient basic digital skills to be able to function in society and in the labour market.

For this reason, the SER makes the following recommendations:

- In the short term, existing resources must be fully and efficiently used;
- The available infrastructure must become simpler, more transparent and more accessible;
- Roll out successful activities and work to create an accessible range of training courses that provides national and regional coverage;
- Give priority to preventing deficiencies in language at an early age;
- A sufficient range of tailor-made courses.

- ***APL***

Accreditation for prior learning (APL) is a labour market tool that can be used to obtain a clear picture of someone's personal knowledge and expertise. Employed persons and job seekers can use this tool to strengthen their labour market position.

Stichting Examenkamer is responsible for assuring the quality of the labour market route, and was appointed by the Labour Foundation for that purpose. The National APL Knowledge Centre [*Nationaal Kenniscentrum EVC*], the implementation agency established by Stichting Examenkamer, handles the accreditation and registration of APL providers and APL certificates.

The APL Advisory Council, which is staffed by the Government (Ministries of OCW, SZW, and Economic Affairs and Climate Policy (EZK)) and the Labour Foundation, was established to stimulate the available range, quality, and use of APL and other validation tools in the labour market route, to promote and optimise the connection between the labour market route and the education route, and to retain the support that has been accrued.

A study of target groups and the use of validation tools, commissioned by the APL Advisory Council and published in 2018, produced a report with recommendations. Based on the report, the Advisory Council set to work drawing up an action plan for the follow-up steps. This has led to a deeper discussion about the basic principles of APL and how the ministries and social partners involved see the future of APL. This discussion is expected to be completed in March/April 2020.

- ***Strategic agenda for higher education***

In this advisory report, the SER provides input for the development of the Strategic agenda for higher education and research [*Strategische agenda hoger onderwijs en onderzoek*]. Here are a few main points:

- Good education requires a social investment. More structural financial space is an essential prerequisite for the quality of higher education. Funding stability (and less dependence on fluctuations based on student flows) is needed to give further impetus to the knowledge infrastructure and innovative strength of the Netherlands.
- Higher education has to adapt in line with the demands of the labour market and fit in with the needs of society.
- Student counselling and study information can and must improve. The student finance system also merits being thought through in greater detail.
- The working conditions in higher education require specific attention, for example regarding pressure of work and salary levels.

## 6 Social inclusion and combating poverty

### Guideline 10: Promote social inclusion and combat poverty.

- ***Promote diversity in businesses and organisations***

The Diversity at Work project, an initiative of the Labour Foundation and the Council for Public Sector Personnel Policy [*Raad voor het Overheidspersoneelsbeleid*] (ROP), was launched on 15 February 2015. The aim of this project is to promote diversity and inclusion on the shop floor in both the private and public sectors. Starting from the perspective of businesses and organisations, Diversity at Work emphasises the added value that a diverse staff and inclusive corporate culture can have. Diversity at Work is specifically aimed at five dimensions of diversity: occupational disability and chronic illness; gender; age; LGBTI; and ethnic, cultural, and religious background. The work in this project has two foundations. One is the Diversity Charter, and the other is the knowledge platform.

The secretariat of Diversity at Work gives individual advice, disseminates knowledge, and puts businesses and organisations in touch with each other. Knowledge documents drafted on a certain theme will also contain current facts and figures, an analysis of problem areas, best practices from the signatory community, the role of HR and the works council [*ondernemingsraad*], and the input of civil-society organisations that are actively working on the issues on the agenda. Knowledge is being disseminated by social media, a website, and YouTube.

The project is being funded by a subsidy from the Ministry of SZW, the European Platform of Diversity Charters, and the Labour Foundation. Because there is substantial support for continuing this project, social partners decided to entrust its management to the SER for four years from 15 February. The Ministry of SZW will also provide funding during this new project period.

In brief, the results of five years of Diversity at Work are: 207 signatories (the goal was 180); 138 participating companies on Diversity Day; a website that attracts many visitors; successful pilots to achieve greater diversity in SMEs; and the production of knowledge documents that inspire other EU countries to emulate them by creating charters.

- ***Diversity at the top: towards an acceleration***

There are too few women and people with a non-western migration background at the top levels of the Dutch business world. With the recommendations below, the SER therefore advocates a comprehensive approach with stronger measures:

- Do not make a distinction in education between typically male and female professions;
- Improve the opportunities for combining work, learning and care for women and people with a migration background;
- Provide advice to companies to take measures such as formulating a corporate vision statement at board level or organising in-house days for minority groups;
- Apply a quote for new members of the Supervisory Boards of listed companies;

- Formulate individual target figures and accountability for all “large” companies.

- ***Alliance for Cultural Diversity in Leadership***

In 2017, the SER established the Alliance for Cultural Diversity in Leadership [*Alliantie Culturele Diversiteit aan de Top*] in tandem with the following Dutch organisations: Talent naar de Top, Diversity at Work [*Diversiteit in Bedrijf*], Agora Network, NL2025, Etnische Zakenvrouwen Nederland, and The Other Network. This Alliance has reached agreement with more than 100 directors of businesses and organisations to encourage cultural diversity among top executives in the Dutch business community, to increase social cohesion, and to utilise the potential of diversity.

The Alliance started its activities on 29 January at the Cultural Diversity in Leadership meeting, which was attended by Queen Máxima.

The Alliance is working to achieve results on the ground. For example, the CEOs of Randstad and Rabobank are calling on businesses to associate themselves with the organisation as front-runners and to make first- and second-tier leadership job openings available. Since then, 26 companies have committed themselves to achieving this and are emphasising the importance of cultural diversity in leadership.

- ***High expectations: opportunities and obstacles for young people***

All young people must be able to fulfil their potential. This is the basic principle of the SER study that has been prepared for the SER’s Youth Platform.

For this reason, the SER makes the following recommendations:

- Introduction of a generation assessment – a check on the consequences of new legislation for different generations;
- Identify the consequences of the student loan system for young people in relation to their financial position and the next steps in their lives;
- Give attention to the fact that young people suffer considerably from performance pressure and mental health issues;
- The effects of flexibility on the labour market; there must be a greater focus on the negative effects of flexibilisation for young people;
- Focus on discrimination against young people in the labour market;
- Study of entrepreneurship among young people;
- Better alignment between education and the labour market;
- Better position in the housing market;
- Greater availability of childcare.