

Contribution of the Dutch social partners to the National Reform Programme within the context of the EU 2020 Strategy

March 2016 – February 2017

Introduction

The EU 2020 Strategy, which the European Union (EU) agreed on 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 Europe 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 upon in the strategy are achieved by 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 will be established annually.

The five headline targets for 2020 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: greenhouse gas 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.

The Labour Foundation is a national consultative body whose members are the main employers' associations and trade union federations in the Netherlands: the Confederation of Netherlands Industry and Employers [*Vereniging VNO-NCW*], the Royal Dutch Association of Small and Medium-Sized Enterprises [*Koninklijke Vereniging MKB-Nederland*], the Dutch Federation of Agricultural and Horticultural Organisations [*Federatie Land- en Tuinbouworganisatie Nederland*], the Netherlands Trade Union Confederation [*Federatie Nederlandse Vakbeweging*], the Confederation of Christian Trade Unions in the Netherlands [*Christelijk Nationaal Vakverbond*], and the Trade Union Federation for Professionals [*Vakcentrale voor Professionals*].

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 an annual report entitled “Contribution of the Dutch Social Partners” regarding the achievement of 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 arrived at in consultation between the Labour Foundation and the SER. Contributions that the social partners have made separately to achieve these targets fall outside the scope of this report.

This report clusters the guidelines for each theme of the EU 2020 strategy and indicates the measures the social partners undertook between March 2016 and February 2017 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.

- ***Completion of the Social Agreement***

At the beginning of this administration, the social partners in the Labour Foundation concluded a Social Agreement [*Sociaal Akkoord*] with the Dutch Cabinet [*kabinet*]. Many of the socioeconomic changes agreed on in that document had already taken place by the end of 2015 and have since led to new legislation or other measures in order to emerge from the crisis stronger. Several outstanding agreements, however, were also carried out in this reporting period. The execution of all of the agreements will take until 2026, since the sectoral plans will run until 2018 and the job agreement until 2026.

- ***A final word***

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 contribution to the European consultations on achieving these EU 2020 goals.

1. Consultation on EU Spring Summit

On 23 February, Minister Kamp of Economic Affairs [*Economische Zaken*] (EZ) met with a SER delegation regarding the Netherlands' priorities for the EU Spring Summit. Items on the European agenda include increasing investments, modernising the economy and further controlling public finances. Current issues such as Brexit and, more generally, the societal insecurity regarding the globalisation and digitisation of the economy will be just as important. The Minister provided an overview of current developments in the areas of employment, growth, and industrial production.

Both the Minister and the social partners discussed the importance of a strong and social Europe and a smooth settlement of Brexit. The employers emphasised the four freedoms: freedom of movement of goods, services, labour, and capital. The internal market can only function well if these freedoms are maintained. Brexit may result in EU residents being unable to move freely between the EU and the UK, which will put the unity of the internal market at stake. In this respect, the employee organisations referred to the importance of a social Europe with protective regulations for workers, such as equal pay for equal work within a single workplace. Brexit may make the playing field uneven, and thus lead to unfair competition. One dilemma in this regard is that the UK is an important trade partner for the Netherlands. A hard Brexit will not be in our interests. At the same time, the importance of a social Europe and a united internal market is so great, that the Netherlands cannot lose sight of this during the negotiations. If the UK succeeds in negotiating special exceptions on these issues, they may try to do the same in other respects. The social partners expressed their wish to be involved during the course of the Brexit negotiations.

- *EESC visits to the SER*

During the first half of 2016, while the Netherlands held the EU presidency, various delegations from the European Economic and Social Committee (EESC) visited the SER. Groups I and II of the EESC (employers and employees) discussed, among other issues, the status of the social dialogue in our country, the SER's involvement in European integration, and the SER advisory report on the TTIP.

On 21 April, the SER building was the venue for an EESC Group III conference on sustainable food production and consumption.¹

¹ Group III of the EESC represents 'diverse interests' within the committee.

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 1.7% movement in negotiated wages for the market sector for 2016 and expects a 1.7% movement in wages for 2017 as well. Inflation (harmonised price index) was 0.1% in 2016; inflation for 2017 is estimated at 0.9%. The hourly wage rate (wage costs) rose by 2.2% in 2016. This is expected to rise by 2.6% in 2017.

- ***Unemployment***

According to the definition of the term used by Statistics Netherlands (CBS) the unemployment rate stood at 6.0% at the end of 2016. The CPB expects this to drop to 5.3% in 2017.

2.2 Pensions

- ***Funding ratio development***

At the end of 2016, the average funding ratio (assets in comparison to future liabilities) for pension funds was at the same level as it was at the end of 2015, which meant that the vast majority of funds did not have to cut benefits. However, the funding ratio for most funds was too low to be able to index pension benefits. Fluctuations in funding ratios were significant in 2016, which was primarily due to the fluctuation of interest rates and share prices. The social partners discussed the state of affairs very regularly with the State Secretary of Social Affairs and Employment [*Sociale Zaken en Werkgelegenheid*] (SZW) and with the Pension Federation [*Pensioenfederatie*].

- ***Analysis of future pension system***

After the SER had outlined several variants for a future pension contract in 2015, a report was issued in May that contained an exposition on the ‘personal pension capital with collective risk-sharing’ variant. As a follow-up, the Pension Federation had pension funds extrapolate several of the variants in order to obtain more in-depth information on the legal, technical implementation, and communication aspects. The SER is currently using all of these analyses to explore whether a single variant can be developed that best satisfies the premise of a future-proof pension contract. The SER will attempt to issue an advisory report before the new administration takes office after the elections on 15 March 2017.

Within the Labour Foundation, the social partners primarily discuss how the parties to

collective agreements will then be able to transition to a new pension contract as part of their employment benefits package and which steps will be required for this.

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

In addition to the broader debate on the future pension system, which is taking place primarily in the SER, the social partners in the Labour Foundation have been focusing on developing solutions demanded by the imbalances in current pension laws and regulations. A few examples follow.

- Together with SZW, the Labour Foundation has drafted a proposal that will allow ‘small pensions’ to be transferred automatically to another pension fund to prevent them from being commuted and used for purposes other than pensions. A bill is being drafted in this regard.
- The social partners gave a great deal of input on getting the Dutch Premium Schemes (Improvement) Act [*Wet verbeterde premieregeling*] enacted quickly. This law – entered into force on 1 September – enables pension entitlements in defined-contribution agreements to be purchased at multiple points in time, as a result of which the pension benefit will no longer be dependent on the interest rate on the retirement date. It will also enable pensioners to continue investing longer after their pension takes effect.
- The Ministry of Finance (‘Finance’) and SZW have spent many hours consulting about how they can still allow parties to collective agreements to continue using indexation supplement deposits under the new financial assessment framework [*financieel toetsingskader*] (FAF). These deposits are especially helpful when different pension schemes are combined, as is the case, for example, during corporate mergers. This decree was published in the Bulletin of Acts and Decrees [*Staatsblad*] on 13 October.
- At the end of 2016, the Labour Foundation began consulting with SZW and Finance regarding the ‘net savings scheme’ [*netto spaarregeling*] – which was developed in 2015 – for the portion of income exceeding EUR 100,000. It has since been shown that current low interest rates could mean that mandatory purchasing in the basic scheme might have extremely negative consequences if interest rates remain low. The social partners have submitted a proposal that would neutralise this effect without negative consequences for the basic scheme at pension funds.
- On 16 November, the Labour Foundation submitted another proposal to the Dutch House of Representatives [*Tweede Kamer*] to enable those receiving a benefit under the Dutch Invalidity Insurance (Young Disabled Persons) Act [*Wet arbeidsongeschiktheidsvoorziening jonggehandicapten*] (Wajong) to accrue pension on income they earn from employment. This issue has been under discussion since 2010. The Foundation’s view is that these employees should also be able to accrue pension.
- This year, the social partners in the Labour Foundation devoted specific attention to sustainable investment by pension funds. The central employers’ and employees’ organisations are working hard on this issue and regularly discuss the policy with their own pension fund boards. At the moment, the Foundation sees no added value in undertaking additional action, but will continue to follow pension funds’ sustainable investment.

- ***SER advisory report on optimising employee influence on pensions in small businesses***

In February 2017, the SER advised optimising employee influence on pensions in small businesses. Employees of small businesses should also be entitled to participate in decision-making about this employment condition. Independent and affordable information about pensions as an employment condition should also be made available to employers and employees. Employers and employees in small businesses often lack knowledge about pensions, and this is not easy to obtain. The SER advocates for the government to ensure that employers and employees can easily obtain accessible, independent, and affordable information, advice, and support. They deserve to be able to learn about their options, including the pros and cons, for pension schemes and pension administrators, as well as the consequences of certain choices.

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 environment and modernise and develop the industrial base for optimal operation of the internal market.

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

- ***SER: Let everyone benefit from digital technology opportunities***

On 21 October, the SER published a study and working agenda entitled “People & Digital Technology: Working Together” [*Mens & digitale technologie: samen aan het werk*]. In this analysis, the SER explains the consequences that the transition to a digital economy will have for the labour market, the organisation of labour, and employment relationships. The conclusion is that while digitisation will present opportunities, it is not something that will happen automatically.

The SER recognises that digitisation will present opportunities for new and existing employing organisations, start-ups, and platforms to promote entrepreneurship, innovation, and improving sustainability. Digitisation may thus contribute to creating new jobs and increasing social welfare. To utilise these opportunities, education will have to play a much more central role in people’s lives. The study underscores the importance of lifelong learning and development, from the time basic skills are learned at preschool, throughout one’s formal education, and during one’s employment.

At the same time, there are concerns. Some people are already uncertain about their work and income because jobs and tasks are disappearing. For many people, it is no simple matter to transition from one job to another or to obtain the skills that are in demand. It is therefore cause for concern that a distinction seems to be arising between those who profit from the developments (primarily those with higher levels of education) and those who are disadvantaged by them (primarily those with a secondary education or lower).

The SER is therefore advocating that the transition to a digital economy should be monitored so that interventions can be made as needed. The goal is an inclusive labour market that will allow everyone to participate in the digital economy. In this context, the SER has presented a working agenda with issues regarding which policies must be developed in order to prepare the labour market and related institutions for the future. The working agenda indicates how the study relates to the SER’s ongoing advisory projects, such as continued salary payment during sick leave and long-term unemployment and working and living in the future. In this way, the SER hopes to contribute to the implementation of a socioeconomic policy to be pursued while promoting debate on the consequences of digitisation.

- ***SER advisory report on regional cooperation: learn from one another's practices***

In its advisory report of February 2017, the SER noted that when it comes to regional cooperation, the parties often emphasise either the economy or education or employment. There is too little emphasis on bringing those individual developments together, even though this 'triangle' is necessary in order to promote welfare and economic growth, to boost the country's competitive position, and to provide stimulus for everyone being able to participate in and profit from these developments. A joint socioeconomic agenda devotes attention not just to economic development, but also to education and employment and assists with bringing together the various interests, goals, networks, worldviews, and perspectives. It is important for the socioeconomic agenda to be consistent with the specific characteristics of the regions and their neighbouring regions, which will enable them to make optimum use of one another. This requires insight into the regions' added value and smooth interaction between the regional and the national levels.

This advisory report was prepared at the behest of Minister Plasterk of the Dutch Ministry of the Interior and Kingdom Relations [*Binnenlandse Zaken en Koninkrijksrelaties*] (BZK) as a follow-up to the SER's Cities Agenda [*De SER-agenda voor de stad*]. In the Cities Agenda, the SER advocates for attention to be devoted to six related themes: developing and utilising talent, stimulating entrepreneurship and innovation, providing an attractive climate for living and establishing businesses, improving connections within and between cities (both physically and digitally), cooperating at regional level based on national rules, and increasing administrative efficiency. One of these themes – regional cooperation – is discussed in detail in this follow-up advisory report, which the SER hopes will promote cooperation in the region. The many practical examples and video interviews with those involved with developing those examples should help parties to learn from one another.

The SER has identified an enormous need for cooperation in the region, but the 'administrative pressure' on regional players and multitude of partnerships make cooperation extremely complex. In practice, there are several areas of tension that have prevented ideal cooperation from being achieved.

One of these involves the substance of the cooperation. The parties want very much to focus on the substance of the cooperation and base that cooperation on the issues facing society, but this often proves difficult. Specifically, the various parties base their positions on their own substance (and interests). This begs the question of how these interests will be dealt with, who will be in charge, and how democratic accountability and financing will be organised. An underlying question is how cooperation that is voluntary but not free of obligation can be organised within a region.

To obtain a better image of the practice of regional cooperation, the SER also held two major work conferences: Cooperating for the Region [*Samen werken voor de regio*] on 16 March and the Economic Boards Inspiration Session [*Inspiratiesessie Economic boards*] on 26 October. Conversations were held with dozens of people from various regions, including local and provincial administrators, employers, representatives of the trade unions, economic board representatives, educational institutions, and other stakeholders.

- **Technology Pact 2020 [Techniekpact 2020]**

In 2016, the social partners also contributed to achieving the goals of the Technology Pact.² This pact is aimed at drawing young people's attention to, and encouraging them to opt for, careers in technology, as well as at retaining workers in those sectors. Through initiatives such as sectoral plans, the decentral social partners have made significant efforts to reduce the shortage of technical staff.

3.2 Guideline 5: Improve resource efficiency and reduce greenhouse gas emissions

- ***All five goals of the Energy Agreement within reach***

The five key goals of the Energy Agreement are within reach. That was the conclusion of the Energy Agreement Monitoring Committee [*Borgingscommissie Energieakkoord*] in their 2016 Progress Report [*Voortgangsrapportage 2016*] dated 23 December. An additional package of measures was agreed earlier this year. The effect of these measures led, *inter alia*, to a mandatory industrial energy-saving regulation that will enter into effect on 1 January 2018. Another package of measures has been agreed for saving energy in the built environment. Market players, energy suppliers, grid managers, and the government will be recording the agreements in a target-setting agreement.

The 2016 Progress Report notes that a new dynamic has arisen in society with regard to the energy transition. Both businesses and private individuals are developing initiatives, as became obvious during occasions such as the Climate Summit in October. These new initiatives will enable stakeholders to make significant contributions to achieving the goals of the Energy Agreement, as a result of which we may achieve more than is currently expected. Discussions with those undertaking these initiatives will be held in early 2017.

Projects relating to the Energy Agreement will offer permanent employment opportunities in the new energy sector – solar, wind, biogas, and energy savings;³ the creation of at least 15,000 full-time jobs is another one of the goals set forth in the Energy Agreement. These companies are primarily interested in hiring qualified, highly educated staff. The work is complex and often demands more preparatory work, such as obtaining permits, designs, and advice. Employers also prefer to have permanent staff because they want to acquire and retain knowledge in their companies.

² The Technology Pact was concluded in 2013 between directors of educational institutions, employers, employees, and regions together with Ministers Bussemaker (Dutch Ministry of Education, Culture and Science [*Ministerie van Onderwijs, Cultuur en Wetenschap*]) (OCW), Asscher (SZW) and Kamp (Economic Affairs), as well as State Secretary Dekker (OCW).

³ “Energy Agreement: Effects of the Energy Transition on Labour Deployment and Quality” [*Energieakkoord: Effecten van de energietransitie op de inzet en kwaliteit van arbeid*], Economic Institute for the Construction Industry in the Netherlands [*Economisch Instituut voor de Bouw*] (EIB), Energy Research Centre of the Netherlands (ECN), and Statistics Netherlands, November 2016.

- ***SER advisory report on an ambitious transition agenda towards a circular economy***

By designing products smarter, extending their useful lives, and reusing parts, the circular economy will make an important contribution to making the Dutch economy more future-proof.

A cohesive, nationwide approach involving the business community, trade unions, and other social organisations would offer opportunities to reinforce and accelerate the process of achieving a circular economy. For that reason, the SER's advisory report from June on the circular economy supports plans for a Nationwide Circular Economy Programme [*Rijksbreed Programma Circulaire Economie*]. The SER advocates an ambitious transition agenda that will allow the Netherlands to become the worldwide circular economy leader in several supply chains.

The demand for raw materials has grown exponentially in the past century. The Netherlands and Europe as a whole are highly dependent on raw materials. For example, of the 54 critical materials Europe requires, 90% are imported, primarily from China. The Netherlands acquires 68% of its raw materials from abroad. Vulnerable sectors in the Netherlands include agrofood, several industrial sectors – electronics and Cleantech – and the chemical industry.

Circular entrepreneurship will allow sectors that depend on primary raw materials to be more future-proof and create new economic activities. This will also result in retaining employment opportunities and creating jobs in new circular activities, such as maintenance, repair, revision, and reuse. It is very important to develop the circular economy in cooperation with both the European Union (EU action plan for the circular economy) and non-EU countries. This will magnify the effect and increase opportunities for Dutch businesses abroad.

- ***Firm management absolutely critical to making livestock farming more sustainable***

The need for faster progress on making livestock farming more sustainable will only be met by providing firm management, a customised approach, and suitable financing. That is the conclusion of the SER Sustainable Livestock Farming Committee headed by Crown-appointed SER member Nijpels in an advisory report offered to State Secretary of Economic Affairs Van Dam in October.

Only the vanguard of the sustainable entrepreneurs and businesses will need support from the government. This vanguard comprises approximately 30% of the total number of companies and needs effective access to financing from banks and the government. For example, access to green financing and tax incentives must be increased. Businesses in the sustainability vanguard must also be able to invoke experimental leeway in regulations and receive priority when it comes to granting animal production rights and phosphate rights, as well as with regard to permits for business expansion.

As regards entrepreneurs without future economic prospects, the committee proposes measures allowing them to gradually wind up their businesses. This will require customised measures for each sector. Players in the horticulture and pig farming industries

have used bank support to establish a development company that will buy up companies. Such an approach will also offer opportunities for vanguard entrepreneurs in other livestock farming sectors and will prevent the debts being incurred by loss-making companies from rising any higher.

The committee sees new opportunities for manure as a fourth livestock product, in addition to milk, eggs, and meat. The value of manure can be cashed in on better if it is processed into products that have market value. The agriculture industry will thus benefit from a circular agro-ecosystem in which organic materials and minerals can be separated from manure and used for high-value applications. These products must, however, meet high quality standards. This will mean establishing prerequisites with regard to the collection, transport, and processing of manure in the livestock farming industry and in the processing chain.

3.3 Guideline 6: Improve the business and consumer environment and modernise and develop the industrial base for optimal operation of the internal market

- ***SER advisory report on ensuring levels of protection in the TTIP***

In April, the SER arrived at a unanimous advisory report regarding several premises for the trade and investment convention with the US (the TTIP convention). The SER considers that the TTIP must not be used as an excuse to alter levels of protection for people and the environment. Europe must be able to maintain its high level of protection in terms of legislation and regulation and to raise that level if necessary. This must allow sufficient leeway for government policies. Governments must remain free to declare certain services as being ‘of general public interest’ – and thus exempting them – according to their own preferences. In this respect, the SER’s report is in line with the Netherlands’ and the European Commission’s position in the negotiations.

The EU and the US must strive to achieve sustainable welfare growth in the globalisation process that will also allow emerging economies and developing countries to grow along with them. The preference continues to be for a multilateral (worldwide) agreement. In that light, it is important that the TTIP is structured in such a way that, on balance, third-party countries will also be able to profit from it and such that it does not hinder other countries’ participation and a new global trade agreement. The TTIP is expected to set the gold standard for future European trade and investment policy. It should promote European values, including the protection of human rights and worker rights, the environment, democracy, and the rule of law.

- ***International Corporate Social Responsibility (ICSR)***

The advisory report on ICSR agreements the SER issued in 2014 contended that sectors and companies should take the initiative themselves in concluding international CSR agreements with governments, trade unions, and civil society organisations. This would provide a new tool for tackling risks relating to human rights violations and environmental harm in the supply chain. This has led to two agreements the past year.

The first, dated 9 March – concluded under the supervision of the SER – is on sustainable clothing and textile manufacturing. Through this agreement, a broad coalition of industry organisations, trade unions, civil society organisations, and the Dutch government are bundling their strengths to work jointly on improving the international clothing and textile manufacturing chain, making it more sustainable.

The second agreement, which was signed by the banking sector, trade unions, NGOs, and the government, is intended to better enable banks to ensure that human rights are respected in the context of investments and financing. This will enable them to take into account aspects such as working conditions, freedom to join a trade union, child labour, and land rights. The agreement has been endorsed by 13 Dutch banks and applies to the financing they extend everywhere in the world. The stipulations in this ICSR agreement are the first of their sort in the world: agreements between civil society organisations, the government, and the national banking sector on the specific implementation of the *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines for multinational enterprises*. In order to increase the impact of the agreement, it has been agreed that the parties will work together to promote comparable agreements in an international context as well. They intend to approach the European banking sector, the EU, and the OECD with that aim in mind.

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 and employment relationships

- ***Dutch Work and Security Act [Wet werk en zekerheid]: the 21 April package***

Because smaller employers, in particular, have encountered problems with the recently implemented Dutch Work and Security Act (Wwz) the months of March and April saw many consultations between the social partners in the Labour Foundation, and between the Labour Foundation and the Cabinet. Even before this, a representative of the Cabinet – De Waal, a former chairperson of the Labour Foundation who represented employees – was already busy looking for a solution for the problems that seasonal employers were having with the new law.

On 21 April, these consultations resulted in several amendments to the Wwz, including a liberalisation of the deployment of seasonal labour and the Employees Insurance Agency (UWV) taking charge of the transition payment by small employers in the case of dismissal after two years of sick leave (with the payment to be made from the General Unemployment Fund). The parties also agreed that the Wwz would need a chance to prove itself, and that this would be assessed in accordance with the previously agreed assessment schedule.

In addition, several other important changes were implemented with regard to improving the functioning of the labour market. For example, the youth minimum wage [*minimumjeugdloon*] will be scrapped in two stages for those over 21 years, and the youth wage range will be increased.

- ***Piece work***

The amendment of the Wwz will also lead to a piece work remuneration scheme. This work will now be remunerated in accordance with at least the statutory minimum wage (WML). An exception will be made where the performance of these activities cannot be monitored – as is the case with those who deliver advertising leaflets door to door. The Labour Foundation is consulting SZW on how this exception will have to be implemented.

- ***Labour organisations call on SER regarding their labour market concerns***

At the SER meeting on 18 November, the three labour organisations FNV, CNV, and VCP presented a letter to SER chairperson Hamer and VNO-NCW chairperson De Boer expressing their grave concerns about the labour market. Two union representatives explained these concerns using examples from practice.

Hamer responded that the SER shared these concerns: “*The SER is striving to create an inclusive labour market in which everyone can participate. It is clear that we have to find a solution for the problems on the labour market. Both employees and employers realise that this is not something that will happen on its own.*”

4.2 Labour Law

- *Transfer of an enterprise*

Among other things, the Social Agreement of 11 April 2013 stipulated that an investigation would be made to determine whether the Dutch Transfer of Enterprises Act [*Wet overgang van ondernemingen*] would have to be amended to account for tenders, outsourcing, and sham bankruptcies. The Labour Foundation conducted an extensive analysis in preparation of this advisory report. This analysis included obtaining an external opinion from the Public Procurement Research Centre, a partnership of the universities of Utrecht and Twente regarding European tender laws and regulations.⁴

On 16 December, the Labour Foundation informed Minister Asscher that there was no support among employer members for the proposal, as a result of which this stipulation from the Social Agreement could not be implemented.

4.3 Labour Market

- *Sector plans*

In 2016, the execution of the more than 100 sector plans relating to the Sector Plan Co-financing Scheme [*Regeling cofinanciering sectorplannen*] got well underway.⁵ The underlying goal in carrying out the sectoral and regional plans is to develop a functional infrastructure for job-to-job obligations as we go and thus take action in the near future to prevent as much long-term unemployment as possible.

Nearly all of the plans will continue until some point in 2017, when most of them will have run their course. Only plans for basic work-based training (BBL) courses will continue. Interim assessments in 2016 have shown sound results in terms of the numbers of employees who have been reached through a sector plan. In cases involving imminent underperformance, the project leaders consulted the SZW Agency in a timely fashion to have the decision revised or to redirect funding to project elements that had been proven effective.

In 2016, the Labour Foundation organised four meetings in the context of the 'Implementation Consultation' [*Implementatieoverleg*]. Many project managers have used this network to learn about one another's sector plans and work together on developing solutions to problems regarding implementation. SZW and the SZW Agency also always attended the meetings.

On the invitation of the Technology Pact, meetings were also held regularly this year to monitor progress and explore how the sector plans can help with fulfilling the agreements in the Technology Pact.

⁴ See www.stvda.nl/publicaties (in Dutch).

⁵ Information about the scheme, activities, and sectoral plans that have been approved can be found at www.stvda.nl (in Dutch).

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

Minister Asscher sent this action plan to the House of Representatives in mid-2016. This plan, which was developed in close consultation between the Labour Foundation and the Cabinet, is intended to improve labour market prospects for those over age 50 (Over 50s) in 2017 and 2018. To that end, it listed actions such as offering older employees and job seekers advice on a second career, offering older job seekers better and more personal support, initiatives to find potential job openings for older people or a campaign to improve the image of Over 50s, with former football player John de Wolf acting as the standard bearer.

- ***Round-table discussions regarding the labour market in the cultural sector***

The SER and the Council for Culture [*Raad voor Cultuur*] are working jointly at the request of the Culture Federation [*Federatie Cultuur*] and the Kunstenbond (an arts association), on a follow-up to last year's exploration of the labour market in the culture sector. An investigation is being made of which sustainable solutions could contribute to solving several problems in the sector, such as falling employment rates, low incomes, and the poor negotiating position of employees and self-employed workers.

In early February, in an effort to gain insight into the situation, the SER committee received various stakeholders from the sector. These representatives of funds, industrial and umbrella organisations, experts from arts education, and the government exchanged thoughts on how the income position, social security, and sustainable employability of those working in the culture sector could be improved, what the practical obstacles are in terms of practice, policy, and laws and regulations, as well as what the sector can do itself or whether the government should be playing a role.

The SER and the Council for Culture will be issuing their report soon. The results will be included in a sector-wide labour market agenda and could serve as the basis for the social partners' agenda in the new administration.

- ***How employee mobility can be improved***

On 26 May, the CAOP, SER, and APG organised a meeting on the cross-sector mobility of employees. While thousands of people are being let go in the home health care and retail industries, the demand for staff in the education and technology sectors is growing steadily. If employees could transition more easily to another sector, the problems of both unemployment and staff shortages could be solved.

The goal of the meeting was to put mobility on the agenda, identify obstacles, exchange ideas and experiences, and offer inspiration with examples from practice.

- ***Working, providing care, and learning in the future: how these can be combined***

More and more often, Dutch residents are providing care in addition to doing their jobs, and they are also expected to continue learning. Based on new data from the Netherlands Institute for Social Research [*Sociaal Cultureel Planbureau*] (SCP) regarding how people's time is spent, the SER, in its advisory report entitled 'A Working Combination' [*Een werkende combinatie*] (published in October), discusses how all of that combining

can be organised and how people can be equipped for it.

Combining entails a certain degree of enrichment and presents opportunities to people, but it is also coupled with certain tensions. Many workers, including young people, regularly feel stressed. A glance towards the future shows that the trend of combining will continue. For example, there will be a growing need for informal care as a result of the ageing population.

The SER has expressed a large number of issues that require attention and has indicated where solutions may be found, regarding all of which immediate action is possible and necessary, such as the smarter use of time, better provision of information regarding leave schemes, and pre- and after-school care arrangements for children who attend school. The SER has also recommended optimising post-natal leave, improving the combination of paid work and informal care, and providing incentives for lifelong learning.

The SER adds another potential solution with the suggestion of outsourcing services by developing the personal services market. The SER has identified both opportunities and risks in this respect, and wishes to determine what the possibilities are for working towards sustainable employment in the public and private services market. The outsourcing of services is a relatively new potential solution. Up to now, the solutions that have been sought are those relating to time (such as possibilities for leave) and money (such as tax facilities).

- ***French and Scandinavian experts share experiences regarding the personal services market***

At the end of February 2017, the SER committee on Working and Living in the Future held an expert meeting regarding the personal services market. Examples of this market were presented from France and Scandinavian countries. The personal services market is one in which a broad scale of services are offered in and around the home, such as small-scale garden work, maintenance and repair work, ICT support, or cleaning services. Informal care also comes to mind. The SER has focused on the question of how this market is developing in other countries and what the Netherlands can learn from surrounding countries. The SER is planning to organise a public conference at a later date in order to continue exchanging ideas about various potential solutions.

4.4 Working conditions and vitality

- ***Health and Safety Catalogues [Arbocatalogi]***

The goal of the social partners is to promote the private sector's implementation of responsible working conditions policies. This can be accomplished, for example, by providing incentives for industries and companies to draft occupational health and safety catalogues. The Arboportal, the website SZW operates on issues regarding occupational health and safety laws and regulations, contains the health and safety catalogues that the SZW Inspectorate has tested. At the request of the Labour Foundation, several adjustments were made to make the Arboportal more easily accessible by industries and companies. For example, a search can now be made to determine which health and safety risks are

discussed in each catalogue. This enables the social partners in the various industries to familiarise themselves with knowledge and solutions that other industries have included in their health and safety catalogues.

In addition, SZW and the social partners are consulting about the possibilities for a digital identification system that will allow the sectors to update the content of their health and safety catalogues in a timely fashion.

- ***Coordination and monitoring***

The orientation discussions that were started in 2014 to set up a coordination desk to streamline the consultations between the social partners themselves and between the social partners and SZW (and other ministries) on occupational health and safety issues were completed last autumn. These efforts are aimed, on the one hand, at the better coordination of issues between the social partners and SZW and, on the other, at jointly communicating to decentral employers and employees where information, tools, websites, etc., can be found, while ensuring that such information, tools, and websites are updated and continued.

The social partners and SZW (and other ministries) consult one another during the regular meetings of one of the Labour Foundation's working groups. In addition, meetings are held twice a year to establish several joint priority health and safety themes. Together, SZW and the social partners, each from the perspective of their own responsibilities, determine how attention will be devoted to those themes, e.g. by commissioning research, improving access to existing information, or preparing guides. Such a meeting was held in July.

The Labour Foundation and the SER also decided to set up a central health and safety desk. The goal is to manage, disperse, and safeguard information and tools relating to occupational health and safety and employee vitality. One of these tools will be a website, with all of this being worked out in more detail in the first half of 2017.

- ***Psycho-social strain***

In 2016, the central item on SZW's four-year PSA campaign was *undesirable behaviour in the workplace*. This behaviour is understood to include bullying, sexual intimidation, and discrimination.

With regard to bullying in the workplace, SZW sent an action plan to the House of Representatives; social partners were involved with several of the activities. For example, at the social partners' request, SZW had a quick scan performed among sectors to assess companies' need for knowledge and information regarding bullying in the workplace – so that the campaign can be better tailored to practice. One of the results was that works councils, HR, and HSE officers need practical tools and specific tips, not just in order to be able to effectively tackle bullying, but also with regard to preventive measures, such as promoting a congenial and safe working environment.

4.5 Social security

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

As of 1 January 2016, the Wwz will gradually limit the statutory duration and amounts paid under the Dutch Unemployment Insurance Act [*Werkloosheidswet*] (WW) and Return to Work (Partially Disabled Persons) Regulations [*Werkhervattingsregeling gedeeltelijk arbeidsgeschikten*] (WGA). The initial consequences of the amendments to the WW will become noticeable at the end of 2017. The Social Agreement dated 11 April 2013 contains agreements regarding helping workers who lose their jobs or are at risk of losing their jobs get back to work as quickly as possible. Since the amount and duration of statutory WW benefit will be cut if workers nonetheless find themselves unemployed for longer periods of time, an agreement was made that collective agreements should contain provisions for a supplemental WW and WGA benefit for these individuals. In order to avoid making the implementation of this agreement unnecessarily complex for parties to collective agreements, the Labour Foundation has undertaken to investigate how a national fund can be set up with an administrative implementing body. All parties to collective agreements must be able to register with this fund on a voluntary basis.

Given that a national private fund covering several collective agreements is a new phenomenon, integrating it into existing laws and regulations is an extremely complex task. Meetings about the legal framework are underway between the social partners within the Labour Foundation and SZW. The parties are working intensively to refine the details of the legal and practical possibilities for the fund within this legal framework.

- ***Emergency Scheme***

On 17 August 2012, the Labour Foundation objected to the Emergency Scheme [*Calamiteitenregeling*] proposed by the Minister of SZW, which would extend the waiting period for filing claims under the Unworkable Weather Scheme [*Regeling onwerkbaar weer*] from two weeks to four weeks. Moreover, the social partners would no longer be able to deviate from this scheme in their collective agreements. The scheme was amended at the request of the social partners. The social partners will have more freedom to deviate from the two-week ‘own-risk’ period in their collective agreements. The eligibility standard for the scheme will also be reduced to an unused labour capacity of 10%.

A previous announcement indicated that the Emergency Scheme would enter into effect on 1 October 2016. That was not the case. A determination must be made of the earliest possible effective date, which will be at least after the winter of 2017.

- ***Limiting ‘safety netter’ absence due to illness and occupational disability***

The UWV is charged with providing assistance to ‘safety netters’ – employees with temporary contracts who begin receiving sickness benefits before their employment terminates – and ensuring their reintegration into the labour market. In the context of the Social Agreement, stipulations were made that the social partners would use a new sector-specific approach to save EUR 15 million in the transport, agricultural, horticultural, and retail sectors.

If the results of the pilots are positive, they will be rolled out nationally.⁶ The social partners will then employ this measure – which was also stipulated in the Social Agreement – to achieve a long-term saving of EUR 150 million in benefits under the Dutch Work and Income (Capacity for Work) Act [*Wet werk en inkomen naar arbeidsvermogen*] (WIA). The results of the evaluation of the pilots are expected at the end of March 2017.

- ***Saving of EUR 150 million in WIA benefits***

The Social Agreement stipulates that the social partners will take measures to ensure that fewer people apply for WIA benefits.⁷ This should result in long-term savings of EUR 150 million in WIA benefits.

For many reasons, the Labour Foundation was still unable to submit specific savings proposals in mid-2016; as a result SZW included in the 2017 budget a structural cutback of EUR 5 million by reducing the occupational disability allowance.

The Labour Foundation has since developed several measures that will be discussed with Minister Asscher of SZW at the end of March 2017. In addition to these measures, the social partners are in discussions with SZW regarding the development of a new re-integration tool and the use of e-Health.

- ***Daily wage***

The implementation of a change to the income set-off under the WW has had unintended effects on the WW daily wage. The Foundation considers this undesirable and concludes that it was never the intention to achieve savings by amending the daily wage decree [*dagloonbesluit*]. The intervention of the House of Representatives put the daily wage problem back on the agenda for this spring, as a result of which the ministry amended its bill. The bill, which must enter into effect as law in 2017, will still compensate ‘reviving rights claimants’ [*herlevers*], employees whose right to WW benefit arises (or would have arisen) in a calendar month during which another right to WW benefit is already in effect or revives.

- ***Social partners’ involvement with social security***

Further to the Cabinet’s response to the SER advisory report entitled ‘Preventing, limiting and adequately insuring unemployment: a future-proof labour market infrastructure and Unemployment Act’ [*Werkloosheid voorkomen, beperken en goed verzekeren: Een toekomstbestendige arbeidsmarktinfrastuctuur en Werkloosheidswet*] dated 24 November 2015, the social partners have met with SZW to discuss proposals designed to improve the social partners’ cooperation and involvement.

⁶ Subject to SZW’s commitment to refrain from implementing the work history requirement [*arbeidsverledeneis*] that had been provided for in the bill on Limiting Safety Netter Absence Due to Illness and Occupational Disability.

⁷ This is measure 22 in the appendix to the letter dated 11 April 2013 to the House of Representatives, entitled *Herstel van vertrouwen* (‘Restoring confidence’). The measures must bolster the efforts being made in respect of prevention and reintegration of safety netters and the WGA 80-100 group. This is attached to a long-term savings target of EUR 150 million, which is to be achieved on a gradually increasing basis, starting with EUR 5 million in 2017, EUR 15 million in 2018, etc.

This year began with the semi-annual meeting of the minister of SZW, the executive board of the UWV, and the Labour Foundation's chairpersons regarding the UWV's re-integration policy and services. The social partners' advisory role regarding the changes to the system and financing is still being discussed.

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

The Social Agreement dated 11 April 2013 stipulates that the social partners will be assigned a more controlling role regarding the prevention and/or limitation of unemployment. On 14 June 2016, the DWSRA – a temporary scheme for co-financing projects for services to job seekers, and for labour market cooperation and control – was opened based on the SER advisory report entitled 'Preventing, limiting, and adequately insuring unemployment' dated 20 February 2015 and Minister Asscher's letter to the House of Representatives (entitled 'A New Start Towards A New Job' [*Doorstart naar nieuwe werk*], dated 30 November 2015). The purpose of the scheme is to determine whether and how the social partners can contribute to preventing unemployment and promote job-to-job transitions by taking on additional responsibility and control and by organising better services.

Training and education funds [*O&O-fondsen*], employer organisations, and employee organisations can apply for subsidies, either individually or in cooperation, for two types of projects. On the one hand, there are pilot projects for the provision of services. These are projects that, for example, help employees who have been dismissed apply for a benefit and learn about career possibilities, and provides training for job-seeking employees and those who are entitled to a WW benefit for less than six months. On the other hand, there are pilot projects aimed at cooperation and control. These may involve working on longer-term partnerships between sectoral and regional players, exchanging labour market information, and developing a shared labour market policy.

The first application period is from 15 July until 1 October. The second application period is from 1 to 24 December. A total of EUR 37,500,000 is available, evenly divided between the provision of services on the one hand and control and cooperation on the other. The subsidy amount may not exceed 60% of the total funding. As at February 2017, 12 applications had been approved.

The Foundation's support team provides assistance to those who are submitting (or who wish to submit) a project by providing information, offering support with the procedures, or bringing interested parties together. This team also monitors progress for the social partners.

- ***SER advisory report on continuing to work with a chronic illness***

The number of people with a chronic illness will continue to rise: from 5.3 million people in 2011 to 7 million in 2030. Even now, approximately one in five of the working population suffers from one or more chronic illnesses. That number will increase in the coming years, partly because more and more people will continue working longer. Many people with a chronic illness are employed. Adjustments are sometimes needed to keep

these people employed in the future as well. These people have to be prevented from becoming permanently unemployed because returning to work is not an easy task for someone with a chronic illness. The core of the policy must therefore focus on taking measures at an early stage to prevent barriers and absences.

The SER advisory report from March indicates that the solution does not so much lie in imposing new rules, but in ensuring that everyone knows about the existing rules and subsidy schemes, as well as keeping the topic open for discussion in the workplace. Employers and employees need to be more aware of chronic illnesses and their impact on work. The SER sees a potential role here for knowledge centres and patient organisations and recommends establishing a central information desk.

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

4.6.1 The Workroom

The most important goal of the consultations between the Labour Foundation and the Association of Netherlands Municipalities [*Vereniging van Nederlandse Gemeenten*] (VNG) in The Workroom [*De Werkkamer*] is to meet one of the agreements contained in the Social Agreement dated 11 April 2013: to help 100,000 occupationally disabled job seekers find jobs in the private sector and to help another 25,000 find jobs with the government. The activities in 2016 were also primarily aimed at eliminating unnecessary obstacles.

- ***Agreements made in administrative consultation***

At the administrative consultation held on 4 October, The Workroom and Secretary of State Kleinsma agreed to implement the Practical Route [*Praktijkroute*]. This will enable the wage value [*loonwaarde*] of occupationally disabled people to be determined at the workplace using an accredited wage value calculation method. Implementing the Practical Route should ensure the acceleration of access to the target group register, which should enable job seekers to be placed in a suitable job more quickly and easily. The social partners have emphasised the importance of monitoring the Practical Route. They have also agreed to make the no-risk policy permanent for the municipal Jobs Agreement [*Banenafspraak*] target group and the new sheltered work target group. In order to simplify hiring job seekers from this target group, the decision was also taken to amend the wage subsidy in the Dutch Participation Act [*Participatiewet*]. This statutory amendment will make the statutory minimum wage (or statutory youth minimum wage) the decisive factor in calculating wage value.

The discussion about the details regarding the procurement of services will be continued in 2017. Including the services procured by the purchaser is expected to result in extra jobs for the target group.

- ***Social return***

Social return is one of the tools used to increase labour market participation of those with few job prospects. Social return means that municipalities, in their role as principals, include social terms and conditions in procurement and tender procedures, as a result of which these investments return a specific social profit in addition to the ‘normal’ return.

The Workroom has established principles for social return and shared these with the labour market regions.⁸ Parties who demand social return from contractors in the context of procurement and tenders are being called on to include these principles in their tendering terms and conditions.

- ***Jobs Agreement***

The government and the business community far exceeded the Jobs Agreement target figures for 2015. In 2015, the business community undertook to meet a target of 6,000 jobs. They provided 15,000 jobs. The government had to provide 3,000 jobs in 2015, but provided more than 5,000. These initial figures are encouraging. The members of The Workroom will continue making efforts in the coming years to create these extra jobs.

4.6.2 WMO Room

On 16 March 2016, the Labour Foundation and the VNG decided to establish the WMO Room as a follow-up to The Workroom. These parties intend the WMO Room to intensify their mutual consultation and cooperation.

The WMO Room will be a forum primarily for discussing Dutch Social Support Act [*Wet maatschappelijke ondersteuning*] (WMO) issues for which the municipalities in the region are responsible. These include home support and the consequences this will have for employment and care services. It is not the intention to discuss issues that are reserved to parties to collective agreements.

The WMO Room got underway in the second half of 2016. The WMO Room is expressly not an advisory body, but a consultation platform between the two organisations. The government is participating in the consultations as an observer.

⁸ See www.stvda.nl/DeWerkkamer (in Dutch).

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.

- *Low literacy skills*

Since 2007, the Labour Foundation and the Ministries of OCW and SZW have been making efforts to combat low literacy in businesses. Language skills are basic skills that can offer employees – particularly those at the lower end of the labour market – a better position and more opportunities.

The execution of the Employers Language Agreement [*Taalakkoord werkgevers*] (ELA), which was started by SZW in 2015, was transferred to the Learning and Working unit at the UWV with effect from 1 July. The objective of the ELA is for more and more employers to support increasing their employees' language skills and ensuring that language skills become part of HR policy. Companies will be asked to sign an agreement promising to combat low literacy in their business and to encourage other companies to do the same. The Labour Foundation will support the decentral social partners with these efforts.

- *APL*

Accreditation for prior learning [*erkenning van verworven competenties*] (APL) provides a clear picture of an individual's personal knowledge and expertise. It is one of the labour market tools that employees and job seekers can use to strengthen their position on the labour market with regard to their career, employment opportunities, and prospects for advancement. To that end, the Labour Foundation entered into an agreement with the government (OCW, SZW, and Economic Affairs) in 2012.

The convention partners thus developed a new accreditation system that entered into effect on 1 January 2016. This system comprises two routes: the labour market route and the education route. In the education route, the government (OCW) is responsible for ensuring the quality of prior learning. For the labour market route, the Labour Foundation has designated Stichting Examenkamer to verify the quality of previous learning. Stichting Examenkamer has established an administrative organisation for that purpose called the National APL Knowledge Centre, Centre of Expertise for the Labour Market [*Nationaal Kenniscentrum EVC, expertisecentrum voor de arbeidsmarkt*]. An APL Advisory Council has been established to encourage the supply, quality, and use of the APL and other accreditation tools in the labour market in order to promote and optimise the connection between the two routes and maintain the support that has been garnered. Both the Labour Foundation and the government sit on this council.

The new accreditation system necessitated amendments to the agreement, which were implemented in November.⁹

In order to inform stakeholders about this new system, the Labour Foundation and OCW organised a meeting entitled Experience Counts! [*Ervaring telt!*] on 22 March. OCW and SZW discussed with representatives of employers and employee organisations the role of the APL will play in the future and how education and the labour market can be coordinated better with one another with regard to accrediting prior learning.

The convention partners took this opportunity to put down eight agreements¹⁰ on paper that will serve as principles for the further development and embedding of the APL and other accreditation tools.

- ***Training flex and traditional employees, intersectoral training***

In the Social Agreement, the decentral parties to collective agreements were asked to ensure that employees with flex contracts and self-employed persons have the same access to training in their businesses/sectors that are afforded to employees with permanent employment contracts. Attention was also drawn to intersectoral cooperation between education and training funds.¹¹

In its letter to Minister Asscher (SZW) dated 12 April, the Labour Foundation explained how sectors can encourage employees and job seekers to become and remain employable on the labour market. Training is an important means – not an end in itself – to achieving this goal, for both employability in workers' own sectors and in other sectors. The letter also notes that the initiative to cooperate is being taken by the decentral social partners who raise funding at sector level for the education and training funds. During the consultation on employment terms and conditions, they will be making agreements with one another about training and development, as well as the goals which the education and training funds are striving to achieve. The Labour Foundation will be encouraging these activities rather than conducting research.

The Labour Foundation has regular contact with education and training funds in order to stay up to date on their training-related activities. In June, for example, a meeting was organised with education and training fund boards to share experiences and promote contact between the funds. It was noted that many funds are anticipating changing developments on the labour market, cooperating with other funds, and making themselves available both to employees with flexible contracts and self-employed workers.

In response to various motions in the House regarding the operation of education and training funds, Minister Asscher has announced that he wishes to investigate the possibilities for a national training fund. The rationale for this is that this format would

⁹ Convention encouraging the accreditation of prior learning as part of lifelong learning [*Convenant ter stimulering van het erkennen van eerder verworven competenties als onderdeel van een leven lang leren*], 8 November 2016, www.stvda.nl (in Dutch).

¹⁰ See www.stvda.nl/publicaties (in Dutch).

¹¹ The term 'education and training funds' encompasses training funds [*scholingfondsen*], sector funds [*sectorfondsen*], collective agreement funds [*cao-fondsen*], and labour market and education funds [*A+O-fondsen*].

better promote the goal of ‘lifelong development’ and intersectoral cooperation. Against this backdrop, SZW has researched the degree to which education and training funds have established intersectoral training as a goal and how much they have spent on this goal; to that end, the funds’ annual financial reports for 2014 were examined. At the request of the social partners, SZW will conduct a follow-up study of the funds’ policy plans in 2015 because these tend to provide additional, more specific information.

- ***Training vouchers/tax incentive***

In September, Minister Asscher announced his intention of scrapping the tax deduction for training with effect from 1 January 2018 and replacing it with an expenditure scheme in the form of training vouchers. This measure will be paired with halving the current budgetary costs.

In its letter dated 31 October to the House of Representatives, a copy of which was sent to the Minister of SZW, the Labour Foundation expressed its objections to this cutback, which is inconsistent with the Cabinet’s goal of promoting training and mobility.

Due to these objections, the Labour Foundation rejected becoming formally involved with the voucher scheme that had to be ready in January 2017. The Foundation considers it wiser to wait for the SER’s advisory report on post-initial learning and the advice of the Sap Commission established by Minister Bussemaker regarding the possibilities for allowing school boards rather than municipalities to handle vocational education financing for adults. Both advisory reports, which are expected in early 2017, are relevant to an overall view of the training and development of employees and job seekers and the corresponding funding. The Minister of OCW has been asked to share her thoughts on the substance of the advisory reports in the near future.

- ***Joint formulation of a Dutch Skills Strategy***

A person’s capacity for learning and self-development is crucial to being sustainably employable on a labour market that is continually becoming more dynamic. The optimal utilisation of skills is essential, not just for our welfare and the economy, but also for social cohesion in our society, in which the contrasts between lower- and higher-educated individuals appear to be becoming even sharper. Important challenges include improved support for lifelong learning, including the accreditation of – and appreciation for – informal education, better ties between the education sectors and between education and the business community, more attention to an effective learning culture within organisations, and more inclusive thinking. One long-term challenge will be to dynamise the education and learning system to transform the old, predictability-based structure into more flexible and adaptability-based systems.

This year, the SER organised three dialogue meetings on a Skills Strategy for the Netherlands that focuses on post-initial learning. With the support of the OECD, the Cabinet and the SER jointly began this project, which is intended to result in a long-term skills agenda. This agenda must bolster the quality and employability of human capital and contribute to a learning, responsive, and inclusive society.

The dialogue meetings provided a large number of practical examples that focused on developing and utilising skills. The SER has collected these so that these experiences will be available for everyone who is making efforts to promote people's development in the context of lifelong learning.

- ***SER advisory report on stopping the decline in practice-based learning in vocational education***

Thanks to the increasing dynamism of the labour market, working and learning are becoming more intertwined. As a result, practice-based learning plays a crucial role in vocational education. Many participants experience practice-based learning as stimulating and positive, something that thoroughly prepares them for work in their vocation. Those who leave school after completing a course of study with a major practice-based component – the practical vocational education programme for post-secondary students – have a good starting position on the labour market. This is why the SER considers it necessary to call a halt to the decreasing numbers of students in these programmes.

The SER's advisory report (October) advocates, *inter alia*, better information, more leeway for hybrid forms of vocational education between businesses and schools, and better regional cooperation between schools. Given the urgency of the situation, the SER is calling on vocational education institutions, OCW, youth organisations, businesses, and trade unions to take specific steps in this respect at every level.

- ***Customisation important element of future-oriented vocational education***

The SER met with vocational education sector directors from the entire country on 12 January. The participants discussed improving the coordination of vocational education with the dynamic labour market, strengthening the ties between education and the business community, and optimising transfer and mobility within the vocational education sector. The SER will soon also be meeting with teachers, trainee counsellors, and students.

The participants consider it very important that vocational educational programmes are sufficiently tailored and flexible for students and teachers, as well as for companies. This leeway is needed to effectively coordinate with the labour market, ensure a strong relationship with the business community, and facilitate transfer and mobility within the vocational education sector. Schools themselves will be able to eliminate some of the obstacles they encounter in this respect by, for example, interpreting rules differently. A major point of concern are the students at Level 1, and in some sectors at Level 2, whose chances on the labour market are only diminishing. No one knows whether these students will still find work.

- ***SER concerned about limited admission of students to engineering programmes***

In a letter dated November 2016 to Minister Bussemaker of OCW, the SER expressed its concern about an increasing number of programmes at universities of technology for which admission quotas have been established. By next year, that number will be eight – four more than in 2016-2017. The SER is disappointed to see this development, because it is diametrically opposed to the high demand for highly educated engineers. The SER has urged the Cabinet to quickly formulate a suitable solution to prevent potential students

from being discouraged from studying engineering. Given the growing international competition for talent, the time has passed for hesitating about making the necessary investments in programmes for which there is a demonstrably large demand on the labour market.

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 [*Diversiteit in bedrijf*], 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 objective of this three-year project being carried out by the Foundation and ROP is to encourage diversity and inclusion in the workplace in both the private and public sectors. Starting from a commercial perspective, ‘Diversity at Work’ [*Diversiteit in bedrijf*] emphasises the added value that a diverse staff and inclusive corporate culture can have for businesses. 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.

This project has its own Supervisory Board [*Raad van Toezicht*], which is chaired by Harrie van de Kraats (Director of the AAVN employers’ organisation). The project is financed by a subsidy from SZW, the European Platform of Diversity Charters, and contributions from the Labour Foundation and the ROP.

- **Diversity Charter**

Eighty companies, organisations, and industry organisations have now signed the Diversity Charter, committing themselves to implement self-imposed measures and actions to promote diversity in the labour organisation. The Charter was first signed by company directors during a festive meeting that was also attended by representatives of the social partners and governments.

The division between the private and public sectors is approximately equal. The public sector includes the National Police, 12 ministries, 4 large municipalities, and 4 regional fire brigades. The private sector primarily includes large companies, pension funds, and multinationals such as Microsoft, Deloitte, and Zeeland Refinery. Eight industry and umbrella organisations also signed, including the Dutch Association of Temporary Work Agencies [*Algemene Bond voor Uitzendondernemingen*], SME Rotterdam, SME Amsterdam, trade unions, and employer organisations.

The signatories mostly opt to promote cultural diversity, followed by gender diversity and employing people with an occupational disability or chronic illness. The signatory then records the objective in an action plan, which the company uses to report on progress.

The secretariat of Diversity at Work gives individual advice, disseminates knowledge, and connects businesses and organisations with each other. The Charter signatories give each other behind-the-scenes tours of their companies during Charter meetings at which experiences are shared with other companies. For example, a meeting was held at NUON about their work-life balance approach, at IBM about their LGBTI policy, and at the

National Police about hiring employees with a migrant background.

The input of employee resource groups (ERG) is of growing importance to an effective diversity policy. Through its signatories, Diversity at Work has mapped out 140 ERG's, varying from an LGBTI network at the police (pink in blue) to a network of multicultural employees at ABNAMRO (DNA) to a network of older employees at the UWV (PROUD). A national meeting for all signatory ERG's organised with Rabobank drew 120 participants. On top of that, Diversity at Work has made a short film about the added value of ERG's for organisations.

- ***Knowledge platform***

Thematic knowledge documents are drafted that also serve as input for the Charter meetings. A document will 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*] as well as the input of civil society organisations that are actively working on the issues on the agenda.

The dissemination of knowledge about the five dimensions is being carried out via a help desk, Charter meetings, knowledge documents, social media,¹² a website,¹³ and YouTube.¹⁴

SER study on the social infrastructure for sheltered work

The SER is very concerned about the current developments relating to sheltered work and, in June, asked the State Secretary of SZW to take measures. In its study entitled 'Social infrastructure for vulnerable groups within the Participation Act' [*Sociale infrastructuur voor kwetsbare groepen binnen de Participatiewet*], the SER concludes that sheltered work has barely gotten off the ground and that sheltered workshops [*sociale werkbedrijven*] (SW) are being dismantled more quickly than alternatives are being put in place. The SER believes intervention is needed to create a coordinated social infrastructure and to effectively utilise the knowledge and expertise currently contained in sheltered workshops.

- ***Refugees struggle to find work on their own***

It is still difficult for refugees to find work on their own. Even though promising initiatives have been developed in the past year, they are small in scale and segmented, which means few refugees can profit from them. This was shown in the SER report entitled 'New ways for more successful labour market integration of refugees' [*Nieuwe wegen naar een meer succesvolle arbeidsmarktintegratie van vluchtelingen*] (December).

It is important to the SER that promising initiatives are shared more broadly. Elements that these initiatives have in common are early intervention, customisation, and effective cooperation between parties at local and regional level. These new forms of support also

¹² Twitter: @charterdiv, Linked-in: bedrijfspagina Diversiteit in bedrijf (in Dutch).

¹³ www.diversiteitinbedrijf.nl (in Dutch).

¹⁴ https://www.youtube.com/channel/UCLbgXz_JPN-8Pci29jiu4Eg (in Dutch).

offer opportunities for other vulnerable groups in the Netherlands. Sharing successful working methods more broadly will ensure that more people can profit from them. This will also help garner support for the requisite attention to refugees.

The SER's position is that refugees must be provided with support that will enable them to find jobs as quickly as possible. This therefore involves:

- rapid placement in municipalities as soon as refugees' residence permits are issued so that they can start with their integration;
- a quick start in learning the Dutch language, preferably in combination with work or regular education;
- early implementation of the municipal labour market policy so that customised support can be offered;
- adequate registration of education, other skills, and employability;
- an active and rapid approach of employers who are prepared to assist refugees with finding work.

Things are not going smoothly in any of these areas, which means it generally takes a long time before refugees participate as fully fledged citizens.

- ***SER Werkwijzer Vluchtelingen website***

On 12 May, the SER launched a website named *Werkwijzer Vluchtelingen* ['Employment pointer for Refugees'] which functions as an online starting point for employers and organisations focusing on the participation of refugees in Dutch society. *Werkwijzer Vluchtelingen* answers questions such as: 'What rules do employers who want to hire refugees have to comply with?' and 'Are refugees permitted to do volunteer work or follow an educational programme?' The site also contains information about the options for support and about laws and regulations, as well as practical examples about innovative working methods for increasing refugee participation.

The website (www.werkwijzervluchtelingen.nl) shows all of the available information about refugee labour market participation. It offers encouragement to all organisations that want to make progress with increasing the participation in society and integration of refugees who have a permit to reside in the Netherlands.

The website is SER's contribution to the shared objective of the Refugee Work and Integration Task Force [*Taskforce Werk en Integratie Vluchtelingen*], which is part of SZW.