

**March 2018**

## **Contribution of the Dutch social partners to the National Reform Programme within the context of the EU 2020 Strategy March 2017 – February 2018**

### **Foreword**

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 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 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 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: CO<sub>2</sub> 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 to meeting the headline

targets arrived at in consultation between 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 guidelines for each theme of the EU 2017 strategy and indicates the measures the social partners undertook between March 2017 and February 2018 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.

This year, the activities in the Labour Foundation and the SER have been influenced by the elections that were held in March and the subsequent long formation period until the arrival of the Rutte III Cabinet on 26 October. In the context of the SER, the social partners have been making efforts to provide the new Cabinet with jointly supported advice on several key labour market issues. This consultation also addressed the previous Cabinet's request for advice on ill employees and the long-term unemployed. This consultation did not result in joint advice. Some of the issues explored and analysis will now be used for other purposes within the SER and the Labour Foundation, and will become part of other negotiations.

- ***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.

- *Consultative meeting on Dutch priorities for the summit with top EU officials*  
On 23 February 2017, Minister Kamp of Economic Affairs [*Economische Zaken*] (EZ) spoke to a SER delegation regarding the Netherlands' priorities for the EU Spring Summit. Items on the European agenda include increasing investments, modernising the economy, and controlling public finances. Just as important will be current issues such as Brexit and, more generally, societal insecurity regarding the globalisation and digitisation of the economy.

The Minister provided an overview of current economic developments in the areas of employment, growth, and industrial production. Employees expressed their concerns about the rise in flexible employment. They expressed their wish for safety, stability, and security. Both the Minister and the social partners emphasised the importance of a strong and social Europe and a smooth settlement of Brexit.

With regard to Brexit, the employers pointed out the importance of the four freedoms: the free movement of goods, services, labour, and capital. The internal market can only function well if these freedoms are maintained. Brexit could result in EU residents no longer being able to move freely to and from the United Kingdom (UK), putting the united internal market in jeopardy. In this respect, the employees emphasised the importance of a social Europe with rules that protect employees. One example would be equal pay for equal work in the same workplace. Brexit could 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 Brexit 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.

- *Consultative meeting on Brexit with Ministers Ploumen and Koenders*  
Ministers Ploumen (Foreign Trade and Development Cooperation) and Koenders (Foreign Affairs) visited the SER on 29 May. They spoke with the social partners and committee chairperson Mariëtte Hamer about the consequences of Brexit and the negotiations for a new agreement between the EU and the UK.

During this meeting, the Ministers and the social partners proved to have many concerns in common about the consequences of Brexit. The Netherlands will have to thoroughly prepare itself for these consequences. A situation must be prevented in which the UK

suddenly leaves without new trade agreements being in place. Maintaining an even playing field for trade is essential. The discussions also included the topic of the transparency of the negotiations and the question of how the social partners and social organisations could be involved in those negotiations.

- *Brainstorming session with EESC about the future of Europe*

On 1 June, in cooperation with the European Economic and Social Committee (EESC), the SER organised a brainstorming session with civil society organisations about the future of Europe. The representatives of the social partners and other organisations indicated what they did and did not expect from the European Union.

The meeting focused on the advisory report that the EESC will be issuing to the European Commission at the end of this month. This advisory report will follow up on the white paper on the future of Europe that the Commission published in March of this year. The white paper discusses five scenarios.

- *Challenges and opportunities in the future of employment*

The Memorandum prepared by the SER and the Dutch Ministry of Social Affairs and Employment [*Sociale Zaken en Werkgelegenheid*] (SZW) entitled 'The Future of Employment' [*De toekomst van werk*] describes the most important challenges and opportunities for the future of the Dutch labour market.

The memorandum was written in anticipation of the 100th anniversary of the International Labour Organization (ILO). The ILO asked its member states to start national dialogues about the future of employment and to send the results to the ILO as input. The key issues are:

- Work and Society: What role will work have in our society over the next century?
- Decent work for everyone: How can jobs and employee protection be guaranteed in the coming century?
- Organisation of work and production: How are production processes changing and what effect will this have on jobs and employee protection?
- Governance of work: How will work be regulated, both nationally and internationally?

The themes and challenges identified in the memorandum are relevant not only to the Netherlands but also to the other industrialised countries and will also have an impact worldwide.

## 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 1.6% movement in negotiated wages for 2017. The CPB is forecasting a 2.2% movement in negotiated wages for 2018.

Inflation (harmonised price index) was 1.3% in 2017; inflation for 2018 is estimated at 1.5%. The hourly wage rate (wage costs) rose by 1.6% in 2017. This is expected to rise by 2.9% in 2018.

- ***Unemployment***

According to the definition of the term used by Statistics Netherlands (CBS), the unemployment rate stood at 4.9% at the end of 2017. The CPB expects this to drop to 3.9% in 2018. The drop in unemployment has been greater than was expected last year.

### 2.2 Pensions

- ***Funding ratio development***

The average funding ratio (assets versus future obligations) at pension funds was somewhat better in 2017 than it was in 2016 (102% at year-end). At the end of 2017, the average funding ratio was 106%. As a result, most of the pension funds did not have to reduce benefits. A few funds even decided to resume partially indexing pension benefits. The social partners discussed the state of affairs regularly with the Minister of SZW and with the Pension Federation [*Pensioenfederatie*].

- ***New pension agreement***

In 2015 and 2016, the SER laid out different variants for a future pension contract, with the Pension Federation calculating the consequences of those variants. In response, the new Cabinet indicated in the coalition agreement that it wished to join the social partners in taking a step towards a modernised pension system. This must eliminate the weaknesses of the current pension system while retaining its strengths – examples of the latter being mandatory participation, collective administration, risk sharing, and tax support. The Cabinet wants to create a system of personal pension capital with collective risk-sharing and eliminate the average pension contribution system

[*doorsneesystematiek*]. Before making a choice, the Cabinet requested the SER to issue an advisory report on the matter in early 2018.

- ***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 for the imperfections in current pension laws and regulations. A few examples follow.

- Together with SZW, the Labour Foundation drafted a proposal in late 2016 and early 2017 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 as pensions. The bill was adopted by the House of Representatives on 21 November 2017 and by the Senate on 12 December 2017. It is expected to enter into force on 1 January 2019.
- The number of pension funds has decreased from 713 to 260 over the last ten years. The social partners agree that further consolidation is desired to achieve benefits of scale and reduce administration costs. Mandatory industry pension funds may not merge, however, if their funding ratios are too disparate on the merger date. In 2016, in consultation with the social partners, SZW worked out a proposal that could make it easier for industry pension funds to merge. Working with financially separate assets for a maximum of five years and bringing the funding ratios more into line with one another will make it easier for industry pension funds to merge. The Cabinet has developed this proposal into a bill, but the latter contains additional conditions. According to the pension funds, these conditions are too strict for the bill to add much in practical terms. For example, smaller industry pension funds cannot join the five largest pension funds. The bill will be debated in Parliament in the first half of 2018.
- The Labour Foundation has made a proposal to amend the ‘net pension scheme’, which was created in 2015 so that pension capital could continue to be accrued on the portion of salary that exceeds EUR 100,000. The persistently low rates of interest have kept the buy-in fee relatively high in comparison with the gross basic scheme. The social partners have therefore submitted a proposal that would neutralise this negative effect without negative consequences for the basic scheme. While the Cabinet has embraced the main principles of this proposal, it has also linked it to a right to transfer accrued pension rights [*shoprecht*], which would afford members the option of having their benefits paid out by an administrator other than that where the net pension rights were accrued. The Labour Foundation is mapping out the consequences of this right to transfer accrued pension rights.
- In 2014, the Labour Foundation worked with the Pension Federation and the Dutch Association of Insurers to draft the Pension Funds Code of Conduct [*Code pensioenfondsen*] and the Code of Conduct for Directly Insured Schemes [*Code rechtstreeks verzekerde regelingen*], respectively. These codes include, among other things, provisions on structuring employee participation and communicating with members. Both codes are currently being evaluated, with all stakeholders being afforded the opportunity to provide feedback.
- Pursuant to the Occupational Pension Scheme (Obligatory Membership) Act [*Wet*

*verplichte beroepspensioenregeling*] (Wvb) the Minister of SZW can make a pension scheme mandatory for a particular occupational group. The Minister does this using an assessment framework (policy rules). The SER has issued two advisory report on amending the assessment framework. These reports discuss amending the assessment framework because of the statutory ratio requirement for occupational pension schemes in which participation is already mandatory (at least 55 per cent of the occupational group must work independently) and the definition of the maximum age in the scope of mandatory participation due to the adjustments to the Dutch State Pension retirement age and the standard retirement age for tax purposes.

### 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 5: Improve resource efficiency and reduce greenhouse gas emissions

- ***Implementation of 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*] in 2013. This agreement between governments, the social partners, and other stakeholders ensures that the implementation of countless measures remains cohesive, cooperative, and result-oriented. Progress is monitored annually in the National Energy Outlook [*Nationale Energieverkenning*]. The SER's special Energy Agreement Monitoring Committee [*Borgingscommissie Energieakkoord*], consisting of the signatories to the Energy Agreement, then assesses whether additional measures are needed to meet the targets for 2020/2023 in the areas of saving energy, renewable energy generation, and extra job creation. This year, as well, the Monitoring Committee has concluded that additional measures are needed. The 2018 Energy Agreement Implementation Agenda [*Uitvoeringagenda Energieakkoord 2018*] dated February 2018 lists the measures that will be implemented.

- ***Energy transition governance***

The Paris Climate Agreement offers an ambitious long-term perspective for European energy and climate policy. The Rutte III Cabinet is facing the challenge of translating this long-term perspective into Dutch energy and climate policy. In an advisory letter dated 30 March, the SER set out the principles and building blocks for structuring this policy. The energy transition will have to be accelerated if the Paris targets are to be achieved. Such acceleration will also offer economic opportunities for companies with innovative products and services to open up new markets for energy saving, sustainable energy, and CO<sub>2</sub> reduction.

The SER advocates continuing and intensifying the Energy Agreement to ensure continuity and investment security for both companies and citizens. The SER provides four building blocks for governing the energy and climate policy needed to accelerate the energy transition. The first building block is a consistent policy framework which provides unambiguous direction for national policy that both overarches government terms and suits the targets of the Paris Agreement. The second building block is a cohesive implementation agenda. This agenda must be created in an intensive dialogue between all of the stakeholders and must be recorded in a society-wide agreement that builds on the present Energy Agreement. The third building block is independent monitoring and assurance to learn as we go and adjust the implementation where

necessary in order to achieve the targets. With a view to the necessary continuity, the Energy Agreement Monitoring Committee must be continued. Fourth, a facilitative policy is needed to create essential conditions in the form of robust financing, innovative power, effectively trained employees, and a fair division of benefits and costs.

- ***More leeway for sustainability initiatives***

Companies should have more leeway to undertake joint sustainability initiatives, even if such cooperative relationships conflict with competition rules. That was the essence of the response dated 6 July 2017 from the SER, along with the Dutch Consumers Association [*Consumentenbond*] and the Nature and Environment Foundation [*Stichting Natuur en Milieu*], to the legislative proposal that Minister of Economic Affairs Kamp submitted for an Internet consultation. According to the SER, the law will merely be a stopgap measure until leeway for joint sustainability initiatives is built into Dutch and European competition rules.

The Minister wants this legislative proposal to prevent competition rules from unnecessarily obstructing joint sustainability initiatives on the one hand, while ensuring, on the other hand, that companies do not join forces to implement sham sustainability efforts that restrict competition to the disadvantage of consumers. While the SER supports the Minister's intention to resolve this dilemma via statute, the measure should be temporary in nature, starting with a term of five years. The solution must ultimately be embedded in European competition rules.

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

- ***International Responsible Business Conduct (IRBC)***

In its 2014 advisory report on IRBC agreements ([Agreements on International Responsible Business Conduct](#)), the SER argued that economic sectors and businesses should take the initiative to conclude international responsible business conduct (RBC) agreements with government, trade unions and civil society organisations. This creates a new tool for substantially reducing the risks to human rights and environmental damage in the 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 Cabinet will continue the approach proposed in this SER advisory report.

The sectors initiate the process of negotiating an agreement. The SER can facilitate this process at the request of the parties. In such cases, the SER supervises discussions between the parties (businesses, industry associations, NGOs, unions and government) with a view to arriving at a sector-level IRBC agreement. The SER provides such facilitation in the insurance, food, floriculture, natural stone, and metallurgy sectors, as well as in the field of pensions. In the clothing and textile, banking, and gold sectors, the SER supports the implementation of such IRBC agreements upon the parties' request by

offering a joint secretariat.

In the past year, electronics manufacturers and jewellery makers, gold recycling firms, NGOs and the Dutch government signed the Responsible Gold Agreement. Their aim is to ensure greater respect for human rights, the environment, and biodiversity throughout the chain, from mining to recycling. The first project under the agreement, to combat child labour in Uganda, is under development.

- ***Dispute resolution for consumer affairs***

In May, the SER Consumer Affairs Committee [*Commissie voor Consumentenaangelegenheden*] asked the Cabinet to implement a quick, simple, and accessible dispute resolution procedure because this is vitally important to both consumers and businesses. Specifically, too many consumer disputes end up in court and threaten to devolve into jousting matches. The SER included concrete suggestions in its advisory report. One of these is the development of a roadmap for consumer disputes, which is needed because it is often difficult for the average consumer, and many businesses as well, to see what options are available for resolving a consumer dispute.

## 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

- ***Piece rate standard***

In December 2016, in response to the proposed amendment to the Dutch Minimum Wage and Minimum Holiday Allowance Act [*Wet minimumloon en minimumvakantiebijslag*] (WML), the House of Representatives passed an amendment that would permit a piece rate to be used only if this use met certain conditions. An employers association must – if appropriate in consultation with the employees association – request the Labour Foundation to request the Minister of SZW to grant it an exemption from the obligation to pay the minimum wage under the WML based on the number of hours worked and instead to base payment of that minimum wage under the WML on the employee's performance. To that end, the employers association must propose a piece rate standard that will ensure that employees in the relevant sectors receive at least the minimum wage under the WML.

This amendment entered into force on 1 January 2018. In the months prior, the Labour Foundation set up a procedure that should make this possible. On 1 December, the Labour Foundation received a request for such a solution from employers and employees working in newspaper delivery. On 19 December, SZW announced that newspaper carriers could be paid in accordance with the proposed piece rate standard with effect from 1 January.

- ***Leave optimisation***

On 16 February 2018, the SER advised optimising leave arrangements for the first year after the birth of a child. This advisory report is closely linked to previous SER advisory reports entitled “Combining work, study and care in the future” [*Een werkende combinatie*] (English version is only a summary) and “Starting off on the Right Foot” on developmental facilities for young children [*Gelijk goed van start*] (no English version is available).

The current unpaid parental leave has a restrictive effect on the labour market participation of women. There are still many people who would like to go on leave but who do not do so. Women take parental leave more often than men, and they generally take this leave on a part-time basis. In order to achieve a better ratio between men and women when it comes to paid employment and care, and to increase the rate of labour market participation, the SER believes it is important to stimulate parents to take paid leave, particularly in the first six months after the birth of their child. It is primarily in that period that parents opt for certain employment and care patterns that they will largely maintain throughout their careers.

The current leave system consists of too many regulations and is very difficult to arrange in practice. In order to encourage people to utilise this scheme, therefore, the SER advises simplifying the system by integrating maternity and partner leave into parental leave, changing the financing, and arranging for a statutory mandate for paid parental leave. The SER advises an initial period of six weeks for partners. The next step will be to extend paid parental leave to mothers (in addition to their paid maternity leave). Over the long term – after evaluating and monitoring the effects – an assessment must be made to determine whether the length of paid parental leave is sufficient. Given the social interest at stake, and in order to generate wide support, the SER recommends that paid leave should be financed out of the state budget.

- ***SER Youth Platform manifesto: Learning, working, and living together***

Youth organisations united in the SER Youth Platform [*Jongerenplatform*] have a shared vision of the future for the Netherlands which they have laid down in a manifesto offered to the SER on 17 March.

By examining societal trends, the SER Youth Platform identifies which developments its organisations consider desirable and which they do not. The starting point is that the Netherlands is a well-developed and innovative country with opportunities to take the country further. One group seizes opportunities in a society that is becoming ever more complex, while another feels threatened by, or has more difficulty dealing with, such a trend. Young people, for example, are struggling with the lack of security inherent in temporary jobs and are postponing their future plans as a result. Conversely, we are seeing young entrepreneurs using innovations to establish start-ups and create jobs. It is important to the SER Youth Platform that everyone is able to benefit from the changes. The manifesto focuses on three themes: learning, working, and living together. Youth organisations are of one mind when it comes to the importance of personal development and resilience. They are also calling for measures to provide all workers with income security, stimulate youth entrepreneurship, and prioritise an inclusive labour market. The manifesto is thus also a working agenda that must be attended to in the coming years.

## **4.2 Labour Market**

- ***Sector plans***

This particularly large and extremely differentiated programme got its start because the social partners and the Cabinet agreed, in the Social Agreement of 11 April 2013, that the option of sector plans would be made available. A total of more than EUR 1 billion has been invested in this programme, some EUR 400 million of which originated from the Sector Plan Co-financing Scheme [*Regeling Cofinanciering Sectorplannen*]. In turn, the social partners and local governments contributed more than EUR 600 million. Most of the sector plans ended in the course of 2017. Since the summer of 2013, employers organisations, trade unions, and regional authorities have been working hard to ensure that their sectors and regions emerge from the financial crisis stronger than they were before. Making sector plans a success requires a tailored approach, because every plan is different. These efforts have included setting up ‘from job-to-job’ [*van-werk-naar-werk*] (VWNW) programmes, training and retraining employees through

short-term courses, but primarily through long-term, work-based training courses so that those aged 50 and over also receive vocational training. They have also included offering employees competency and vitality tests and making specific agreements to assist both younger and older people find jobs. The schemes were often administered by education and training funds [*O&O-fondsen*] or labour market and education funds [*O&A-fondsen*].

The successes of this programme were highlighted at the conference entitled ‘Sector Plans: a wealth of ideas’ [*Sectorplannen: een schat aan ideeën*] which the Labour Foundation organised on 15 March 2017. A large number of ideas were exchanged, collected, and jointly analysed during the conference.<sup>1</sup> While the meeting was a pleasant conclusion to the first three years of hard work, it did not mark the end of that work. To the contrary, the conference showed the sectors’ and regions’ renewed enthusiasm for ensuring resilience and significant growth in their mutual cooperation.

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

This action plan was agreed in thorough consultation between the Labour Foundation and the Cabinet. It is intended to improve the labour market prospects of Over 50s in 2017 and 2018. This involved instituting several campaigns, such as offering development advice to Over 45s in certain sectors or certain positions, having the UWV offer better and more personal support to job seekers, or setting up subsidies to find hidden job openings for older people. A campaign led by former footballer John de Wolf was also carried out in 2017 to improve how Over 50s are perceived.

The Labour Foundation is also closely involved with executing the action plan through offering advice and organising meetings. For example, an informational meeting was held on 6 April regarding the new temporary subsidy scheme entitled ‘More jobs for Over 50s’ [*Meer werk voor vijftigplussers*]. This prompted the kick-off of several pilots designed to help Over 50s find jobs. On 11 May, the Diversity in Business Project [*Diversiteit in bedrijf*] (see section 6) organised a meeting entitled ‘The power of Over 50s; finding and keeping a job’ [*De kracht van 50-plus: instroom en behoud van werk*]. Former professional footballer John de Wolf, ambassador for improving employment for older workers, was one of the principal guests.

- ***Package of measures needed to improve the labour market in the cultural sector***

A broad package of measures is needed to improve the weak position of people on the labour market for the cultural and creative sectors. In their joint advisory report dated 21 April, the SER and the Council for Culture [*Raad voor Cultuur*] presented concrete proposals for increasing earning capacity in this sector, improving income security, promoting training, and strengthening the consultations between employers and the trade unions.

In a previous exploratory study (January 2016), the SER and the Council for Culture

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<sup>1</sup> The brochure that was specially prepared for this conference, entitled ‘Sector plans, patches for crisis damage, stone in the pond of implementation, and catalysts for labour market policy’ [*Sectorplannen, pleister op de crisispijn, steen in de vijver van de uitvoering en katalysator voor het arbeidsmarktbeleid*], ten sector plan administrators share what the sector plans have meant, and continue to mean, to their sectors.

drew attention to the concern about the labour market position of many people in the cultural and creative sectors. Many jobs have evaporated and incomes are low. Workers in these sectors often have limited access to essential provisions such as training, insurance, and pensions. Creative people just keep working, however, even if they earn little money, which makes them vulnerable from a labour market perspective.

The SER and the Council for Culture view expanding earning opportunities as a necessary condition to improving the situation of workers in these sectors. A thriving cultural life attracts many visitors, tourists, and companies. More of the economic value created by this sector must be allocated to the creative workers. That demands a well-organised sector that demonstrates its added value more clearly and a government in which ministries and municipalities coordinate their policies with one another. The two councils also advise setting up a national platform for sharing knowledge and best practices. Copyrights must also be better enforced.

The two councils also make various proposals for bolstering incomes security and promoting education. Earnings will rise by developing guidelines for reasonable remuneration; a code of conduct for good employment and commissioning practices can help with this. The two councils also recommend investigating how collective negotiation for independent contractors without employees (ZZPs) in this sector can be exempted from competition law. If the government would offer leeway for experimentation in this area, the sector could learn how this would work in practice. People who work in the cultural sector have few bargaining chips when it comes to negotiation. The two councils therefore advise these individuals to organise themselves better and recommend that interest groups cooperate more to undertake initiatives. This may increase the effectiveness of the social dialogue, i.e. the consultations between employers and trade unions.

### **4.3 Working conditions and vitality**

- ***Coordination and monitoring***

In mid-2017, at the initiative of social partners in the Labour Foundation, a start was made with setting up an Occupational Health and Safety Information Platform [*Arbo Informatieplatform*]. The objective is to offer a platform for and by the social partners to manage, distribute, and safeguard information and tools relating to working conditions and vitality. One of the ways this will be accomplished is by setting up a website. There will also be efforts to meet the need for more coordination and harmonisation of the work of the centralised social partners, including with regard to their consultations with SZW. The SER is responsible for the Occupational Health and Safety Information Platform; the Labour Foundation will contribute ideas for shaping it.

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

In March, a strategic knowledge discussion was held with representatives of SZW. On that occasion, TNO presented the 2016 Occupational Health and Safety Balance Sheet [*Arbobalans 2016*], including figures about industrial accidents, occupational illness, psychosocial strain, and absenteeism. Those present also discussed the increasing

flexibility of the labour market in relation to occupational health and safety policy. The discussion revealed that there is still too little known about the effect that peak overloads or working for multiple employers can have on flex workers. More research is needed in this area.

- ***Psycho-social strain***

SZW developed various tools in the context of the four-year psycho-social strain campaign. The Labour Foundation was consulted when SZW was developing the roadmap for its action plan for tackling bullying at work. The Labour Foundation was also consulted for the development of a digital brochure for managers, offering them practical tips and background information on types of undesirable conduct in the workplace.

The Labour Foundation was also involved in the studies of temporary employees and bullying [*uitzendkrachten en pesten*] and confidential counsellors and undesirable conduct [*vertrouwenspersonen en ongewenst gedrag*], both of which started in 2017. We expect these studies to be completed in the first half of 2018.

#### **4.4 Social Security**

- ***Categorising temporary employment agencies by sector – premium differentiation for unemployment insurance (WW)***

In December 2016, the first discussion took place in the Labour Foundation, at the initiative of SZW, regarding the increase in the number of temporary employment agencies who had categorised themselves in ‘occupational sectors’ to fund social security contributions. Temporary employment agencies are generally categorised as part of the temporary employment sector, which – because of the high risk of WW claims or claims under the Dutch Sickness Benefits Act (ZW) being made in that sector – is subject to relatively high WW and ZW premiums. Temporary employment agencies who have themselves categorised in other sectors pay a lower employer’s portion of WW and ZW premiums than temporary employment agencies that are categorised as part of the temporary employment sector. This creates a competitive advantage for temporary employment agencies that are categorised in other sectors. Another result of this development is that the premiums in most other sectors have risen because employees of temporary employment agencies more often claim WW benefit. As a result, companies in those sectors that are not temporary employment agencies are paying much higher premiums than they used to.

Because no adequate short-term solution could be found, the former Minister of SZW issued a ministerial decree on 24 May 2017 imposing a freeze on the situation until a definitive solution can be implemented. This means that temporary employment agencies are no longer permitted to be categorised in sectors. The new Minister of SZW is working on formulating a definitive solution for this WW premium differentiation.

- ***Reserve formation and deferment period for the sector-specific WW premium***

The changes in reserve formation and the deferment period for the sector-specific WW premium are the products of the discussion that was prompted by the SER's February 2015 advisory report entitled 'Preventing, limiting and adequately insuring unemployment' [*Werkloosheid voorkomen, beperken en goed verzekeren*]. Both changes resulted in an increase of the influence of the social partners in the relevant sectors. Forming reserves to fund WW benefits means that sectors can, under certain conditions, deliberately charge higher premiums in order to build up buffers. These buffers can then be used to defray WW premiums when WW costs are on the rise. The Labour Foundation agreed to a broadening of the options for forming reserves. The rules regarding the maximum amount of the reserves have also been adjusted.

The deferment period applies to sector-wide shortfalls/surpluses. This surplus or shortfall must be eliminated either by lowering or raising premiums. The deferment period determines the maximum number of years it may take to eliminate this shortfall or surplus. The deferment period was set at three calendar years. The Labour Foundation has recommended extending the deferment period to five calendar years. This entered into force on 1 January 2018.

- ***WIA savings***

The Social Agreement of 11 April 2013 stipulates that the social partners must take measures to ensure that fewer people must claim benefits under the Dutch Work and Income (Fitness for Work) Act (WIA).<sup>2</sup> In its discussions with the Minister of SZW in the spring of 2017, the Labour Foundation concluded that the amount that could be saved by implementing the measures proposed by the Labour Foundation could not be estimated. In response, the Minister of SZW deleted the cost reduction from the budget. The Labour Foundation has committed to continuing its efforts to reduce WIA claims.

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

Prompted by the Cabinet's response to the SER advisory report dated 24 November 2015 entitled 'Preventing, limiting and adequately insuring unemployment: a future-proof labour market infrastructure and Unemployment Act' [*Werkloosheid voorkomen, beperken en goed verzekeren. Een toekomstbestendige arbeidsmarktinfrastructuur en werkloosheidswet*], the social partners spoke to SZW regarding how the social partners' cooperation could be improved and their involvement expanded.

In 2016, a start was made with semi-annual meetings of the minister of SZW, the chairperson of the executive board of the UWV, and the Labour Foundation's chairpersons regarding the UWV's re-integration policy and services. The discussions during the semi-annual meeting on 1 June included the topic of the UWV's new service-provision model for WW. No meeting was held at the end of 2017 because the new administration had just taken office.

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<sup>2</sup> 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').

- ***Continued supplemental salary payment beyond the statutory requirement in cases of illness***

During the Autumn Consultations of 2004,<sup>3</sup> the Labour Foundation and the Cabinet agreed that the total amount of sick pay received by an employee over a two-year period of illness could not exceed 170% of the last-earned salary unless this was accompanied by additional re-integration efforts.<sup>4</sup>

In response to the motion of Van Weyenberg and Heerma that was passed,<sup>5</sup> the Labour Foundation investigated whether the situation actually was as it was presented in the motion – that many of the collective agreements included arrangements that were more generous than those agreed at the Autumn Consultations. The Labour Foundation has concluded that most collective agreements are in line with what had been agreed, but that there are a few collective agreements that contain arrangements that exceed the statutory requirements without being accompanied by additional re-integration efforts. The Labour Foundation consequently drew the attention of the parties to these collective agreements to the arrangements that had been agreed at the Autumn Consultations.<sup>6</sup>

- ***ZW pilots***

The UWV is legally responsible for 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 response to an arrangement in the Social Agreement, three sectors – agriculture and horticulture, transport, and retail – have implemented a pilot programme in which they have assumed the UWV’s responsibility for occupational health and safety and re-integration activities under the ZW. The pilots have shown that the length of sick leave is significantly shortened when supervised by the sectors.<sup>7</sup>

- ***Measures under the 2017 Coalition Agreement***

The Coalition Agreement presents measures in the area of social security, including differentiation of the WW premium on a contract-by-contract basis, continued salary payment during illness, wage dispensation, and incentives in disability schemes aimed at finding employment. The Minister of SZW and the Labour Foundations have been in discussions regarding the proposed measures since early 2018.

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<sup>3</sup> Autumn Consultations, 5 November 2004.

<sup>4</sup> V012004, p. 2: “2. regarding the supplement to the statutory continued payment of salary of 70% during the first and second years of illness, open consultations will be held at decentralised level in connection with the provisions under (1). The structure will be geared to the effects on prevention, re-integration, participation, and income protection. The total sick pay provided to the employee for a two-year period of illness will not exceed 170% of the last-earned salary.

*This will not affect the option of making additional specific employment benefit agreements to stimulate accelerated re-integration and participation effects. Existing employment benefit arrangements will be adjusted as needed in that sense.”*

<sup>5</sup> Motion of Van Weyenberg en Heerma, House of Representatives, 2014-2015 parliamentary year, 29 544, no. 631.

<sup>6</sup> Letter dated 4 September 2017 from the Labour Foundation to decentralised parties to collective agreements, captioned ‘Continued supplemental salary payment beyond the statutory requirement in cases of illness [Bovenwettelijke aanvullingen loondoorbetaling bij ziekte].

<sup>7</sup> Study by APE of the monitoring and evaluation of pilot projects under the Sickness Benefits Act, June 2017.

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

The Social Agreement 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. The amount and duration of statutory WW and WGA benefits may be cut for workers who nevertheless find themselves unemployed (or fully or partially disabled) for longer periods of time because the rules on these benefits were made more stringent with effect from 1 January 2016, which is why an agreement was made that collective agreements should contain provisions for supplemental WW and WGA benefits for these individuals.

In order to avoid making the implementation of this agreement unnecessarily complex for parties to collective agreements, the Labour Foundation set up a national fund to which the collective agreement arrangements can be voluntarily transferred. Given that a national private fund covering several collective agreements is a new phenomenon, bringing it into line with existing laws and regulations was an extremely complex task. The result was a structure comprising five sectors, with an ‘aggregate collective agreement’ for each sector. An aggregate collective agreement covers multiple companies and industries. Each aggregate collective agreement must be declared universally binding before it can be implemented. At the end of February 2018, more than half a million employees were registered to participate in the scheme administered by the national fund.

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

On 6 June 2016, at the request of the Labour Foundation, SZW published the subsidy scheme entitled ‘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), which focuses on the theme ‘A New Start Towards a New Job’ [*doorstart naar nieuw werk*’].

The objective of this subsidy scheme is to test how adequate services and/or cooperation and control between the social partners, the UWV, municipalities, education and training funds, and other stakeholders can prevent unemployment or get unemployed persons back to work quickly (or at least more quickly).

Training and education funds, employer organisations, and employee organisations can apply for subsidies, either individually or in cooperation, for two types of projects. The 18 pilot projects providing services to job seekers include 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. The 17 pilot projects on cooperation and control of the labour market are focused on longer-term cooperative partnerships between sectoral and regional parties, the exchange of labour market information, and developing a shared labour market policy. Twelve combination projects have also been started.

The Labour Foundation has set up a support team to offer support with the procedures and to bring parties together. This team also monitors progress for the social partners.

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

- ***The Workroom***

The Workroom is the name of the consultation platform where the Labour Foundation and the Association of Netherlands Municipalities [*Vereniging van Nederlandse Gemeenten*] (VNG) meet. In 2017, the discussions primarily centred on fulfilling the stipulation in the Social Agreement to find jobs for 100,000 occupationally disabled job seekers in the business community and for 25,000 in the government sector. In July 2017, the VNG decided to put these discussions on hold, including because they first wanted to speak with the Cabinet about a solution for shortfalls in Dutch municipalities regarding social affairs. The social partners' efforts to assist occupationally disabled job seekers in finding work have since been continued.

This year, as well, an assessment was made regarding whether the jobs agreement was met last year. In 2016, the business community was supposed to create 14,000 jobs, and the government 6,500. Together, the government and the business community created the target number of jobs. The business community created 18,957. The government sector, however, created only 3,597 jobs, falling well short of the target of 6,500 jobs. In response, State Secretary Klijnsma decided to postpone the imposition of a quota on government sectors which would have resulted from the shortfall for a period of one year.

The T+2 rule was also suspended. This rule provides that once a person no longer meets the criteria for inclusion in the target group register, he or she still qualifies for two years thereafter with respect to the jobs agreement. The suspension means that occupationally disabled workers who no longer meet the criteria of the jobs agreement still qualify. A study of the evaluations of the Job Centres [*Werkbedrijven*] has also been started. We expect this study to be completed in the first quarter of 2018. The purpose of the study is to assess the status of affairs and developments at the regional Job Centres, as well as the cooperation between the social partners, municipalities, and the UWV in the context of the regional Job Centres. This study is being facilitated by SZW at the behest of The Workroom.

- ***WMO Room***

Since 2016, in imitation of The Workroom, the Labour Foundation and the VNG have been holding consultations on the Dutch Social Support Act [*Wet maatschappelijke ondersteuning*] (WMO) in the jointly formed WMO Room. At the behest of the WMO Room, stock has been taken of the progress on the transition from traditional in-home care to overall home support, the consequences of decentralisation for VET-educated staff, and the manner in which municipalities structure their tender procedures. At the end of 2017, the Labour Foundation and the VNG concluded that consultation on a broader scale was desirable. Rather than being held in the WMO Room, consultations

will be continued by means of regular administrative meetings to discuss social affairs as a whole. The labour market participation of people with a greater distance from that market will continue to be dealt with in The Workroom and will not be discussed at these meetings.

## 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 Education, Culture and Science [*Onderwijs, Cultuur en Wetenschap*] (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 responsibility for implementing the Employers Language Agreement [*Taalakkoord werkgevers*] was transferred to the UWV's Learning and Working [*Leren en Werken*] programme with effect from 1 July 2016. The purpose of this agreement is to support employers in improving their employees' language skills and make attention to language skills part of the employers' HR policies. The Labour Foundation's role in this is to encourage participation by the decentralised social partners.

- **APL**

Accreditation for prior learning [*erkenning van verworven competenties*] (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 in terms of their career, recruitment opportunities, and prospects for advancement.

This year, the system for APL validation that has been in place since 1 January 2016 was developed further. 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 (the certifying authority for examination suppliers and for the validation of examination products for VET education) 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*]. The years 2016 and 2017 can be considered transition years in which, on the one hand, the accreditation and registration of APL providers was still being handled by OCW and in which, on the other, these duties were already being assigned to Stichting Examenkamer. Since 1 January 2018, Stichting Examenkamer has been entirely responsible for accrediting and registering APL suppliers and APL certificates.

The APL Advisory Council, which is staffed by the government (OCW, SZW, and EZ)

and the Labour Foundation, was established to stimulate the offering, quality, and use of APL and other validation tools in the labour market route, to promote and optimise the connection between the two routes and to retain the support that has been accrued. Insight must be obtained into the reasons for the decrease in recent years of the use of APL. The APL Advisory Council has therefore decided to have a study performed into the target groups and the use of validation tools. This study will be carried out in the course of 2018 by an external research firm.

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

In 2017, some 24 education and training funds<sup>8</sup> took the initiative to enter into – and remain in – discussions regarding cooperation and how it can be promoted. Together, these funds will be examining how they can use one another's expertise and tools. They will explore how employees and job seekers can take more control of their own careers and advance their careers and how available labour market information can be made accessible to other sectors and funds.

These education and training funds have decided to organise a conference to clarify, particularly for the political world, what the education and training funds do and how they work, both for their own sectors and together with other sectors. This intention was prompted in part by the Cabinet's plans to involve education and training funds in developing lifelong development.

The conference will be held in April 2018 and will be facilitated by the Labour Foundation, whose primary role with respect to the funds is a stimulating one.

- ***Encouraging practically oriented learning in VET***

In its advisory report entitled 'Proposals for strong and innovative vocational education and training, Part 2' [*Voorstellen voor een sterk en innovatief beroepsonderwijs Deel 2*] dated 17 November, the SER proposes encouraging innovative combinations of learning and working. Students are very motivated by learning environments that interweave working and learning. Such environments offer students not only the opportunity to master vocational skills, but to get a handle on basic skills, including social and other skills, that they will need to function in both a job and in society.

Technologisation entails knowledge becoming obsolete more quickly, which means employees will have to obtain additional training – or retraining – more often. That means that national and regional agreements must be made to better connect learning with working and innovation. Cooperation between the education system and the business community must also be improved. In this context, the SER advises the Cabinet to boost the existing cooperation between educational institutions and the business community to bolster innovation in the region and enable education to be better tailored to job market prospects.

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<sup>8</sup> 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*].

- ***SER advisory report on post-initial education***

It should be a matter of course that people in the Netherlands continue to learn and develop throughout their careers. Technological developments, the rapidly changing dynamic on the labour market, the raising of the retirement age, and globalisation have made this into a necessity. In its advisory report dated 17 March 2017, the SER advised educational institutions and the government to offer customised adult education: the courses offered must be better suited to employees' situations.

In order to offer more suitable solutions for employees' needs, the SER wants existing educational offerings to be customised. What the SER has in mind, for example, is training that results in additional certification after a diploma is initially obtained. Eliminating statutory and regulatory obstacles is also important to effecting this flexibilisation. The SER suggests making it possible to start a course at an educational institution at various points in the year, and making accelerated and flexible courses available.

The SER wants to stimulate the more active use of the existing drawing right [*trekkingsrecht*] by increasing recognition of this right and making it transparent on an individual basis. The drawing right is an (existing) personal asset for everyone who leaves their initial schooling with a diploma but has not yet obtained a master's degree. In the future, it must be possible to use the drawing right to follow courses at an accredited institution to obtain a diploma or certificate at the same or a higher level of education. The SER is urging the government to provide clarity on the quality requirements for, and method of financing, such offerings.

Employees are becoming increasingly responsible for their own sustainable employability. This means that they must also have, in addition to the drawing right, the means to pay for the necessary schooling. The SER therefore advocates that a development account should be made available to every employee: a personal budget for a development programme the employee chooses himself or herself. An employee would be able to utilise this budget when his or her drawing right has been exhausted.

## 6 Social inclusion and combating poverty

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

- **Promote diversity in businesses and organisations**

The Diversity in Business project [*Diversiteit in bedrijf*] 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 objective of this three-year project being carried out by the Foundation and the ROP is to encourage diversity and inclusion in the workplace in both the private and public sectors. Starting from a commercial perspective, ‘Diversity in Business’ [*Diversiteit in bedrijf*] emphasises the added value that a diverse staff and inclusive corporate culture can have for businesses. The diversity referred to here is broad, with the Diversity in Business project focusing specifically on five dimensions: occupational disability and chronic illness; gender; age; LGBTQ; 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 in Business 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 will be dispersed via social media,<sup>9</sup> websites,<sup>10</sup> and YouTube.<sup>11</sup> The project is financed by a subsidy from SZW, the European Platform of Diversity Charters, and contributions from the Labour Foundation and the ROP.

One hundred and twenty-five 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 division between the private and public sectors is approximately equal. The signatories mostly opt to promote cultural diversity (25%), followed by gender diversity (20%), and employing people with an occupational disability or chronic illness (19%).

- **A structural approach to childhood poverty**

Despite the country’s economic upswing and all efforts thus far, many Dutch children (8 to 12 percent) continue to live in poverty. In its advisory report entitled ‘A poverty-free childhood’ [*Opgroeien zonder armoede*] of 22 March 2017, the SER asserts that the Cabinet and municipalities must permanently reduce the number of children growing up

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<sup>9</sup> Twitter: @charterdiv, Linked-in: company page Diversiteit in bedrijf (in Dutch).

<sup>10</sup> [www.diversiteitinbedrijf.nl](http://www.diversiteitinbedrijf.nl).

<sup>11</sup> [https://www.youtube.com/channel/UCLbgXz\\_JPN-8Pci29jiu4Eg](https://www.youtube.com/channel/UCLbgXz_JPN-8Pci29jiu4Eg).

in poverty. All children must be able to utilise provisions that compensate for the consequences of poverty, including participating in sporting and cultural activities. This policy should be supplemented by more structural and systematic measures that tackle the root causes of poverty.

Strikingly, sixty percent of these children have working parents. Work is therefore not always a safeguard against poverty. The SER has observed that local and national policy meant to combat poverty does not always help working parents. It is also clear that not everyone who qualifies actually makes use of the available assistance because of their unawareness, and the complexity, of the regulations. The SER therefore advocates for the appointment of an anti-poverty coordinator in every municipality, tasked with identifying workers earning the lowest incomes. Schools can also be instrumental in alerting the necessary authorities to signs of poverty. Teachers are often the first people to notice these signs in children. Schools can also teach children how to manage money and ensure that parents' annual contribution does not exceed their ability to pay.

- ***SER activities to assist refugees in the context of EU 2020***

The SER is working hard to address the question of the integration of status holders in the Netherlands. External meetings are being convened, publications on the topic have been issued, and a website has been set up to provide background information, information on laws and regulations, and special initiatives being undertaken to benefit status holders. The SER hopes that charting and monitoring particular practical examples will encourage a more effective integration policy for status holders in the Netherlands. In a continuation of this, efforts are also being focused on enabling other groups with a distance from the labour market to benefit from these proposals as well.