



**The Dutch consultation economy,  
structural reforms and Europe  
2020**

## Outline



1. The Dutch consultation economy
2. Active engagement of Dutch social partners in structural reforms
3. Social dialogue in The Netherlands and the Europe 2020 strategy

# 1. The Dutch consultation economy



## Consultation on three levels

- **Company level:** works councils
  - Consultation: economic and organisational issues
  - Approval: working hours, health and safety
  
- **Sector/company level:** collective labour agreements
  - Cover 80% of employees
  - Of which 80% sectoral level, 20% company level
  
- **National level:**
  - Labour Foundation (since 1945)
  - Social and Economic Council; SER (since 1950)

## The Labour Foundation

- Established May 17<sup>th</sup>, 1945
- Private institution for trade unions and employers organisations (two parties)
- Daily consultation between the two
- Advisory body for the sector level
- Consultation with government at central level (usually in Spring and Autumn)
- Vehicle for social agreements (Wassenaar 1982, Mondriaan agreement 2013)

## The Social and Economic Council



- Established in 1950
- Public institution
- Advisory body to government and parliament on social and economic issues
- Three parties, 33 members: employers, employees and crown members

## How does the SER work?

- Advice: on request or at its own initiative
- Preparation in committees
- Involvement of 'outsiders'
- Consultation with rank-and-file
- Public meetings of the council
- Advisory reports may be divided
- But divided advisory reports are less influential

## 2. Social partners and structural reforms

Since 1945

Active role of social partners in rebuilding The Netherlands:  
Wage moderation and competitiveness in return for full  
employment and social security/ welfare state

Labour Foundation: consultation with government

Social and Economic Council: advisory reports to government

This harmonious model broke down in the 1970's



## Restart after Wassenaar 1982

1979/1980: Mass unemployment, uncompetitive wages, too costly welfare state, unprofitable business, Dutch disease, need for structural reforms

1982: Agreement of Wassenaar: wage moderation in return for competitiveness, profitability and employment growth

- Structural reforms decided after elections in coalition agreements
- Frequently based on SER-advisory reports
- Spring and Autumn summits between government and social partners
- Autonomous and responsible (!) wage setting at sectoral level

## New élan after Maastricht 1992



Since 1990: preparing for Economic and Monetary Union

1990-1992: unanimous SER-advisory reports on EMU:

- Fixed exchange rates, limited labour mobility, restricted fiscal policy → safeguarding competitiveness and employment requires responsible wage setting and well functioning labour markets
- Aim at a triple-p approach; people, profits, planet
- Joint responsibility of government and social partners
- Triple-p requires constant (re)balancing and political judgement
- Social dialogue as a complement to government and markets

= Lisbon 2010/ Europe 2020 avant la lettre

### 3. Dutch social partners and Europe 2020



## The Dutch Lisbon & EU 2020 strategy

After 2000:

- Business-as-usual policies already looked like Lisbon 2010
- SER on Lisbon-strategy: involve social partners too!
- Gradual implementation of additional consultation infrastructure for Lisbon and Europe 2020 strategies
- Still work in progress
- Eurocrisis both a handicap and a challenge!

## Three focal points for EU 2020 consultation



1. Preparations for the EU Spring Summit
2. Preparation of the Dutch National Reform Programme (NRP)
3. Addressing the country specific recommendations in The Netherlands

Even more important in European Semester

= Umbrella for EU 2020 and Stability & Growth Pact and macro-economic imbalances procedure

= Framework for domestic implementation

## Focal point 1: EU Spring Summit



- Annual Growth Survey = start European Semester
- Formal consultation with minister of Economic Affairs on eve of EU Spring Summit
- 2014: SER-delegation prepared common ground: European Semester must leave room for social dialogue in all member states
- Follow-up consultation of social partners after Spring Summit by senior civil servants

## Focal point 2: Dutch NR Programme

1. General introduction
  2. Macro-economic context
  3. Addressing country specific recommendations
  4. Progress with Dutch Europe 2020 strategy
- NRP is responsibility of Dutch government
  - Social agreement is included in NRP
  - Consultation stakeholders: kick-off meeting in January
  - Social partners, local governments, NGO's
  - Consultation on draft chapters, more time for discussion
  - Social partners contribute annex to NRP

## Focal point 3: Recommendations to NL

- Senior civil servants brief social partners on country specific recommendations after they are issued
- No real discussion of recommendations
- Implementation is government responsibility anyhow
- Government must reply through NRP
- Government consults social partners on NRP
- So social partners are consulted indirectly on country specific recommendations and implementation
- It is proper for the European Commission to consult social partners before publishing recommendations
- It would be better if social partners feel joint responsibility for addressing country specific recommendations