

The Netherlands: National report on future socio-economic trends

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Quality is an innovative, quantitative and qualitative research project that aims to examine how, in an era of major change, European citizens living in different national welfare state regimes evaluate the quality of their lives. The project will analyse international comparative data on the social well-being of citizens and collect new data on social quality in European workplaces in eight strategically selected partner countries: **UK, Finland, Sweden, Germany, the Netherlands, Portugal, Hungary and a candidate country for EU enlargement, Bulgaria.**

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1. Introduction

The Dutch scenario meeting took place on Thursday 10 April 2008. The initial steps to prepare for this meeting were to formulate a main question and to design a programme for the meeting based on the scenario manual. In early January, all the partners in the Quality project attended a training day in Utrecht, the Netherlands, to decide on the basic settings for the national meetings and to practise the method to be used. The training day was hosted by the Dutch partner and turned out to a valuable experience for all involved.

The following step was to decide who to invite in the Netherlands. Participants were selected on the basis of various criteria, the aim being to include different fields of employment, younger and older people and both male and female participants. Those selected included high-level experts, e.g. scientists, senior civil servants, company HR directors, trade union representatives, consultants, representatives of employers' organizations, and members of political parties.

Approximately 20 people were invited, with an additional 20 letters of invitation being sent to a second group. In addition to a letter of invitation, these people received the Dutch national report on trends and the most recent Quality newsletter. A summary of the comparative report on the institutional context (D 3.3) in the eight partner countries was also sent along.

The first invitations were sent two and a half months before the meeting took place, with a reminder following after two weeks. The second round of invitations was sent one and a half months before the meeting, with another reminder after two weeks. All the people invited responded very positively to the invitation, and were very interested in the outcomes of the meeting. Seventeen people accepted the invitation; one of these was unable to attend at the last minute for personal reasons. Four members of the Dutch Quality team attended, along with an expert in scenario thinking. This brought the total number of participants to 21.

The participants came from different backgrounds. There were eight consultants/members of advisory boards, two scientists, two trade union representatives, a member of the Social and Cultural Planning Office, HR representatives from a major bank and an insurance company, a representative of a political party, and a representative of a government ministry.

The meeting took place at a central location in The Hague, in a formal meeting centre that was easy for the participants to reach. It was held in the afternoon, and lasted around four and a half hours. After the meeting, participants were invited to attend a dinner (optional), and over half of them did.

The meeting began with a word of welcome and an introduction to the method of scenario thinking, presented by a local expert. An explanation was then given of the socio-economic and welfare policy trends that had emerged in the national report. The group was subsequently divided into two sub-groups to begin the scenario design process by identifying future uncertainties. These were then presented and discussed by the group as a whole. After this the group was again divided into two and asked to discuss the possible future scenarios in detail. Each group presented its scenarios to the other and a discussion ensued. At the end of the meeting, the group as a whole discussed possible policy recommendations and a research agenda.

2. Known future trends

After introducing and explaining the scenario method, members of the Quality team presented a brief overview of current socio-economic trends and welfare policies, based on the National and Comparative Report on the Institutional Context of Work and the Quality of Life. During the presentation, the group posed many questions, asked for further explanations and made many comments. This was to be expected from a group of people with strong opinions – that was why we had invited them – and a strong commitment to societal developments. To maintain a steady pace, however, this part of the session should not be allowed to overrun.

The following socio-economic trends and welfare policies were briefly presented:

- Economic trends
 - There are still considerable differences between the economies of the old and new EU Member States; the gaps are closing, however.
 - Income inequality between households is rising in many countries.
- Labour market trends
 - Activity rates still vary between the sexes; the smallest differences can be found in Sweden and Finland.
 - Female employment is still rising in Europe.
 - The employment participation rate of workers 55 years and older is low in Europe; activity rates, however, are rising slowly.
 - Employment in Europe is becoming more flexible in terms of working hours, location and contractual arrangements. Women are more vulnerable than men when it comes to a-typical and flexible work.
 - Total unemployment rates have declined in the past ten years; unemployment is specifically a threat for people who have only completed primary school or have a lower educational level.
 - Flexible work policies are most prevalent in UK and the Netherlands and rare in Portugal, Hungary and Bulgaria. Sweden, Finland, Germany take up a position in the middle.
- Demographic trends
 - The population in all European countries is ageing.
 - Fertility rates are low in the EU25, well below the rate of 2.1 children; since 2000, however, most countries have shown a slight increase in fertility.
 - Postponement of parenthood: the mean age of women at childbirth has risen by about two years in all countries in the past ten years.
 - More diversity in types of families and more freedom in the marriage and reproductive behaviour of individuals.
- Integration of minorities
 - Significant socio-economic inequalities remain between the majority population in each country and the traditional immigrants.

- There are obstacles in many countries to the integration of immigrants.
- Gender equality
 - Gender equality in educational opportunities has been achieved, but the traditional gender segregation in the field of education is still firmly rooted.
 - The policy discourse on more equality between the sexes dominates in all countries. However, a gap between rhetoric and practice remains. Gender mainstreaming in socio-economic policies remains a complicated process.
 - In the Netherlands, the lack of women in senior-level positions, especially in large private firms, is a current topic of discussion.
- Work-family
 - Boundaries between work and family life are becoming increasingly blurred.
 - The dominant trend in family leave policies is to increase the length of leave (UK, Portugal and recently NL) or the leave allowance (Bulgaria).
 - The number of childcare services is increasing in the UK and NL. In Bulgaria and Hungary, the formerly extensive state day-care system is declining. The Nordic countries are moving towards a more flexible range of childcare services.

While discussing known trends, we also presented some initial results of the Quality project, in particular outcomes regarding overall life satisfaction within the Netherlands across the four sectors and in a cross-national perspective. The research outcomes indicate that the Dutch respondents are generally satisfied or highly satisfied with their lives, the scores being comparable to those found in Sweden and Finland. The discussion highlighted the fact that other research has also shown that Dutch people are in general highly satisfied with their lives, but feel less confident about or satisfied with society in general. Among the Dutch respondents, those who work for the telecom company were the least satisfied. The telecom company also had relatively high work pressure rates and a lower percentage of respondents who reported good social relations at work compared with the other Dutch cases. The experts were interested in the research outcomes but also raised many additional questions about the research project. This took up quite some time, although the time available for the meeting was limited.

3. Uncertainties

The participants identified uncertainties that will affect the quality of work and life in the future. The Table below reports these trends separately for each group.

Group 1
Continued financial crisis and a resulting loss of pension income
Breakdown of the world economy
Rise of an international Mafia Economy, for instance in the battle for raw materials
Decreasing trust in social and economic systems
Diminishing support for/trust in politics (i.e. politicians and political system as a whole)
Decreasing trust in institutions
Conflict between the Middle East and the West

Increasing food scarcity
Globalizing labour market will have far-reaching consequences for existing labour market system
Declining growth of labour productivity in OECD countries
Brain drain
Growth of small one-person businesses
High level of outsourcing and offshoring of labour
Elderly people staying healthier (vigorous old age)
Higher educated women having fewer children compared with lower educated women.
Increasing importance of religion

Group 2
Increasing birth rate
Strong emphasis on democratic citizenship
New immigration flows from China and Asia
More labour migration within Europe
Four-day working week for men and women
Unclear international rules
Growing underclass
Insufficient supply of adequately qualified workers
Increasing poverty among elderly people
Government without a vision on current developments
Time and place no longer relevant for work
Pride in the Netherlands (the reference is to a nationalistic political party); protectionist measures
A culture in which people fail to take responsibility
Maintaining a 'presence' culture in companies
Happiness being more important than money
Economically risk-averse behaviour
Worldwide epidemic
An increase in the number of children with learning impairments
Insufficient innovativeness among employers' organizations and trade unions
Technology conquers humanity
Technological stagnation
Wilders (leader of a extreme right party in the Netherlands) becomes prime minister
Diminishing trust in politics
Realignment of the role of government
Environment drives economy
Economic independence of women
An increase in independent businesses (without staff)
All care facilities formalized
Importance of government sectors declines; more standardization

The participants in each group were asked to rank these future trends according to the impact they will have on the quality of work and life. They were also asked to rank these trends in order of certainty, i.e. how likely is it that these trends will affect our future?

The participants wrote all the trends down on cards and attached them to a clipboard. They were able to move the different cards around on the board. There were two lines drawn on the board, one depicting the certainty range (ranging from very certain to very uncertain) and one depicting the impact range (ranging from very high impact to very low impact).

The participants began by grouping similar trends, for example 'new immigration flows from China and Asia' and 'more labour migration within Europe'. Other trends grouped together were 'Wilders becomes prime minister', 'pride in the Netherlands (reference is to a nationalistic political party); protectionist measures', 'economically risk-averse behaviour', 'diminishing trust in politics' and 'government without vision on current developments'. The participants asked one another to explain the precise meaning of trends when this was not immediately clear. After approximately ten minutes, the trends were arranged in such a way that two dimensions could be chosen:

Group 1:

1. High level of trust versus low level of trust (trust in socio-economic systems; when there is a high level of trust, there is room for change and transformation)
2. International versus national

Group 2:

1. National versus international.
2. Material versus immaterial

4. Description of future scenarios

Group 1:

High Level of Trust/International: The world of 'Peter Stuyvesant'

The world of 'Peter Stuyvesant' is dynamic and lively and is characterized by competition, by opportunities for those who are able to recognize and exploit them, by taking risks and accepting the consequences when things work out wrong. There is only a limited basis for solidarity in this model of society. Some certainty is required, however, as innovation will only take place when people feel a basic sense of safety. The main point of view, however, is that people need to make the most of their opportunities. The social security and social protection systems are fairly basic, because otherwise this society would attract too many people from abroad. The general view is that in wealthy and open societies

that offer their inhabitants many opportunities, elaborate and protective social systems are not possible. In this scenario, the unemployment rate is low, generally speaking, but people with low professional and social skills will drop out. Since the society is prosperous, there is a good work/life balance.

Low Level of Trust/National: The world of 'Unox'¹

This future world is one of low-level trust in the social system and a low capacity to adjust. Per capita GDP growth has stagnated. Highly educated people, even those from minority groups, emigrate because they see more opportunities elsewhere (brain drain). The quality of the public sector is in decline. People need to work hard, but productivity is falling because social and other innovations are lacking. People look out for their own interests, and feel no commitment to society and or solidarity with others. There is a tendency to be inward-looking rather than outward-looking. Populist politicians dominate the political spectrum. Most people have a pessimistic view of the future.

Group 2

National/Material

A world in which the Netherlands is a protectionist country striving for autarky. There is little trade between the Netherlands and other countries. Many economic activities are based in agriculture. Overall productivity is low, because the national economy does not compete with the global economy. Extreme-right parties win many votes, the average educational level and GDP are low. The little amount of trade with other countries goes hand in hand with severe restrictions on immigration: there is no free flow of labour (or of capital). The lack of economic integration with the rest of the world is reflected in the low level of cultural and scientific integration. Talented people from science or the arts have left the country and those who remain are focused on day-to-day life. It is a society of 'bread and circuses'. Art is meant to keep the large majority quiet and science focuses on solving practical problems. Because of the low GDP, people have to work hard and long hours; there is little scope or money to care for the sick. However, people have very little money to spend on junk food and other bad habits, so they live relatively healthy lives (e.g. more bicycles and fewer cars). Even though life in this world is not without hardship, many people feel secure in an orderly society like this one, far away from the big, bad world outside. The infrastructure is gradually falling apart and young people are leaving the country because they fear flooding due to the rising sea level.

International/Immaterial

A world in which the United States, the United Nations and the World Trade Organization have the same goal: 'justice for all', honest trade between countries. The main feature is economic prosperity in all countries, with sustainability being a major concern. The average educational level and GDP are high, but GDP is no longer the only measure of welfare. There is broad recognition of the value and relevance of unpaid work, caring for young children, family and neighbours, and of leisure. Money is therefore not the

¹ Unox is a Dutch food brand. Its commercials feature cozy family life, with all the family members sitting around the dinner table and the curtains closed.

only thing that counts; the core value is, first and foremost, 'happiness'. Because the Dutch and other European economies have shifted their focus from the production of goods and transport to providing services and developing new technology, Asia and Africa have been able to assume their share of the global economy and much of the gap between rich and poor countries has disappeared. As a consequence, global birth rates have declined. A large percentage of Dutch and other European individuals regularly spend time working and living abroad, and this is contributing to a better understanding of and more appreciation for other cultures. As a result, organizations are becoming less 'mono-cultural', but also clearing space for other approaches to work and other ways of organizing work processes. 'Good governance' has been accepted everywhere in the economy and is interpreted broadly. As stakeholders' value now counts along with shareholders' value, organizations are not focused solely on high short-term productivity, but also invest in the employability and sustainable participation of as many individuals as possible. 'Justice for all' also means 'participation for all'. This kind of society involves a lot of discussion and public debate, as well as a whole set of rules and regulations. Moral standards are high. Some people find it hard not to be able to 'just let themselves go'.

5. Chain of events for future scenarios

There was not much time left to discuss the chain of events leading to the different future scenarios. A brief general discussion was therefore initiated in the two subgroups concerning the different futures. There was no time to ask people to situate the different trends and events on a time line or to reflect critically on the proposed chain of events.

Chain of events for the high-level trust/ international scenario:

Young politicians who break with the social/liberal political tradition become influential. New politicians aim to modernize the welfare state and turn it into a participation state. Policy hence focuses on empowering citizens by increasing the autonomy of various small groups in society (e.g. workers on the shop floor, neighbourhood residents). Independent entrepreneurs gain more autonomy, resulting in an increase in the number of small businesses (without staff). It was argued that increasing the level of autonomy of these smaller groups will mean more trust in the political system. Besides increasing the level of autonomy, new policy should use education as a means of empowering citizens. Another empowerment tool is to make employee savings schemes more attractive (e.g. by lowering the tax rate on these savings). There should be more done to empower older employees too; they should be used as coaches for younger employees. Furthermore, by stressing the positive consequences of globalization, e.g. more opportunities for regional investment, the government creates a more positive atmosphere in which citizens trust the national and international political system

Chain of events for the low-level trust/ national scenario:

Extreme-right nationalistic parties become influential, while parties in the middle lose influence in government. The extremist parties stress what is going wrong in society, decreasing feelings of trust in the political system. Other political parties fail to put forward an alternative scenario that they believe in. Young and highly educated people move to other countries because they see more opportunities elsewhere. This leads to an ageing population with a low average educational level.

Chain of events for the national/ material scenario:

A terrorist attack happens somewhere in the world. This leads to a worldwide economic recession. The Netherlands reacts by taking protectionist trade measures. The Dutch economy becomes strongly nationalistic; no new asylum-seekers are accepted. A subsequent lack of international investment in the Dutch economy leads to further economic recession. More people will become unemployed and highly educated people will be likely to move to other countries where they see more opportunities. The average educational level and GDP in the Netherlands will therefore decline. Due to the economic recession, the Dutch government economizes on the social welfare system and people have only limited access to social benefits. Dutch society becomes 'tough', with people mostly concerned about their own 'survival'. Tolerance between people is low, leading to more discrimination against ethnic minority groups and more votes for parties on the extreme right.

Chain of events for the international/immaterial scenario:

A terrorist attack happens somewhere in the world. This leads to a gathering of world leaders, including religious leaders. They arrive at a solution to the terrorism problem that has their unanimous support. Third-world countries have their debts cancelled and are given financial aid. This leads to worldwide economic prosperity. More money will be invested in education and in pursuing post-modernistic values, such as a sustainable environment. The average educational level and GDP increase and the rule of law prevails worldwide.

6. Implications for policies and future research agenda

First of all, the participants found it difficult to translate the broad, macro-oriented scenarios back into the issue of the quality of work. This is largely because the quality of work depends on a series of factors, and macro-developments influence only some of these factors. However, the participants considered that the various scenarios had some major implications for the quality of work, even though it was impossible to conclude that one scenario is 'good' for the quality of work and another scenario is 'bad'. For instance, a scenario with rapid technological advances may result in less dangerous, dirty work in a noisy setting, but it can also result in more stress, less interpersonal contact, and more blurring of the boundaries between family and work, all of which harms the quality of work. More sustainable production does contribute to a cleaner environment, and thus to the quality of life. In terms of policy implications, this particular dimension of the various scenarios does not really require government intervention and government policies; what it mainly provides are 'points of concern' for employers and labour and management in general.

There is another dimension of the various scenarios that *is* related to government intervention, however. This dimension involves issues of inequality concerning the quality of work and the quality of life. The various scenarios have differing implications as regards the extent to which individuals need to attain a proper quality of work on their own. We can expect this to play a major role in the scenario that focuses on individualization and minimal government rules and regulations, with government being pared down to its traditional core tasks. In this scenario, some groups (perhaps the 'happy few') will be able to attain a good quality of work for themselves (e.g. because their skills are scarce), while other groups (perhaps even a majority of workers) may be less fortunate and have to settle for a lower quality of work. This can be

prevented only by the government intervening and establishing general rules for the quality of work. Workers will lack the power to coerce employers into improving this quality. However, since one of the features of this scenario is that the state withdraws, government intervention contradicts the scenario and is highly unrealistic. In a more 'regulated' scenario, the quality of work will attract more attention, more or less as a matter of course. One of the possible problems or 'points of concern' is the fact that in this scenario, rules and regulations may be problematical for the quality of work itself. Even though this may sound contradictory, it is already an item in the discussion on teleworking. Quality of work and quality of life (especially the opportunities for reconciling work and family life) may improve if workers are allowed to work at home once or twice a week, making it possible for them to avoid traffic jams, be at home/in the neighbourhood to do the 'school run' and more generally to arrange their own working hours. Rules on working conditions (chairs, desks, lighting, etc.) that apply at the office could be an obstacle to setting up a home office. In this case, the policy question is not whether government should or should not intervene, but much more a matter of not overdoing it and coming up with the right measures. This point is very much related to the general comments on this scenario: too much regulation – even when it is protective in nature and could help the world and the workplace to improve – can also be detrimental to private and personal initiatives and give people the feeling that they lack the freedom to exploit their own talents and make their own choices.

The future research agenda could be summarized under the heading 'social innovation'. In a world and in organizations where, on average, employees are becoming more highly educated and more diverse (because they come from different countries, but also because the life course is increasingly diverse and an organization brings together people with divergent life experiences), it is a major challenge to analyse under which conditions individuals can prosper – not only in the sense that they perform well and achieve high productivity levels, but also in the sense that their participation is sustainable. This requires arrangements that allow for a proper combination of work and care tasks and responsibilities. It also requires ongoing attention for employability and a continuous investment in human capital throughout the life course. Current governance structures – not only in organizations but also in education or social security – were developed largely in the industrial era or during the construction of the welfare state, and do not seem up to date enough to cope with a better educated and more diverse population. In view of the analyses of the effects of different governance structures on individual behaviour, researchers face the challenge of designing governance structures (both at the macro and at the organizational level) that provide employers and employees with proper incentives for sustainable participation.

7. Concluding remarks: reflection on exercise

There was a lot of enthusiasm among the participants. They generally found the meeting useful and valuable, but it was difficult for them to get a good feel for the exercise and to translate the outcomes of the meeting back into issues related to the quality of work. They found it easier to relate the outcomes to the quality of life in general. Moreover, the participants seemed more or less stuck in the current situation and found it difficult to extrapolate their thinking toward the future and to come up with new policy interventions. This is partly because of the relatively short time available to do the exercise. If more time had been available, the discussion would have been more in-depth, resulting in more critical and creative

exchanges. Overall, the high-level participants expressed a rather gloomy view of future developments in the Netherlands. They were particularly worried about how today's politicians and institutions are responding to current trends in society and the world at large.