

## ***Better work: society's new mission***

### **Summary**

This is an English translation of the summary of the book *Het betere werk. De nieuwe maatschappelijke opdracht* published by the Netherlands Scientific Council for Government Policy (WRR) in 2020.

The Netherlands Scientific Council for Government Policy (WRR) is an independent strategic advisory body for government policy in the Netherlands. It advises the Dutch government and Parliament on long-term strategic issues that are of great importance to society. The WRR provides science-based advice aimed at opening up new perspectives and directions, changing problem definitions, setting new policy goals, investigating new resources for problem solving, and enriching the public debate.

The studies of the WRR do not focus on one particular policy area, but on cross cutting issues that affect future policy-making in multiple domains. A long-term perspective complements day-to-day policy-making, which often concentrates on the issues that dominate today's policy agenda.

The WRR consists of a Council and academic staff who work together closely in multidisciplinary project teams. Council members are appointed by the Crown, and hold academic chairs at universities, currently in fields as diverse as economics, sociology, law, public administration and governance, health, and water management. The WRR determines its own work programme, as well as the content of its publications. All its work is externally reviewed before publication.

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The Netherlands Scientific Council for Government Policy (WRR)  
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## **Better work: society's new mission**

New technology, flexibilization and the intensification of work could have significant consequences for those who still have work in the future, and for the quality of that work. For this reason, the Netherlands Scientific Council for Government Policy (WRR) is arguing that *good work for everyone* should now be seen as an important aspiration for companies, institutions, social partners and the government. Good work is essential for general well-being: for the individual's quality of life, for the economy and for society as a whole. In this report we make nine policy proposals to promote and facilitate good work for more people.

### *Three developments will determine the future of work*

Three core developments look set to have far-reaching consequences for the amount of work people do, and in particular for the nature of that work. The first is the *technologicalization* of work: robots, cobots and artificial intelligence (algorithms). In the 'Second Machine Age', not only can physical labour be automated but more cerebral tasks can also be performed by and with machines. New technology also makes it possible for online platforms (take Uber and Airbnb, for example) to act as intermediaries between providers of work and the people who carry it out. Technology can cost jobs, but it can also be beneficial for workers able to collaborate well with robots and algorithms. A focus on complementarity is therefore crucial: promoting cooperation between humankind and machine, both in the development of applications and in their implementation.

The second important development is the *flexibilization of work*. The Netherlands is a front runner in Europe in this regard: currently, 36 per cent of those in work do not have a permanent contract of employment. The level of this flexibilization has more than doubled in recent decades, so that more than 2 million people are now on temporary, on-call and agency contracts and another 1.1 million are self-employed. Almost everyone in the country is affected directly or indirectly by this trend. Moreover, flexibilization has weakened the traditional relationship of mutual responsibilities binding employers and employees with one another. A temporary contract need not always be a problem, however, as long as the employer invests sufficiently in work-related learning and in guiding people into other jobs.

The third trend we analyse in this report is the *intensification of work*. That is, the change in its pace and nature. Of working people in the Netherlands, 38 per cent say that they often or always have to work quickly to get their job done. In the public sector especially, but certainly not only there, excessive workloads have become a particular issue in recent years. Because of the growing service economy, much of our work today centres on human effort. One in ten people find such tasks highly emotionally demanding. Intensification of this kind can push those unable to meet its high productivity demands out of the labour market, especially if their capacity to work is hindered by a physical or mental disability. And can also complicate the return to work of people with, say, cancer or a burnout. Greater autonomy at work – that is, more freedom to perform tasks as one sees fit – is one buffer against such intensification.

These three developments help determine not only the amount of work done and *who* does it, but also its *quality*. The WRR argues that this factor, the quality of work, does not currently receive the attention it deserves – which is why it is at the heart of this report. Being in work is good, both for the income and the self-respect it affords individuals and for its benefits to society. But this applies above all when that work is *good work*.

### *Good work is being in control*

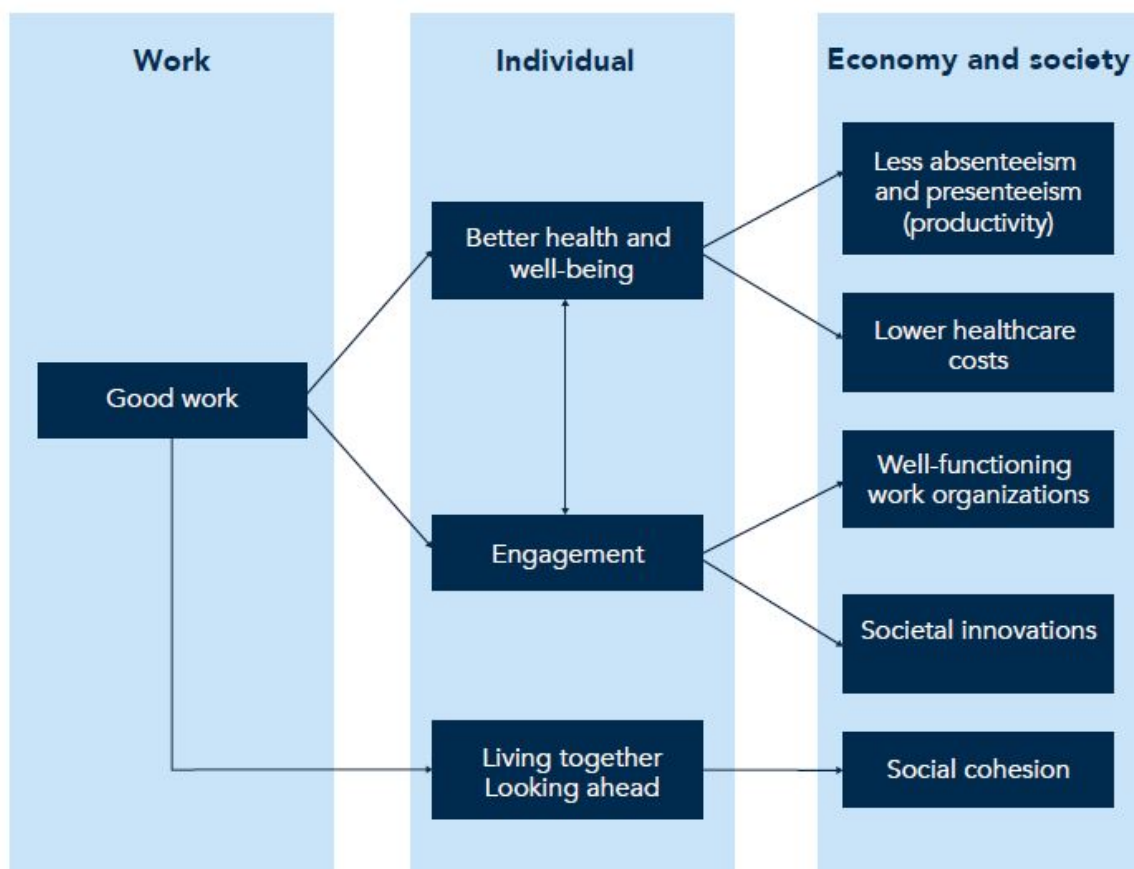
So what is good work? From the academic literature, we have distilled three key criteria which correspond with the nature of the Dutch knowledge and service economy and with the wishes and expectations of people in our society (Chapter 2).

1. *Control over money*. Good work is work that provides sufficient financial security, also in comparison with other people and in the long term.
2. *Control at work*. Good work is work which grants people an appropriate degree of autonomy, making use of their abilities and enabling them to maintain good social relationships.
3. *Control in life*. Good work is work which allows sufficient time and space to combine it with duties of care and a fulfilling private life.

### *The importance of better work*

Control over money, at work and in life are all necessary preconditions for good work. If these criteria are not met, both workers and work organizations are disadvantaged. And that in turn can generate high social costs.

**Figure 1. Consequences of better work for the individual and for economy and society**

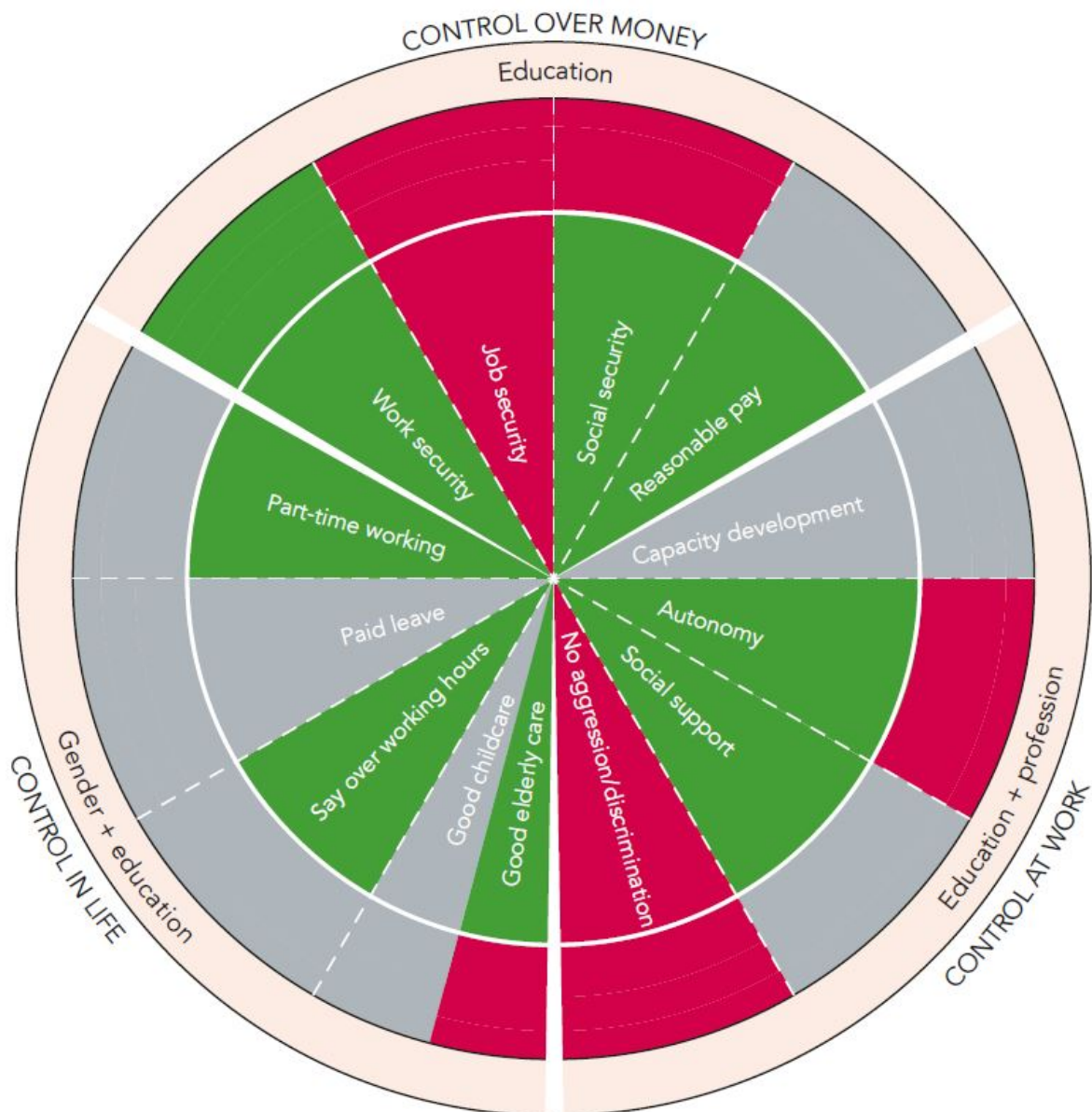


Good work improves people's health and well-being (as shown in the upper part of the diagram) as well as their engagement (middle line), all of which contribute towards greater productivity and well-functioning, innovative work organizations. Good work also helps ensure that people can continue working longer and limits the cost of healthcare. Finally, good work for all is better for social cohesion (lower lines) since it makes people better able to enter into human relationships and to connect with society as a whole. For optimum social cohesion, it is therefore best if *everyone* has good work.

*Quality of work in the Netherlands could be better*

If we take the three criteria for good work together, the Netherlands is not a leader in Europe. According to recent research by the OECD and Eurofound, we are more often in the middle bracket than at the top of the table. This can and must be improved.

**Figure 2** Quality of work in the Netherlands, versus Europe as a whole and over time: twelve indicators



"Slices": the Netherlands versus Europe as a whole  
 Inner ring: the Netherlands over time  
 Pink ring: most prominent dividing lines

■ Neutral  
 ■ Positive  
 ■ Negative

Source: WRR, inspired by the Monitor of Well-being (Statistics Netherlands (CBS))

### *More control over money*

Never before have so many jobs been created in the Netherlands. Most, however, are flexible positions with major disadvantages. For example, they can adversely affect the innovative capability of work organizations: people employed on temporary contracts are less likely to criticize their work or submit ideas to improve it. In wider society, too, there are negative consequences. Workers on flexible contracts often put

off having children, for example, and they tend to lack opportunities to learn on the job and to develop professionally. Employers invest in them the least.

Social security, another important factor in the quality of work, has actually become a source of insecurity for many workers. This is especially so for the self-employed, who are not entitled to claim work-related benefits but are also not required to pay national insurance contributions towards them. As a result, very few in this group are insured against either 'traditional' risks such as occupational disabilities and old age or 'new' ones like care responsibilities or lifelong learning. Moreover, they make little financial contribution to the current collective social security system. It is therefore necessary that a system tailored to the modern labour market be developed – one in which everyone participates, regardless of their employment contract.

About one million people in the Netherlands who want to work and are able to work are currently not doing so, or would like to work more hours (2019 figure). And 1.6 million people are receiving benefits (2017 figure). Some of these are long-term unemployed with complex problems, and a significant proportion of people with a disability are also outside the labour market (60 per cent) – a figure which has actually increased in recent years. At the same time, the Netherlands has all but stopped investing in active labour-market policy, certainly by comparison with other countries in Europe. People without a job receive hardly any training or personal guidance, even though being in work is so important for personal health and well-being and for national social cohesion. Given that work is so important psychologically and socially, we should not simply be 'fobbing people off' with benefits. A basic job, rather than benefits, should be the final piece of the social security structure.

## **Recommendations**

### **CONTROL OVER MONEY**

1. Eliminate unfair competition between workers with different forms of employment contract.

2. Develop a system of contract-neutral basic social insurance and provisions for all citizens, tailored to the new world of work.
3. Reinststate an active labour-market policy, including a greater focus on personal guidance.
4. Give people on benefits and with little chance of finding work in the open labour market a basic job.

### *More control at work*

If we turn to control at work, the second criterion for good work, we find that almost half the workers in the Netherlands lack autonomy. Employers in both the public and private sector do not always bring out the best in people. Although many workers feel supported socially at work, certainly by comparison with other countries, the Netherlands also scores poorly when it comes to aggression in the workplace (Chapter 4). Public-sector professionals in particular, working in education, healthcare or the police, experience the least control over their duties. This is all the more important because autonomy is an important buffer against intensification of work. The lack of control to some extent accounts for the increasing number of people with burnout complaints (16 per cent in 2017). Moreover, half of all days of absenteeism in the Netherlands are related to the work itself. The National Institute for Public Health and the Environment (RIVM) estimates that unfavourable working conditions in our country are responsible for about 5 per cent of its total burden of disease, a figure comparable to the consequences of obesity (Chapters 2 and 6).

Well-functioning workplaces are key to the quality of work. Trade unions and employers should therefore pay more attention to the workplace itself. Social innovation – that is, structuring work organizations in such a way that they bring out the best in people – is crucial for our economy; an economy, after all, which relies mainly on people as “human capital”. This is in their mutual interest. In Flanders, the Flemish Social and Economic Council (SERV) has taken the lead in this respect by monitoring the quality of work and making its improvement a policy goal. An example which deserves to be copied.



Improving the quality of work is a prominent feature of Finnish government policy, too, so the Netherlands could also adopt a similar programmatic approach to the promotion of good work for more people. This might, for example, involve various forms of what is often referred to as ‘soft regulation’: publicity campaigns, setting general goals and standards, establishing frameworks, making recommendations, disseminating information about best practices, education and training for both managers and staff, accessible advice for employers and employees, benchmarking, making binding agreements (initially on a voluntary basis), subsidizing companies to hire external expertise (in the form of innovation vouchers, for example), and so on. The government and social partners should encourage businesses and other employers to report annually on the quality of the work they offer, and how they are improving it.

#### **CONTROL AT WORK**

5. Develop a programmatic approach to good work within companies and other employers.
6. Strengthen the position of workers within work organizations.

#### *More control in life*

With regard to the third criterion for good work – control in life – one in ten workers in the Netherlands say that they experience long-term work-life imbalance. Here, greater control over life is achieved mainly through working part-time, as nearly three quarters of Dutch women do, but this means that the costs are borne by the individual – especially women. The Netherlands has very limited paid leave arrangements for the care of children and the elderly compared with other countries, and we do not excel in providing high-quality childcare. Moreover, by no means everyone (only half of the working population) has sufficient say over their own working hours to be able to gain control in life. And new technologies can blur the boundaries between work and home (Chapter 5).

#### **CONTROL IN LIFE**

7. Create more options for people to choose how many hours they work by, for example, improving the provision of care for children and the elderly and making it easier for workers to demand more hours.
8. Introduce collectively financed long-term leave arrangements for carers and give people more say over the hours they work.

### *The future of work is in our hands*

Technology, flexibilization and the intensification of work have the potential to further exacerbate existing dividing lines, particularly with regard to educational attainment, migration background, occupational disabilities and gender. Indeed, they could even create new divisions. But this is not inevitable. The future of work has not been determined for us in advance. That future is in our hands, and we can shape it ourselves in line with the values and preferences we as a society adopt and through the policies we develop together. Globalization and technologization are often seen as coercive trends, but in fact there is no reason why they should stand in the way of national choices and priorities concerning terms of employment and conditions for working people in the Netherlands.. The differences between the labour markets of individual European countries are considerable, and will remain so. For example, the numbers of flexible jobs and self-employed workers in the nations around us – which face the same globalization and technological developments as we do – are much lower than here. We largely decide for ourselves what our labour market looks like.

### *Better work is a matter for everyone*

Providing good work is primarily the responsibility of companies and other employers, but they can be supported and encouraged in this domain by industry organizations, social partners, other stakeholders and government bodies at local and national level. In addition to developing a programmatic approach to the promotion of good work, central government can certainly do more. It spends considerable sums of public money and so can impose requirements for the quality of work on businesses and institutions competing or tendering for government expenditure and projects, or performing other tasks on its behalf. The government is also a crucial player in the enforcement of laws and regulations encouraging good

work, and as a major employer in its own right should lead by example through its personnel policy and the work it pays for with public funds. A point which also highlights the need to value, to organize and to finance such work in a fundamentally different way.

To keep the development of better work in the public eye, and to give the efforts of policymakers and stakeholders in this field the attention they deserve, national statistics concerning the three criteria for good work – control over money, control at work and control in life – should be included in the Broad Prosperity Monitor, which reports on both the prosperity and general well-being of the people in the Netherlands and has been published annually since 2018 on Accountability Day.

### **GOOD WORK**

9. Make the three criteria for good work and their distribution across the population the basis of government policy, and track them in the Broad Prosperity Monitor.

Further technologization, flexibilization and intensification of work are bound to put pressure on the quality of work. But with the right efforts and choices on the part of social partners, the government and – on a more modest scale – fellow workers, citizens and consumers, these developments can actually help improve the quality of work. And that is good for people, for society and for the economy. Better work therefore needs to be promoted for everyone and by everyone.