



Articles & Commentaries



p-Watch — Europe



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The Netherlands' Social Innovation

Dutch business life not only professes but also practices the superiority of labor market cooperation over confrontation. The long-standing institutions of its so-called Polder model provide mechanisms at all levels, from the national to firm level, to ease change, at the same time as almost guaranteeing employment (although not job) security. This is the ethos on which the country's productivity history has been predicated.

In the beginning of the post-World War II Marshall Plan, a bipartite (trade unions and employers) productivity promotion committee was set up by the government as an action-stimulating and research-commissioning body. Some three decades later, this Commission for Productivity Promotion (COP) was transformed into the Commission for Company Development (COB). For the benefit of fretful trade unionists who still associated productivity with working harder (which even today is not unknown), the aim of the name change was to play down the "P" for productivity while retaining the resonant "B," giving the body a broader investigative remit for corporate development. Both committees were bipartite and embedded in the influential Social and Economic Council (SER), the nation's top independent socioeconomic advisory council to the government.

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Since its stakeholders were insufficiently interested and involved and because its action was to some extent duplicating that of other bodies, the COB was abolished in 1995. The mid-1990s ushered in a series of institutional regroupings and reorientations aimed at better meeting the changing social and economic demands of enterprises. One of the bodies concerned, the Institute for Work and Employment, a name to which the term "for quality of life" was subsequently added, of the country's major applied research organization (the Organisation for Applied Scientific Research [TNO], with some 5000 staff in total), assumed the national representational role of productivity center.

The Institute for Work and Employment spent the best part of the following decade consolidating its role into essentially a research and consulting body on occupational health, reducing its dependence on government financing and deriving three-quarters of its income from market services. It also became increasingly concerned with the nation's overall competitiveness as its own and other research indicated that the Netherlands' labor productivity and innovation record suffered from companies' relatively weak capacity to absorb new knowledge. As a contribution to enhancing this performance more holistically, in other words, blending economic and social aspects of societal development not only to increase wealth but also to improve welfare and wellness, the Institute for Work and Employment has recently been a prime driving force behind the establishment (2006) and servicing of the Netherlands Centre for Social Innovation.

Inspired by but not copying developments elsewhere in Europe, especially national programs in Finland and Germany, the purpose of the Centre for Social Innovation is to ensure that significantly more importance is attached in future to enhancing the human determinants of innovation, or "social innovation" in Dutch parlance. This is because Dutch research clearly shows that whereas technology explains only one-quarter of successful innovation, the human factor in enterprises determines the remaining three-quarters.

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Technology, however, receives the bulk of national and corporate resources. In other words, a successful company needs to pay considerably more attention to issues such as organizational flexibility, bolstering continuous learning, tapping workers' skills, promoting more forms of work organization which encourage employee involvement, and enhancing workers' mental and physical health than to "mere" technological innovation. Such issues have not been accorded their proper value in Dutch working life since they are not readily suited to collective agreements between employers and trade unions. But all are key to developing coherent national policies in the prime policy domains of industry, employment, education, and, particularly, health (both physical and mental).

The Centre for Social Innovation, under an independent chairman, is quadripartite in governance embracing trade unions, employer bodies, universities, and the TNO. These founding stakeholders all provide annual financial support as do interested companies and public organizations through a Programme Council. Universities are also encouraged to join the Centre for Social Innovation for a reduced fee, thereby enhancing its role as a knowledge catalyst. To ensure national policy coherence, the center falls under the aegis of a newly created (2006) National Innovation Platform chaired by the prime minister. During the launch period at least, three ministries (economy, employment, and research) are providing annual grants earmarked for specific projects.

To ensure that these stakeholders are fully embedded within its action plans and to emphasize its networking and catalytic functions, the Centre for Social Innovation has been deliberately designed as a "semivirtual" organization. Thus it does not have its own full-time staff. Even members of its top management

team are only employed for 80% of their time, whereas the five program managers continue to hold their posts in the stakeholder bodies while spending 60% of their time on center projects. The center is focusing on a limited range of proven types of activity. In addition to more traditional activities, such as training (focusing especially on the conditions for trust-based management within organizations), sending study teams abroad, cataloguing best practice social innovation examples in the Netherlands, and an annual conference, particular importance is attached to “action learning” approaches. Thus, learning networks are being established to resolve regional labor market problems; a trainee pool for young employees of the participating enterprises has been created to enhance mutual learning; and a game has been developed to be played by company teams to improve their real-life work situations. Teams that succeed in making innovations within their companies are invited to participate in an annual national tournament to determine the overall winning team, thereby further emphasizing the importance of social innovation. Competitiveness and cooperation are the watchwords of the Centre for Social Innovation.

In some ways, the center harks back to a past in which management and unions cooperated closely for the benefit of all corporate stakeholders. There are, however, three significant differences. First, there is a much greater involvement of the research and knowledge community in its action. Second, the center’s networking character means that each party provides not just human and financial resources but also unique contributions, such as bottom-up perceptions of enterprise issues, feeding into national policies, and the provision of best-practice advice and training. Third, the Centre for Social Innovation has a broader and hence more solid financial basis that is likely to be further enhanced by contracts from the National Innovation Platform as it develops its strategy to support 10,000 medium-sized and smaller firms in working smarter. Thus dynamic “win-win” situations can be propagated for the benefit of corporate, organizational, and national competitiveness and welfare through enhanced productivity, albeit 21st century style.



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