

# Perspective on broad prosperity in 2040

Building the economy of the future



SER Future Vision

# **Perspective on broad prosperity in 2040**

## Building the economy of the future

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# Vision for the future

What kind of country do we want to be in the future? What do we want to do to earn our money? How do we ensure we can do decent work? How do we distribute prosperity fairly across all regions? And what is needed to keep our planet habitable? These questions form the basis of the SER vision: 'Perspective on broad prosperity in 2040. Building the economy of the future.'

## What kind of country do we want to be?

In this vision we focus on 2040, between the short-term goals of 2030 and the long-term goals of 2050. This creates urgency, but also gives us time to ensure the transitions are organised well.

After all, the transitions will only succeed if we move forward together, and no one is left behind.

## Widening broad prosperity

In 2040 we want to be a country with broad prosperity, in which society, the environment and economy are in balance. In 2023, the SER defined this in the form of a new objective: 'Promoting broad prosperity, whereby society, the economy and the environment are in balance, here and now, later and elsewhere. We achieve this by working together to promote entrepreneurship and decent work; and promoting sustainable growth and an inclusive society with a balanced income distribution.'

## Here and now, later and elsewhere

Broad prosperity is about everything that matters to people. For example, income and earning capacity, but also job security, inclusion, a clean and healthy living environment and restoration of biodiversity. Broad prosperity is only broad if everyone in the Netherlands shares in it. This applies not only to the here and now, but also to later and elsewhere. That's why we are committed to addressing potential negative effects of our prosperity on other places in the world and future generations. Broad prosperity requires proper parenting in advance.

In SER's vision, the economy of the future is an economy in which everyone participates and in which scarce resources and space are distributed fairly. *A social market economy*. Not a competitive economy, but a consultation economy, based on strong social dialogue in the Netherlands and Europe.

## Relevant, dominant trends

The SER identifies six relevant, dominant trends that could have a significant impact on broad prosperity in the Netherlands and the world in the coming years. This concerns an ageing population and increasing labour market shortages, the development of social inequality, digitalisation and technologisation, changing geopolitical relations, climate change, loss of biodiversity and an increasing demand for space. To increase broad prosperity and offer people an attractive perspective, the Netherlands must apply an effective approach to dealing with these trends.

# Focus on three domains

In this vision of the future, the focus is on three policy areas, in keeping with the social, economic and ecological domains within the broad prosperity concept:

- Decent work and income security
- Consolidation of future earning capacity
- Space and nature within planetary boundaries

For each domain, we will describe what is going on, what the desired vision for the future is and how we can achieve it.

## I Decent work and income security

**What's going on** | Many workers experience insufficient control over their work, working hours and income. In the coming years, major transitions will cause major changes to a lot of work. Jobs in the fossil fuel industry and manufacturing are disappearing, yet green and IT jobs will be created.

Meanwhile, the ageing of the population will continue in the coming years. The shortage of labour in various sectors not only puts pressure on the quality of work, it also makes it difficult to combine work with learning, providing care, volunteering and social participation.

**Desired vision of the future** | In 2040, we want to be a country with more job and income security for workers and more agility for companies. We do not want unwanted competition in employment conditions, but security about income. No working poor, but adequate income and work that pays. Equal opportunities for all. An inclusive labour market that offers room for diversity.

**How do we achieve that?** | Decent work and income security require socio-economic policies that combat labour market shortages. In its medium-term advice [Security for people, an agile economy and recovery of society](#) (2021), the SER made proposals to renew the labour market. These have been converted into a package of measures and legislative proposals, but are yet to be fully implemented. The implementation of the coherent labour market package being continued in the coming years is therefore of paramount importance. In addition, the following measures are needed to combat labour market shortages:

- Promote the deployment of labour in sectors that contribute most to broad prosperity, such as vital sectors and sectors that offer the Netherlands international prospects.
- Increase labour productivity through digitalisation, robotisation, AI and social innovations. Social innovation is the renewal of the work organisation and maximum use of competencies, aimed at improving company performance and developing talent.
- Give everyone who wants to work (more) the opportunity to participate or work more hours.
- Offer better rewards for more work (or more working hours) through employment conditions, a simpler income support system and taxation.
- Promote safe and healthy working and thus sustainable employability.
- Reduce staff shortages in healthcare through innovation, reduction of the regulatory burden and better support for informal care.
- Facilitate childcare as a labour market instrument and as a means to contribute to equal opportunities.
- Improve the match between supply and demand by offering high-quality labour market services, retraining and further training and a system that enables lifelong development (LLO) for all.
- Focus on targeted, temporary labour migration for sectors that contribute significantly to broad prosperity and where vacancies remain unfilled for long periods of time.

## II Consolidation of future earning capacity

**What's going on** | Many entrepreneurs in the Netherlands are concerned about the business climate. Companies want to go green but in many regions, they cannot get access to electricity. The Netherlands shows insufficient activity in the key technologies of the future, such as the food technology and chip manufacturing, artificial intelligence, the high-tech manufacturing industry and industrial biotech. Education is struggling with teacher shortages, while students' reading skills are lagging behind (PISA scores). The accumulation of regulations has a paralysing effect. There is too little room for experimentation and productivity growth remains stagnant.

**Desired vision of the future** | In 2040, the Netherlands wants to be a country with an innovative, circular and safe economy, based on inclusion and sustainability. A country with a strong business climate, leadership in key technologies and a strong position in a resilient Europe that works better together.

**How do we achieve that?** | Broad prosperity can only be achieved if the Netherlands has sufficient earning capacity and focuses on activities that offer high added value and/or geopolitical relevance. This requires a long-term investment agenda:

- Accelerate policy implementation for the climate, raw materials and energy transition. Invest in the infrastructure required for this.
- Focus on technologies and sectors with potential for the Netherlands, such as AI, climate & nature restoration, microelectronics, the high-tech manufacturing industry and biotechnology.
- Increase public and private investments in research and development (R&D) to 3 percent by 2030 to create an innovative economy.
- Provide financing options for entrepreneurs.

Create clarity about what we want with the transitions, so that investments are made in the right places.

- Reduce the regulatory burden for citizens and businesses, particularly for SMEs, start-ups and scale-ups.
- Strengthen the quality of basic education.
- Develop a strategy to increase productivity and promote social innovation.
- Promote international corporate social responsibility at European level, so that businesses address negative impacts on, for example, human rights and the environment in their chains.

## III Space and nature within planetary boundaries

**What's going on** | Our current way of life demands much more than the planet can handle. Crossing planetary boundaries leads to climate change, resource depletion, loss of biodiversity, water problems, social inequality and an increase in climate refugees. The transitions that are taking place and the challenges that need to be solved all put a lot of pressure on the available space. This threatens fragmentation and delay of tasks and economic development.

**Desired vision of the future** | By 2040, we want to be a country that combats climate change, restores and improves biodiversity and creates a safe and clean living environment, whilst ensuring a just transition. The costs and benefits of sustainability must be distributed fairly, between groups and between generations.

**How do we achieve that?** | The pursuit of broad prosperity requires a fundamentally different approach to energy, raw materials and space. The energy, raw materials and food transitions require a government that takes control and sets clear pre-conditions in the form of stable policy and future-oriented legislation and regulations. However, the government cannot do this on its own; it needs the cooperation and commitment of the business community and society as a whole. Given the scarcity of space, strict choices and measures are unavoidable:

- Invest in scaling up green initiatives, expanding the energy infrastructure and the availability of qualified personnel.
- Limit the use of natural resources. Reduce climate impact and the environmental burden by using raw

materials, resources and products radically more efficiently.

- Focus on a longer lifespan of products, the reuse of raw materials and the replacement of new raw materials with renewable or more sustainable alternatives.
- Increase the strategic autonomy of the Netherlands/Europe and the security of supply, in particular through the reuse of critical metals.
- Reduce the environmental burden of our food production and improve water quality.
- Offer a perspective on sustainable agriculture, whilst paying attention to sufficient earning capacity for agricultural entrepreneurs, the liveability of the countryside and social cohesion.

# Five pre-conditions

In order to implement and maintain policy priorities for the future, a number of preconditions must be met. This is the joint responsibility of governments, companies, employee and employer organisations, civil society organisations and households.

- 1. An efficient, adaptive, consistent, reliable and framework-setting government.** The government setting clear frameworks for entrepreneurs, workers and households is of paramount importance. This is crucial for confidence and the investment climate in a period of major transitions.
- 2. Clear rules of the game.** If the rules of the game are clear, companies and households can make their contribution and know what they can count on. Policies implemented previously on the basis of which companies and households have made decisions cannot simply be reversed. The government focuses more on the what, and less so on the how.
- 3. Space for involvement and perspective for action.** Where possible, the operational strength of companies is utilised through public-private partnerships. Society is better involved through appropriate forms of participation, with special attention to the voice of young people and future generations.
- 4. Better coordination between policy and implementation.** The regulations and implementation are simplified and the regulatory burden is reduced. Professionals in public services are given more space.
- 5. Integrated, multi-annual budgetary policy.** A resilient fiscal policy requires a balanced mix of reforms, taxes, government spending and public-private investments. To maintain support for the transitions, the benefits and burdens are distributed fairly, including between generations. Everyone can participate in the transition to sustainability.



# Recommendations for the coming government term

What is needed to increase broad prosperity and achieve the set goals? Recent SER advice contains concrete tools and recommendations for the next government term. The most important recommendations are highlighted below.

## **I Recommendations for decent work and income security:**

- **Make the labour market diverse and inclusive.**
- **Renew the income policy.**
- **Close the opportunity gap and provide for a coherent system of childcare facilities.**
- **Make working in the public sector more attractive.**
- **Address the acute need in youth care.**

### **Relevant SER advice:**

- [Socio-economic policy 2021-2024 \(medium-term advice\) \(2021\)](#)
- [Promising start for all children \(2021\)](#)
- [Getting started for healthcare; Action agenda for the healthcare labour market \(2021\)](#)
- [Valuable work: public service under pressure \(2023\)](#)
- [Growing up, living and working in a healthy environment \(2023\)](#)
- [Balance in social leave \(2023\)](#)

## **II Recommendations aimed at future earning capacity:**

- **Invest in the future earning capacity of the Netherlands.**
- **Introduce European legislation for International Corporate Social Responsibility (ICSR).**
- **Create perspective for sustainable agriculture.**
- **Make Europe resilient, sustainable, digital, fair and social.**

### **Relevant SER advice/explorations:**

- [Towards sustainable future prospects for agriculture \(2021\)](#)
- [European Union Policy Agenda 2024-2029 \(2023\)](#)

## **III Recommendations focused on nature and space:**

- **As a government, take control.**
- **Make the manufacturing industry sustainable.**
- **Tackle the bottlenecks in the housing market.**
- **Accelerate the raw materials transition to a circular economy.**

### **Relevant SER advice/explorations:**

- [Biomass in balance \(2020\)](#)
- [Balanced management of the raw materials transition and energy transition for broad prosperity \(2022\)](#)
- [How living works \(2022\)](#)
- [Accelerating the raw materials transition \(2023\)](#)
- [Biodiversity pays off: a guideline for workers and entrepreneurs \(2023\)](#)
- [Sustainability of the manufacturing industry \(2023\)](#)

# Time for dialogue | Working on support

With this vision of the economy of the future, the SER offers the new government and parliament ideas and tools to tackle the major challenges and dominant trends of our era. Examples include climate change, loss of biodiversity, demographic changes, digitalisation, changing geopolitical relations, increasing social inequality and an ever-increasing demand for scarce space.

This vision is about broad prosperity for all. With that goal in mind, we can make the right choices and considerations. For the here and now, but also for elsewhere and later: other places in the world and future generations. That takes courage and determination. Not everything is possible in all places. And not everything can be done at once. That's why it is necessary to move forward together and leave no one behind.

Working on the future is never finished. It requires an ongoing dialogue between politics and society. This dialogue is crucial to gain support for policy. In the coming government term, the SER wants to enter into a structured dialogue with the new government and the House of Representatives, in order to build the sustainable economy of the future, together.

Building together requires everyone's commitment: a *government* that sets the framework and promotes and facilitates the transitions, *businesses* that invest in proper work and innovation and *workers* who invest in themselves by combining work with learning, development and providing care. We face the challenge of creating a strong, social and green future, together.

The path to strengthening broad prosperity in 2040 lies before us. Together we bring broad prosperity closer to all of us.

# Colophon

This public version is based on the vision Perspective on broad prosperity in 2040 - Building the economy of the future.

Sociaal-Economische Raad (SER)

Bezuidenhoutseweg 60

Postbus 90405

2509 LK The Hague

T 070 3499 525

communicatie@ser.nl [www.ser.nl](http://www.ser.nl)

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SOCIAAL-ECONOMISCHE RAAD

(Social and Economic Council)

Bezuidenhoutseweg 60

P.O. Box 90405

NL-2509 LK Den Haag

The Netherlands

T 070 3499 525

E [communicatie@ser.nl](mailto:communicatie@ser.nl)

[www.ser.nl](http://www.ser.nl)

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