

# From Professor To Politician To Sustainability Advocate: A Conversation With Jan Peter Balkenende

Robert G. Eccles Contributor

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*Tenured Harvard Business School professor, now at Oxford University.*

On November 4, 2022, I had the great pleasure and honor to deliver the second [Piet Sanders Lecture](#) sponsored by the Erasmus School of Law in Rotterdam, the Netherlands. My gracious hosts were Dean Harriët Schelhaas, Professor Maarten Verbrugh, Professor Helene Vletter-van Dort, and Mr. Ronald de Groot. The topic of my lecture (which actually turned out just to be four stories instead) was “[Will ESG Investing Survive Its Crucible?](#)”

It was also a great honor that Professor Jan Peter Balkenende, a former three times-elected Dutch Prime Minister, came to my lecture. We had a brief chat afterwards and agreed to stay in touch. Just before the holiday break I had a very interesting conversation with him about his background and current interests. I asked Mr. Balkenende if he would be willing to do an interview with me after the holidays and he kindly agreed.



Jan Peter Balkenende (2022) MICHEL PORRO

**Eccles:** Jan Peter, good to chat with you again. How was your holiday break? Did you do anything special?

**Balkenende:** It was Christmas time, so I had a great time with my family. We stayed in the Netherlands which was a bit different than usual as we used to stay in Austria during the Christmas holiday. It also gave me some time to read books and to reflect on an academic project, in which I am involved, about the future of capitalism in Europe.

**Eccles:** Sounds like a lovely holiday break. You certainly have an unusual background, so let's start at the beginning. Please tell me a bit about your family and childhood leading up to university.

**Balkenende:** I was born in 1956 in a village in—what I call—the most beautiful Province of the Netherlands, Zeeland. My father was a businessman, my mother a teacher, and I have two younger brothers. Both my parents were active on the boards of national and regional organizations, often in the position of Chair. I have learned a lot from them about the art of decision-making, the power of arguments, and the essence of integrity. At a young age, I was interested in politics, but also in art. I even produced Art Nouveau-style drawings. I had a nice time at secondary school. So all in all, a happy youth.

**Eccles:** Sounds happy indeed! Where did you go to university and what did you study?"

**Balkenende:** Initially I had the idea to become a teacher in the German language, but my parents gave me the advice to study history, due to my interest in society, politics, and history. I took their advice to heart, and I started studying history at the Vrije Universiteit in Amsterdam. I had chosen this university because of its Christian identity. I specialized in Economic and Social History with Economics and Political Science as subsidiary subjects. My thesis was about the Scientific Management theory of F.W. Taylor and reactions in Protestant circles in the Netherlands.

When I had almost finished my master's degree in history, I decided to start a second study, Law, with a focus on Public Law. I was very active as a student and became a member of committees of the university and the Law Faculty Council, was an assistant to a Public Law professor, active in sports, and I enjoyed the City of Amsterdam very much with my friends from a student organization. I had two master's degrees and finished my student time in 1982. Ten years later, in 1992, I defended my Ph.D. thesis Government Regulation and Civil Society Organizations at the Faculty of Law of the Vrije Universiteit. One year later, in 1993, I became a part-time professor Christian-Social Thought on economy and society at this university.



With President Barack Obama at the Nuclear Security Summit, Washington (2010) JAN PETER BALKENENDE

**Eccles:** As you've mentioned, your initial goal was to become a teacher. Why did you want to become an academic?

**Balkenende:** You're right, the first idea was to become a teacher but, in fact, this idea faded away. I became more and more interested in the academic way of thinking, I believed in multidisciplinary approaches, and I was inspired by a lot of professors. With that interest, I started my first job as a staff member in legal affairs at the Netherlands' Universities Council. I had the conviction that the academic world should lay connections with policymakers, the business world, and society. As an academic you are—or in any case, you should be—able to analyze in the right way. Making the right analysis is always key.

**Eccles:** Couldn't agree more about the connections academics should be making but some do, and some don't. Very few academics venture outside the Ivy walls to enter politics. How did that happen?

**Balkenende:** That's a nice question. I personally never had much to do with these Ivy walls. When I was a student, I became a member of my political party, the Christian Democratic Alliance (CDA), and its youth organization. When I almost had finished my Law study, I was elected member of the City Council of Amstelveen, a city near Amsterdam. After my time at

the Universities' Council I became a staff member of the Research Institute for the CDA, the think tank of my party. We were working with study committees—in my case, for example, about development cooperation, technology and innovation, economic growth, tax policy, poverty, Europe and NGOs, etc. These committees were usually chaired by a professor and with members from politics, the business sector, unions, universities, and high-ranking civil servants. At the think tank, we developed the concept of a responsible society and its implications for different policy sectors. I had a fascinating time with great colleagues. We did academic work but always in cooperation with others. It also meant being critical of political developments and your own party. If you would read my Ph.D. thesis you can see what I mean.

**Eccles:** Sounds interesting but if it's in Dutch I'll have to take a pass! All I know about Dutch politics is what I've learned from you. Mind telling me a bit about your political party at that time?

**Balkenende:** I was invited to become a candidate for the parliamentary elections in 1998. In those days we were in opposition. My party belongs to the center of the political spectrum and emphasizes the balance between the state, market, and society, working on the basis of political principles like public justice, responsibility, solidarity, and stewardship. For a very long time, Christian Democrats were part of Dutch governments. That changed in 1994. We became a party in opposition. In the autumn of 2001, there was a crisis in my party and both the party chairman and the party leader in parliament had to leave and I had to take over. Against all expectations, we won the elections in May 2002 by a large margin.

**Eccles:** I'm impressed! But I have to also confess that being in politics has virtually zero appeal to me. I do respect people like you doing this public service. I also have to admit I'm dubious about some of the characters who go into this line of work here in the U.S. and elsewhere, but that's a subject for another day. You're the first Prime Minister I met and probably the only one I ever will. What's that job like?

**Balkenende:** It depends on which of the aspects you're interested in. The position demands a lot from you, working all the time, hardly having time for your family, tackling continuous political incidents and at the same time realizing your policy goals, many international contacts, meeting people, and having many debates. Not every day is nice, of course, but I enjoyed my work, from the beginning of July 2002 till the end of October 2010. Together with others, you can contribute to the future of your country and that's a great and honorable experience.



Queen of The Netherlands, Máxima Zorreguieta, receiving a publication of the Dutch Sustainable Growth Coalition from Jan Peter Balkenende (2014). EDWIN JANSSEN

**Eccles:** Sounds both challenging and fulfilling. What were your biggest successes?”

**Balkenende:** Realizing reforms in social security, health, and pre-pension facilities, a successful presidency of the EU in the second half of 2004, strengthening innovation and competitiveness by our Innovation Platform, underlining the essential role of values in society, and tackling the financial crisis in 2008 with other ministers.

**Eccles:** What were your biggest failures?

**Balkenende:** Many things went well, but in the cabinet formation in 2006/2007 we should have made stricter agreements with especially the Labour Party. This could have prevented later difficulties.

**Eccles:** One last question on your time as Prime Minister. What are the biggest lessons you learned about politics or life in general?

**Balkenende:** Think before you act, always make the right analysis, stick to dreams and

ideals, define your goals very clearly, know where your political boundaries are, avoid wrong compromises, always take criticisms seriously but forget nonsense, invest in teamwork, be relaxed, and never forget the power of humor.

**Eccles:** I can think of a number of politicians in the U.S. on both sides of the aisle that could use this advice. What did you do after being Prime Minister?”

**Balkenende:** I received the invitation from the President of Erasmus University to become a professor of Governance, Institutions and Internationalization, starting on December 1, 2010, which was a part-time position. The Managing Partner of Ernst & Young (now EY) Netherlands offered me a position as Partner Corporate Responsibility and International Affairs. The focus of this job was on how to integrate sustainability into business models. So I was working on new responsibilities for companies, the importance of integrated thinking and integrated reporting, and the meaning of Creating Shared Value of Michael Porter.

And I learned from you! I still remember your working paper “The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance,” with Ioannis Ioannou and George Serafeim written in 2011. Besides these activities, I also had other positions like Supervisory Board Member of ING, The Netherlands Cancer Institute, TopsportCommunity. Currently, I am External Senior Advisor to EY, Associate Partner at Hague Corporate Affairs, Professor Emeritus at Erasmus University, Chairman of the Noaber Foundation, Member of the Club de Madrid – an organization of former Heads of Government of democratic nations - and Chairman of the Dutch Sustainable Growth Coalition. My working life is a combination of academia, politics, and the business sector.



Jan Peter Balkenende at the Erasmus School of Law JAN PETER BALKENENDE

**Eccles:** Well, I have to admit we professors are always glad to hear someone has read something we've written! When we talked before the holidays, I was very intrigued to learn about the Dutch Sustainable Growth Coalition (DSGC). I know you had a seminal role in starting that. Please tell me how this came about. Dutch Sustainable Growth Coalition

**Balkenende:** What happened? After my time as PM, Paul Polman, the then CEO of Unilever, invited me for a meeting, just to talk about my role at EY and my other activities. We spoke about Dutch companies and the phenomenon that a lot of these companies are high on the Dow Jones Sustainability Index. Why shouldn't we join forces? What can we learn from each other? How can we encourage companies to act much more sustainably?

After this meeting, we spoke with other CEOs of Dutch companies besides Unilever: AKZO-NOBEL, DSM, Friesland Campina, Heineken, KLM, Philips, and Shell. The initiative was supported by the Dutch Employers Organization VNO-NCW and facilitated by EY and since 2017 by Accenture. We launched our initiative at the World Economic Forum in 2012 and since then we have written reports on Sustainable Growth Business Models, on the implementation of these orientations within companies, and on how we as companies can contribute to the SDGs, Climate Change, and the Circular Economy. We had projects on biofuels in shipping, together with Moller-Maersk, on plastics, and circularity. We have organized conferences about these reports, had annual meetings with the Dutch Government, and we talk with other companies. We have been working together with Dutch Embassies in many countries. All information is available on our website [www.dsgc.nl/en](http://www.dsgc.nl/en).

**Eccles:** What is the DSGC up to now?

**Balkenende:** We recently had an excellent meeting with the Dutch Government, we are busy with organizing deep dives around key areas, we are organizing expert sessions of young professionals, and we initiated a series of podcasts. There's still a lot of work to do. We also published a statement, in the time of Corona, together with four other organizations and almost 400 companies with a clear message: if the EU and governments want to stimulate the economy, it is key that there must be a close connection with the sustainability agenda. DSGC was first focusing on awareness, today it's more about driving the public-private dialogue and bringing existing sustainability ecosystems together in order to accelerate systemic change and integration.

**Eccles:** Sitting here in America as the ESG culture wars rage on, I have to say I find this refreshing and must admit I'm a bit envious. But I notice that it's primarily eight large companies. How generalizable do you think these ideas are?

**Balkenende:** You are right. DSGC is about eight large companies, but in fact, all companies should be involved in embedding sustainability into business models. That counts for the bigger ones—and many of them are very active in this regard—and the SMEs. In the Netherlands, several organizations play a key role in informing smaller companies. Sustainability is about fundamentally changing the mindset and the mainstream.

**Eccles:** Given the political situation in the U.S., do you think it would be possible to form a similar group here?

**Balkenende:** It depends on the willingness of companies to join forces and to be creative in a sustainable way. I saw a few years ago a good “Statement on the Purpose of a Corporation” of the Business Roundtable. Indeed a good statement, but it all depends on implementation. Businesses have an extremely important role to play in tackling Climate Change, realizing circularity, and combating inequality.



Jan Peter Balkenende receiving an honorary doctorate degree from Hofstra University. JAN PETER BALKENENDE

Receiving the honorary doctorate from Hofstra University, New York (2011)

**Eccles:** I see this as a natural experiment. The thesis of the DSGC is that this will enable large Dutch companies to create a sustainable long-term competitive advantage.



There are folks here in the U.S. who think it will do exactly the opposite. What's your view on this?

**Balkenende:** Let me be very clear. Those companies that are not willing to change in such a way that they serve society instead of only taking care of their own interests will be the losers in the future. Society, our planet, and future generations require new orientations. The longer we wait, the higher the price will be.

**Eccles:** You know I couldn't agree more. And you know I was going to ask you this. What does ESG mean to you, and do you think ESG and Sustainability are the same thing or different things?"

**Balkenende:** To me, ESG is of great importance and part of the bigger sustainability agenda. That agenda entails a shift of mindset, integrated thinking, future orientation, redefining business strategies and business models, and transparency like Integrated Reporting. ESG is not an obstacle, but an opportunity. I can recommend the recently published book by Rob van Tulder and Eveline van Mil, *Principles of Sustainable Business. Frameworks for Corporate Action on the SDGs*, which is an interesting read in line with this topic.

**Eccles:** I'll get that book and read it. I also know you're a busy guy, but mind giving me a quick update on what you're doing now?

**Balkenende:** Preparing various speeches, finalizing the publication on the future of capitalism in Europe, and maintaining contact with national and international relations, such as our conversation. It's a pleasure to be able to discuss important matters like ESG in interviews like these with you, so thank you for having me.

**Eccles:** Thanks for your time, thanks for all you've done in your career, and I look forward to keeping in touch. Next time I'm in town how about I treat you to dinner at NY Basement in Hotel New York?

**Balkenende:** That would be a great idea! I enjoyed your Sanders Lecture very much and I'm looking forward to continuing our conversation.

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