The Netherlands: Neoliberal Dreams in Times of Austerity

written by Alex de Jong | January 12, 2013

DESCRIBING DUTCH SOCIETY AND POLITICS in 2012, sociologist Willem Schinkel used the metaphor of a museum.[1] Conservative and turned inward, Dutch society is afraid of change, fixated on something called "Dutch values." One expression of this is the right-wing, nationalist populism that since a decade stood in the center of Dutch politics and public debate. Social-economic policies were guided by an unquestioned acceptance of neoliberal principles. The elections of 2012 seemed a chance to break with this pattern. For a few weeks, the left-wing Socialist Party (SP) dominated the polls and the social questions made a return in politics. But the elections ended with a major victory for the neoliberal right and stagnation for the SP. What happened?

The euro crisis plays a remarkably small role in Dutch politics. Not that the crisis is without consequences for Dutch politics, but so far it mostly reinforces conservative tendencies. The Dutch government remains a strong supporter of forcing austerity measures on the crisis-ridden countries of South-Europe. Neoliberalism and its answer to the failure of austerity to resolve the crisis (more austerity) remain dominant. At the moment of writing, the new government is still in formation, but it's certain to continue the austerity policies of its predecessor. To explain the impasse in Dutch politics, this article looks at the nineties, when government coalitions of social-democrats and free-market liberals made neoliberalism the dominant ideology, and the evolution of the major anti-neoliberal force, the Socialist Party (SP).

From Dutch Disease to Dutch Miracle

FOR DECADES, Dutch politics was dominated by Christian-Democracy, since 1980 organized in the CDA (*Christen-Democratisch Appel,* Christian Democratic Appeal). Despite a relatively weak social-democratic tradition, the Netherlands had one of the more developed welfare states in Europe. For a long time the CDA's social-economic policies were heavily influenced by Keynesian ideas, similar to those of social-democracy. Christian-democracy supported numerous social-democratic measures together with the social-democratic PvdA (*Partij van de Arbeid*, Labor Party).

The Dutch economy entered into crisis in the seventies. Unemployment soared, approaching one million on a total population of 14 million. The national deficit was growing, because of rising social security costs but also because of handouts to corporations. In 1979-1980 alone, corporations received 23 billion guilders in financial support.[2] In response, conservative governments in the eighties in reaction attacked the welfare-state. Former prime-minister Joop den Uyl of the PvdA in 1982 already remarked that the crisis and unemployment were used to diminish the power of the trade-unions, restore old privileges, increase inequality, and demolish the welfare state.[3] Wages stagnated or even decreased but profits increased. Large strikes in the early eighties failed to turn the tide, and in the "Wassenaar agreement" of 1982 the trade-union movement committed itself to moderation of wages and a "shared responsibility" for economic growth and profitability.

The neoliberal offensive intensified after 1994 when the PvdA formed a government coalition with the right-wing, pro-business, secular VVD (*Volkspartij voor Vrijheid en Democratie*, Peoples Party for Freedom and Democracy) and another free-market liberal party, continuing in the same coalition after the 1998 elections until 2002. The PvdA converted to Blairite "third way" politics and its leader called for a "final goodbye to the old socialist ideology." With Christian-Democracy finally

out of power, the new "purple" government (so called because of the mix of the social-democratic red and liberal blue) introduced reforms on cultural issues like LGBT rights and euthanasia. At the same time, the labor and housing-markets were liberalized, the railways split up, important parts of social security, health care, and pension privatized, and benefits cut.

The cooperation between the major parties on the right- and left-wing of Dutch politics, without the traditional "center" of the CDA, gave the impression that political conflict was something of the past. Politics were reduced to a form of problem management, a question of how best to implement policies almost the entire parliamentary spectrum agreed on. The trade-union movement was unable to stop the rightward shift as its leadership continued on the road of the Wassenaar agreement and cooperated with its traditional political ally, the PvdA. Where in some other states neoliberal governments confronted the unions to break their power, in the Netherlands the emphasis was on coopting the unions and making them partly responsible for government policies. Numerous strikes by disgruntled rank and file members didn't change the course of the trade-union movement and social inequality increased.

In the nineties, the coordinates of Dutch politics changed fundamentally and many of the major political events since then, like the "no" to the European constitution in the referendum of 2005 and the rise of right-wing populism after 2001 but also the rise of the SP, can largely be understood as parts of a diffuse and contradictory backlash to the politics of "purple."

Neoliberalism had promised continuous economic growth, and Dutch economic success in the nineties seemed to confirm this.[4] Growth rates were higher than they had been since the early seventies and victims of the government policies were marginalized. A neoliberal view of humans as rational, calculating, selfish individuals, homo economicus, became the unspoken assumption on which policies were based. At the beginning of the new millennium, the Netherlands was one of the European frontrunners in the dismantling of the welfare state.

The populist political maverick Pim Fortuyn began his rapid rise in 2001 in large part by basing himself on people who felt ignored by this kind of politics. Fortuyn was murdered in 2002, but his legacy continued with other politicians, most prominently ex-VVD parliamentarian Geert Wilders, who radicalized Fortuyn's nationalist, anti-Muslim populism. When it came to economics, Fortuyn and his apostles offer mostly more of the same free-market ideology. But Fortuyn reintroduced an idea of conflict in politics, and right-wing populism gave its followers the feeling of belonging to a larger whole: the Dutch nation, threatened by immigrants, Muslims, and the "left-wing elites." Neoliberal economic policies remained unquestioned as culture, especially the attitude regarding the country's one million strong Islamic minority, became the central issue in politics.

Populism has a useful function for the other political parties who can hide their own ideological character by pointing an accusing finger at it. Compared to the ravings of Geert Wilders, leader of the *Partij voor de Vrijheid* (PVV, Freedom Party[5], before the 2012 elections the third party in parliament) who demands the banning of the Quran and describes law-and-order problems in terms of a civil war, it is easy to resemble a moderate liberal, even when implementing hard right-wing policies. Although PVV parliamentarians mostly vote with other members of the right on economic issues, they also pose as defenders of the welfare-state by rejecting certain highly unpopular austerity measures.[6] Its opportunism is clear in its willingness to use these issues as political bargaining chips. Even differences on economic matters are framed in cultural terms: the PVV argues its position as part of a defense of "Dutch values"; the neoliberal right attributes both the economic and xenophobic positions of the PVV to its conservatism. This way neoliberals can amalgamate the nationalists and the left-wing opponents of neoliberalism who are accused of the same conservatism as Geert Wilders.

Dutch Dissidents

YEARS INTO THE EURO CRISIS, with an unstable political landscape (the last time a government served its full four year term was in 1998), Dutch politics remained focused on cultural issues and neoliberalism the default foundation of economic policies. How did the anti-neoliberal SP become a mass-party in such a country? Did the 2012 elections really provide a chance for it to shake the neoliberal consensus of Dutch politics as both left-wing commentators and the *Wall Street Journal* thought?[7]

The roots of the SP are in the *Kommunistiese Eenheidsbeweging Nederland (Marxisties-Leninisties),* (KEN, Communist Unity Movement Netherlands, Marxist-Leninist, using the alternative spelling popular among leftists at the time) one of several Maoist groups that were part of the radical movements of the late sixties and early seventies.[8] What made the KEN different from many other groups was that it included radicalized students as well as blue-collar workers. In the harbor of Rotterdam, one of the country's labor strongholds, it had some support in the traditional working class, and in 1970 it gained national attention for its support for a wildcat strike there. This gave the KEN credibility as an organization of the working class, both domestically and abroad: the Chinese government supported their Dutch comrades with tens of thousands of dollars.

One of the important leaders of the KEN in those days was Daan Monjé, a pipefitter by trade. For Monjé, the Maoist ideas of "serve the people" and the mass-line were central. The mass-line meant the party should listen to "the masses," sort through their ideas, concentrate them on the basis of its ideology and base its political work on the result. For Monjé this meant that the KEN should concentrate on daily problems of Dutch workers and be guided by their demands. This approach, different from much of the other far-left groups at the time, had a lasting impact on the organization. In 1970 the KEN split and Monjé's wing went on as the *Kommunistiese Partij Nederland* (Communist Party Netherlands), changing its name two years later to *Socialistiese Partij* (Socialist Party) which grew to around 750 members.[9]

Where before the party focused on industrial workers and urged its student-members to take factory jobs, experience led to a revaluation of this approach. Many former students had problems adapting to factory jobs. Trade unions were relatively strong in the larger factories and numerous far-left groups competed with each other for influence among the organized working class. Still heavily influenced by Maoist ideas and its distrust of established trade unions, which it saw as dominated by the "labor aristocracy," the SP took a different approach. As other radicals tried to win influence in the unions or entered the established workers' parties, the SP reached out to unorganized workers, not in the factories but in popular neighborhoods. It concentrated on issues like housing conditions, pollution, and safety. This way the SP reached workers who had very little, if any, contact with left-wing politics before.

Part of the relative success of this approach was because of the peculiar history of the Dutch workers' movement. Compared to similar North-European countries, the Netherlands has a weak socialist movement. Even during the "left-wing seventies," the Communist Party never gained more than 7 out of 150 seats and its support was unevenly distributed across the country. The PvdA was much stronger, but its social implantation was still weaker than that of other North-European social-democratic parties. Part of the explanation for this is that the industrial sector, the bastion of the workers' movement in many other European countries, remained relatively weak. In the early seventies, around a quarter of the workforce worked in the industrial sector and this percentage gradually declined.[10]

Another part of the explanation for the relative weakness of Dutch socialism is the tradition of what in sociology is called *verzuiling*; "compartmentalization." The dominant interpretation of this

term is that since the late nineteenth century, Dutch society was organized in different vertical, cross-class compartments, each with its own cultural and social life and own political elites. There was a socialist compartment but also one of the disadvantaged Catholic minority. Catholic workers were organized in separate, Catholic trade-unions. When the PvdA was organized after the end of the German occupation in 1945, one goal of the new party was to break through such barriers and win Catholic workers for socialism. It failed to do this. But the system of compartmentalization rapidly lost influence during the cultural changes in the sixties. As the influence of religion declined, religious social ties weakened. Young people in the emancipating Catholic communities came under the influence of radical ideas, their religious background no longer a reason to be hostile to socialism. The SP grew roots among such youth, with membership concentrated in the Catholic south and east of the country. In a student city like Nijmegen, where during the seventies the Catholic university was a hotbed of activism and the industrial city of Oss in the south, the party won its first councilors in 1974.

The relative weakness of established workers' parties in such regions made it easier for a young organization like the SP to win support. Even though other left groups might not have had a strong presence there, people did not turn to the SP by default. What made the SP attractive was its practical approach to politics. Where other far-left groups often concentrated on national campaigns, the SP focused on local issues. The earlier workerism, which had lead to practices like urging male members to cut their hair short and female members to wear make-up, as "real workers would," gradually softened.

What remained was the orientation of "serving the people." The SP organized juridical support for people who had a conflict with their landlord or boss. In several cities doctors who were members of the party organized medical assistance for the poor. This created a lot of sympathy as the party was seen to make a real difference in working people's lives. Its interpretation of the mass-line meant that the SP's work was very visible and enabled the party to pick up issues that were neglected by or hardly visible to other parts of the left, such as pollution.[11]

The eighties were mostly a time of steady growth for the SP. The SP-cadres might have been mocked as "Red Jehova's" because of their missionary zeal, but their hard work won support. The focus on local work and pragmatism strengthened under its new leader Jan Marijnissen, a former factory worker.

However, the decline of the far-left during the decade and the SP's failures in national elections created doubt whether the party could ever achieve a national breakthrough. In the early nineties, the party reoriented itself. In 1991 "Marxism-Leninism" was dropped as the foundation of the party's thinking and the earlier distinction between cadre- and mass-members was abolished, convincing many of its sympathizers to finally join the party. The party grew to over 15,000 members in 1992. An important change this decade was in the goal of the party. This remained "a socialist society," but the words were given a new meaning. "Socialism" for the SP now means "a society in which human dignity, equality between people and solidarity between people take shape."[12]

IN THE FIRST NATIONAL ELECTIONS of the new decade, in 1994, the PvdA lost 12 of its 49 seats. After the elections of 1989, the Labor Party had joined a government-coalition led by the CDA and helped to implement a number of cuts, most significantly on the *Wet Arbeids Ongeschiktheid,* the Law on Labor Disability that provides ill and disabled workers with support. This led to mass-protests and a crisis in the PvdA. It had entered the nineties with over 90,000 members but membership dropped below 70,000 in 1994. In 1990 other far-left parties, including the Communist Party, had fused into the new *GroenLinks* (Green Left). A number of former members of these parties didn't agree with the new "green" orientation and joined the SP, bringing valuable experience with them.

As the PvdA was struggling and most of the left was still disoriented from the collapse of the Soviet Union, the SP's work paid off; the party won two seats in parliament. The Dutch electoral system, based on proportional representation and without a threshold, makes it relatively easy for smaller parties to enter the parliament. The SP's first parliamentarians, Remi Poppe and especially Jan Marijnissen became prominent leaders of the opposition. With the only other party to the left of the PvdA, *GroenLinks,* evolving more and more into a green party for the progressive intelligentsia, the SP was well placed to lead the opposition to "purple." With its election slogan of "vote against, vote SP" and its symbol of a thrown tomato in full flight, the SP was clearly a party of protest.

In 1998 the SP won 5 seats, in 2002 nine. The next year, the party started to emphasize its capabilities as a ruling party and how in government it would repair the damage done to the welfare-state. Its slogan was changed from "vote against" to "vote for," for example, social reconstruction. Membership of the SP continued to increase, with many former PvdA-members joining, and reached a peak of around 50,000 in 2007. In 2006 the party won over 16 per cent of the vote, 25 seats, becoming the third party in parliament. This proved to be a high point for the party; the pattern of rising support in almost every election was broken a few years later, with defeats in the municipal elections of 2010 and the loss of ten parliament seats that same year.

A Lost Opportunity?

TO THE SP, the parliamentary elections of 2012 were a chance to make up for its losses and finally reap the awards it expected from the collapse of neoliberal euphoria in 2008. In 2006, the other parties had excluded the SP from talks to form a government coalition and successfully put the blame for this on the SP's supposed radicalism and unwillingness to compromise. This impression cost the SP dearly in 2010, and the party was determined to avoid a repetition. The SP moderated its program and in the most moderate election campaign in its existence tried to present itself as the most viable alternative to the right. For a while, the approach seemed successful but in the weeks before election day, its enemies went on the offensive and within two weeks the SP's lead in the polls vaporized. The party remained at 15 seats, at a tie with the PVV for the third party, even gaining slightly fewer votes than in 2010.

Roughly four years into the euro crisis, the elections of 2012 can be said to have been the first in which the recession was a central issue. But the SP failed to convince the electorate that there is a left-wing exit to the crisis. The SP underestimated the impact its opponents' attacks on it had, how these rallied the right-wing behind the VVD, which won its largest victory ever, and the PvdA was able to win over many people that had planned to vote SP.

The SP can be understood as a product of the weaknesses and defeats of Dutch socialism. The weakness of the social democrats and Communists meant that a small group of Maoist activists in the seventies and eighties had access to a large potential of unorganized workers. As the PvdA turned its back on its social democratic roots, more and more people didn't see any other option than the SP. The SP realized that its strength was not in winning political battles with other left-wing forces but in representing people who were disenfranchised. In the eighties, this meant that it took up local issues that were ignored by other parties.

A major element of the SP's strategy then is to connect with existing constituencies of people looking for someone to represent them. After its national breakthrough, the SP persisted in prioritizing battles it was sure of it would find mass support for. Issues that are less popular, like anti-racism, are neglected. The SP has little experience in recruiting people on the basis of ideas or in ideological struggles in which different long term views and conceptions of the world clash. For such a large party, the SP has weak roots in the media or academia, and few writers or public intellectuals are associated with the party. These weaknesses came back to haunt the party during

the campaign as it came under attack in the media and its candidates struggled to explain what its differences with the PvdA, which had adopted a new, progressive sounding discourse, actually were.

The misfortunes of the SP in the last elections can be illustrated with the question of the pension age. For the last years, raising of the pension age from 65 to 67 was a central issue in Dutch politics. Already before the crisis in 2008, right-wing parties and the PvdA suggested cuts on the pension system. After 2008, the crisis became the argument for an increase of the pension age. Only the SP consistently resisted such a change and demanded that "65 stays 65," again connecting with widespread feelings in Dutch society. However, it became clear that the other parties, including the PvdA, were determined to raise the pension-age, and continuing resistance against these plans would exclude the SP from any government coalition in the near future. The SP's election program of 2012, "New Confidence" opened the door for a concession on this point by stating that "in any case, the pension age remains at 65 until 2020."

This left the question open to what the party's final position would be, but during the campaign it turned out that it had accepted an increase in the pension-age. Most political parties in the Netherlands submit their election programs to an independent government agency called the CPB (*Centraal Planbureau*, Central Planning Bureau), the bureau for economic policy analysis. This institution gives a prognosis of what the consequences would be of the proposals. It doesn't limit itself to calculating, for example, changes in taxes revenues for the coming years but makes wide-ranging predictions about employment and the Dutch economy, for decades to come. Of course such predictions are ideological fictions and reflecting hegemonic ideas in economics, they base themselves on the theories of neoliberals like Milton Friedman.[13]

Despite their claims of scientific objectivity, the CPB's calculations of course favor then those programs that are based on similar ideological presumptions. It's no surprise that it declared the VVD's proposals of harsh austerity and liberalization would generate the most jobs.[14] The predictions about the Dutch economy decades into the future are a farce, but since few question the principles underlying those predictions, they are accepted as hard scientific fact by many people. The CPB's findings are reported as such in the media and have an important impact on elections. After the CPB's released its evaluation of the SP proposals, it turned out that the institution had been asked to base itself on the assumption that after 2020 the pension-age would be raised. The party had silently given up on its resistance to this reform. Shifts like these hurt the image of the SP as a principled, reliable party.

The new government will include the PvdA and the VVD, like the Purple coalitions in the nineties. It will continue with austerity measures. Some of the suggested measures include increasing the cost of health care and abolishing of study-grants for all students. With a government of the VVD and PvdA and trade union leaders prioritizing "a seat at the table," the Dutch political landscape looks very much as it did in the nineties – with the exception of the economic situation. In the nineties, "Purple" was propelled by economic successes and promises of a trickling-down of wealth. Instead of promises, neoliberalism now only has threats; "austerity or else…" To defeat the post-2008 zombie-neoliberalism and recover from the disappointment of 2012, the SP needs to take a step back from the perspective of government responsibility in the near future. What is needed is a new long-term vision for society, grounded on rebuild social movements and ideological struggle. That will be long-term project: neoliberal ideas that have been dominant for two decades won't disappear by themselves.

Footnotes

1. Willem Schinkel, *De Nieuwe Democratie. Naar andere vormen van politiek* (Amsterdam: *De*

Bezige Bij, 2012).

2. Arie van der Zwan, *Van Drees tot Bos* (Amsterdam: Balans), 162.

3. Koen Haegens, *Neem de Tijd. Overleven in de to-go Maatschappij* (Amsterdam: Ambo, 2012), 59.

4. Servaas Storm and Ro Naastepad, "The Dutch Distress," *New Left Review* 20 (2003): 139.

5. The name "Party" is somewhat misleading for this organization. The PVV is not an organization with members and congresses. Formally it is an association with only one member: Wilders himself. This gives him unquestioned control of what the program is, who the candidates are, and even whether they are allowed to speak to the media.

6. The SP has catalogued the votes of the PVV in two brochures: '*De Gebroken Beloften van Geert Wilders*. *De Politieke Keuzes van de PVV sinds het Aantreden van de Regering-Rutte*' and *Nog meer gebroken beloften van Geert Wilders.*

7. For example, Bhaskar Sunkara, "Double Dutch," In These Times, accessed October 19, 2012, looks forward to a 'collapse' of neoliberalism. Leftward Tilt, *The Economist*,, August 25 2012, describes the SP as 'far-left'.

8. Sjaak van der Velden, *Links. PvdA, SP en GroenLinks* (Amsterdam: Aksant, 2010) surveys the history of leftwing political parties in the Netherlands.

9. Membership figures of the SP and the PvdA are based on *ibid.,* 222 – 224.

10. Maina van der Zwan, *Van Onderop & Samen Sterk. Argumenten voor een Democratische en Strijdbare Vakbeweging*. (Amsterdam: LeesLinks, 2012), 21.

11. Another issue is the SP's complicated relationship to Dutch nationalism which leads some of its members to claim that they, before Fortuyn, were the first to point out "the failure of multiculturalism." For background, see for example Kees Slager, *Het Geheim van Oss. Een Geschiedenis van de SP* (np: Olympus, 2009).

12. 'De vereniging stelt zich ten doel het verwezenlijken van een socialistische maatschappij in Nederland, een maatschappij waarin de menselijke waardigheid, de gelijkwaardigheid van mensen en de solidariteit tussen mensen *daadwerkelijk gestalte krijgen.' Statuten van de SP*, accessed 24 October, 2012. The 1999 statement of principles, *Heel de Mens* ('The Whole Human Being') abandoned earlier demands of workers' self-control and nationalization of the means of production. A "change in property relationships" is suggested as a way to deepen democracy. *Heel de Mens. Kernvisie van de SP, zoals vastgesteld door het 9e congres op* 18 december 1999, 10.

13. Leo de Kleijn, "CPB, hoe 'wetenschappelijk' is dat eigenlijk?" Grenzeloos, June 1, 2010.

14. Merijn Oudenampsen, "Naar een nieuwe ideologiekritiek," Flexmans, September 18, 2012.