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Reflection on Rutte III Coalition Agreement

After the longest cabinet negotiation ever, Mark Rutte yesterday presented the long-expected Coalition Agreement. In reaction to this, Clingendael experts interpret the new government policy as regards Europe, Migration, Security and Defence, and Climate.

Europe and the World

After a period in which the Netherlands' attitude to Brussels was in some doubt, the new Rutte III Cabinet has stated in unequivocal terms that the Netherlands 'is inextricably linked with the EU'. The agreement says, rightly so, that more European cooperation is needed on migration, climate and combating crime. The Netherlands will participate in the European Public Prosecutor's Office, an initiative that the previous government was opposed to. But in the rest of the European Union, there will be particular relief that the government will scrap the non-binding referendum.

Apart from the need for a new relationship with Turkey, and developments within the Eurozone, the Europe section in the coalition agreement is about Brexit. The new government underlines that unity of the 27 Member States should be defended during the Brexit negotiations. Rem Korteweg, Europe expert at Clingendael: "The abolition of the dividend tax must be seen as an attempt by the Cabinet to make the Netherlands more attractive to

businesses that worry about Brexit and may consider leaving the United Kingdom. It is striking that the Cabinet explicitly labels the fishery sector as a Dutch priority in the negotiations. Besides this relatively small yet visible sector, major interests are also at stake for the tulip grower, cheese maker and transport firm. A comprehensive view of the problems around Brexit and the sectors that will be affected is therefore desirable."

In foreign policy too, the new Cabinet chooses to focus on Europe and its immediate neighbourhood. Specific attention is drawn to the conflict between the Israelis and the Palestinians, and the fate of Christians where they are being persecuted. Developments in Asia and the United States remain unmentioned, where major geopolitical shifts are taking place, and President Trump's policies raise fundamental questions about the future of the transatlantic relationship. There is little extra money for foreign affairs – 40 million euros – while today's uncertain and turbulent world in fact demands a structural expansion of the diplomatic network. The previous government's radical cuts on development spending are not being restored either.

In the agreement, no mention is made of possible EU institutional reforms. Yet due to renewed Franco-German cooperation, the impact of Brexit and the upcoming European Parliament elections, such reforms can be anticipated. “The absence of a shared vision on Europe’s future could therefore easily become a divisive issue within the Cabinet,” according to Korteweg.

Migration and Refugee Policy

In the area of international policy, Rutte III states that we ‘will not withdraw into a self-imagined island providing a false sense of security.’ Migration expert Fransje Molenaar: “In the plans for migration and refugee policy, I mainly see a continuation of the present crisis management that is spurred on by national political considerations, is based on assumptions, and therefore can only give a false sense of security. Although there is no clear relationship between more development cooperation and less migration, development cooperation is made instrumental in the stopping of migration. Moreover, [Clingendael Research](#) published today demonstrates that a too-narrow focus on migration is in fact a hindrance to economic and institutional development in the region. A robust development policy can only be pursued if it has a regional vision at its foundation in which combating migration is a minor rather than a major objective.”

Further, being able to create ‘safe third countries’ in the region is central to the Cabinet’s plans for refugee policy. This has far-reaching consequences for the Dutch resolve to keep international standards high. Consider the suggestions to modify the UN Refugee Convention and to send back to the region refugees who arrive in the Netherlands and bypass the procedures. “In practice it has proved impossible to guarantee the quality of refuge in an EU country such as Greece. Recent [Clingendael Research](#) has revealed that the situation in countries such as Lebanon is even more harrowing and that there is an ‘out of sight, out of mind’ policy. The emphasis therefore lies on financially supporting a country that deprives refugees of the chance of a future perspective. It is desirable to

explore strategies that are based on positive, responsible and constructive leadership in the area of migration and refugee policy, within which Dutch solidarity and vision sets an example that other countries are impelled to follow,” says Fransje Molenaar.

Security and Defence

The coalition agreement reveals that Defence will get an extra 1.5 billion euros, increasing from over 900 million in 2018 to 1.5 billion in 2021. The question naturally is what will that extra money be spent on. It emerges from the appendix to the Coalition Agreement that about a third will go to support the armed forces and more than half to investments. Although not clearly indicated, it may be assumed that this means (a) expenditures needed to make the armed forces fully deployable again – that is recovery – and (b) financing of already-anticipated investments for equipment renewal for the existing armed forces. There is only an extra 125 million euros available in 2018 – rising to 275 million in 2021 – for ‘expansion of strike power, cyber warfare and employment’. This means, according to security experts Margriet Drent and Dick Zandee, that only lip service will be paid to fulfilling the resolutions to strengthen the armed forces. A defence budget that increases to over 10 billion euros in 2021 will still remain far removed from the NATO standard of two per cent of the Gross National Product in 2024 (about 16 billion) or even merely the European average of 1.45 per cent (around 12 billion euros) that former Minister Hennis had formulated as an intermediate target for 2021. “The Coalition Agreement is missing a statement that, in this cabinet period, neither of these standards will be aimed for or achieved. For a new Minister of Defence, this can scarcely be seen internationally as a good introduction,” according to Drent.

An attention-getter in the Coalition Agreement is the coming of a security strategy within which internal and external security are considered jointly. Many a think tank, including [Clingendael](#), has expressed support for this. Which department will be in charge of this and whether the argument for integrated security thinking will also be

continued through into a 'National Security Council-like' model remains unanswered.

Dick Zandee: "The new Cabinet is going to spend more money on Defence. The bilateral and European defence cooperation, that was enthusiastically promoted under Hennis, will be continued. Cyber warfare and technology will also receive more attention. This is all positive; at the same time the Netherlands will maintain armed forces at the 2010 ambition level with restricted capacities for defence of the NATO area or use in crisis areas far from home. Neither is there any mention of a new ambition level, badly needed after the Russian annexation of Crimea and with the unrest in the Middle East and Africa."

Climate

As regards climate policy, the Coalition Agreement is very ambitious, and there is also the realistic recognition that the Netherlands needs Europe, or at least a leading group of European countries, in order to be able to realise these ambitions. And the melting icecaps can affect us directly. Where Rutte II only dedicated a page and a half to climate, there are now no less than 12 pages with many detailed plans, including a levy on CO₂ emission by the electricity sector, freight transport and possibly aviation; higher VAT on food; the disconnection of gas from new and existing buildings; and more money for green innovations in the Netherlands and the EU.

Louise van Schaik, Sustainability expert: "These plans will certainly enhance the

Netherlands' international reputation as a green trend-setter. This also applies to the idea of laying down agreements in a National Climate Act, which can also be seen as ecognition that voluntary agreements, such as the Energy Agreement and Green Deals, give too little certainty. The question is indeed how the Act will be related to the resolution to translate the objective of a reduction of 49 per cent of CO₂ in 2030, compared with 1990, into a new Climate and Energy Agreement with the sector. Striking in this regard is that the ambitions for green tax review have still scarcely been elaborated. The storage of CO₂ in empty gas fields and the closure of coal power stations are also likely to be expensive and difficult to implement and meet with resistance."

It is also stated in the Coalition Agreement that development cooperation will be employed to combat fundamental causes such as climate change. Louise: "By this is probably meant that climate change is a fundamental cause of poverty, migration and inadequate development, and more support will be given to climate policy in developing countries. The extra funds for climate projects abroad could also indeed contribute to wider objectives in our foreign policy, such as the advancement of sustainable peace."

Finally of course it is intriguing whether there will be a Minister of, or for, Climate and Energy, the latter of these variants offering fewer possibilities for judgement on results. Which Ministry the government member's seat will be in, or whether, as a result of this, Ministry departments will be reorganised remains to be seen.

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