

“For as well as against: the Dutch-EU paradox”

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From pro-EU towards defending sovereignty?

The government headed by liberal prime minister Rutte fell at the end of April 2012. Internationally, his minority government will probably be remembered for the support it needed – and received – from the anti-immigration ‘freedom party’ lead by Geert Wilders. The public impression of this government, particularly in its first year, from October 2010 until August 2011, was that this government – and hence the Netherlands – had become anti-European and inward looking.¹ The *Financial Times* (30 May 2011) referred to the Netherlands as the ‘most obstructionist’ country in the EU and European Commission President Barroso linked it to other populist countries. It is somewhat ironic that the Dutch government fell because it failed to arrive at a compromise on the 2013 budget and the need to adhere to the ‘Brussels’ 3% rule.

Geert Wilders subsequently announced to make the Dutch exit from both the euro and the EU priorities for the elections in September 2012.² His right-wing Freedom Party is not the only EU critical party: the left-wing Socialist Party also uses anti-EU slogans. i.e. the Netherlands should get out of the neoliberal ‘gripping jaws’ of Brussels.³ Together, these two parties represent about one third of the votes in the polls – and sometimes the Socialist Party even emerges as the biggest party. This, together with the ‘imposed’ 3% norm, means the EU might actually become one of the core themes in the elections and that the debates on the EU will probably be harsh. Moreover, the pull from these two extreme parties on the left and the right forces the left (Labour Party) and right (Rutte’s Liberal Party) to incorporate some of the EU skeptical tones. At first sight one might conclude that, although the EU was never a real issue in any election, the Union has become a core issue in the traditionally pro-EU Netherlands and that the mood is swinging towards anti-EU inclinations.

The criticism on the Netherlands as an EU-skeptical country seems to resonate more broadly in the Netherlands and abroad.⁴ As far as the elections in 2010 addressed the EU, the discussion between political parties – including the traditionally pro-EU Christian Democrats – was about ‘European cooperation’ instead of the previously more used ‘European integration’. Avoiding any broader political relevance of the EU, Rutte in his first year underlined that European integration was a project to further in particular the Dutch economic interests.⁵ In the same vein discussions were going on between policy makers about recouping

¹ <http://www.trouw.nl/tr/nl/4500/Politiek/article/detail/3033341/2011/11/14/Rutte-Nederland-helemaal-niet-naar-binnen-gekeerd.dhtml>

<http://archieff.nrc.nl/index.php/2011/Okttober/29/Voorpagina/01/Ambassadeurs+vinden+Nederland+een+verward+en+introvert+land/check=Y>

<http://www.volkskrant.nl/vk/nl/3184/opinie/article/detail/3093207/2011/12/24/Hadden-ze-dijken-gehad-dan-zou-de-rest-van-Europa-erachter-hebben-gezeten.dhtml>.

<http://www.elsevier.nl/web/Opinie/Afshin-Ellian/324396/De-gevaarlijke-eurofilie-van-D66-en-de-NRC.htm>

² http://www.telegraaf.nl/binnenland/12046265/Wilders_koerst_op_EU-light_.html

³ <http://www.sp.nl/europa/klauwen/> (consulted 3 May 2012).

⁴ See for example <http://www.trouw.nl/tr/nl/6844/Rob-de-Wijk/article/detail/3230129/2012/03/23/Nederland-moet-nu-de-tol-betalen-voor-zijn-anti-Europeanisme.dhtml>.

⁵ ‘Het Europa van Rutte bestaat uit business’, *NRC Handelsblad*, 17 May 2011.

some of the EU competences and to defend national sovereignty. A majority in Parliament even supported a declaration asking the government not to hand over any sovereignty to Brussels and not to move towards a political union (Motie-Slob (24-03-2011)). These developments seem to underline major shifts in the traditional pro-EU positions.

Taking office in October 2010, the Rutte government immediately embarked on a number of policies which brought Dutch ministers on collision courses with the EU and with individual EU member states. The list of complaints about the Netherlands grew quickly. Asylum and migration was a priority for Rutte: immigration should be reduced and integration should become a priority. Minister for migration, Leers, was sent around the EU to find support for altering EU legislation despite the probably limited chances of success. Where the Netherlands had fought to move forward with Europeanisation in the area of justice and home affairs in the 1990s, the Rutte administration wanted to increase the room for manoeuvre for the member states when it comes to rules for family reunion and rights of labourers from other EU countries. As regards enlargement, the Netherlands wanted to draw lessons from the – generally acknowledged as too early – membership of Rumania and Bulgaria. Serbia had met with Dutch vetoes until cooperation with the International Criminal Court was ensured and Mladic and Hadzic were handed over to the International Criminal Tribunal for the Former Yugoslavia (ICTY). Similarly, the enlargement of Schengen with Rumania and Bulgaria was single-handedly blocked by a Dutch veto on the grounds of these countries' poor records in terms of respecting rule of law principles – despite a positive report from the Commission.

The list of Dutch grandstanding is however much longer. Foreign Affairs Minister Rosenthal was on his own when he vetoed a European position against Israel on the increasing violence from Israeli settlers against Palestinians. Also in the discussions on solving the eurocrisis, Finance Minister De Jager held intransigent views. Original reticence to participate in EU support funds was followed by demands concerning the involvement of the IMF in handling the eurocrisis, tough austerity conditions for the problem countries,⁶ and the insistence on the widely despised 'psi' (private sector involvement) that resulted in the drastic haircut of bank investments in Greece. De Jager annoyed diplomats in the EU by expressing his regrets about upcoming Greek democratic elections planned for spring 2012.⁷ In response to his outspoken reputation, he had remarked: 'I am Dutch, so I may be blunt.'⁸

The Dutch lack of subtlety has had its price. The realization that even the Dutch austerity package proved insufficient and that the budget deficit persisted 1,5% above the allowed 3% resulted in malicious delight in the European press throughout March 2012.⁹

The apparent EU-critical attitude goes back much further. Actually, the political consensus about European integration started to fall apart already in the 1990s. The Socialist Party was the first to distance itself from the project. But a more critical view on the EU was certainly also stimulated by the emphasis of successive governments on the fact that the Netherlands was contributing too much to the EU budget. It became a habit of many politicians to blame Brussels for everything that went wrong. Thus the basis was laid for a negative attitude of part of the Dutch population which was subsequently exploited by populists like Pim Fortuyn who

⁶ Compare the discussion in the Spanish paper in this series of the needs for a growth oriented policy.

⁷ http://www.europa-nu.nl/id/vix2mpz7grxh/nieuws/de_jager_liever_geen_verkiezingen_in?ctx=vhia2qep44vn

⁸ Presseurop 15 July 2011.

⁹ <http://www.welingerlichtekringen.nl/18870-de-europese-krantencommentaren-op-het-miljardentekort-van-nederland.html>.

included Europe in their attacks on the political elite. A split occurred between those who hold a cosmopolitan view of the world and those who feel threatened by the world beyond their own borders. This is still a dominant trend. The veto of the Constitutional Treaty in 2005 is often presented in discussions with journalists and civil servants as a watershed in the Dutch EU debate. Before that date, a large majority of the Dutch parliament had strongly been in favour of European integration as underlined by the broad support among parliamentarians for the vetoed Constitutional Treaty.¹⁰ They had obviously underestimated the mood swing of the voters and as a consequence the tone of the debate about Europe changed. Yet, paradoxically, the EU hardly played a role in the election debates. The Dutch EU debate was hardly ever heated and in elections – including EP elections – national issues were prominent.

Strengthening sovereignty or strengthening integration?

The outspoken Dutch positions, however, need not be seen as EU-skeptical. The ‘permissive consensus’ towards European integration that existed throughout the EU also characterized the Netherlands. The Netherlands has a long history of being quite pragmatic towards European integration. ‘Our’ support, as early as the first years of European integration following the Second World War, on the one hand was based on a fear that France and Germany would mutually lower trade barriers or agree trade relations with the United States while ignoring the Dutch interests. On the other hand, being an open economy, in the Netherlands there has always been a strong realization of the need to have free access to markets within Europe. Approximately 80% of the Dutch exports is tied to the EU.

Hence, creating a federal union out of principle was not so much a Dutch objective. Similarly, and important for understanding the Dutch EU preferences, is the realization that the Netherlands is not one of the big players. In fact, the creation of the Council and its unanimity voting at the end of the 1950s was inspired by the Dutch fear of big member states dominating the newly created Commission. ‘Love’ for European integration is therefore not connected to major union building projects. Following the success of the internal market programme, the *Eurobarometer* showed in 1992 that the EU was strongly supported (by almost 80% of the population). But the polls also showed that the just agreed Maastricht Treaty would probably not have passed a referendum (less than 50% supporting the Maastricht Treaty in the polls).

This uneasy relation with the EU has persisted. Although the Dutch Parliament voted in favour of a declaration not to shift any additional powers to Brussels (see the Motie Slob above), both Cabinet and Parliament fiercely supported the stronger fiscal rules as defined by the 6 Pack and the stronger supervision by the ‘independent’ EU Commissioner. The lesson of the flexibility imposed by France and Germany in 2003/2004 on the Stability and Growth Pact had brought the message home that independent supervision of budgets and economic policies is in the interests of the Dutch economy.

Hence, the interest in the economic and the political level playing field seems to be part of the Dutch cultural genes. The *Eurobarometer* of December 2011 shows that 70% of the Dutch support globalization. A similar percentage assumes that the EU offers a voice in international policy making. This fundamental pro-internationalisation attitude also appears when one looks at the support for the EU in the *Eurobarometer*, where the Netherlands always figures

¹⁰ Schout and Rood (2012, forthcoming). Explanations for the vetoing of the Constitution include that unpopularity of the Balkenende government, the length of the Constitution, and the dislike of European symbols such as the EU flag and the EU hymn in the Constitution.

as one of the strongest supporters.¹¹ Figures for different policy fields also show the differences the wider public makes between policy areas. Support – or even strong support – exists for areas such as defence and foreign affairs (62%), migration (58%), environmental policy (80%), combating terrorism (89%) and support for regions facing economic difficulties (72%). Areas that the public would like to keep ‘national’ include social welfare (21%), tackling unemployment (30%), and taxation (22%). This indicates that support for the EU exists where an added value is expected – not just in the field of the European economy but also in relation to public goods such as security and the environment. Again, the attitude seems pragmatic rather than conviction based.

Together with the broad – and persistent – support for European integration in these areas, the Dutch also have a long tradition of supporting the European Commission. Prime Minister Rutte has been one of the initiators in reinforcing Ollie Rehn’s position as independent commissioner for the economy. Similarly, when asked in Parliament by the opposition (Labour Party spokesman Plasterk) whether he was in favour of the intergovernmental European Council approach which was so persistent during 2011 or in favour of the Community method, he underlined the protection the Commission provides when it comes to countering the influence of big member states.

The past few years underline a third preference in Dutch EU policy. In addition to the political and the economic level playing fields, the Dutch government has been pleading for what can be termed the ‘100 Union’: Accession countries, countries joining Schengen, and countries in the Eurozone have to respect the rules that have been agreed upon. As a matter of fact, the Netherlands has been quite successful in these areas, with Serbia finally giving in to the Dutch demands to capture Mladic, economic governance now being reinforced with the more or less independent Commissioner, and the chapters dealing with the rule of law that will be addressed first in future accession negotiations. Similarly, the haircut of banks that had invested in Greece is related to the 100% Union: if banks take risk, than they should also carry the responsibilities. It would create moral hazards if banks could upload their losses to tax payers.

The EU and Dutch party politics

Looking at the position of the political parties as regards the EU, we can see longer-term continuities, but also some differences. The Parties in the middle, the Christian Democrats and the Labour Party, have been fairly – and fairly consistent – pro-EU. Obviously, the Labour Party has to find a painful balance between austerity (3% norm) and the distribution of social costs. Also there exists strong support in Dutch society (82% according to the *Eurobarometer*) for economic reforms – irrespective of whether they are imposed by ‘Brussels’. In addition, there is a considerable pro-European group consisting of the Liberals (D66) and the Greens. Even the hardlined Socialist Party is not anti-EU; it merely would like to see a different type of EU. As a result, the Rutte government was kept in power by the Labour Party (being the biggest opposition party) when it came to many tough EU decisions, including the support for programmes for Greece and Ireland, EFSF, EMS and the 6 pack. A large majority of the Dutch Parliament has approved all the steps taken by the eurozone and the EU towards more integration on budgetary matters and the economy. Although the Dutch prefer a strong role of the European Commission, the intergovernmental approach of the

¹¹ SCP/CPB 2010. Evidently, the support for the EU is now falling for all member states, including the Netherlands.

Eurocrisis was not contested. The main motives for this 'acceptance' were the pressure of the financial markets and a consensus on the need to save the euro.

The collapse of the Rutte government might mark a watershed. The coalition stranded on the 3% norm. Under pressure from Brussels, five parliamentary parties took the initiative to work out a package of cuts and reforms that will allow the Netherlands to keep within the 3% limit in 2013. The Labour Party was not part of this ad-hoc coalition. Why is still a point of debate, but it was clear the Social Democrats do accept the 3% norm, but they favour a slower pace of cuts and want to reach that target in 2014 in order not to aggravate the economic downturn. This of course created a rift between the Labour Party and the progressive parties that did sign up to the budget deal. It may be expected this theme will dominate the upcoming election campaigns. Some of the parties that struck the budget agreement will defend it on the basis of its intrinsic value of bringing down deficits and debts, while others will emphasize the pro-European angle and the need to move even further. The Labour Party will not turn eurosceptic but will oppose the neo-liberal direction of the present EU while at the same time adhering to the goal of achieving a balanced budget over time. The Socialist Party will continue to oppose the austerity policies of the EU but it might change its tone with an eye to possible future coalition negotiations. The Freedom Party will attack the euro and the EU outright – in any case there will be a strong populist element in the upcoming elections.

Being a pragmatic country, the idea of a transfer union has no support in The Netherlands; apart from Wilders' Freedom Party no one wants to loosen ties with the EU; and populists from the right as well as the left will oppose the kind of austerity demanded by the EU. Most political parties would not support the creation of a smaller Eurozone because of the financial risks involved and in view of the enormous damage it would cause to the internal market. So far the Dutch have accepted the EU's search for incremental solutions without drastic treaty change by relying on the European Council. This might well remain the preferred option given the resistance of Dutch voters to drastic integration steps. A large majority of the Dutch Parliament has spoken out against political union and it is unlikely this would change any time soon. The creation of an 'eurocore' appears not to be in the interest of the Netherlands since it would weaken the role of the communitarian institutions, might damage the internal market and would limit the ability to check Germany and France.

The future role of the Netherlands within the EU will partly be defined by the trends outlined above. Its ambitions will be limited, its main goal to remain the protection of the economic benefits of EU integration but with a tougher debate on the social consequences of present EU en Eurozone policies. Although the intergovernmental nature of the reaction to the Eurocrisis allows the government to bypass the objections of many to more integration, it is nevertheless not sure whether the Netherlands will continue to support it because of the democratic deficit it creates. Whatever government will take over in the autumn, it will continue to demand that member states live by the rules but most likely it will not do that in the same blunt way.