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## **A critical perspective on the reform of Dutch social security law. The case of the Dutch life course arrangement**

Eleveld, A.

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**Author:** Eleveld, Anja

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## Discourse Theory on Ideas and Policy Reform: the Case of the Life Course Arrangement

### *Abstract*

How do new policy ideas enter the dominant policy discourse and how do they manage to change these discourses and policy practices? Ideational analysis tends to emphasize the role of intentional acting policy actors. Instead, this paper draws on poststructuralist discourse theory, which focuses on subconscious processes while reemphasizing the role of structures at the same time. Using this theoretical perspective, two purposes are being served. On the one hand, this study further develops discourse theoretical poststructuralist concepts as methodological tools for policy analysis, which, in a way, challenges the claim that was recently made by Hay that 'postmodernist perspectives (...) largely disavow[s] explanation as the privileging of one subject position over others' (2011: 171). On the other hand, by applying these concepts to the case of the introduction of individual savings arrangements in the Dutch collective social security system, this paper offers a refreshing perspective on processes of policy change and permanence.

## 8.1 INTRODUCTION

In 2006 the Life Course Arrangement (LCA), a fiscally facilitated individual savings instrument for the financing of leave, was introduced in Dutch social security law. This arrangement, as well as the amendments to it that were proposed thereafter, shows that the idea of individual savings accounts for social risks has become firmly established within the Dutch policy discourse. These developments are, however, puzzling in the context of the long Dutch tradition of collective social security arrangements, which rather seems to confirm the well-known new institutionalist claim that social security institutions tend to remain stable during long periods of time (Pierson 2001). Moreover, with respect to corporatist societies like the Netherlands in particular, the argument has been put forward that labor unions tend to slow down major social reforms (Hemerijck and Visser 1997; Kuipers 2004).

A plausible explanation for emerging ruptures in the collective social insurance system has been offered in ideational analysis. Scholars in this field of analysis have argued that the availability of new ideas may cause existing structures to alter (Cox 2001; Hay 2002; Blyth 2002; Schmidt 2002). How then, according to ideational theory, do new ideas such as the notion of individual savings arrangements actually change existing institutional structures? According to Béland and Cox (2010), who provide an interesting overview of current themes in ideational analysis, most ideational analyses of changes are agency-centered, that is:

‘[w]hat things change and how they change are all the result of what people choose to do in response to the world in which they find themselves (...) these choices are shaped by the ideas people hold and debate with others. These ideas, in turn, are based on interpretations people have of the world and of those around them’  
(Béland and Cox 2010: 12).

For an idea to be successful, ‘[t]he idea must capture the attention of actors who advocate for it and successfully use it to influence the observed outcome’ (2010:13). Béland and Cox thus foreground the role of intentionally acting agents.

Scholars in the field of ideational analysis also point at some unsettled issues in this field of policy analysis. In the first place, having decoupled ideas from interests, ideational analysis still insufficiently explains *why* policy actors identify with those new ideas (Hay 2010). A second, related problem concerns the fact that ideational analysis cannot explain how ideology affects people’s choices, since this impact is not measurable (Béland and Cox 2010). Thirdly, as Schmidt (2008) argues, it often remains unclear how policy actors move from ideas to action. She therefore asks for more attention to collective and structural processes to explain the process of policy change and permanence. Nevertheless, following philosophers like Searle

and Habermas, Schmidt still foregrounds the role of intentionally acting (situated) agents who seek to enforce changes through discourse.

This focus on intentionally acting agents struggling with ideas has been challenged in poststructuralist approaches to policy analysis. For example, Finlayson (2007) holds that ideational analysis has wrongly examined ideas instead of arguments, viewing argumentation strategies or rhetoric as merely instrumental to policy goals. Instead, he has argued for an analysis of the constitutive function of rhetoric. Others have pointed at the role of fantasy in the process of policy change and permanence (Glynos and Howarth, 2007). This paper suggests considering some discourse theoretical solutions for the aforementioned issues in ideational analysis as a result of which it becomes possible to provide an account of *why* actors identified with certain new ideas and *how* these ideas were sedimented within existing social structures.

As will be shown in the study on the establishment of the LCA, post-structuralist discourse theory offers a refreshing perspective on policy analysis as this approach focuses on the constitutive role of rhetoric, subconscious identification processes and the role of conflict and resistance in processes of change and permanence.

An outline of discourse theoretical approaches is provided in next section. The first empirical sections, sections 5 and 6, show how a new perspective emerged in the Dutch social security discourse: the life course perspective. Section 7 examines how in an atmosphere of conflict, disagreement and compromise, these new ideas ultimately resulted in a political decision on the establishment of the LCA. The last empirical sections (8-10) reveal how, despite the continuous struggles and conflicts in the policy process, the idea of an individual savings arrangement managed to take root in the social policy discourse.

## 8.2 DISCOURSE THEORETICAL APPROACHES TO CHANGE

Let us first consider the discourse theoretical distinction between the *ontic* and the *ontological* level of analysis. Whereas the *ontic* refers to a particular domain or phenomenon, the latter concept refers to the categorical preconditions for such objects and their investigation. That is, in order to understand processes of change and permanence we should first study the *ontological* preconditions of the objects. As Glynos and Howarth argue, on a micro level of analysis the study of rhetoric can be helpful to gain an understanding of these categorical preconditions, because rhetorical patterns 'shape our language use and meaning in non-conscious ways' and, accordingly, give shape to the *ontological* preconditions of the *ontic* objects (Glynos and Howarth 2007: 75). This implies that, instead of viewing *rhetoric* as merely instrumental to policy goals or ideas, *rhetorical* arguments themselves can be constitutive of new ideas (Finlayson 2007).

Norval's concept of 'aspect change' sheds further light on the relationship between rhetorical arguments and the constitution of new ideas. She uses Wittgenstein's example of the rabbit/duck picture to explain her point. As she argues, the moment in which a subject suddenly discovers a picture of a rabbit, which she earlier regarded as a picture of a duck, comes with surprise; unexpectedly, the subject has discovered a new aspect. At the same time, however, the subject notices that the picture has not changed. In other words, in the new perspective, continuity and discontinuity occur. This is what Norval calls 'aspect change': seeing the duck now differs from the moment before the rabbit was discovered (Norval 2007). *Rhetorical* moves may thus, within a general frame of continuity, cause people to see things in different ways and generate change accordingly.

Within discourse theoretical studies the concept of *dislocation* is used to explain changes on the level of the state. *Dislocatory moments*, may entail the effects of an economic crisis, processes of commodification, bureaucratization or globalization (Laclau 1990: 52-65). According to Laclau and Mouffe (1985), the experience of a *dislocatory event* causes subjects to see the contingent basis of sedimented social practices. They suddenly realize that things are not necessarily the way that they are. As a result, signifiers are no longer fixed to a particular meaning and begin to float. These floating signifiers are only partly stabilized when they are successfully incorporated into dominant discourses, capable of a new fixation of meaning.

Yet, as Glynos and Howarth argue persuasively, a dislocation does not necessarily generate change. That is, change can only be expected if a brief glimpse of the contingent basis of social practices causes people to challenge (the norms underlying) social practices (2007: 121-124). In this situation equivalential chains between different particular demands can be constructed against the current *hegemonic regime*. As a result, this regime may be overthrown and a new *hegemonic regime* is established. For example, during Thatcherite populism the antagonisms constituted around dislocatory processes of bureaucratization were constructed around two poles: the people, which included everyone defending traditional family values and the freedom of enterprise, and their opponents: the state and their subversives such as feminists, blacks and young people (Laclau and Mouffe 1985: 170). In contrast to these *logics of equivalence*, the *logics of difference* seek to keep different elements separate and autonomous, causing relatively small institutional changes (Glynos and Howarth 2007: 141-145). The *logics of difference* dominate when different demands are fulfilled such as, for example, in the modern welfare state (Laclau 2005: 78). Still, as Laclau argues, within a hegemonic regime we can find *both logics of equivalence and difference*.

In recent years, insights of Lacanian psychoanalytics have been added to this interplay between logics of equivalence and difference. Discourse theoretical scholars have argued that *fantasies* are essential to the process of social change, because they sustain existing or emerging discourses.

To them, the subject identifies with new fantasies because he or she is an internally split subject who is constantly seeking new fullness (Stravarakakis 1999; Laclau 2005; Glynos and Howarth 2007). Glynos and Howarth mention two kinds of fantasmatic dimensions in policy narratives: the 'beatific dimension' of *fantasy*, which 'promises a fullness-to-come once a named or implied obstacle is overcome', and the 'horrific dimension' of fantasy, which 'foretells of disaster if the obstacle proves insurmountable' (2007: 147). In some instances fantasmatic logics are closely related to political logics. For example, the *logics of equivalence* may create ontological links between different demands through the construction of an enemy within, such as 'the Muslim minorities.' The construction of the *logics of difference*, on the other hand, can be sustained by a *fantasmatic narrative* in which an enemy without is created that takes away the national identity, such as 'globalizing forces.'

Hence, discourse theorists as Glynos and Howarth hold a different concept of the subject than scholars in the field of ideational analysis. They probably agree on the interpretive idea that social agents always find themselves 'thrown into' a system of meaningful practices (Bevir and Rhodes 2005). However, whereas, in poststructuralists theory structures are always incomplete, they can never fully determine the identity of these agents. According to Glynos and Howarth, then, 'the whole point of poststructuralists theories of language and human subjectivity is to problematize the idea of a fully-resent subject *and* a fully constituted linguistic structure' (2007: 78). Thus deconstructing the structure/agency opposition, Glynos and Howarth centralize the role of power and ideology with respect to the (always 'lacking') constitution of social structures and new forms of life. To them, individuals only turn into (acting) subject, to the extent that they experience a lack of identity which drive them to identify with new signifiers or narratives.

In summary, whereas in discourse theory the emergence of new hegemonic regimes is primarily caused by the construction of new *chains of equivalences and differences*, at a lower level of policy analysis change may occur because of the identification with new (constitutive) *rhetoric*. Yet in both cases *fantasmatic* identifications determine the speed and the direction of new policies.

### 8.3 METHODOLOGY

The empirical sections present a historical narrative on the establishment of the idea of individual savings arrangements in the Dutch policy discourse. To operationalize the rather abstract discourse theoretical concepts I designed a four steps research method. In a first step I formulated the following guiding questions:

1. How can former and new social law practices and discourses be characterized?
2. How and why were these new practices and discourses installed?
3. Why was there a lack of resistance of political subjects who embrace other values, such as solidarity and equality?

In a second step almost 40 key actors in the policy process were interviewed, including (former) ministers, political representatives, representatives of social partners, officials and political advisors. These semi-structured interviews were completed with the readings of secondary literature. The interviews and the readings were, in the first place, helpful for the characterization of social law practices and discourses and the presence of fantasmatic narratives. They, amongst other things, revealed the impact of the introduction of the signifiers 'life course' and 'life course perspective' had on the social security discourse. Therefore, the three most influential documents referring to these signifiers were selected for a textual analysis. In addition, the interview data served as guidance for the selection of a 8 other texts for textual analysis. Finally to study the discursive change within the most powerful political party, 3 additional texts were selected for textual analysis.

A third step involved the analysis of the selected texts. Whereas Glynos and Howarth have not developed methodological tools themselves for textual analysis, I looked for suitable discourse analytical tools which are developed in other approaches. Discourse Historical Analysis (DHA) seemed to be useful in this respect (Wodak, et al.1999). DHA entails a detailed study of texts. Each claim that is made in these text needs to be studied and categorized. For this kind of text analysis DHA formulates a number of heuristic questions. Of these, the following three were of interest to this study:

1. How are people, objects, phenomena/events, processes and actions named and referred to linguistically (strategies of nomination)?
2. What characteristics, qualities and features are attributed to social actors, objects, phenomena/events and processes (strategies of predication)?
3. What arguments are employed in the discourse in question (Reisigl and Wodak, 2009: 93)?

Wodak, et al. (1999) use the third heuristic question to analyze the construction of national identities. As such, they distinguish between strategies of justification, strategies of construction, transformative strategies and strategies of dismantling. For this study these analytical categories were adapted to the structure of the analyzed texts.

Together with the data from the interviews and the analysis of secondary literature, the (textual) analysis of argumentative strategies was also

helpful, to figure out the 'beatific' or 'horrific' dimension in the narratives. In addition, I took the presence of incompatible elements as a rule of thumb to trace fantasmatic dimensions in those narratives.

In a fourth step I analyzed the social conflict that preceded the establishment of the LCA for the ways different identities (social groups) were either connected or kept separate. As such I sought to figure out how *chains of equivalences and difference* affected discourses and practices.

#### 8.4 POLICY CONTEXT

The Dutch political system can be characterized as consensual, i.e. the power over political decisions is distributed among different political party coalitions. From the Second World War onwards, the Christian democrats (CDA) have been a constant presence in governing coalitions. However, between 1994 and 2002 the CDA sat in the opposition benches and the Netherlands were governed by the other two important political parties – the social democrats (PvdA) and the right wing liberals (VVD) – and the relatively small left wing liberals (D66). During its time in opposition, the CDA refurbished its political position. One of the new ideas they came up with in 2001 concerned the 'life course perspective'. Based on this, they designed a new social security system that included a partly collective and partly individual savings facility (Research Institute for the CDA, 2001). When the Christian democrats re-entered the government coalition in 2002 as the biggest political party, they sought to materialize their ideas on a life course based social system. In 2010, after four subsequent governmental coalitions dominated by the CDA, the Balkenende IV cabinet was succeeded by a CDA-VVD coalition headed by VVD leader Rutte.

With respect to the Dutch system's corporatist elements, the influence of the unions is channeled in two important ways. First of all, the government must consult the tripartite Social Economic Council (SER) on every important socio-economic policy change. Secondly, twice a year the social partners united in the Labor Foundation discuss the terms of employment for the coming year with the central government. The most influential labor unions are the social democratic FNV and the Christian CNV, of which the FNV is the largest by far. The largest employers' organization is VNO-NCW.

#### 8.5 THE EMERGENCE OF THE IDEA ON THE 'LIFE COURSE PERSPECTIVE'

Dutch social security law has changed during the last decades. These changes can be characterized as a slow transformation from a system informed by notions of equality and solidarity to a system that is increasingly influenced by the values of freedom of choice and individual responsibility. Moreover, since the middle of the 1990s, next to the individual responsibility discourse,

the social security system is increasingly affected by the discourse that celebrates the introduction of marketization processes. At the same time, these dominant discourses are also challenged in counter discourses, which, object the increasing infiltration of the logic of the market into the social system. Other counter discourse emphasize the misrecognition of the worker as a 'worker with care tasks'. In addition other discourses.

Around the turn of the century, several dominant discourses and counter discourses are united in a discourse coalition that is formed around the theme of the 'life course perspective'. Generally speaking, this new perspective expresses the idea that in our current day and age all people, women in particular, are combining more and more activities in their lives. As a result, there is a need for more flexibility and possibilities to take a break, especially during the 'rush hour of life when parents combine different tasks: taking care of their children and their own parents, making a career for themselves, and engaging in training and education. This discourse coalition consists of a variety of groups, including the CDA, PvdA, D66, supporters of family policy and feminists. The labor unions FNV and CNV also support this new idea. For the Christian CNV, the life course idea fits in well with its affiliation with a family friendly social policy. For the FNV, on the other hand, the new concept of the 'life course perspective' not only expresses its new attention to the position of female workers, it also facilitates its shift towards individual responsibility, which had started in the mid-1990s.<sup>1</sup>

A Discourse Historical Analysis of a selection of key texts from 2001-2002 shows that the new signifiers 'life course' and 'life course perspective' establish a new world view: the world is now interpreted in terms of either 'standard' or 'modern' life courses, Whereas 'standard life courses' are associated with 'traditional', 'the past' and 'static', 'modern life courses' are related to words such as 'dynamic', 'free choice' and 'change'. Other key signifiers in the studied texts, such as 'risk' and 'social security', become meaningful in relation to these new signifiers. For example, 'risk' is no longer considered an external event that could happen to any individual; 'risk' is now viewed as an event that is dependent on individual 'life course decisions'. Instead of being a new argument in a political struggle over ideas, the study thus suggests that the 'life course perspective', above all, facilitates a new way of seeing. Social security is now perceived in the perspective of an individual life course, which enables the view that individuals can anticipate future events.

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1 For example, a document from 2003 where the FNV defends a 'life course based social policy, states: 'the labor market needs a culture change, workers should save and deal with time in a more conscious way. This culture change also presupposes that workers take their responsibility' (2003a:15). FNV respondents maintain that this emphasis on individual responsibility had already started in the 1990s. In this regard, also see this quote from a 1995 document by the FNV on social policy: 'Workers are increasingly (...) capable to make their own choices and to bear responsibility' (FNV 1995: 24).

The data from the interviews support the conclusion that the new way of looking at things provokes enthusiasm amongst involved policy actors. That is, for them the idea on the 'life course perspective' provides a way out of existing, deadlocked discussions on future social security design. Addressing win-win situations, the new signifiers reconcile different, formerly opposing, perspectives: advertising a more relaxed life style on one hand and promoting an increased labor participation on the other; encouraging the (collective) facilitation of more time and money for the caretaking of children on one hand and holding individuals responsible for care tasks on the other.

Participants in this new 'life course discourse coalition' draw diverse designs of a future 'life course based' social security system that, above all, attends to the 'rush hour of life'. Most designs involve a mixture of collective and individual savings, which enable workers to take time off in order to take care of their children and/or their parents, to take educational leave or to enjoy a sabbatical (Research Institute for the CDA: 2001; PvdA: 2002b; D66: 2001; FNV Women's Union: 2001).

## 8.6 CHANGED IDEAS: THE AGING SOCIETY NARRATIVE

After 2002, when the Netherlands is hit by an economic crisis, the discourse coalition alters in important ways. The impact of the economic crisis on governmental policy is clear: the Balkenende II cabinet, a coalition of CDA, VVD and D66 that soon will be named the 'reform government', forcefully argues that the slow economy is seriously threatening the Dutch welfare state. The aging society narrative adds to the expressed concerns. According to this narrative, the economic crisis compels the state to foster a higher and longer labor participation of the citizens to ensure a stable financial basis for the welfare state. This narrative particularly dominates the governmental discourse in the years between 2002 and 2005. In this period the slogan of the Balkenende II government is: 'we cannot lose any more time (..) Big efforts are necessary to prevent definite future catastrophes from happening' (Van der Steen 2009, p. 310). In this context, the Balkenende II cabinet presents far-reaching social reforms, among which the gradual abolishment of the fiscal facilitation of early retirement provisions.

The economic crisis and the aging society narrative seriously affect the discursive position of one of its most important *and* most powerful defenders, the CDA. A Discourse Historic Analysis of CDA documents from between 2001 and 2005 reveals this impact.<sup>2</sup> Whereas in 2001 the signifier

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2 The following documents were compared for this study. On the one hand the Research Institute for the CDA (2001) and Balkenende (2001) and on the other hand the Research Institute for the CDA (2004) and Balkenende (2005).

'life course perspective' refers to the decreasing quality of life, resulting from the lack of time and money for family life and leisure, a few years later, the signifier 'life course perspective' is, conversely, invoked to show how people can enhance their labor market participation. This discursive shift also affects the party's ideas on life course policy. Whereas the CDA initially designs a partly collective 'life course insurance' that is tailored to the reconciliation of work and family life in particular, in 2004 the Christian democrats argue for a comprehensive individual (savings) arrangement, a precautionary arrangement that encourages overall labor participation. It is believed that after a period of 10 to 20 years to reach full maturity, the LCA will become the starting point for an individualized social security system.

The aging society narrative also affects the deliberations between the labor and employers' unions in the SER, which had been asked to design a 'life course based social system' some months earlier.<sup>3</sup> As one interviewee reported: 'Instead of talking about workers' desires to take care of family, the discussions in the SER on a 'life course based society' rather addressed the theme of the 'aging society (...). The general idea was that the collective money that was stuck in existing traditional social security arrangements could be used in a more productive way'. Above all, the discussions in the SER reveal a major controversy between the biggest employers' union, VNO-NCW, and the biggest labor union, the FNV. Although, as argued in the previous section, the FNV increasingly endorses 'individual responsibility' as one of the basic principles in social security arrangements, the labor union is also afraid to lose 'old collective rights'. Among other things, the union fears that a life course based system will threaten workers' unemployment rights in the long run. On the other hand, VNO-NCW, a strong advocate of further flexibilization and individualization of social security arrangements, supports an exclusively individual savings scheme for the financing of leave. The continuing disagreement between the FNV and VNO-NCW severely obstructs the proceedings in the SER. In May 2003, the SER deliberations are stopped. According to the official annual report of the SER for 2003, this was due to the reforms announced by the Balkenende II cabinet. Most respondents, however, believed that further SER negotiations were blocked because of the ongoing disagreement between the social partners. Moreover, as will be argued in the next section, the disagreement between two former supporters of the 'life course perspective' seems to have been the first sign of a slow dissolution of the 'life course perspective discourse coalition.'

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3 In 2001 the former 'purple government' had asked the SER to sketch the options for a life course based social security system. Its advice should focus on the division of responsibilities between individuals, social partners and the government in particular.

## 8.7 DISAGREEMENT, ANTAGONISM AND COMPROMISE

In the summer of 2003, as the economic situation is getting worse, the government decides to speed up the intended abolition of the fiscal facilitation of early retirement arrangements.<sup>4</sup> In addition, the government announces grand reforms in existing public disability and unemployment insurance schemes. Following strong protests from the labor unions, the social partners are allowed to negotiate the conditions for the abolition of the fiscal facilitation of early retirement arrangements and the establishment of the LCA in the Labor Foundation.

The deliberations in the Labor Foundation start in the spring of 2004. The FNV and VNO-NCW have not solved their earlier disputes and thus find themselves back in the same antagonistic positions. Moreover, the announced abolition of the fiscal facilitation of early retirement drives the social partners further apart. Whereas the FNV seeks to preserve the early retirement provisions, VNO-NCW, which shares the fears of a tight labor market, tends to support most of the governmental plans. As the negotiations are progressing with great difficulty, Minister De Geus of Social Affairs and Employment (SAE) responds to the call of the labor unions to allow workers to withdraw savings from the proposed LCA to finance early (full-time) retirement. The minister, however, does not give in to the FNV's demand to allow workers to save within the LCA on a collective basis. Yet, in a later phase of the negotiations, the minister does permit the partial continuation of collective early retirement insurance on the condition that workers are allowed to opt out of the collective insurance scheme. For the FNV and CNV opting out is not an option, though; in their opinion, 'opting out' would destroy the collective system. Since the FNV and CNV do not foresee any acceptable agreement, they cause the negotiations to collapse. The government, in turn, announces that the reforms are carried through without consulting the social partners any further.<sup>5</sup>

The labor unions are furious, now that the government has explicitly rejected them from the policy process. As an ultimate act of resistance, they call for a big social demonstration in October 2004. The labor unions definitely are not the only ones opposing the government. They are joined by a minority of the employers' unions that share their opinion that the government is increasingly marginalizing the role of the social partners in the policy process. In addition, the unions are joined by all kinds of other groups, including the entire left wing political opposition, which – like the unions – oppose further retrenchments of the welfare state. Calling for a reformed solidarity system, the new chain of equivalences channels a generally felt

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4 In September 2003, this intended abolishment and the introduction of the LCA are translated into two enactments: PP 2003-04, 29 208, No. 3 and 29 210, No. 3.

5 PP 2003-04, 29 760, No. 3.

anger against the harsh Balkenende government. The call for the demonstration covers the demands of different groups, such as the demands of those who, like the unions, defend the preservation of the present collective social security system, the demands of students (against the increase in college fees), refugees and other members of ethnic minorities (against exclusion), tenants, users of public transport, environmentalists and other opponents of the Balkenende cabinet. The formation of a new chain of equivalences is clearly described by Van der Braak, a staff member of VNO NCW: '[the announced demonstration] increasingly becomes a political demonstration that can be characterized as a people's front: Left, the labor union and the street against the right-wing government' (2006: 85). The establishment of these chains of equivalences thus definitively thwarts the former life course perspective discourse coalition'.

Interestingly, the emerging chain of equivalences also seems to have covered up the internal disputes within the FNV, where an internal struggle had been going on between (mainly) male staff members defending traditional pension rights and those wanting social reforms that would facilitate female labor participation.<sup>6</sup> Whereas the life course perspective merged the interests of female workers, who wanted to reconcile work and family life, with the interests of male workers, who rather strived for earlier pensions and a shortened work week, the proceedings in the Labor Foundation, on the other hand, drove male and female interests further apart. Interviewees reported that the FNV's female rank and file in particular disagreed with linking the design of an LCA to the abolition of the fiscal facilitation of pre-pensions. Yet, at the protest march in October 2004 in Amsterdam, which turned out to be the biggest social protest march ever with 300,000 people marching against the Balkenende II cabinet, the internal differences within the FNV are set aside. Both male and female staff members report about the euphoric atmosphere during the protest march and frame the protest as a successful act of resistance against the government and its individualization policy. Above all, according to them, the protest march put the labor union back on the map.

At the beginning of November 2004, only a few days after the Labor Foundation of new negotiations between the labor unions and the government, the parties come to an agreement. According to the respondents present at the negotiations, the fast agreement is due to the brute killing of controversial filmmaker Theo van Gogh by a Muslim fundamentalist on the second of November. The negotiating parties now realize that they have a common national responsibility and that their mutual quarrels need to be settled. They agree on some important adjustments to the proposed reforms of the disability insurance as well as on some transitional early

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6 This disagreement within the FNV was confirmed by further research in the archives of the Institute of Social History.

retirement provisions and amendments to the proposed LCA, which compensate for the abolishment of the collective early retirement arrangements. The parties thus decide to introduce an individual savings instrument in social security law that not only facilitates workers to save for leave during the 'rush hour of life', but that also enables workers to compensate for the loss of the fiscal facilitation of early retirement arrangements.

The new agreement is praised extensively in the media channels of the FNV and CNV, which celebrate the outcome of the November negotiations as a triumph for the labor unions. One would almost forget that most reforms of the Balkenende II cabinet are still carried through. In this respect, De Geus, Minister of SAE, reported that the cabinet decided to let the unions celebrate their victory now that the government had finally got their approval for further reforms: 'We said to each other: "Okay, let it go, they have the flowers and we have the signatures"' (interview, 2009). As a matter of fact, even some interviewed union representatives admitted that the unions' positive framing concealed the fact that the material outcome was not entirely positive for them. However, for them it was not so much the material results that mattered. Above all, the protest march had put the labor unions back on the map. The involved ministers even maintained that the labor unions would not have been able to come to an agreement with the government without the manifestation. According to them, the unions felt more secure after the protest march had taken place: it enabled them to make concessions to the government.

Despite the fact that the parties decide that the LCA will take the form of an individual savings arrangement instead of a compulsory collective facility, which would have been the FNV's preference, the 2004 compromise also marks the start of important efforts on the part of the FNV to make the LCA a success. As a result, a great number of collective agreements that are agreed upon in the following years contain specific regulations with regard to the LCA, particularly in support of the elderly workers. FNV chairwoman Jongerius even claims that despite much expressed skepticism the FNV forms a 'coalition of the willing' because, according to her, the LCA is potentially the most innovative regulation that the Balkenende cabinets have brought forth.<sup>7</sup> Nevertheless, the FNV accepted a compromise containing elements that it had strongly opposed to just a month earlier. How was this possible? The study suggests that the Balkenende gov-

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7 Jongerius at an LCA promotion meeting of insurance company Aegon at 19 November 2007 in Amsterdam. In this respect it should not be forgotten that, some years earlier, FNV had already embraced the 'life course perspective', including the idea of individual savings facilitation. Moreover, even in 2003, in the midst of the disagreement between the labor unions and employers' unions a small group of representatives of both parties, the so-called 'Balie group', had been working on a proposal to reform the social security system based on partly individual, partly collective individual savings arrangements. Their design would become a source of inspiration for future proposals.

ernment effectively decoupled the different demands, as it addressed the most important demand of the unions that was not included in the call for the demonstration, namely (the idea of) regaining influence in the policy making process. This enabled the government not to give away too much with respect to the other demands. The government thus successfully cut across the established chains of equivalences and restored the peace in the corporatist society.

### 8.8 THE LCA: 'A MONSTROUS DESIGN'

The events preceding the political decision on the LCA, as well as the involvement of other stakeholders in the policy making process, to a great extent determine the final design of the LCA. First of all, as we saw in last section, the labor unions successfully argue to use the LCA as an early retirement facility. Secondly, the CDA pays a price for its new equivalent relationship with right wing liberal party VVD. VVD chairman Zalm, who is also a finance minister in the Balkenende II-III cabinets and a strong opponent of 'subsidies on spare time,' only accepts the introduction of the LCA on the condition that workers will not be allowed to save part of their wages in the popular 'wage savings arrangement' at the same time. Looking back, Zalm admits that he had hoped that the LCA would fail, because of the workers' habit to save money in the wage savings arrangement (interview, 2009). A third stakeholder influencing the final LCA design are the private insurers. In contrast to minister Zalm and the labor unions, the private insurers support the CDA's ideas as they envision, above all, a profitable market and further individualization and privatization of social security. The CDA, in turn, views the private insurers as tactical allies, because they can promote the new arrangement in the market. The private insurers are particularly successful with their lobby for an exclusively private execution of the LCA instead of a partly collective one, which is what the labor unions would have preferred.<sup>8</sup>

The details of a future LCA are further elaborated by the Departments of SAE and Finance. Some officials at the Department of SAE are very disappointed by the fact that, compared with a leave facility that they developed a year earlier by commission of the Balkenende I cabinet, the idea has shifted from a facility that enables the combination of work and care activities to an early retirement arrangement. They wonder how workers with a low income in particular, are able to save enough money to finance leaves

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8 Another successful lobby concerns the lobby to outsource the monitoring of the proper use of the LCA, as it is decided that the government and employers will carry out these tasks. Indeed, one official argued regarding some of the LCA's preconditions that too much had been given away to the insurers.

in the period when they have young children. Hence, to these officials the underlying idea of the leave arrangement has changed profoundly. In addition, officials at both the Departments of SAE and Finance further foresee a negative impact of the aforementioned compromise between CDA and VVD. Officials working at the finance department also principally question the governmental interference with private savings in case of market failure. According to them, the fact that workers at that moment do not save for leave simply means that there is no need for it. Perhaps most importantly, almost all interviewed officials reported that they were rather skeptic about the possible effects of the LCA on labor participation. Some of them argued that the whole idea of the life course perspective concerned a kind of belief, namely the belief that workers participating in the LCA would participate longer in the labor market.<sup>9</sup> One of the interviewed officials summarized the discontent as follows: 'We all felt that we had to deal with a monstrous design.'

#### 8.9 PROPOSED EXTENSIONS OF THE LCA AND RENEWED RESISTANCE

A year after the introduction of the LCA in 2006 no more than 5% of the workers is saving part of their wages in this arrangement, most of them for the purpose of early retirement. With the objective of making the arrangement more attractive to workers, the new Balkenende IV cabinet agrees on a number of modifications. They concern, amongst others, integrating the LCA with the aforementioned wage savings arrangement, the extension of its scope of application to the self employed, and the possibility to withdraw money from the account to finance periods 'in between jobs' and the start-up period of a new company. A year later, the Labor Foundation launches similar proposals (Labor Foundation 2008). A few months after the Labor Foundation report is published the Labor Participation Committee, which was installed to advise on labor market reforms, presents plans for a mixed individual and collective savings arrangement modeled on the LCA, with which periods of unemployment can be financed. The proposed scheme partly replaces existing collective social security arrangements (Labor Participation Committee 2008).

In the same year the Departments of SAE and Finance are ordered to design various workable options that respect the 2007 coalition agreement. They extensively discuss the following two options:

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9 In the governmental debate in November 2004 the cabinet exposed itself as a firm believer, because it said to expect that the life course arrangement would have a behavioral effect on workers and employers (PP 2004-05, 29 760, No. 10).

1. The LCA is regulated under the income tax law (instead of the wage tax law) in order to include self-employed workers. People are only allowed to take out money as an income substitution in case they choose not to do paid work, but to dedicate their time to (unpaid) care activities or training activities instead or when they decide to finance a period between two jobs or the start-up of a company.
2. As in the first option, the LCA is regulated under the income tax law, but there is no control with regard to the purpose of withdrawals.

However, both options are declined for a number of reasons. Not only are they too expensive, they are also connected with too many goals. Some interviewees reported that at that time it seemed that new goals were formulated constantly for an existing instrument, the LCA. First, the LCA had to be tailored to finance leave for care and educational activities. Later on, the LCA additionally had to address the demand for a pre-retirement arrangement. Then, according to the last proposals, the LCA also had to cover periods of unemployment and help employees to set up their own company. One interviewed official explicitly blamed the 'technocratic hobbyists' for the unfruitful discussions at the departments: 'what had started with a small problem, the reconciliation of work and family life, had grown totally out of control'. In addition, some interviewed officials doubted the desirability of extending the scope of application to include the self-employed because, according to them, the self-employed tend to care for themselves by definition. For example, one official said: 'Is this really a problem? Can you imagine the streets to be full of people demanding a life course arrangement for the self-employed?'

With regard to the first option, which showed great similarities with the proposals by the Labor Participation Committee, the involved officials further raised some practical objections. Most importantly, the tax authorities would not be capable of controlling the specific use of the withdrawals. Regarding the second option, there were doubts if participants were really going to use their savings for relevant goals that would facilitate a long working career, such as financing leave for the purpose of care and education. As one respondent argued: 'Why would they not use the savings to finance consumer goods, such as a caravan?' According to these skeptical officials, the proposals had no longer anything to do with the objective of public social insurance.

As a result, despite the intentions of the Balkenende IV cabinet and the advice of the social partners and the Labor Participation Committee, it is decided not to extend the LCA for the time being. Apart from the objections of the officials against the coalition plans, the more ambitious plans of the Labor Participation Committee are opposed by the labor unions that fear that these plans might destroy the existing system of collective social insurance. The elaboration of the new plans is also postponed because of the (financial) crisis of 2008, which shifts the attention of the government and

social partners from individual savings arrangements towards the problems of insolvent companies and the danger of long-term unemployment.

#### 8.10 THE FUTURE OF INDIVIDUAL SAVINGS ARRANGEMENTS IN THE SOCIAL SECURITY SYSTEM

At the time of the interviews, in 2009 and 2010, most of the interviewed key actors were rather pessimistic about the future of the LCA. Some of them refer to the technical details of the arrangement, such as the non-accumulation verdict that resulted from the VVD-CDA compromise.<sup>10</sup> A second set of arguments reveals that the respondents identify themselves as ‘non-believers’: they do not believe that the LCA will either solve the ‘rush hour of life’ or the problems of the tight labor market.<sup>11</sup>

The expressed pessimism with respect to the LCA does not imply, however, that the idea of individual savings arrangements in the field of social security vanishes from the policy discourse. In contrast, after two quiet years the Rutte cabinet (CDA-VVD) announces a ‘vitality plan’.<sup>12</sup> This plan contains a new savings arrangement, the ‘vitality arrangement’, that has to replace the LCA in 2013. The vitality arrangement is first and foremost presented as an arrangement that sustains a longer labor market participation, which is necessary in the face of aging society.<sup>13</sup> Like the 2007 and 2008 proposals, the vitality arrangement allows workers – including the self employed – to withdraw money from their individual account during periods in which they are ‘between jobs’ in order to stimulate ‘the transition from job to job’. Since the social partners have launched similar ideas a few years before (Labor Foundation 2008), it comes as no surprise that they support this proposal, albeit on the condition that it remains possible to use the instrument for financing early retirement.<sup>14</sup>

By the year 2011, thanks to the aging society narrative, the idea of an individual savings arrangement has thus definitely shifted from an arrangement for the ‘rush hour of life’ to a scheme to facilitate ‘work-to-work transitions’, obviously connecting the idea of an individual savings arrangement with the traditional collective unemployment insurance.

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10 These concerned the non-accumulation rule and the prohibition of exclusive employers’ contributions to participants in the life course arrangement.

11 A final set of arguments concerns issues of presentation and promotion of the LCA.

12 Letter of the Minister of SAE, 4 July 2011.

13 See ‘National Reform Program 2011 The Netherlands (addition to PP. 2010-2011, 21 501-20, No. 531), PP 2010-2011, 30 413, No. 157 and 2011-2012, 33 003, No. 3).

14 PP 2010-11, 30 413, No. 157.

## 8.11 A DISCOURSE THEORETICAL APPROACH TO IDEAS AND POLICY CHANGE

Reflecting on the rhetorical redescription presented in the previous empirical sections, this section seeks to answer the question how and why new ideas on individual savings arrangements affected Dutch social policy.

First of all, we saw that in the 1990s some counter discourses increasingly challenged the existing logics of the social security system (solidarity, breadwinner system, etc.). Put otherwise, a gap seemed to have been opened up between the term social security and its meaning. This gap was soon filled up with the terms 'life course' and 'life course perspective'. Actors could easily identify with these new signifiers, because they responded to a *fantasmatic* demand for a new fullness in a discursive field that was increasingly immersed with counter discourses. As such, new names united former dominant discourses and counter discourses.

In addition, instead of being just one idea, strategically proposed by policy actors, this paper argues that in the process of deliberation the new terms constituted a new world view, which confirms Finlayson's claim that the process of argumentation cannot be separated from the formation of a consensus. Thus new *rhetoric* changed the categorical pre-conditions of the social security discourse and as such changed the existing discourse.

Following the 2003 *dislocatory events*, the economic crisis and the announced cutbacks in social expenditure, *chains of equivalences* were constructed between different demands against the hegemonic neoliberal policy of the Balkenende II regime. This process was sustained by a strong *fantasmatic* aging society narrative, which expressed the fear that the stable Dutch welfare state would soon decline if no measures were taken to expand the labor supply. The aging society narrative also profoundly altered the meaning of the 'life course perspective' within the context of hegemonic neoliberal regime, putting the emphasis on individual precautionary measures that enhance labor participation. Now former partners in the 'life course discourse coalition' had become antagonists, the question can be raised how the introduction of the LCA was secured?

The study suggests, first of all, that the government effectively decoupled different demands. That is, the unions, which wanted first and foremost to re-establish their position as a serious party were given the credits of the victory in negotiations, as a result of which the government could cut across the established *chain of equivalences* and restore peace in the corporatist society. The working of the *logics of difference* thus allowed the government to go on with their neoliberal program, including the introduction of an individual LCA. The study further suggests that the working of the *logics of difference* was reinforced by fears for both an aging society and Muslim fundamentalists, which, according to the involved policy actors, urged them to collectively take a stand for a stable Dutch welfare state. Thus creating an enemy without, the working of *fantasy* effectively sustained the *logics of difference* that maintained the unity of neo-liberal government.

On the other hand, the working of the *logics of difference* also seems to have contributed to the failure of the LCA, i.e. the decoupling of demands also implied that the government gave in to some of the labor unions' demands. For example, the LCA could now be used effectively as an alternative for collective pre-pension arrangements. Secondly, attending to the VVD's demand of maintaining the wage savings arrangement as a separate arrangement further weakened the LCA.

Another important factor inhibiting a successful LCA concerns the position of policy officials who, positioning themselves as 'non-believers,' seemed to have hindered a further extension of the LCA. The counter discourses that were invoked by their 'silent resistance' against the *hegemonic* policy regime that increasingly constructed the subject as a self responsible life planner, reveals the always existing *lack* in social structures. Moreover these counter discourses seem to have been sustained by the public, seeing the low degree of participation in the arrangement.

Yet, despite the silent resistance of both the public and the officials, the idea of individual savings arrangements has been firmly established in the Dutch policy discourse. How was this possible? The poststructuralist discourse theoretical approach answers this question in three steps. First of all, the 'life course perspective' enabled a new way of seeing. Social security was now perceived in terms of individual life courses, which opened up the possibility of introducing individual savings arrangements in the traditional collective system of social insurance. Secondly, the working of the *logics of equivalence* and *difference* secured the support of the labor unions for this novel arrangement. Thirdly, due to the identification with a strong *fantasmatic* aging society narrative that continued to nourish the urge for social reforms, different forms of (silent) opposition were effectively resisted.

## 8.12 CONCLUSION

This study showed that a discourse theoretical approach is able to overcome some problems that are raised within ideational analysis. Firstly, the study explained how ideas altered and why policy actors could identify with those new ideas. The study further showed that research should not focus on how policy actors move from ideas to action. In fact, ideas cannot be separated from actions; ideas emerged and altered because of the use of rhetoric, discursive interactions, (fantasmatically based) identification processes and the working of the logics of equivalence and difference, which are all processes that are largely beyond the control of intentionally acting individual policy actors. However, whereas the subject is constantly looking for new fullness, she seems to be present all the time. Hence, paradoxically, individual actions of 'situated agents' seem to be just as important for explaining policy change as in ideational approaches.

The failure of discourse theory to present a full blown alternative to more conventional approaches to the analysis of policy change seems to be due to the fact that despite its empirical ambitions, the discourse theoretical explanatory concepts are mostly presented on a philosophical level of analysis. As a result, to a great extent, it remains unclear how to apply the abstract discourse theoretical concepts on the analysis of policy change. Moreover, these concepts seem to be designed for a macro level of analysis in particular.

In order to make the discourse theoretical approach more suitable to the analysis of policy change this study recommended the deployment of tools that are developed within DHA. Still, discourse theory is in need of further methodological development. For example, how do political logics operate in concrete policy situations, where differences and equivalences between identities are not as outspoken as in South Africa, a country which Howarth and Glynos often use to explain the working of political logics (2007: 141-145)? To answer this and other questions, this study encourages other scholars to engage in (empirical) policy studies that are based in post-structuralist discourse theory.