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Policy Successes and Failures of the First Purple Cabinet

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Abstract

The first 'purple' cabinet in The Netherlands (1994-1998), a coalition formed by the Labour Party (PvdA), Liberals (VVD), and Democrats '66 (D66), continued, for the most part, the neo-liberal, market-oriented policies of the preceding cabinets of the 1980s and 1990s. Although the official policy was to opt for a balance between economic dynamism and social protection, the cabinet in fact gave priority to financial and economic tasks rather than social and cultural issues. The successes of the cabinet as measured by the attainment of its goals were evident in the creation of jobs, the liberalization of the economy, and the reduction of public expenditure, taxes and the budget deficit. The failures, or at best limited successes, of the cabinet emerged in almost all the other policy areas.

1 The problem

The cabinet that took office in the Netherlands on 22 August 1994 was given the name 'the purple cabinet'. The word purple referred to the combination of three political colours: the moderate red of the social democratic Labour Party (PvdA), the blue of the free-market, liberal People's Party for Freedom and Democracy (VVD) and the green of the pragmatic Democrats '66 (D66). Prime Minister Wim Kok and four other ministers belonged to the PvdA, five ministers were members of the VVD and four of D66.

For the first time since the introduction of universal suffrage, three-quarters of a century previously, there were no ministers from one of the Christian Democratic parties. And, for the first time since 1952, PvdA and VVD cooperated in a cabinet. Since the Second World War, government coalitions in the Netherlands have, with some notable exceptions, mainly been formed by Christian Democrats together with Social Democrats (from 1946 till 1958 and from 1989 till 1994) or Christian Democrats together with Liberals (from 1959 till 1989).

The purple coalition of 1994 was the result of political landslides of an intensity unknown theretofore. In the general elections of 1994 the CDA lost 20 of

their 54 seats in the Lower House. The PvdA lost 12 of its 49 seats, but became the biggest party nonetheless. The great victors were the VVD (an increase from 22 to 31 seats) and D66 (an increase from 12 to 24 seats).

Another important factor that furthered the purple coalition was that the PvdA, under the leadership of Wim Kok, had 'shaken off its ideological feathers'. What this actually meant was that the party had moved from the left of the political spectrum to the centre, and had formulated a programme with neo-liberal, market-oriented accents. This neo-liberalism is a moderate version of Reagonomics and Thatcherism. Its slogan is: 'More market, less government'. The term liberalism is used in this paper in the European sense as a preference for free enterprise.

The Labour Party's dominant goal was, despite the loss of parliamentary seats, to participate in the cabinet, as this is the centre of political power in the country. Therefore, during the cabinet formation , the PvdA was indulgent with regard to the political demands of the free-market VVD. Whereas the PvdA's election platform spoke of a reduction in public expenditure of eight billion guilders, the final target set in the coalition agreement ('regeerakkoord') was 18 billion, and the actual result 22 billion.

The central question that will be discussed in this paper is: what was the actual significance of the purple cabinet in terms of its policies and results. To what extent did it achieve its policy goals ('success') or not ('failure')? In the following section the essentials of the government's statement of policy ('regeringsverklaring') in 1994 will be compared with those of some preceding cabinets Subsequently, many of the goals laid down in the coalition agreement of 1994 will be compared with data on political and social developments, in order to ascertain to what extent these goals have been achieved. Finally, some general conclusions will be formulated.

The goals and means that are formulated in a government's statement of policy and the coalition agreement are the result of a process of compromise and negotiation during the period of cabinet formation. They give a clear indication of the kinds of policies the cabinet is going to pursue.

2 Main policy characteristics

A look at the brief statements of government policy goals, which were made in the Lower House soon after the cabinet formations, shows how the main characteristics of government policies in the Netherlands have changed during the last quarter of the twentieth century.

The Den Uyl cabinet (1973-1977) consisted of members of the Labour Party, the Catholic People's Party (KVP), the Orthodox Calvinists (ARP), the Democrats '66, and the Political Party Radicals (PPR). The government's statement

said that the cabinet policy would be led by the goal to abolish inequality and discrimination. The fight against inflation and overspending only had a chance of success if it was placed within the broader framework of "driving back existing inequality in income, assets, power and knowledge."

The first Van Agt cabinet (1977-1981), whose members belonged to the CDA and the VVD, said in its statement of policy that government is not able to remedy all deficiencies in society. Its goal was a society that would satisfy the conditions of justice – to become a just and caring society. Besides aiming to strengthen the economic base and further economic growth, the cabinet also strove to improve opportunities for the unemployed, disabled, and older people in destitute circumstances, foreign workers and cultural minorities.

The first Lubbers cabinet (1982-1986), which also consisted of CDA and VVD, emphasized the economy and state finance in its statement of policy. The basis of economy and employment was, according to the cabinet, rapidly wearing away. The aim was to stop the process in three manners: by reducing the government's budgetary deficits and associated interest; by strengthening the market sector by means of lower tax burdens for business, a policy for the economic structure, reduction of labour costs and diminishing of bureaucracy; and by spreading the workload over more people without increasing costs. The second Lubbers cabinet (1986-1989) had the same political composition and more or less the same policy goals.

The third Lubbers cabinet (1989-1994), which included members of the CDA and of the PvdA instead of the VVD. Nonetheless, it continued with several of the main elements of the policies of the two preceding cabinets. The government's statement of policy said that a continuation of the considerable employment growth of recent years was a key issue, both from the a social as well as from a financial-economic point of view. But the cabinet also said its mission was to adjust the ways of production and consumption to meet the demands of environmental management.

The first 'purple' Kok cabinet (1994-1998) consisted of members of the PvdA, the VVD and D66. The government's statement of policy on 31 August 1994 said that it opted: "for a balance between economic dynamism and social protection; a balance between encouraging individual responsibility and promoting public-spiritedness, unity and cohesion; and a balance between economic modernization and a sustainable environment." The coalition agreement *Choices for the Future*, which was accepted by the parliamentary parties of the coalition on 13 August 1994, declared: "The leading thought in this programme is to regauge the relationship between common regulations and own responsibility." The Queen's speech on 19 September 1995 formulated it even more concretely: "A more market-led economy and less regulation are essential."

The aforementioned policy goals indicate the main policy characteristics of the cabinets in the last quarter of the twentieth century. It is clear that the

emphasis has shifted from social to economic policy, from the principle of equality to the principle of freedom, and more specifically to the freedom of the market and citizens with respect to the government. The Den Uyl cabinet (1973-1977) accentuated the strive for a more equal distribution of material and immaterial goods in society. The first Van Agt cabinet (1977-1981) tried to combine a strengthening of the economy with an improvement in the position of vulnerable members of society. With the first Lubbers cabinet (1982-1986) the emphasis was placed on the economy and state finance. The first purple Kok cabinet (1994-1998) opted officially for a balance between economic dynamism and social protection, but also wanted more market leadership and less regulation. In the next sections it will become clear to what extent this balance was realized.

As far as the policy goals of the cabinets in the eighties and nineties are concerned, the shift from the CDA to the PvdA as coalition partners did not make much difference. This can partly be explained by the movement of all big parties to the centre of the political left-right scale. However, it would be premature to conclude that party politics do not matter. The key formulae of a government's statement of policy indicate only some elements of their policies.

3 Policies and results

In this section a number of important goals, formulated in the coalition agreement of the first purple cabinet, will be confronted with data on political and social developments during the cabinet's term of office. In this way we can see to what extent the goals were attained. The official goals of the cabinet are used as normative criteria for the evaluation of success or failure (goal attainment) of the cabinet's policies. The goals were identified from the official coalition agreement and not from statements of the various government departments, because the intention of this paper is to evaluate the policies of the cabinet as a whole, and not that of separate ministeries. The relevant data on social developments are mainly drawn from sources that are relatively independent of the government, for example the Central Bureau of Statistics, the Central Planning Office, the Social Economic Planning Office, and university researchers. As far as possible, data were chosen that cover developments during the whole cabinet period.

This article deals with the attainment of goals, not with the effectiveness of the cabinet's policies. The effectiveness of a policy is the degree to which the policy contributes to the attainment of its goals. It is simply not possible to answer the complicated causal question of the effectiveness of many of the cabinet's policies within the limits of one article (Bressers & Hoogerwerf 1995).

As an example, one of the causal questions that cannot be answered here is: to what extent is the development of employment a consequence of cabinet policies and to what extent is it the consequence of other external factors, such as the international economic environment? There is, however, no doubt that the cabinet was sailing with the economic winds. Relevant world trade grew annually during the cabinet period by some five to nine per cent, whereas growth was less then one to four per cent in the preceding four years (CPB 1998: 168-169).

3.1 Employment, social security, and income distribution

Employment – "The greatest problem in the Netherlands is the lack of jobs," states the coalition agreement.

The cabinet's concrete goal to create 350,000 jobs was achieved. The number of jobs for twelve or more hours a week in fact increased by more than 500,000, that is an average of 2 per cent per annum. The number of unemployed persons in the professional population decreased from 547,000 to 289,000, the lowest figure since 1981, which was shortly before the great recession. In percentage terms, the number of unemployed people in the professional population decreased from 8.6 to 4.2 per cent (CPB 1998: 22, 168-177). These figures are based on the official registration. According to a broader OECD definition the Netherlands had more than two million unemployed (SCP 1998c).

The cabinet continued the policy of the 1980s and 1990s, which was directed to furthering employment by means of wage moderation. It tried to make this moderation acceptable by lowering taxes. Wage moderation since 1982 is a cornerstone of the socio-economic consensus policy, which in the 1990s became known as the 'poldermodel' and even as '*A Dutch Miracle*' (Visser & Hemerijck 1997).

The growth in employment was, according to economists, not only caused by wage moderation, but also by the favourable economic situation, the low interest rates, and the reduction of collective burdens (taxes and social premiums) on labour. Some researchers conclude, however, that the supposed relationship between the costs of labour and unemployment has not been established (Therborn 1985: 66-73; Bijnen & van Wezel 1993; Kleinknecht 1994). Another argument is that the policy of wage moderation and budgetary cuts destroys purchasing power and therefore also jobs.

The success of employment policy also has its restrictions. Two-fifths of the new jobs were temporary jobs for less than a year, and another two-fifths were part-time jobs. These jobs will soon disappear when the economic climate deteriorates (Delsen & Garretsen 1996; Delsen & de Jong 1997). The government also wanted to create 40,000 jobs for the long-term unemployed in the fields of public safety, childcare places, and provisions for the disabled elderly. Most of these jobs have indeed been realized.

The government's statement of policy spoke of 'jobs, jobs, and more jobs' as the key answer to community-wide social questions: affordable provisions for the elderly, the assimilation of newcomers, more unskilled work for the long-term unemployed, higher standards of care and improved public safety, a greater emphasis on law and order, and economic independence for men and women. In the next sections of this paper it will become clear that, in spite of the increased number of jobs, these social problems have not been resolved.

Social security – With respect to the social security system that provides benefits for all those who are not working (irrespective of whether they are ill or simply unable to find work), three starting-points were mentioned in the coalition agreement. First, the system should offer security to citizens who really need it. Second, improving peoples' ability to re-enter the labour market should be emphasized. And lastly, competition and market-oriented approach should improve implementation. For these reasons the cabinet furthered privatization, market-oriented approaches and commercialization in the social security system. However, according to the coalition agreement, the fact that the support was necessary in society demanded a limitation on the intended adaptations of social security. Therefore, the amount of unemployment benefit received and the duration for which it was received should remain unchanged.

The coalition agreement stated that the beacons should be moved in the direction of privatization of the Sickness Benefits Act, market mechanisms, and differentiated contributions for different business categories in the implementation of the Invalidity Insurance Act. Privatization and market mechanisms meant that each employer could decide between bearing the risk himself, leaving it in the hands of a business association, or placing it in the hands of a commercial insurance company. In fact, however, the intended market-oriented approach was increasingly limited by mergers between commercial insurers.

With respect to the Unemployment Insurance Act, the coalition agreement introduced more severe regulations. The unemployed must have worked for 26 of the 39 weeks preceding unemployment (instead of 52 weeks) during at least four (instead of three) of the past five years. With regard to the General Assistance Act the coalition agreement demanded a more stringent implementation of the concept "suitable labour".

The amount of extra child benefit allowance received for the third and subsequent children would no longer grow with the number of children. Moreover, the extra allowance for children from the ages six to eighteen would be reduced.

The cabinet also proposed a General Law for the next of kin, to replace the Widows' and Orphans' Benefits Act. Widows and widowers would only receive a benefit under three conditions: if they were born before 1950; if they had children under the age of eighteen; or if they were more than 45 per cent disabled.

Under pressure from the opposition and with view to the forthcoming elections, the new law, that caused major decreases in income, already had to be made more flexible during the cabinet's term of office.

The General Old Age Pensions Act remained as a basic pension, but any extra allowances – if one of the partners was younger than 65 years of age – would only be given if the household would otherwise fall beneath the relevant social minimum. In view of the growing number of elderly a General Old Age Pensions Fund was founded in order to guarantee the continuity of the pensions.

The intended measures in the field of social security have been realized, though often in a somewhat adjusted form. Together they resulted during the cabinet period in a decrease in government expenditure of two billion guilders, and a decrease in social fund expenditure of 5.8 billion guilders.

According to the coalition agreement it was self-evident that the position of chronically ill workers needed special attention in connection with privatization. In fact, the opportunities for such persons in the labour market have deteriorated since privatization. When selecting employees, employers take health into consideration more and more because they now have to continue paying an employee's salary during the first year of illness. Therefore, a law was introduced that prohibits a medical examination of applicants, and even forbids asking questions about their health. In the meantime research has shown that this law is infringed by forty per cent of employers (*NRC Handelsblad* 14 October 1998). Moreover, employers try to come to an agreement with health insurers concerning priority treatment for ill employees when they are confronted with waiting lists for medical specialists or hospitals.

In 1998 the cabinet published a note on the future of social security, that left the decision concerning the degree to which an unemployed or disabled person has a right to a benefit (the judgement of the claim) in the hands of a public authority, but passed the implementation into the hands of the market. The Committee of Independent Experts of the Council of Europe concluded in 1998 that the privatization of the Sickness Benefits Act in the Netherlands was fundamentally contrary to article twelve, section three, of the European Social Charter. The committee is of the opinion that the bearing of the financial risk for sick employees by the employers is not in agreement with the principles of collectivity and solidarity which are basic to social security (*NRC Handelsblad* 3 July 1998).

In the revision of the social security system several arguments played a role: the increased costs, the complex legislation, the inefficient implementation,

but certainly also neo-liberal ideology that demands more room for market mechanisms. In its statement about the problems surrounding social security, the government accentuated the financial burdens, and showed little interest for poverty and social exclusion. In its policy, a vision of the future of social security as a whole was lacking. As a consequence of this, the process of change had a capricious pattern of trial and error. Many times a repair legislation had to be introduced. The government attained part of its goals, but the position of citizens weakened (den Broeder 1997:85-88; cf. Teulings et al. 1997).

According to experts, the quality of recent social legislation is bad. The clarity and the accessibility of legislation are matters of concern. Implementation is very difficult. Financial and economic policies dictate social legislation. The legislator has problems adjusting the Dutch social security legislation so that it complies with relevant international norms. The government even proposed denouncing part VI of the European Code on Social Security, but parliament rejected this proposal (Noordam 1999).

It has never been very easy to survey social security in the Netherlands. But the ad hoc reductions and privatizations have changed the field into one in which only very few people can easily find their way. The fragmentation is now almost complete (Kuypers & Vendrik 1998).

Income distribution – The coalition agreement aimed at a very moderate increase of contract wages. Government measures for decreasing the burdens of taxes and social contributions could, according to the coalition agreement, lead to a limited and well-balanced spread of the loss of purchasing power, that should take into account the differences in ability to bear the loss. Because of the unbalanced ratio between the numbers of people working and not working, there should, according to the coalition agreement, be no adjustment ('linking') of the level of social security benefits to the increase of wages in 1995 and only an adjustment of fifty per cent in the three years thereafter. In fact, the full adjustment of social security benefits to the wage increases was restored in these years.

The goal of a limited rise in wages was attained, but that of a well-balanced spread of purchasing power was not realized. The purchasing power of the modal employee increased on average by three-quarters of a per cent per annum. This increase was mainly due to an increase of almost two per cent in 1998, the year of the elections. For people with a minimum social benefit and children, purchasing power decreased in the first three years of the cabinet's term of office. During the whole cabinet period their purchasing power increased with a meagre two-tenths of a per cent per annum, due to an increase of two per cent in the election year (CPB 1998: 22, 168-177).

The cuts in social security benefits and subsidies, together with reduced taxes for the higher incomes, resulted during the 1980s and the beginning of

1990s in a more unequal distribution of income (Wilterdink 1993, 1995; Eijgelshoven & Nentjes 1998). The Social and Cultural Planning Office calculated already in 1995 that the coalition agreement would lead to a decline of incomes in the lowest strata and a rise in the highest strata (Pommer & Ruitenberg 1995: 65-70). More than half of the population is of the opinion that social security benefits should be higher (SCP 1998b).

In actual fact the general income differences between households remained almost stable in the 1990s. In 1997 half of the Dutch households, the category with the lowest incomes, received 27.4 per cent of the total income against 27.6 per cent in 1990 and 29.8 per cent in 1985 (Central Bureau for Statistics 15 December 1998).

The Netherlands is a rich country, but still there is poverty. In 1995 four per cent of all households had an income below the social minimum, and another seven per cent around this minimum. Almost a million households (16 per cent) were below the so-called low income or poverty line. Many of these households were single, elderly women, one parent families, unemployed people, and receivers of social assistance benefits. The differences between the poor and the rich are, nevertheless, smaller in the Netherlands than in other countries of the European Union (SCP 1997: 14-27;137;181-182). The Human Development Report of the United Nations Development Program (1998) states that the percentage of poor people in the Dutch population is 8.2 per cent. After Sweden this is the lowest percentage in Western countries.

Under pressure from the churches and other groupings, the cabinet placed the problem of poverty on the policy agenda. It gave some support to financially vulnerable groups: a higher extra allowance for the first child; measures for those elderly with only a general old age pension or a small additional pension; and compensations in the individual rent subsidy for households with children and an income at the level of the social minimum. Moreover, shortly before the elections of 1998 the decreased purchasing power was repaired with 850 million guilders, mainly for people on social benefit.

Income distribution was a weak element in the socio-economic policy of the purple cabinet. As far as there was an income policy, it aimed at maintenance or repair, and not at a structural improvement of the purchasing power of the lower income categories. At the same time, the highest incomes rose at an extremely quick rate as a consequence of the development of the shares market and option regulations for top managers. Though the number of jobs and consequently of wages has grown, households' share in the net national income decreased from 80 per cent in 1992 to 75 per cent in 1997. At the same time, business profits' share increased (CBS 1998c).

3.2 Welfare and health

Welfare policy in the Netherlands has changed radically during the last few decades. The Welfare Law of 1994 gives the responsibility for welfare primarily to the citizen rather than the government. For the most part, the necessary provisions are offered by private organizations. If direct government intervention is necessary, then this is initiated in the first instance by the level of government that is nearest to the citizen. Nowadays, government welfare agencies address themselves more to welfare organizations than directly to citizens (Veldheer 1996).

The main traits of this policy apply also to the field of healthcare. Since the 1970s several plans have been made to radically change the complicated healthcare system. In the 1980s the policy moved from control of the supply side through planning to control of the demand side through market mechanisms. The purple cabinet chose, because of a lack of agreement on an overall arrangement, for changes in elements of the institutional regulations. The medical specialists became employees of the hospitals instead of autonomous entrepreneurs. However, the chosen incremental approach is, in several respects, in accordance with the growing market orientation in healthcare. One example is the changed budgeting of sick-funds that strengthened the competition between health insurers (Heffen & Kerkhoff 1998).

The coalition agreement said that controlling the costs of healthcare was a necessary element of the policy, in view of changes in the population and medical technology. It expected a growth of the budget volume for healthcare of 1.3 per cent per annum. In fact it grew with 1.8 per cent.

The healthcare system should, according to the coalition agreement, guarantee the accessibility of an eminent supply of provisions. However, in 1998 less than half of the Dutch population judged healthcare to be good, against 84 per cent six years earlier. The care for the elderly, chronic patients and disabled people, in particular, was often judged to be bad or moderate. According to the magazine *Medisch Contact* of June 1998, the more negative judgement could be explained by the media attention to waiting lists, low salaries and high work stress in the healthcare system.

In order to decrease the use of healthcare provisions, it was decided that sick-fund patients would have to pay a contribution of up to two hundred guilders a year for medicine and other provisions. The changes in the way prescriptions were reimbursed in the sick-fund package were many. Initially, the anti-conception pill was to have been taken out of the package, but in fact stayed; dentures were taken out of the package, and then brought back.

Nurses complained of unacceptable work stress and deteriorating quality in basic care. In the care for disabled and elderly people there are especially long waiting lists. For some treatments no money is available. In order to limit the

costs, lesser educated employees, younger employees and fewer nurses have been appointed (Van Heffen & Kerkhoff 1998). In organized home care, chaos was caused by the coincidence of several radical policy changes including: more competition between agencies; a new system to regulate patients' financial contributions; a redistribution of budgets throughout the entire country; and separate systems to regulate the payment of expenses for short-term and long-term help. The result was that the quality of care was damaged, personnel was demotivated, and patients with higher incomes could receive help more easily than others. Because of this negative development the cabinet had to temporarily stop the introduction of more market mechanisms in home care. One important policy regulation was cancelled before it could be implemented. The causes of the problem were partly a wrong policy theory, and partly a lack of acceptance of the policy by the implementers (Hulshof et al. 1998).

The introduction of market mechanisms in healthcare continues, though in smaller steps than initially intended. The discussion is dominated by value judgements. A serious empirical test of the ideological arguments is wanting. The principle of equality, which furthers the accessibility of care for all citizens, has lost ground to the principles of freedom and competition. There are indications that market mechanisms may reduce equal access to healthcare (Maarse 1997). For example, in organized home care the lower income patients are on waiting lists, whereas the well-to-do can buy home care on the market.

3.3 Financial policy

The financial policy of the purple cabinet aimed at diminishing tax burdens and decreasing the state budget deficit just as the three Lubbers' cabinets had aimed to do. These goals have been attained. The collective burdens decreased from almost 45 tot 43 per cent of the gross national product (GNP). The budget deficit fell from 1.9 to 1.5 per cent of the GNP. The gross national debt decreased from almost 61 to 56 per cent of the GNP (CPB 1998: 22, 168-177). The coalition agreement said that public expenditures would be reduced by 18 billion guilders: 11 billion on the state budget and 7 billion on the funds for social security and care. Ultimately the total cuts were 22 billion.

As far as new policies (intensification of expenditures) were concerned, priority was given to strengthening employment and reducing structural problems in the state budget. The priorities consisted of:

- extra employment in healthcare, help for elderly, safety and childcare: 1,600 million guilders;
- the maintenance of law, the judicial chain, and crime prevention: 400 million;

- social housing, economic infrastructure, nature and environment: 600 million;
- provisions for the elderly, relief work, education and culture: 400 million;
- direct support for financially vulnerable groups: 400 million;
- international cooperation: 400 million.

In order to fight 'fiscal emigration' it was decided to tax pension properties that are taken abroad at the highest possible tariff of sixty per cent. Also, a law was made to increase taxes on extreme profits that are received by managers who have share options in their own companies. This law was, however, partly undermined by the provision that it would not be applicable to existing options for the next five years.

More important was the note on *Taxes in the 21st century: an exploration*. Its central message was that labour should be taxed less heavily, whereas consumption and environmental pollution should be taxed more heavily. This note resulted in the negotiations of the second purple cabinet in a decision to double the eco-tax and increase the value-added tax from 17.5 to 19 per cent. As far as the income tax is concerned, it was decided that the top tariff for incomes above about one hundred thousand guilders a year will be reduced from 60 to 52 per cent. Until just a few years ago it was 72 per cent. The other tariffs will be reduced from 50 to 42 per cent for the middle incomes and from 36.8 to about 36 and 32 per cent for the lowest incomes. Several deductible items, such as interest paid for consumption credits and mortgages on a second house, will disappear. All in all, these tax changes will probably increase the inequality of income distribution in society, and reduce the income of the state by about 4.5 billion guilders.

3.4 Economy and ecology

Economic policy – The coalition agreement says that economy and ecology should go hand in hand. Economic growth should not be more of the same. In a cautious scenario the coalition partners expected an average economic growth of two per cent a year. In fact, the gross national product increased on average with more than two per cent per annum. The profit quote for production (banks and insurance excluded) grew by eight per cent per year (CPB 1998: 22, 168-177).

An important goal of economic policy was furthering market-oriented approaches and therefore a new competition law was made. In connection with the operation called 'Market-oriented approaches, deregulation, and quality of legislation' the administrative burdens of business were reduced. The 'Shop Closure Act' was changed too so that shops could stay open longer in

the evenings and open on Sundays. In reaction to this, twenty churches, supported by some Labour unions, retail dealers' organizations, sports associations and political youth organizations, obtained 750,000 signatures on a petition against the 24-hour economy.

Following European Union decisions, the Dutch telecom market was liberalized, although this did not immediately result in lower tariffs. In 1998 a new Electricity Law was passed, that will gradually give clients the freedom to choose their electricity supplier.

Traffic and transport – The main target of spatial planning is to strengthen the competitive position of the Netherlands in a united Europe. The slogan is: 'The Netherlands: the country of distribution'. Amsterdam airport Schiphol and the seaport Rotterdam, both in the west of the country have priority. Railways and roads will also be modernized (de Ridder 1996; van der Veen 1996). The purple cabinet has confirmed that the track for the high speed train that will connect Amsterdam, Schiphol airport and Rotterdam with Paris will be constructed. A compromise to spare the 'the green heart' of the Netherlands is the agreement to construct a tunnel at a price of nine hundred million guilders. The construction of the 'Betuweline', a railway for goods trains from Rotterdam to Germany, has begun.

The expansion of Schiphol airport should, according to the coalition agreement, be realized within acceptable limits with regard to noise standards, safety, and environmental pollution. The upper limit for further growth of Schiphol has been fixed at 44 million passengers and 3.3 million tons of goods a year. In fact, the environmental limits have been exceeded, and Schiphol has received permission for an extra twenty thousand flights a year until 2003, above the fixed maximum of 380,000 flights for 1998.

The accelerated construction of a fifth runway at Schiphol was postponed, because of serious criticism from the Lower House with regard to a bill aimed at limiting complaint procedures and speeding up expropriations. A far-reaching decision on the future of aviation in the Netherlands was also postponed, pending reports on four possibilities for an increase in capacity: a new airport near Rotterdam (on the Maasvlakte), a new airport in the Flevoland polder or in the North Sea, or adaptations to Schiphol.

In the field of public transport the cabinet was also a champion of market mechanisms and competition. Parliament was more hesitant in this matter, because it feared a lower quality of service and higher tariffs, especially during unprofitable hours. A memo by the Minister for Transport about competition in the railway industry was not published because of a lack of agreement in the cabinet. The introduction of competition in bus transport met juridical problems. The continuity of traffic and transport policy suffers from cabinet changes and contradictory ideological preferences (Pröpper 1997: 67-68).

Environmental policy – Attention in Dutch society to the environment increased greatly in the 1970s, reached its peak at the end of the 1980s, and then decreased again. The amount of environmental policy has grown considerably, particularly since the 1980s. Both of these developments are closely related to the development of emission levels of the policy target groups (Peppel et al. 1998).

One of the most important results of the purple cabinet with regard to the environment is the law concerning the restructuring of the pig breeding sector. The implementation of this law will reduce the number of pigs in the country by 25 per cent within a few years. It was prompted by an epidemic of swine fever, which ultimately resulted, after a hesitant beginning, in the slaughter of millions of pigs.

This legislation as well as some other cabinet decisions which were favourable for the environment were mainly initiated outside the policy field of the Minister for the Environment. The Third National Policy Plan for the Environment (1998) mentions many possible solutions to environmental problems, but leaves the decisions to the next cabinet. All in all the economy took precedence, in this cabinet's term of office, over the environment.

An unexpected problem during the cabinet's period of office was the flooding from the great rivers in 1995, which was partly to blame on insufficient upkeep of the dikes. To guarantee the immediate safety of people and cattle a large-scale evacuation was implemented. With a view to safety in the long-term the dikes had to be strengthened (Bestuurskunde 1995).

3.5 Democracy

Since the 1960s there has been a movement, mainly inititated by D66 and the PvdA, towards a further democratization of the Dutch political system. Its goals are a directly-elected prime minister, directly-elected mayors, and the introduction of a decisive referendum. A decisive referendum would determine whether a law passed by the goverment would be enacted or not. These goals have not been realized to date in political practice, because the VVD and CDA do not support them (Hoogerwerf 1995: 81-118; Aarts 1996). The cabinet also prepared a bill that would give municipal councils the right to appoint aldermen from outside the council.

On the basis of the coalition agreement the purple cabinet presented a bill for the introduction of a corrective referendum, which was adopted by parliament after the first reading. To request a referendum on a bill that has been passed by parliament, 40,000 signatures must be obtained within three weeks of the bill's passing; to hold the referendum 600,000 signatures are needed at a later stage. A bill can only be rejected with a majority vote in the referendum,

based on a turnout of at least thirty per cent of all eligible citizens. Without this level of turnout, the referendum is invalidated.

The government's statement of policy of 1994 said: "Dualism, whereby parliament and government endeavor to reach agreement in open consultation, is another crucial element in our approach, the underlying principle being contained in the adage 'The Government governs, and Parliament controls'." In fact, however, there was a lot of confidential consultation between members of the cabinet and leaders of the coalition parties in parliament. Serious mistakes, for example in the Securitel affair (when the goverment failed to inform the European Commission about several hundred new legal regulations thus endangering their legality), were concealed for as long as possible. The opposition in parliament was not always taken seriously by the cabinet. Criticisms of the General Accounting Office sometimes openly irritated ministers.

Ministers who failed were nevertheless allowed to remain in office, because the prime minister and the coalition parties in parliament gave the interests of the coalition or of their own party priority above national interest. There was severe criticism, both in society and in parliament, of many members of the cabinet. In many other democratic countries several of these ministers (especially Sorgdrager, the Minister for Justice, and Voorhoeve, the Minister for Defence) and several secretaries of state would have had to resign. In fact only the secretary of state for social affairs and employment, Linschoten resigned, because of a lack of unconditional support for his policy from the PvdA and the D66.

Plans to reorganize the governmental system of provinces and municipalities were unsuccessful. The initial idea to introduce so-called city provinces was mainly changed into the transfer of regional tasks to provinces and municipalities, in combination with a further integration of municipalities (Denters 1996). However, the positive effects of larger scale municipalities for the economy and governmental power are overestimated. At the same time, the negative effects of a greater distance between citizens and government are underestimated (Berghuis et al. 1995; Herweijer 1996). The same could be said of privatization. Research has concluded that the privatization of governmental organizations leads only rarely to more efficient functioning and in some cases even to less efficient functioning (Ter Bogt 1998).

3.6 Public safety

Electoral research on the general elections of 1994 showed that the percentage of Dutch voters who saw crime as an important problem had grown – from 14 per cent in 1989 to 23 per cent in 1994 (CBS 1998). There was also growing

confusion concerning the supposed use of illegal tracing methods by the police and the judicial machinery in the fight against drugs-related crime. The parliamentary investigation committee on tracing methods reported in 1996: "The norms are insufficient; within the organization it is unclear who is responsible for what; and the public prosecutions department has too little authority over the police. Therefore, we speak of a crisis in tracing" (Enquête 1996: 5-6; Bestuurskunde 1996).

Against this background the Minister for Justice had a difficult task, to which she was evidently not equal. A start was made with the reorganization of the Ministry of Justice and the public prosecutions department. But the minister had continual conflicts with parliament and with her civil servants. She even suggested, on controversial grounds, that there was a "mutiny" among the top ranks of the public prosecutions department.

Improvements in public safety would, according to the coalition agreement, be furthered through an increase in the number of police officers, an extension of cell capacity, a strengthening and reorganization of the public prosecutions department, measures concerning youth criminality and addiction, and investments in instruments. This formula showed little attention for the social causes of crime, such as poverty, unemployment, social inequality, and social disintegration (Hoogerwerf 1996). A memo by the Minister for Justice on street violence disregards in its causal analysis the negative effects of retrenchments in youth care, education and social security, and puts poverty and inequality as sources of violence into perspective (Hoogerwerf 1998).

One of the cabinet's targets was to increase the number of police officers by 3,900, however, for a long time the Ministry of the Interior was unable to calculate to what extent this had been achieved. Finally the government said that the number of full-time police jobs had grown by 3,715 during the cabinet's term of office. On the other hand, the rate of solved crimes reached a historic low of only 14 per cent, and the prisons were enlarged with several thousand new cells.

Asylum seekers – A new law for the domestication of immigrants in Dutch society was introduced, with contracts for newcomers and sanctions for transgressors. At the same time the asylum policy was tightened. According to a new bill, asylum seekers without a passport are not admitted to the country, unless they can make a plausible case that they have not destroyed their documents intentionally.

Parliament adopted the so-called 'linking law', that made it possible to link data sets from the population register, social security, and the aliens' police (where all aliens must register). The goal of this is to oppose illegal residence by excluding illegal aliens from collective provisions such as social security benefits. The law has three exceptions: illegal aliens may still apply for juridical

help, for medical help in acute emergency situations, and for education for children up to eighteen years of age. The risk of the law is that it will lead to still more homeless asylum seekers. Already in 1995, 60 per cent of the 15,000 people who were officially expelled from the country were in fact released on to the street in the Netherlands, because the government was not able to effectuate their removal in view of the situation in the countries of origin (Winter/Vermolen 1996: 147).

3.7 Education policy

The education policy of the purple cabinet was characterized by retrenchments. The coalition agreement cut spending on education, culture and sciences by 1,772 million guilders. A reduction in the costs for higher education could, according to the agreement, only be achieved by shortening the period of study. The cabinet could not agree on proposals for a radical change in student financing.

Primary education received some extra money, which made it possible to introduce computers and decrease the average number of pupils in the first four years from 23.7 tot 22.4 per class. The latter resulted, however, in a shortage of classrooms and teachers.

A law concerning the modernization of the universities administrative structure replaced the democratized structure of the 1970s with a more autocratic system, inspired by the management style of business concerns.

3.8 Foreign policy and defense

During the term of the first purple cabinet the Netherlands participated with more than 20,000 militaries in United Nations activities in Angola, Bosnia, Cambodia, Haiti, Mozambique and Zaire. A very dark moment in Dutch history concerns the 'safe haven' area in Srebrenica in Bosnia, which had to be protected by Dutch UN troops. On 11 July 1995 the area was captured by Bosnian-Servian troops and as a result thousands of Moslems were led away to be murdered. The Red Cross registered 7,079 Bosnian Moslems as missing.

Many Dutch government decisions, especially in the fields of finance and economics, are now taken within limits set by the European Union. The Treaty of Amsterdam was agreed upon, but in a rather meagre form. Parliament supported with a large majority the intended introduction of the Euro as a common monetary unit in eleven countries of the European Union. The Dutchman Wim Duisenberg was appointed as the first President of the European Central Bank, in spite of opposition from France.

4 Some conclusions

In a style that fits market thinking, the first purple cabinet spoke eagerly of the successes of the purple policies. Was it right to do so?

First of all, there was not a unique 'purple policy' that deviated essentially from the policies of preceding cabinets in the 1980s and 1990s. In financial and socio-economic matters the neo-liberal, market-oriented course of the three Lubbers cabinets (1982-1994) was mainly continued. The absence of Christian Democrats in the purple cabinet did not lead to new policies on controversial topics concerning, for example, drugs or euthanasia. Democratization, the pet subject of D66 has, apart from the decision on the referendum, not proceeded.

Some targets of the cabinet were attained, others were not. The most important successes – in terms of the attainment of the cabinet's goals – were the creation of jobs, economic liberalization, and the reduction of public expenditures, taxes and the state's budget deficit. Failures, or at best limited successes, can be found in most other policy areas.

The policies of the purple cabinet had negative as well as positive aspects. Cutbacks in public expenditures were seen as a basis for reducing the state's budget deficit and for starting new policies. But, they were obviously also chosen in view of the intended decrease of taxes, which is equal to a decrease in the income of the state. The retrenchments in public expenditures and the lowering of taxes were detrimental to the quality of many public provisions, such as social security, health, education and safety. Reductions in social security weakened the position of vulnerable groupings in society (Berkouwer et al. 1996). The cabinet's neo-liberal market ideology, based on the assumption that the market functions better than the state, resulted in priority for financial and economic tasks of government above social, cultural and environmental tasks.

In terms of principles, the policies of the first purple cabinet were dominated by the values liberty, efficiency and competition. Liberty was, in this case, mainly interpreted as negative freedom of citizens and business with regard to the state. Efficiency was mainly operationalized in financial terms instead of costs and benefits in a broader sense. The values of justice, equality and solidarity received much less attention than liberty, competition and efficiency (Hoogerwerf 1995).

The central formula of the cabinet's statement of policy, namely that the cabinet was opting for a balance between economic dynamism and social protection, was not realized. In fact, the accent lay on economic dynamism instead of social protection.

The first purple cabinet started from the premise that the delegation of several essential tasks of government to the market is a well-founded response

to the challenges of contemporary international capitalism and economic competition. In my opinion, this premise should, in view of the history of the state and society in the 19th and 20th centuries, be very seriously doubted.

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The 1998 Campaign: An Interaction Approach

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Abstract

In this article an interaction approach of election campaigns is elaborated: form and content of the campaign depend largely on the intense interaction between campaigning actors and the media. Form and dynamics of this process can differ from one country to the next and are determined in part by contextual factors such as the political and media culture. In the 1998 election campaign Dutch parties succeeded better than in 1994 in controlling news about themselves and their party leaders. Contrary to 1994, the TV news did not play an agenda-setting role. However, the new commercial station channel SBS6 introduced a remarkable style of campaign coverage: a focus on news close to the people and no attention to the actual party campaigns. In their turn, parties put little emphasis on traditional forms of controlled publicity such as folders and printed advertisements, and have discovered the advantage of having their own website. On a modest scale they used the new opportunities for broadcasting party spots on both commercial and public, national and local TV channels.

1 Introduction

Election campaigns are changing, not only in the US or the Netherlands, but in almost all countries with free elections. Various comparative studies on this topic have been published in recent years and one thing all authors have in common is their emphasis on the modernization or, as it is sometimes referred to, the 'Americanization' of election campaigns. Their studies differ, however, in approach. Some research is done from the perspective of the political parties and the politicians running the campaign; others look more at structural changes in society.

The (political) actor perspective focuses on organizational changes in the actual campaigning: costs, target groups, and the introduction of new electoral research and marketing techniques. This perspective is usually applied by political scientists. Those interested in the long-term effects that structural social factors are having on the form and content of the campaign – a perspective popular among communication scientists – accentuate the changing role