FONDATION ROBERT SCHUMAN

European **Elections monitor**

General Elections in the Netherlands, a round up one week before the election

D-7 7 days before the poll

On 20th February last the Dutch government collapsed over problems caused by the peace mission in Afghanistan. The Netherlands already experienced a similar situation like this on 16th April 2002 when Wim Kok's government (Labour Party, PvdA) resigned after the publication of an official report by the Dutch Documentation Institute which was critical of Dutch army activities during the fall of Srebrenica enclave in July 1995 and which admitted «the joint political responsibility of the Netherlands,» in the massacre of the civilian population. 8 years later Afghanistan was the source of the political crisis, 21 soldiers (including the son of the Chief-of-Staff, General Peter van Uhm) have been killed since August 2006.

The government led by Prime Minister Jan Peter Balkenende (Christian Democratic Appeal, CDA) therefore collapsed after the departure of the PvdA. It was against the Prime Minister's decision to maintain 1,950 Dutch soldiers deployed as part of NATO's international security assistance force (ISAF) (that totals around 85,000 men) in Afghanistan until the summer of 2011. This extension of the mandate of the Dutch contingent was requested on 4th February last of the Dutch authorities by NATO which wanted the Dutch soldiers to train the Afghan forces.

Around 500,000 Dutch living abroad are allowed to vote - by mail or by proxy - in these general elections. During the last general election on 22nd November 2006, 26,000 of them fulfilled their civic duty.

All of the Dutch political parties support cuts in public spending, a vital measure to reduce public deficits. Most parties are planning budgetary cuts to a total of 15 billion € on average by 2015.

The PvdA wants to increase taxes on the wealthiest by setting a 60% rate on income of over 150,000 € per year and reduce the tax rebate on interest on housing loans by 30% as from 2014.

The Liberals of the People's Party for Freedom and Democracy (VVD) want to reduce social charges likewise the sums devoted by the State to international aid and to the European Union. They intend to limit administrative costs.

All of the parties are promising to foster employment.

The PvdA confirms that it will create 200,000 jobs; the Greens are promising 300,000 and the CDA 320,000 - the latter also want to reform the Labour Laws. The VVD is promising to create twice as many jobs as the PvdA: 400,000.

Finally as far as pensions are concerned the unions and managers came to an agreement on 27th May with regard to the main orientation of the law on pensions. The law governing the elderly stipulates that the retirement age will be brought up to 67 by 2025 (66 in 2020 and 67 in 2025). It lies at 65 at present. This age will then be associated with life expectancy which is reviewed every 5 years. The majority of the political parties support the delay of the retirement age.

According to studies by the Central Bureau (CPB) on electoral programmes the Socialist Party (SP), the Labour Party and the Green Left (GL) which lie to the left of the political scale - would protect Dutch buying power the most. «The work requested of the parties is much greater than that announced during the general elections in 2006. The political classes are able to rise to this major challenge. It is good news for the electorate which has to choose,» declared the director of CPB, Coen Teulings. «The Socialist Party, which is the party planning for the least savings still manages to forecast an economy of 10 billion euro. The People's Party for Freedom and Democracy is asking for the greatest cuts: the Liberals are announcing 20 billion €

in savings and are showing the best result with regard to financial strength: in the party's projects the budgetary deficit would be transformed into a surplus in 2015,» he added.

The CDA is suffering from the poor image of outgoing Prime Minister Jan Peter Balkenende. Traditionally in the Netherlands the party leader of the outgoing government benefits from his position and wins the elections - it is what is called the «bonus» of the outgoing Prime Minister. Political observers are talking of Jan Peter Balkenende's «malus». «It is impossible for Jan Peter Balkenende to catch up with Mark Rutte (VVD leader) and Job Cohen (the PvdA leader) in the polls. The Prime Minister's image is far too damaged to reverse the situation. Jan Peter Balkenende does not seem strong but it is exactly what people look for in times of economic crisis,» stresses the marketing specialist Frank van den Wall Bake.

Struggling in the polls the CDA has to face the offensive by the Christian Union (CU), member of the outgoing government coalition. Its leader André Rouvoet declared that during his mandate as head of the country Jan Peter Balkenende had taken more of the CDA's interests into account than those of the country.

But Job Cohen has not had an easy time either. Hence on 27th April last during the first TV debate organised with the general elections on 9th June in view, the Labour leader was not really convincing. He was notably cornered on not knowing how many Dutch had a housing loan, since the issue of tax rebates on housing loan interests is at the heart of the electoral campaign. There are many of his adversaries who point to Job Cohen's lack of knowledge in terms of the economy and also highlight his lack of competence in this area.

During the second debate that took place on 5th May the Labour leader was again the subject of criticism - he said he had received an SMS from one of the programme organisers Paul Witteman which bore the following phrase: «Be yourself». Finally just a few days ago Job Cohen was confused about the retirement age saying that his party want to raise the age of retirement as from 2020 whilst the PvdA programme

plans for the application of this measure as from 2015 which represents savings of an additional one billion euros. This confusion and other slips explain in part the decline of the PvdA in the latest opinion polls.

Just a few days from the election the VVD is flying high. For the first time in more than 9 years it is leading in terms of voting intentions in the polls. According to analysts the VVD is mainly attracting former CDA and PVV voters notably because of its economic programme which inspires greater confidence than that put forward by the other two parties. According to the latest survey by Kieskompas (Electoral Compass) half of the CDA's electorate is going to vote for the liberals. This figure totals 60% amongst the PVV voters. «The People's Party for Freedom and Democracy in its role as a bridge between left and right can win three seats in the same way as it can win 24,» declared political expert André Krouwel, a political expert from the Vrije University of Amsterdam.

Mark Rutte indicated that he did not support an alliance with the PvdA: «the differences with the Social Democrats are too great, » he declared in an interview with the Dagelijkse Standaard. The present European Commissioner for Digital Society, Neelie Kroes is not ruling out becoming Prime Minister if her party comes first on 9th June.

The Freedom Party (PVV) led by Geert Wilders is experiencing some difficulty notably in the recruitment of candidates for the general election. «This kind of party attracts gold diggers in the main, outsiders who cannot find a place anywhere else,» indicated André Krouwel. MP Hero Brinkman, who features 11th on the national list on 9th June criticised Geert Wilders and said that the PVV «was not democratic» asking for greater opening. He wants voters to be able to become members of the party which is not the case right now and therefore give their opinion about its programme and its work.

«Geert Wilders has lost ground and some people are slightly tired of his personality, his logic and the polarisation he creates,» indicated Dirk Oegem, professor at the Vrije University. Many Dutchmen are also wondering about the PVV's ability to govern notably after the local elections on 3rd March last. Whilst the

PVV came second in The Hague and first in Almere, the country's 6th biggest town, out of intransigence and political tactics it chose to remain in the opposition on both towns. «If we make no compromises we would become a second Socialist Party (a Dutch far left party) which makes a lot of noise but never achieves any change,» declared Geert Wilders who stressed the day after the local elections that «the electorate has spoken and said that we must take democracy seriously.»

«The populist leader is going to try and stay out of government and take advantage of being the main opposition party, » maintains Dirk Oegema. Alfred Pijpers, of the Dutch Institute for International Relations, Clingendael believes that the breakthrough by Geert Wilders will have the effect of strengthening cohesion between the government parties who in 2002 governed with Pim Fortuyn's party (the populist leader was assassinated in May 2002, nine days before the general elections on 15th May 2002 when his party the Pim Fortuyn List came second with 26% of the vote). «Even if the PVV wins 25% to 30% of the vote it will not enter government,» maintains the political expert.

The PVV indicated that the fact that the CDA is turning the issue of tax rebates on housing loans into a «breaking point» was increasing its chances of entering government. Indeed if the Prime Minister's party wins the election it will have to call on parties which share its opinion (maintaining tax rebates on interest on housing loans in order not to increase the burden weighing on owners or to upset the housing market), i.e. the VVD and the PVV.

Declining in the polls in which he lies fourth at present Geert Wilders again spoke on one of his favourite themes: immigration. He made calculations public in which «non-Western» immigrants are said to cost the State 7 billion € per year because of the unemployment they suffer and the high crime rates they are supposed to create saying «the Dutch are going to have to decide: are we a country of immigration or a country of social services?»

The Democrat 66's chairman (D66) Alexander Pechtold indicated that he wanted to see the Netherlands governed by a coalition that would rally the D66, the PvdA, the VVD and the Green Left after the elections on 9th June. «By supporting Democrats 66 voters know which government they will have. A vote for us will prevent Mark Rutte associating with Geert Wilders and Job Cohen turning to the Socialist Party, » he declared. He also said that his party would not join «a coalition that left the housing market in its present state.»

Mark Rutte was appointed the winner of the TV debate organised between the leading candidates that took place on 23rd May. 34% of viewers appointed him as such, with 23% voting for Job Cohen and 18% for Geert Wilders and Jan Peter Balkenende. The political leaders were each called to name both an adversary and a theme to debate. Mark Rutte and Geert Wilders chose Job Cohen and Jan Peter Balkenende chose Mark Rutte. «Mark Rutte's projects are not social - he wants to balance public finances coldly and irresponsibly and his refusal to guarantee tax rebates on the interest on financial loans opens the door to another violent government (i.e. rallying the VVD and the parties on the left), » declared the outgoing Prime Minister.

According to the polls everything will depend on Job Cohen's PvdA and Mark Rutte's VVD. Both parties are leading in terms of voting intentions (Mark Rutte's party is first) whilst outgoing Prime Minister Balkenende's party the CDA seems to be lagging behind. According to a poll by Peil, published on 26th May last the VVD is due to win 36 of the 150 seats in the Estates General, the PvdA, 29, the CDA 25, the PVV, 17, the Socialist Party and the Green Left 11 each, D66, 9 and the Christian Union, 8.

A coalition rallying the VVD, PvdA and D66 (and possibly the Green Left) is the most frequently mentioned possibility on the part of political analysts. However there are many differences between the Liberals and the Labour, notably with regard to energy, the healthcare system, labour law, taxation and the tax rebate on interests on housing loans (which the PvdA wants to reduce by 30% contrary to the Liberals). The VVD may also join forces with the CDA led by outgoing Prime Minister Jan Peter Balkenende and Geert Wilders PVV.

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After the general election negotiations may be long. The next government coalition in the Netherlands may prove difficult to form.

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