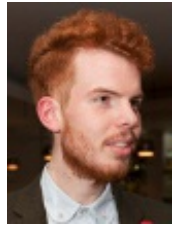


The threat of Geert Wilders winning snap elections is likely to be enough to force a compromise on the Netherlands' 2013 budget

blogs.lse.ac.uk/euoppblog/2013/09/25/the-threat-of-geert-wilders-winning-snap-elections-is-likely-to-be-enough-to-force-a-compromise-on-the-netherlands-2013-budget/

25/09/2013

In 2012, the Netherlands held snap elections following disagreement between Mark Rutte's government, and Geert Wilders' right-wing PVV over the country's budget. Adam Evans writes that one year on from the elections, Rutte is once again facing difficulty negotiating support for the 2013 budget. He argues however that with the PVV enjoying high polling ratings, the prospect of forcing another snap election is likely to be considered a price too high for opposition parties, who will inevitably seek some form of compromise to push the budget through.



Budget day has become an almost annual event of significance for governmental instability, rather than for organising the country's finances in the Netherlands. Falling into recession in July 2011, the politics of the Netherlands, as with the wider Eurozone and European Union has been dominated by austerity economics and fiscal consolidation, processes that have proven hugely controversial inside and outside Parliaments across the continent.

Before discussing the current debate surrounding this year's budget proceedings in the Dutch Parliament, perhaps it is worth revisiting last year's budget and the controversies it spawned. Determined to rescue the Netherlands AAA rating and bring the budget deficit closer to the 3 per cent of GDP demanded by Eurozone rules, the Rutte I Government (formed by a coalition between Mark Rutte's economically liberal VVD and the CDA with Geert Wilder's far right PVV providing Parliamentary support outside Government) [introduced](#) an austerity budget aimed at trimming €16 billion off the annual budget.

These plans were, unsurprisingly, highly controversial and following the collapse of three party talks between the VVD, CDA and PVV, which led Wilders to formally withdraw parliamentary backing for the Government, Rutte's government handed their resignation to Queen Beatrix in Spring 2012. Despite this controversy, Rutte's caretaker administration not only [managed to build](#) a slim Parliamentary majority for an austerity budget with the social Liberal D66, Green Left and Christian Union parties, but in the snap [general election](#) of September of that year, Rutte's VVD jumped from 31 to 41 MPs and formed a grand coalition with the PvdA (Dutch Labour Party), which had also gained seats (from 30 seats to 38) leaving the coalition with a slim majority in the 150 seat lower chamber.



Credit: Minister-president Rutte (CC-BY-SA-3.0)

Move forward a year and one could forgive Rutte of thinking he was impersonating Bill Murray in the film *Groundhog Day*. The Netherlands is still a nation in recession – with [projected contraction](#), according to the Dutch

Government's economic planning organisation the CPB, of 1.25 per cent in 2013 – and still has a budget deficit, despite the budget deal finally achieved in 2012, estimated at 3.2 per cent for this financial year. Having planned for a four year package of cuts and tax increases aimed at removing €16 billion from the government's books, the continued economic decline, increasing unemployment and [failure to meet Eurozone deficit rules](#) has led Rutte's administration to present to the Dutch Parliament, in September 2013, a budget aimed at cutting an additional €6billion from the public purse.

The response, as befits this picture, has [not been a promising one](#) for the Rutte administration. Public protests have been staged in The Hague and Amsterdam by anti-austerity forces spanning from the extreme-left to the extreme-right in outrage at the Government's plans. Criticised by Wilders and the SP for cutting too far, the Government has also found itself accused, by the national advisory body the Council of State, of not going far enough on health and social security reforms, and has almost inevitably been attacked on both counts by the [nation's newspapers](#).

However, the biggest problem facing the Rutte II administration's proposed budget is that despite its majority in the lower chamber, the Government is unable to boast such an advantage in the Senate, which must also approve any budget deal. While the D66 and CDA have offered to negotiate with the Government, the terms of any deal will require compromise and test the Government's unity. This is particularly the case as the social accord, signed between the Government, unions and employers and which the PvdA has championed, has been identified by the VVD as [potentially negotiable](#) in order to win over centrist opposition parties in the Senate.

The Prisoner's Dilemma

However, one cannot discuss the prospects for a 2014 budget deal without mentioning the elephant in the room and indeed the polls, the PVV. Since the 2012 elections, which saw Wilders' party slide from 24 seats and 15.4 per cent of the vote in 2010, to 15 seats and 10.1 per cent, the continued travails of the economy have provided a fortuitous political and economic atmosphere for the radical right party. Polls during budget week 2013 have shown the PVV recording projected seat shares between 29 seats (IPSOS 20th September 2013) and 33 seats (TNS poll 16th September 2013): figures which, if repeated, would see Wilders become the leader of the largest party in the lower chamber and appointed as the lead formateur in coalition negotiations.

While the rise of the PVV may be unsettling for the Dutch political class at large, and particularly Rutte's VVD which is now polling between 19 and 25 seats, on the left things are little better for the PvdA. Recent polls have shown the Labour Party's seat prediction as low as 11 seats, with the latest IPSOS poll suggesting that the party would return only 18 MPs. Meanwhile their left wing rivals, the Socialist Party, are predicted in recent polls to rise from the 15 MPs gained in 2012, to between 21 and 25 seats.

However, while the Socialist Party (SP) also appears to be on the rise, it is the surge in support for Geert Wilders which poses the most significant challenge to the Dutch political class. While support for such radical right parties is not an instant product of the Eurozone crisis, as the earlier rise and then fall of the List Pim Fortuyn in the middle of the last decade shows, the PVV's ascent to the top of the Dutch polls is a significant political development, constraining the options for the Government and the mainstream opposition.

In particular, this growth in support limits the prospect of snap elections were a budget deal to flounder, as happened last year. While a number of opposition parties have seen their poll ratings grow, from the SP to the D66, the fact that the elections may be topped by Wilders and his brand of anti-Islamic far right politics is unlikely to be seen as a price worth paying for many opposition figures. Furthermore, given the collapse in the poll ratings of both the VVD and the PvdA, early elections are unlikely to be actively sought by Rutte and the Labour Party's leader, Diederik Samson.

Despite broad opposition on both the left and right, inside and outside Parliament and in the printed media's editorial columns, there appears to be only one likely outcome: compromise. The moderate Dutch political establishment, which commands majorities in both chambers, simply appears to be prisoner to the rise of the PVV [amid an](#)

atmosphere of public distrust and disenchantment with the Government. These are circumstances which if allied to snap elections could see the embarrassment (to this establishment) of Geert Wilders being the key player in coalition negotiations, following the PVV emerging as the single largest party in the House of Representatives. This is a price that few figures in crucial opposition parties in the D66 or CDA would be willing to pay.

The key question, therefore, appears to be what sort of compromise this will be. Will the highly controversial plans to spend €4.5 billion on JSF fighter jets, which has **aroused the ire** of PvdA backbenchers and opposition parties alike, survive? Similarly, will the Government's social accord, which as earlier mentioned has been highly prized by the PvdA, survive negotiations when the D66 and CDA have signalled their desire for changes and the VVD's Parliamentary group leader has claimed that the agreement is open to reform?

Furthermore, given the continued recession in the Netherlands and the limited projected return to growth of just 0.5 per cent in 2014, another **significant question** is whether any such compromise will provide an adequate attempt at trimming the budget deficit, particularly given the continued embarrassing failure of the Rutte administration to meet the Eurozone 3 per cent budget deficit rule. It may be the case that a compromise simply bottles up another budget crisis for the following fiscal year.

Despite the uncertainties involved with the process of budget negotiations, and the almost universally hostile reception to the Government's 2014 proposed budget, the chances of an outright defeat for the coalition seem incredibly slim. Both the Government and the moderate opposition (thereby excluding the PVV on the far right and the vehemently anti-austerity Socialist Party on the left) are prisoners of a toxic political climate in which the only clear winner, at present, would be an anti-Islamic far right political party, something that would likely result in significant international embarrassment. Compromise, therefore, seems to be the way forward, what remains unknown is what this compromise will entail.

Please read our comments policy before commenting.

Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

Shortened URL for this post: <http://bit.ly/1b2SLwe>

About the author

Adam Evans – *Cardiff University*

Adam Evans is a PhD student at the School of European Studies, Cardiff University.

-

