

# Netherlands coalition talks break off

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It is a foregone conclusion that the Christian Democratic Appeal (CDA) and social democratic Labour Party (PvdA), which emerged as the strongest parliamentary groups from January's elections in the Netherlands, plan to intensify the attacks on the social and democratic rights of the population. The only question that remains open is the shape of the government that will carry out these attacks following the collapse of weeks of negotiations between the two parties over the formation of a new ruling coalition.

There can be no doubt that the population faces an attack on the country's social security system on a scale never before seen. The CDA and PvdA had agreed on cuts of 14.5 billion euros, combined with tax increases of some 5.5 billion euros.

In its mandatory budgetary planning report, the Central Statistical Bureau (CPB, an economic think tank attached to the Ministry of Economic Affairs) judged that such measures would mean a massive destruction of jobs. The coalition negotiators subsequently submitted a new austerity programme on April 8. The approximately 18 billion euros in spending cuts now planned underline the determination of the political establishment to respond to the social crisis by attacking working people.

Last year, the CPB concluded that public expenditure would have to be cut by 14.5 billion euros in order to achieve a balanced budget in 2007. This is the declared aim of the CDA, the party of caretaker Prime Minister Jan-Peter Balkenende.

The PvdA accepted this, but in the negotiations proposed further tax increases in order to achieve a budget surplus. Knowing full well that the planned cuts will be at the expense of the working population, the unemployed and the sick, the PvdA called for the freeing up of 5 billion euros mainly to benefit the police. Holland's social democrats are preparing for mass opposition and making clear they are ready to meet this resistance with force.

The PvdA sought successfully to profit from popular discontent with the cuts planned by the former coalition of

the CDA, the VVD (People's Party for Liberty and Democracy) and the right-wing populist LPF (List Pim Fortuyn), which resigned in October 2002. The PvdA spoke against further cuts and against the privatisation of the health service, agreed by the outgoing government. Public expenditure, it declared, should be cut by "only" 6.9 billion euros.

The social democrats adapted themselves as well to the substantial opposition in Holland to the Iraq war, rejecting any use of force not legitimised by the United Nations. In this way, after repeated losses in preceding elections, the PvdA, Holland's long-standing party of government, was able to record enormous gains and secure 42 seats in the 150-seat Dutch parliament, only two fewer than the CDA.

After the elections, however, the social democrats showed that their election slogans were not worth the paper upon which they had been written. The austerity measures proposed by both parties during coalition negotiations, combined with proposed measures to increase the police powers of the state, represented not simply a continuation, but rather a sharp intensification of the previous government's attacks.

The hopes in Dutch ruling circles for a stable coalition capable of continuing with the attacks begun by the outgoing government on social and democratic rights remain unfulfilled. The 10 weeks of negotiations over the basis for a new coalition were unique in Dutch history, and their failure has intensified the political crisis.

After the CPB published its evaluation of the economic consequences of the budget plans, fresh arguments broke out between the two parties. While the CDA does not want to deviate from its proposal to balance the budget by 2007, the PvdA is refusing to reduce its proposed tax increases. Although the negotiations began nearly three months ago, it still remains open whether the desired grand coalition of the main parties will come about, or whether the old coalition will be reformed, or even new elections called.

The one thing agreed upon by all the establishment parties is that the burden of the economic crisis should be

placed on the backs of the working population. The goal is to strengthen the position of big business and relieve it financially, while the large Dutch corporations carry out mass sackings.

At the same time that the CDA and PvdA published their initial coalition program, the Dutch airline KLM announced it was cutting 3,000 of its 33,000 staff, and the CPB announced a rise in the number of unemployed in March of 0.5 percent, or 22,000 people.

Among the planned attacks on welfare is the destruction of long-term disability insurance (WAO). The outgoing right-wing/conservative coalition had already set itself this goal, and its last budget planned to cut these benefits by 60 percent within a few years. In addition, the benefits paid out under the country's health insurance scheme were to be reduced to a basic level.

The WAO was introduced almost 100 years ago, and today represents—compared with the health systems of other European countries that have already been “reformed”—one of the last remaining gains of the Dutch working class. As well as providing benefits for those suffering physical injuries at work, it covers disability caused by stress and excessive work. Seventeen percent of the Dutch population diagnosed unable to work under the provisions of the WAO receive up to 70 percent of their last net wage.

Since the mid-1980s and the introduction of the “Polder model” by the social-democratic government of the day, the number of those claiming benefits under the WAO due to stress or psychological illness has risen. Significantly, the present growth in the number of people with sick certificates under WAO comes mainly from those working in the health and education systems. These sectors have already seen enormous cuts, with a corresponding worsening in working conditions.

Following the introduction of the “Polder model,” big business stepped up its assault on social welfare with the demand for the destruction of the WAO system. A grand coalition of the Christian Democrats and Social Democrats was to have finally carried this out.

While the results of the coalition negotiations stand diametrically opposed to the election promises of the PvdA to resist further social cuts, their statements on the war issue have changed 180 degrees. Before the elections, PvdA Chairman Wouter Bos declared that an attack on Iraq without an authorizing resolution from the United Nations was a breach of international law, and would be rejected by the social democrats.

Six days before the attack on Iraq began, Bos said “he

could live” with the declaration by the caretaker government under Balkenende to support the US politically, but not militarily. Just two days after the war began, however, this government declaration turned out to be a lie, when US General Tommy Franks paraded Dutch Lieutenant General Jan Blom before an international press conference. Moreover, since February, the port of Rotterdam has provided the US army with an important trans-shipment centre for troops and war materiel. Tanks and armoured vehicles from the First Armed Division were shipped from Rotterdam to Iraq. The port itself is being guarded by Dutch soldiers.

Wouter Bos and his party can also “live” with this. At the beginning of April, PvdA party leaders declared that any differences with the CDA regarding the war would not be a cause for breaking off coalition negotiations. They insisted that only a government in which the social democrats participated would make the Netherlands a defender of international law, as expressed by the United Nations.

In other words, only if the social democrats accept the flouting of international law can they defend it! The attitude of the Dutch social democrats to the Iraq war, like that of the German government of the social democrats and Greens, shows that while fearful of the broad opposition to the war, which developed independently of the established parties, the social democrats and erstwhile liberals will put up no serious obstacles to the war policies of the Bush administration.



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