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Introduction
The 1980s can be characterised as the "era of tax reform" in The Netherlands. Various arguments for the necessity of tax reform have been employed in the political debate. The burden of taxes, necessary to finance the Dutch welfare state, is said to be much too high, resulting in dead-weight efficiency losses, tax evasion, fraud practices and an underground economy. In addition, the tax structure is considered to be much too complicated, resulting in excessive costs of implementation and control. Part of the problem of the Dutch tax system is caused by its "dual policy objective". The Dutch tax system has two different and sometimes competing policy aims. On the one hand, taxes are levied to finance various public sector activities characteristic of the modern welfare state (the Musgravian "allocation function" of the public sector). On the other hand, taxes are employed as an instrument to establish an acceptable distribution of income and wealth (the "distribution function" of the public sector). These competing policy objectives are related to a well-known problem in economic theory and practice: the "trade-off" between efficiency (in allocation) and equity (in distribution) (see Okun, 1975).

In the debate on tax reform, arguments for improving the allocative efficiency capabilities of the tax system (and hence for less emphasis on its objectives of distributive justice) play an important role. The effects of the tax system on the economic emancipation of women in The Netherlands and the pleas for tax reform from this perspective, however, have received much less attention. Organised women's interests seem to have had little success in attempting to influence the Dutch tax reform process and debate. In this article we look for an explanation for this relative lack of success. Part of the explanation is offered by the institutional arrangements of the Dutch policy formation process in general, which can be described and analysed by the so-called "barrier model" of public policy formation. We assume, that in theory women's interests at least are organisable. However, from the perspective of the barrier model it may be the case that women's interests are insufficiently organised to overcome successfully the various barriers in the public policy process on tax reform. This explanation is explored in this article.
In the next section, some basic principles and policy aims of taxation are summarised briefly to offer a conceptual framework for the analysis of the Dutch tax reform debate. An overview of the issues at stake in the debate on tax reform and on economic emancipation of women is presented in the third section. A fourth section discusses organised women's interest, and the political arenas — in which these interests try to influence the public policy process on tax reform. Some highlights of the tax reform process itself are presented in the fifth section. In the sixth section, the policy process on tax reform is analysed by the barrier model of public policy formation. On the basis of the results of this analysis, the position and role of organised women's interests in the political-economic institutions of The Netherlands can be established. The barrier model offers an explanation for the lack of success of organised women's interests. In the seventh section, some policy recommendations are formulated to improve the institutional position and role of organised women's interests in the Dutch policy process in general, and in the Dutch tax reform process in particular. In the eighth section, by way of summary of the analysis, some final conclusions are presented.

In the analysis we apply the framework and concepts of the "theory of public choice", combining theoretical insights of the "new institutional economics" and of public policy science. The problem is analysed in a case study on The Netherlands, but the analysis is also applicable to cases of tax reform in relation to women's emancipation in other West European countries. Many countries have a similar societal structure, in which the public policy process has the same structural characteristics as in The Netherlands. Hence, The Netherlands may serve as a specific specimen of a more general problem of social and economic policy.

Objectives and Principles of Taxation
The objectives and principles of taxation both play a dominant role in the debate on tax reform. This is particularly the case in the discussion on tax reform from the perspective of women's emancipation. Objectives and principles are discussed separately in this section.

Objectives
Traditionally, taxes are the core of the theory as well as the practice of public finance (see Musgrave and Musgrave, 1989). Taxes still are the main source of government income. In the modern welfare state, taxes also are an important instrument for the achievement of many policy objectives of government. Modern theories of public finance and of public policy offer the following list of "policy objectives" of the tax instrument:

- financing public expenditures;
- stabilising the economy;
- stimulating economic growth and labour employment;
- diminishing differences between social and private costs (and between social and private benefits) of economic activities (the problem of externalities);
- controlling consumption patterns.
The categories of this list are neither exhaustive nor exclusive. Financing public expenditures and the containment of externalities belong to the "allocation function" of the public sector, as distinguished by Musgrave in 1959. The stabilisation of the economy and the stimulation of economic growth and labour employment, and the control of consumption patterns are part of the "stabilisation function" of the public sector. The establishment of a fair distribution of income and wealth is the core of the "distribution function" of the public sector. The allocative, (re)distributive, and even stabilising aspects of economic policies pursued by the public sector are not always separable in reality. However, a conceptual separation may be helpful in a first approximation of analytical problems.

**Principles**

Taxation is not only an instrument employed for various (and sometimes competing) policy objectives of government. Taxation can also be based on different "principles". These principles vary with the policy objectives assigned to the taxes in question. Two major lines of reasoning may be distinguished in the discussion on principles of taxation: the "ability-to-pay" approach and the "benefit" approach (see Musgrave 1985, pp. 15-21; Wolfson, 1979, pp. 189-95). The latter principle is also known as the "willingness-to-pay" approach. Both principles are important from the perspective of income redistribution, but they are equally important in allocational and stabilisation policies.

The ability-to-pay approach seeks to clarify the issues involved in distributing the burden of financing a given budget. The basic notion is that ability to pay increases as income rises, as the marginal utility of income is presumed to decline with a rising income. Thus, equality of sacrifice, as a plausible equity standard, would call for a measure of progression in the overall rate structure so that the decline in the utility of one's income would be offset by an increase of one's contribution to the financing of the public sector. The notion of ability to pay raises a number of concerns which have to be specified, such as the likely slope of the income utility curve, the notion of progressivity, the meaning of "equality of sacrifice", and the relation between ability to pay and income distribution. Further analysis shows that the notion of equal marginal sacrifice requires no further assumptions than equality of individual utility schedules and a declining marginal utility of income over the relevant range, in order to provide a mandate for maximum distribution. In contrast, equal proportional sacrifice seems an ambiguous notion. It provides little practical guidance to making tax systems operational. A regime of equal proportional sacrifice supposes knowledge on how relative marginal utility develops with rising income. As interpersonal comparisons of utility are impossible, this specification points to the discretionary power of the policy makers.

Musgrave (1959, Chapter 4) explains that the benefit approach to distributing tax burdens considers the relation between taxpayer and government in *quid pro quo* terms. The public sector is considered as a market for (quasi) public goods where taxpayers offer user charges for the exact quantity of goods and
services demanded. The benefit approach is a theory of exchange, having the conceptual advantage of providing for a simultaneous determination of public services and tax shares. In the ability-to-pay approach, taxes are compulsory payments and the revenue-expenditure process is a planning problem for the policy makers. In the benefit approach, the choice of public services is tied to the preferences of the individual community members. Thus, the benefit approach is not restricted to distributing the burden of financing of a given budget but also allows for determining the size of the budget. This refers to the Wicksell-Lindahl-Johansen theory of optimal taxation (see Musgrave and Peacock, 1958; Johansen, 1965). However, this theory is only relevant in the case of quasi public goods. When pure public goods are involved, the argument breaks down. Since nobody can be excluded from the benefits of pure public goods, consumers may not reveal their true preferences. The design of “tax-prices” equal to marginal benefits provides no more than a useful heuristic model. However, as the share of quasi public goods in the total public budget increases, the benefit approach becomes a more practical guidance for the pricing problem of public goods (see Van Mierlo, 1985a). Another objection to the benefit approach may be that benefit taxation is fair only in so far as the primary distribution of income is acceptable, since benefit taxation would, at best, have no progressive redistributive potential and might be outright regressive. Haselbekke (1987), however, has shown that this position is exaggerated, since user charges, like excises, can be structured to have a progressive incidence.

Wolfson (1979, p. 195) concludes his discussion on tax principles for redistribution by stating that it seems on balance that systems based on ability to pay leave more scope for upward graduation (by raising progression for redistributional purposes) than systems based on the benefit principle. In other words: the ability-to-pay approach is perhaps more suitable for meeting equity in taxation (distribution), whereas the benefit approach aims more at efficiency in taxation (allocation). However, as Goode (1976, pp. 18-19, quoted by Wolfson, 1979, p. 195) puts it: “ability to pay is being regarded as the name of a numerical formula rather than a term of ethics or politics, as it should be”. Altogether, we have to bear in mind that both the ability-to-pay approach and the benefit approach are political-economic principles of taxation and not numerical formulas for the tax structure.

Issues in the Debate on Tax Reform and Economic Emancipation of Women
In both the debate on tax reform and the debate on economic emancipation of women, many political issues play an important role. In each separate debate, the various issues at stake are intertwined, whereas there is also a strong connection between both debates. Although many more policy debates were going on, the debate on tax reform has been especially seized upon by the women’s liberation movement to defend the female interests as discussed in the emancipation debate. Again, for analytical reasons both debates are treated separately in this section.
Issues in the Debate on Tax Reform

Tax reform has been discussed in The Netherlands for many decades (see De Kam, 1988). In the 1980s structural reform of the tax system became urgent for various reasons. Since the Second World War the tax system has developed along various paths of small, incidental and incremental change. However, in the 1980s, as the Dutch welfare state came under serious intellectual and political attack, the ultimate result of the tax system was considered not to meet common standards of uniformity, clarity, consistency, etc. any longer. Many issues of tax reform came under discussion.

In The Netherlands (as is the case in other West European countries) a historical development of the tax system has taken place from a simple system in the 1940s towards a very complicated system in the 1980s. The primary goal of the tax system in the 1940s was the financing of a public sector which at that time was very small (about 10 per cent of the GNP). The central policy goal was to realise allocative efficiency, with distributive equity as a side-condition. In the 1950s, with the start of the welfare system and the growth of the public sector, equity arguments were employed to develop the tax system towards a more balanced policy objective: an optimal combination of efficiency in allocation and equity in distribution. In the 1960s and 1970s, the expansion of the welfare state and of the public sector resulted in the dominance of equity arguments in taxation over efficiency arguments. In 30 years' time the tax system had changed considerably from a strong emphasis on efficiency to a similar strong emphasis on equity. This change was the result of a continuous emphasis on equity elements in the tax system, such as tax deductions and different rate structures in relation to the family structure ("rate differentiation"). In the 1980s, ability-to-pay arguments dominated benefit elements in the tax system.

An efficient tax system demands a simple tax structure in which equity arguments are subordinate, as was the case in the 1940s. An equitable tax system, however, demands a very complicated tax structure, as was the case in the 1980s, in which efficiency arguments took only a minor position. In the 1980s, the precarious balance between efficiency objectives and equity arguments in the tax system had disappeared. This historical development of the Dutch tax system can be explained with the Dutch phenomenon of Verzuiling ("pillarisation"), in which all social groups used the public sector to share in the benefits of economic growth and of the welfare state (see Van Mierlo, 1990, for a public choice analysis of this phenomenon). Hence, in relation to less political emphasis on equality sentiments and in the slipstream of the debate on the Dutch welfare state, efficiency elements and allocational policy objectives of the tax system received more attention. A strong political demand for structural and fundamental reform of the very complicated tax system arose. This urge for fundamental system reform soon took the shape of simplification of the over-complicated system.

At the same time, the debate on the complexity and perversities of the Dutch welfare state was accompanied with other themes of structural reform: the size and organisation of the public sector in general, the simplification of the social
security system, and the reform of the health care system. Suddenly, many “policy dilemmas” came to the surface which had been forgotten in the decades before. Most of these neglected policy dilemmas are related to the well known trade-off problem between equity and efficiency (Okun, 1975). These policy dilemmas became urgent in both the debate on tax reform (see Table I) and the debate on reform of the social security system (Table II). These policy dilemmas have been formulated for the social security system reform in Van Mierlo (1985b). They are also at stake in the debate on tax reform.

The debate on the financing of the health care system resulted in a first system reform in 1985 (the so-called “small system reform”, see De Bruine, 1991). The discussion on the social security system resulted in a first system reform in 1986 (the so-called “large system reform”, see Van Mierlo, 1985b). The debate on the tax system resulted in a first system reform in 1990 (the so-called “Oort-operation”). These three first-round system reforms, however, did not solve all problems and have been followed by further deliberations on more fundamental system reforms. The financing of the health care system is discussed by the Simons-plan (see Van Mierlo, 1991). The social security system is questioned by the proponents for a “mini-system”. The Oort tax reform is followed by further discussions and a government advisory committee (Stevens) on simplification. In other words: the first-round system reforms of the 1980s did not solve all system problems, but were only a first attempt to radical system reform, to be followed by a whole range of system reforms.

Issues in the Debate on Economic Emancipation of Women
The economic independence of women is the main topic in the debate on their economic emancipation. Traditionally, only a minority of Dutch women do have paid jobs on the labour market. The share of women in total employment grew

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<th>Equality in distribution</th>
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<td>Redistribution of income and wealth</td>
<td>Financing of public goods and services</td>
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<td>Ability-to-pay principle</td>
<td>Benefit principle</td>
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<td>Tax unit is the household</td>
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<td>Household-collective considerations</td>
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Table I. Policy Dilemmas in Tax Reform

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<td>Redistribution of income and wealth</td>
<td>Financing of social security payments</td>
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<td>Ability-to-pay principle</td>
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<td>Central unit is the household</td>
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Table II. Policy Dilemmas in Social Security Reform
in the 1980s, but this growth rate was very low. The share of women in total employment was also substantially lower for The Netherlands than for other West European countries. In 1975 only 32 per cent of Dutch women had a paid job. In 1990 this percentage had increased to 54. However, two-thirds of these jobs appear to be part-time, on "call-basis" or on flexible contracts. Such jobs are much less well paid, do not offer good career prospects and do not allow for real economic independence.

Hence, the Dutch women's emancipation movement emphasises the importance of the economic independence of women. The economic dependence of women is the result of the long tradition in Dutch labour relations of the "one-person male income earner", who supports his household dependants (wife and children) with his income. The one-person male income earner is the economic representation of the central position of the traditional family in Dutch political and social thinking on the position of individuals in society (the "family as the cornerstone of society"). Since the early 1950s, in which this ideology was a central part in the culture of Dutch pillarisation, times have changed. In the 1960s and 1970s, political and social "depillarisation processes" resulted in the political emancipation of all citizens. In politics, the former producer sovereignty of political leadership was challenged by increasing attempts of citizens to establish forms of consumer sovereignty (see Van Mierlo, 1986).

The traditional concept of the family and the one-person male income earner held a central position in Dutch labour relations. The tax system and the social security system, which expanded in the 1960s with the growth of the welfare state, were based on this traditional concept. Social and political emancipation of Dutch citizens, stimulated by cultural and institutional depillarisation processes, however, was not accompanied by comparable processes of economic emancipation. Up to the 1980s, the Dutch labour relations, tax and social security systems still were dominated by traditional family concepts and the one-person male income earner. The emancipation movement had only minor and incidental success in attempting to change these systems.

In the 1980s, the "economic independence of women" became the main issue of the women's emancipation movement. This policy objective is considered to be a necessary condition for all other aspects of women's emancipation (individual, social, and political). Consequently, economic independence of women is translated into a "strong position of women on the labour market", where they should have full-time, well-paid jobs with good career prospects. In other words: the inequality between men and women on the labour market should be abolished. As an intermediate goal, system reform in taxation and social security, which came into political debate in the 1980s, should also take into account these considerations of women's emancipation. The dominant position of traditional family thinking and the concept of the one-person male income earner in both systems were considered as collectivist concepts. They were serious obstacles for the economic emancipation of women. These obstacles had to be removed in the process of system reform. Hence, the women's emancipation movement had a serious interest in tax and social security reform. Their central argument was not improvement of allocative efficiency,
as favoured by economists and policy makers, but strengthening of the economic independence of women.

In terms of the contrasting pairs of concepts presented in Tables I and II, the Dutch women's emancipation movement favoured strongly the *quid pro quo* principle in the financing of public goods, services and social security payment (benefit approach in taxation and equivalence principle in social security). The leadership of the emancipation movement was strongly opposed to allowances for income dependents in both systems. In their opinion, the central income unit for taxation and benefitting is not the household, but the individual. They deny the relevance of interdependent utility functions in the household (the concept of "connectedness" in the article of Julie Nelson in this volume), and the realisation of scale economies. Ultimately, the emancipation movement was in favour of a strong and extreme "individualism" in the new tax system and social security system of The Netherlands. With this extreme position, a potential coalition with economic system reformers who stressed the efficiency arguments for system reform, became impossible (see, for the case of social security reform, the analysis in Van Mierlo, 1985b). Whereas economic system reformers wanted to establish a new balance between equity elements and efficiency elements in the system to correct the historically grown unbalances, the women's emancipation movement wanted to substitute the one unbalanced system (emphasis on equity) for another unbalanced system (emphasis on extreme individualism).

The reform programme of the emancipation movement deliberately neglected the necessary and possible trade-offs between competing policy ends. This position also hampered potential vote trading, logrolling and coalition building with proponents of system reform for economic reasons. The result of the political-ideological extreme position of the Dutch women's emancipation movement in the 1980s has been that it has had less influence on the outcome of the system reform process than it could have had.

**Organised Women's Emancipation Interests in the Political Arena of System Reform**

On the level of society, The Netherlands is an "organisational country". The country has not only a myriad of political parties and church denominations, but also a multiplicity of organisations. Almost all conceivable social interests are organised to defend their interests in both the political and the economic system. The economic counterpart of pillarisation in the social and political system is "neo-corporatism" (see Schmitter and Lehmbruch, 1979; Scholten, 1987; Streeck and Schmitter, 1985). This neo-corporatism in The Netherlands resulted in a dense population of the economy, with various organised social-economic interest groups playing a political "double-role" (see Van Mierlo, 1988). As members of overarching branch-organisations they try to influence public policy making by various lobbying activities (input activities). Many of these overarching branch organisations are also involved in the carrying out of public policy by government institutions (output activities). Many organised interest groups play both parts of this political double-role simultaneously, as they take
official positions in "government advisory bodies", such as the Social and Economic Council (Sociaal Economische Raad — SER) and the Foundation of Labour (Stichting van de Arbeid).

Government advisory bodies hold a prominent position in many policy fields in The Netherlands, e.g. economic and social policy, education, housing, health care and social welfare. Their first task is to give advice to the government on public policy plans. Governments use their expertise and their commitments to the social and economic interests they represent. But many of these advisory bodies do also have regulatory powers towards the various actors in their policy fields (producers and consumers). Their second task is to carry out (part of) the public policy they previously had to advise upon. In this way, they are made accountable for public policy. The result is a very complicated public policy network in The Netherlands, in which public and private bodies and organisations share responsibilities (for an inter-organisational and public choice analysis, see Van Mierlo, 1990).

Organised women's interests play a role in this circuit of advisory bodies and in this complicated policy network. Women do organise themselves in the existing sectoral interest groups, e.g. labour associations, employer organisations and professional organisations. Sometimes, they form separate industrial women's organisations. As members of such industrial organisations, they take positions in advisory bodies. But these industrial organisations do not only (or not primarily) represent women's interests. Their primary objective is to defend the sectoral interests of the organisations and members they represent. Hence, compromises between various sectoral and women's interests are inevitable, and in many cases sectoral interests even dominate women's interests. On the other hand, specific women's organisations are only rarely represented as such in advisory bodies. As they do not represent powerful political and economic interests, government is not much interested in their representation in advisory bodies. In addition, other organised interests are reluctant to give up seats in the advisory bodies and to suffer competition from organised women's interests.

There is only one specific advisory government body in the policy field of women's emancipation, the Emancipation Council (Emancipatieraad — ER). In this council representatives of women's organisations but also independent representatives (mainly from academia) take seats. This Emancipation Council however, appears to hold a marginal position in the advisory circuit. The interests of the council are represented separately in the policy formation process from other, more powerful interests. Institutional separation of women's interests in a specific Emancipation Council implies that the emancipatory aspects of all policy problems and programmes are not taken into consideration simultaneously with other, economic aspects. On many occasions, integrated policy making is absent, resulting in a neglect of emancipatory elements in public policy. Institutional separation of the Emancipation Council has probably lead to isolation in the policy process. This development towards isolation has been furthered by the strong ideological positions which the Emancipation Council has taken in many reports on government policies. Direct representation of women's interests in the Council, in combination with its institutional isolation
in the advisory network, made compromise building unnecessary. The absence of compromise mechanisms and of a system of checks and balances within the Emancipation Council inevitably resulted in a strong and ideologically inspired extremism in viewpoints of the Council. Ultimately, the effectiveness of the policy recommendations of the Council has been undermined by this ideological radicalism.

In the debate on system reform of the social security system, the Emancipation Council acted as the champion of extreme individualism as the basis for the new system (see, for an analysis of the reform process, Van Mierlo, 1985b). In the end, the activities of the Council in this reform process appeared to work in the wrong way. By favouring substitution of one form of imbalance in the social security system (dominance of the family concept) by another, perhaps even worse form of imbalance (extreme individualism) the Council succeeded in playing itself out of the game. The actors in the reform process no longer took the policy recommendations of the Emancipation Council seriously, thus making the attempts of the Council to influence the outcome of the reform process ineffective. In the debate on system reform of social security, the Emancipation Council did not operate successfully. The same holds true, but perhaps to a lesser degree, in the case of tax reform, as we shall see below.

Our conclusion must be that organised women's interests take a rather weak position in the Dutch process of policy formation. Many causes of this weak position can be formulated. The women's emancipation movement has to cope with many 'organisational problems'. A distinction between 'internal' and 'external' organisational problems may be useful for our analysis. Our preliminary observation is that women do not form a powerful sectoral (economic) interest group. In modern society, gender is probably not a social characteristic with sufficient potential to mobilise people to join collective action. In Olsonian terms: gender as a pure collective good is not sufficient for collective action if not combined with selective individual incentives to join (Olson, 1965). Women have their gender in common, but the common interest they share on the basis of this characteristic is overshadowed by the varying and different roles they play in society and in the economy. At the most women can be considered to be a non-economic, idealistic interest group. This characteristic of divided (and sometimes even conflicting) interests has serious consequences for the internal organisation of the women's liberation movement. As far as they form their own organisations, the structure of these organisations lacks coherence. Furthermore, women's organisations do not succeed in mobilising many women: generally the organisation rate of women is rather low. Thirdly, women's organisations are often confronted with serious internal ideological discussions on strategy and tactics. Many times they appear not to be able to cope with such internal disputes, which results in the immobilisation and ineffectiveness of the organisation's activities or even ends up with schisms and secessions. Finally, women's organisations appear not to be integrated sufficiently into modern structures of political decision making and public policy making.

These problems of the internal organisation of the women's liberation movement in turn have negative effects on the external organisation. Women's
organisations or their representatives do not seem to hold strong positions in overarching branch organisations. Neither do women hold strong positions in powerful sectoral interest groups, such as employers’ organisations, labour associations and professional organisations. Third, women’s organisations or their representatives do not play an important role in important government advisory bodies, whereas the Emancipation Council itself holds only a marginal position in the advice circuit. And finally, women appear to take positions rarely in important ad hoc government advice committees, such as the Oort committee and the subsequent Stevens committee on tax reform.

Although these observations are of a very general nature and are illustrated by examples of the events of the women’s liberation movement in The Netherlands in the 1980s, they have, in my opinion, some empirical and theoretical validity. Comparable organisational problems may be expected to be present in women’s liberation movements in other West European countries. These problems seriously hamper the efforts of women’s organisations to play an important role in various debates on system reform of the welfare state.

The Tax Reform Process in The Netherlands in the 1980s

After many years of debate on the necessity of tax reform in The Netherlands, the special government advisory committee on tax reform named after its chairman, the Oort committee, published its final report in 1986, entitled A View on Simplicity (Zicht op Eenvoud). In this report the complete tax structure of The Netherlands appeared to be turned upside down. The report promoted a serious discussion in society, among public accountants, and in parliament. Parliamentary debate resulted in compromises on the original Oort recommendations for fundamental and radical tax reform. The main inspiration for these compromises was arguments of distributional equity. Apparently, the original Oort report was considered to be concerned too much with the efficiency aspects of taxation. The Dutch tax reform came into effect in 1990.

The main part of the tax reform concerns income and corporate tax. The policy aim of this tax reform was the simplification of the very complicated tax structure. The tax reform of 1990 contains several elements, which by themselves are not only a matter of principle but also of fiscal technique. We limit ourselves to a short overview of the most important essentials (see De Kam and Van Herwaarden, 1989, Chapter 7). First, personal income tax and social security premiums have been integrated into a simple tax structure, in which the tax component and the social security premium component can perhaps be distinguished analytically but no longer empirically. Second, the tax base for both taxation and social security levies is the same. For both, the same income definition is employed. Third, the tax rate structure is simplified considerably. The original nine brackets in the rate system have been reduced to three. In addition, the marginal rates of the three tax brackets have been lowered to 35.2 per cent (of which seven points for taxation and 28.2 points for social security), 50 per cent, and 60 per cent, respectively. Fourth, the classification of taxable groups and the level of tax exemption have been altered. Fifth, the critical level for tax restitution has been raised. Finally, and for the
taxed income units the most visible: various tax deductions (and also additions!) have been reduced, simplified and even totally abolished.

Most of these measures were directed at simplification of the total tax system, and hence at improving the efficiency of the tax system itself and of the allocative effects of taxation on the economy. However, this shift towards the efficiency component of taxation threatened to have serious distributional consequences. These consequences were considered to be undesirable, because they could imply serious dangers for the legitimacy and acceptability of the whole tax reform operation. Hence, the tax simplification was accompanied by general (and not specific) compensating measures. The overall rate structure of the tax system was made less progressive and the total tax burden had been decreased considerably. The acceptance of tax reform for efficiency reasons has been established by an overall and incidental tax reduction. As a side-effect of this tax reduction, Dutch tax rates would be more in line with the standards of other countries in the European Community.

On several occasions and in various rounds of parliamentary debate and decision making between 1986 (the publication of the original Oort report) and 1990 (the ratification of the tax reform), the Dutch women's emancipation movement tried to influence the outcome of the tax reform. Various women's organisations published counter-reports, counter-plans and amendments. They employed lobby activities as independent industrial organisations, as members of other, sectoral and economic organisations, and in advisory bodies, e.g. the Emancipation Council. As they had done in the system reform of the social security system some years earlier, they emphasised once more the various elements of the individualisation objectives as specified in Table I above: more attention to the benefit principle, the individual as the tax unit, and fewer allowances for income dependants. Although most of their claims were formulated in somewhat less ideological and radical terms, once again they had little success in their efforts. The political attention to distributional consequences and to compensating measures resulted in a tax reform that was less focused on efficiency (and hence less individualistic) than the original Oort report. The ultimate result of the whole reform operation is that the women’s liberation movement still has serious complaints and criticisms on the insufficient effects of the tax reform on the economic independence of women and their position in the labour market.

An explanation for this relatively minor lobby success of the women’s liberation movement is not only offered by the organisational problems as discussed above, but an additional and connected explanation is to be found in the structure of the Dutch process of public policy formation.

Explaining the Lack of Success of Organised Women’s Interests: The Barrier Model
Public policy making in modern society is a long, time-consuming and complicated process. The policy game has many subsequent rounds of decision making, and what players may win in one round of the game they may lose in the next round. In modern political science, the policy-making process has been described
as a so-called stylised model of the "barrier model", in which various stages of political decision making, starting with agenda building and ending up with decision making on the supply of public goods and services, are presented as subsequent barriers which have to be taken one at a time.

In the barrier model, public policy making is considered to be a long chain, consisting of many separate links. The barrier model incorporates elements of the "theory of non-decisions" (see Cobb and Elder, 1983; Crenson, 1971) and the "theory of agenda building" (see Kingdon, 1984). A visual presentation of this barrier model is given in Figure 1.

The essentials of this barrier model of public policy making may be explained by applying it to the tax reform of the 1980s in The Netherlands. Public policy

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**Figure 1.**
The Barrier Model of Public Policy Making
making on the complete tax reform plan as well as on the separate parts of the plan can be analysed with the use of the model. For several years up to about 1980, the existing tax system was not considered to be a social problem. Reform of the tax system was a "non-problem". In the slipstream of the discussion on problems of the welfare state and the size of the public sector, tax reform became a social problem in early 1980: barrier 1 had been taken. Soon it also became a political problem, i.e. reform of the tax system was considered to be a problem to be solved by political action. Barrier 2 had been taken. Within a short period of time, it also received a position on the formal political agenda.

In 1985, the first cabinet of Prime Minister Lubbers installed the Oort committee to analyse the problems of the tax system and to formulate some solutions. Tax reform became subject to political decision making: barrier 3 had been taken. Within seven months, in May 1986, the committee published its final report, but it took considerable time before a political majority had been built to agree on the changes to the law proposed in this report: until about 1989 there was "non-output" (barrier 4). Formal political decision making took place during 1989, resulting in concrete policy formation on tax reform. It took about four years to take barrier 4. Once this barrier had been taken, policy formation speeded up enormously. The tax reform came into effect in 1990: barrier 5 had been taken in less than a year.

If we do not take into consideration the years before 1980, in which occasional discussions on incidental tax reform measures arose, the whole period of policy formation on tax reform in The Netherlands has taken about ten years (1980-1990), in which all five barriers have been broken successively. The translation of the original proposals of the independent Oort committee (published in 1986) into concrete law texts on tax reform to be decided upon in parliament (in various stages during 1989) by processes of compromise and consensus building (barrier 4) took the most time: about four years. This is not uncommon within the institutional framework of the "negotiations-democracy and -economy" of The Netherlands.

The presentation of the dissenting opinions, claims and proposals of the women's liberation movement met several problems in the process of policy formation on tax reform in The Netherlands. The various organisations of the Dutch women's liberation movement succeeded very quickly in attracting public attention to the problem of economic emancipation of women and to the possibilities of tax measures to contribute to the solution of the problem. The economic emancipation of women was already considered to be a social problem in the 1970s (barrier 1). However, the radical solutions for tax reform propagated by various women's organisations and the Emancipation Council received much less support. Barrier 2 could only be taken halfway: the women's emancipation issue was also considered to be a political problem, i.e. a problem to be solved by and in the political process, but the proposed solutions were not taken seriously by the other players in the policy game.

Hence, these proposals did not break through barrier 3: they became half a non-issue, half a non-decision. In the following stages of the policy-formation
process, the aspects of the economic emancipation of women as part of tax reform lost more and more attention. Once on the political agenda, the highest priority had been given to the efficiency arguments for tax reform and for the balance with equity arguments. The emancipation aspects of tax reform were not explicitly part of the task of the Oort committee and the perspective of women's emancipation was hardly represented in the personal composition and working methods of this committee (barrier 3). Subsequently, the final report of the committee did not pay much attention to this aspect of tax reform. Women's economic emancipation neither constituted a central element in the process of political compromise and consensus building (barrier 4) or in the decision making on final legal texts for tax reform (barrier 5). As in the social security system reform some years earlier, the Dutch women's liberation movement had only minor influence on the policy formation process on tax reform. This minor influence can be explained by three factors:

(1) The ideological extremism of the core of the women's liberation movement in The Netherlands, resulting in little public support for its dissenting opinions on tax reform.

(2) The internal and external organisation problems of the women's liberation movement.

(3) The specific structure of the Dutch system of political decision making, which can be explained by the barrier model of public policy formation.

Some Suggestions for Improving the Lobby Capacities of Organised Women's Interests

The reconstruction of the Dutch welfare state has not been completed with the tax reform of 1990. Further rounds of tax reform can be expected (Stevens committee!), the debate on structural reform of the social security system has revived recently with the discussion of a so-called mini-system, and the debate on the reform of the health care system has only started with the so-called Simon plan. If the Dutch women's liberation movement wants to have more success in attempting to influence the policy outcomes of system reforms in the future, some changes in its political behaviour and organisation are necessary.

In the first place, some changes in the ideological extremism and fundamentalism of women's organisations are necessary. Creative thinking on alternative solutions for system reform is possible. Organisations striving for women's emancipation may well have an added value in the political debate on reconstruction of the welfare state. Proposals on the "income splitting system" in taxation, "negative taxation", and "(partial or full) basic income", are not only interesting for other political motives, but can also contribute to the solution of the (economic) women's emancipation problem, because such measures improve the economic independence and the labour market position of women. The idea of extreme individualism in taxation should be given up. Acknowledgement of the relevance of interdependent utility functions and of the existence of scale economies in the household may result in a less one-sided definition of the household. Instead, the concept of "connectedness" might be used as a
starting-point. Compromise building on these proposals requires optimising and not maximising behaviour of all participants in the policy process.

Second, the organisational structure of the women's liberation movement can be improved considerably. This implies improving the mobilisation power of women's organisations among women (by supplying selective incentives for collective action), as well as the development of a strong women's organisation and a coherent view on the strategy and tactics of organisational behaviour. Furthermore, co-operation and coalition building with other, powerful sectoral (economic) interest groups and organisations is necessary. Political majorities in favour of structural and fundamental system reform of society do not grow spontaneously, but have to be built. Finally, the women's liberation movement needs a stronger institutional integration in modern society. In order to fulfil these organisational requirements, what the women's liberation movement really needs above all, is more "political entrepreneurship".

Third, women's organisations should think about strategies for a "long march through the vested institutions of politics and policy-making" (as has been recommended for all interest groups in general by Schumpeter — 1943). This means attempts to improve the position of women in sectoral interest organisations and of women's organisations and their representatives in government advisory bodies. Altogether, women's organisations should consider engaging much more than they do nowadays in all kinds of lobby mechanisms and activities, which all other sectoral interest groups discovered many years ago, and which they have been using since then for their benefit. Adequate use of lobby mechanisms may help in particular to overcome the various subsequent barriers in the Dutch process of public policy making. Other organisations have found successful ways to survive in this process, and women's organisations can do the same to defend their interests. A complete catalogue of lobby instruments (including strategy and tactics) in combination with a critical reassessment is offered by Bennis et al. (1990). A recent study on the frequency of employing lobby instruments by women's emancipation organisations in The Netherlands (see Winsemius, 1991) gives some evidence of a change in the direction recommended above, but does not throw light on the effectiveness of such activities.

Conclusion
Our public choice analysis of the role the women's liberation movement, favouring economic women's emancipation, as played in the public policy formation on tax reform in The Netherlands during the 1980s, gives rise to the following conclusions:

(1) The women's organisations have exerted only minor influence on the outcome of the public policy formation on tax reform.

(2) This minor influence can be explained by three factors:
   • the ideological extremism of the opinions of women's organisations on tax reform;
   • the internal and external organisational weakness of women's organisations;
• the structure of the policy formation process.

(3) As more system reforms of many institutional arrangements of the Dutch welfare state may be expected in the near future (second-round tax reform, reform of the social security system and of the health care system), improvement of the functioning of various women’s organisations in the policy formation process is advisable.

(4) Moderation of ideological extremism and fundamentalism in the view of the women’s liberation movement seems necessary for there to be more success in attempts for political influence on the policy formation process. In a country of so many political minorities, coalition building and majority formation are prerequisites for political success.

(5) The lobby capacities of women’s organisations can be improved substantially. Other organised interests have paved the way and present examples of successful integration in the political-economic system.

(6) Some signs for a change in the right direction, as recommended in conclusions (3), (4), and (5) above, are already visible. This gives rise to some optimism on the functioning of women’s interest groups in the 1990s.

References


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