17. The Netherlands: The Middle Way?

Peter Kukliš and Hans van Mierlo

Introduction

Chapter 16 contains an analytical-historical assessment of the quest for public management reform in the Netherlands. The politico-administrative system of the Netherlands can be considered as the institutional framework in which public management reform attempts have been undertaken during the past thirty years. This framework determines to a large extent the initiatives, the contents, the processes and the outcomes of public management reform. The specific combination of success and failure of public management reform in the Netherlands must be explained from within the parameters of this institutional framework.

The Administrative Structure....

The politico-administrative system in the Netherlands is the result of a long historical process, which started in the sixteenth century when the Netherlands struggled for political independence against the Spanish rulers in the Lowlands (the 'Eighty Year War', from 1568 to 1648). The administrative element of the system involves a very complicated structure of territorial (along the vertical and geographical dimension of state territories) and functional (along the horizontal and functional dimension of state functions) decentralisation and de-concentration of state power. The system also contains a large number of (quasi-)autonomous, non-commercial
private institutions performing public tasks - the 'third sector' which operates between the pure public (government) sector and the pure private (market) sector, holding strong positions particularly in the policy fields of health care and education. The existence of a strong third sector may be considered as the result of privatisation 'avant la lettre', which started early in the twentieth century, based on ideological grounds and not on economic arguments.

This complicated system is the result of long political debates and difficult historical compromises between conflicting interests and ideologies of different political streams, e.g. Christian democracy, liberalism and socialism. The present system was influenced by the events and characteristics of the era of Pillarisation in the Netherlands (1917-1967, with a strong emphasis on consensus-building) and has also survived more recent developments of 'de-pillarisation' and movements for 'political renewal'. As a result, the system contains many checks and balances and dynamic equilibria. No institution has absolute power, no institution has a dominant position. The advantages or benefits of such a system are clear: political stability, evolutionary change, democratic decision-making by compromise, political moderation instead of extremism. The system is drawn by centripetal forces towards the political centre and not driven by centrifugal forces towards political wings at the left or the right side of the political space.

However, there are also some serious disadvantages or costs. The other side of the coin is political rigidity and inflexibility. Institutional changes and policy changes take much time and energy, involving, as they do, negotiation, reconciliation and compromise. The system certainly has adaptive capacities, but adaptation to substantial and relevant changes in the (political and economic) environment is a long and slow process. In a way, the history of public management reform in the Netherlands shows the disadvantages and problems caused by the peculiarities of the Dutch politico-administrative system. On the one hand, public management reform is recognised as an issue deserving a high position on the political agenda. On the other hand, public management reform drags on in a more or less circular movement, as we have seen in Chapter 16.

... Determines Public Management Reform

It is widely recognised that public management reform in the Netherlands is necessary for several reasons. The task-orientation, position and functioning of government are continuously criticised. The size of the public sector and of government is considered to be much too large, causing problems of
economic burden and political legitimacy. The non-commercial institutions of private initiative in the third sector demand greater policy independence and financial autonomy and less government intervention and regulation. The process of European Integration requires changes in the internal structure of government and of the public sector, e.g., with regard to the division of tasks within government (between different government levels and institutions) and between the public sector, the private sector and the third sector.

At the same time, however, public management reform is delayed and meets strong resistance and opposition. Shifts in political power positions and divisions emerge and there are always winners and losers. In addition, blueprint thinking and models still dominate the debate on public management reform, resulting in general and uniform solutions for unique and specific problems. When local governments admit to problems of scale and of governance, large scale operations are undertaken, based on the implicit assumption that there is only one standard solution for such problems, because all problems are perceived to be comparable and similar. The fear of a fourth level of government frustrates the attempts to form 'city-provinces' in metropolitan areas. Efforts to apply real decentralisation of power to lower levels of government or other functional public institutions (in particular in the health care sector and in the education system) unleash strong opposing forces. Attempts to delay decision-making and to slow down the process of change are made and often succeed in impeding the reform process, causing serious implementation problems. From a pessimistic viewpoint, public management reform in the Netherlands may be considered as a perfect arena for administrative trench-warfare between various government levels, public institutions and political and economic interests. This trench-warfare is characterised by a desire for technocratic approaches to public management reform which neglect other important aspects such as the promotion of democracy and legitimacy within Dutch society.

Public management reform in the Netherlands is not merely a laboratory for technical research by administrative engineers. Reform is necessary because citizens are concerned about the efficiency, effectiveness, and democratic control and legitimacy of their government institutions. Public management reform is also about 'giving government back to the people', 'client empowerment' and 'participation'. Hence, individual citizens and their associations should be involved much more in the debate about public management reform and in political decision-making and implementation. Such involvement requires more space for social experiments with specific small scale public management reform activities, more emphasis on developing the learning capacities of individuals and their institutions, be they citizens, private organisations, politicians, bureaucrats or public
organisations. The theory of organisational learning may be very helpful in this respect. Finally, continual evaluation of experiments with public management reform is necessary, to measure success or failure and to discover determinants of success and failure. Ultimately, in a democracy, it is the citizens who judge and decide when and how to reinvent government. Such decisions are not the domain of public managers or academic experts in public management. The future of public management reform in the Netherlands will largely be determined by recognising this paradigm.