

## **Commentary** No. 7 / 26 July 2011

## Euroscepticism finds fertile ground in the Dutch Parliament

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nce regarded as a cornerstone of the European project, the Netherlands now figures as one of its severest critics. One reason for this reversal in position is that the Dutch Parliament has been skirting European problems. Public debates about the EU have come too late and been conducted with insufficient depth. As a result, the public has remained ill-informed and has been left with feelings of uncertainty, for example about whether their taxes are being wasted on Greece and on an ineffective EU budget. Such uncertainties create a fertile breeding ground for discontent.

Billions of euros are being directed towards supporting problem economies in the eurozone periphery, such as Greece, Ireland and Portugal. The Dutch government and President Nout Wellink of the country's central bank have dismissed the risks of these support operations and stressed the possibility of interest profits. Economists, however, have often warned that such prospects are unlikely. Dutch eurosceptic politicians of Geert Wilders' party – Party for Freedom or PVV – now want to take legal action against the multibillion euro rescue operations.

The financial crisis is just one of the major challenges facing the EU today. Other threats include the emergence of new economic powers that call into question the EU's international influence, demographic developments that are creating tensions in European labour markets and pension programmes, pressures for further enlargement of the EU and the need to thoroughly reform the EU budget. If political pressure from member state parliaments is too little and too late, these issues become an easy target for eurosceptics.

The Dutch Parliament should have launched a wide-ranging and in-depth debate at an early stage on how to tackle these difficult EU questions. This is necessary both for the Union and for citizen involvement. The lack of political pressure can be illustrated with reference to the debt crisis and the EU budget. Members of parliament have given sensitivities a wide berth. Between 2000 and 2010, the EU followed the 'Lisbon Process', which aimed to make the EU "the most competitive and dynamic knowledge-based economy in the world", but this roundly failed. In January of this year, European economies, such as those of Greece and Portugal, could still be found around #80 of world rankings, amidst African countries. Apparently, this situation could go on for more than a decade, with little political attention being paid to it.

Government leaders and parliamentarians everywhere – not just in the Netherlands –are reluctant to discuss one other's weaknesses. The unwritten rule in the EU has been: "We don't make things difficult for you and you don't make things difficult for us." This disposition again informed discussions on tightening economic control, in which the majority of Dutch parliamentarians stated

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that no further sovereignty should be handed over to the EU out of fear, inter alia, that the country would be obliged to abolish its practice of allowing the deductibility of mortgage interest. Yet, defending sovereignty is not something that meshes with the large sums that the Netherlands is devoting to countries such as Greece and Portugal.

Besides, on essential points, the Parliament has simply stopped asking questions. Finance Minister Jan Kees de Jager downplayed the risks associated with the multibillion euro guarantees without submitting to a thorough and timely interrogation about this. Nor has Parliament taken any pains to explore the taboo subject of a possible Greek debt restructuring. As a result, industry and taxpayers do not know what to expect.

Not even on the matter of this year's EU budget did parliament offer any real debate. It did not get beyond the question of whether or not to increase the budget. There was no meaningful debate on cuts and priorities.

The state of the European Union is such that member states need to start becoming involved in each other's policies. In view of the economic interdependencies, parliaments, individually and together, have to bear the political consequences. They must pressure their governments to be concrete about European problems. Parliamentarians – not just European spokespersons – should focus more, earlier and in greater depth on the EU. This is not a matter of being 'for or against Europe' but rather a question of timely identification and solving of problems 'outside our borders'.