

Lobbying in the Netherlands – February 2022

I elaborate on trends in Dutch politics and how they affected lobbying in the Netherlands and the Rhineland model. I will close with my forecast on lobbying which also explains my personal drive as a public affairs specialist.

From an outside perspective the Netherlands has been punching above its weight in particular on a economic level. For centuries the Dutch gain wealth by trading across the globe from the VOC-era (17th century) until today. The Netherlands is among the top countries investing in the US, UK, Germany, Russia and many others. The Netherlands is 6th on the FDI-list for Slovenia.

The political landscape is based on a multi-party system. While we had 9 fractions in parliament in 2000, we now have 19 parties in the Dutch parliament. This is what polarization looks in the Netherlands. We have a political party for everyone. And another fact. We only have 150 MP's (1 per 113k citizens) compared to Slovenia (1 per 23k citizens)

Our current government consists of 4 parties without a majority in the Senate.

Also, from an outside perspective we are a centralized nation. But this has not resulted in a stronger central government. In contrary, in the last 2 decades the role of the central government was aimed at decentralization. Legislative powers on spatial planning, social and health services was transferred to municipalities. Many of them were overwhelmed and not equipped professionally and financially for their extended responsibilities. The health care system is largely privatized and aimed at maximum efficiency. Another example: on healthcare policy the ministry of Health is managing the framework rather than being in full control. The Covid-crisis exposed this lack of central steering by the Dutch government. On health care this became painfully visible. The ministry of Health appeared unable to coordinate vaccinations and procurement of medical equipment. The Covid crisis set the trend on 'more government'.

For the coming year we expect a step-by-step deviation and expansion of central government control. In the new coalition agreement (which took 9 months of negotiations) we witness more government control on spatial planning and with this a more economic assertive strategy.

We are proud at what we call our Poldermodel. Aiming for consensus and an approach in which politics and social partners (business and unions) collaborate. Give and take. This is our version of the Rhineland model, but it is losing ground. Specifically, the relation between large corporations and the government has deteriorated. Illustrations for this are the failed abolishment of the dividend tax. Seen as way to keep the largest and most international Dutch (Anglo-Dutch) companies Unilever and Shell, it failed. Unilever formally left the Netherlands and Shell announced to become British end of last year.

With the Rhineland model losing ground, as does the relation between business and government. Our poldermodel is based on mutual trust. A combination of general distrust in the central government, polarization, rise of the Anglo-Saxon model is redefining the relation between public and private sector. As Edelman's annual Trust barometer puts it: "Distrust is now societies default emotion". The Netherlands is not a frontrunner on implementing lobby-regulation or even having a public debate on this.

Although, we received warnings from the OECD and GRECO but still our system is based on mutual trust. The public sentiment on lobbying is focused on the revolving door. Fueled by the transfer of an acting minister of infrastructure to the energy sector our government has now adjusting the rules for former ministers to becoming active as a lobbyist. It is a good step but still there is no solid definition for 'lobbying'. Without that a cooling down period remains subject to public scrutiny and discussion. But at least we took a step.

As in many other countries the buzzword linked to lobbying is transparency. The Netherlands not have a lobby register as now implemented in Germany and for a long time in Brussels and Washington. But there is more and more public scrutiny in lobbying by companies. It is illustrated by an exponential increase of requests based on the freedom of information act. This does not lead to more trust and dialogue.

My personal buzzword in lobbying is empathy. For me lobbying is all about fostering mutual understanding. In the Netherlands every group tends to stick to its own echo-chamber. Member of

Parliament little expertise in the private sector. Top civil servants do rotate between ministries but rarely transfer to the private sector. When you are making career in the private sector, there is no incentive to become a politician. This is probably not unique for the Netherlands. But it results in a lack of empathy between those groups.

It is the duty of the public affairs professional to build bridges. The fundamentals of those bridges are mutual understanding, and the pillars are 'trust'. For me it has become a personal mission. So when lobby professionals talk about legal lobbying they should discuss how they ensure their companies (or their clients) are aware of the perspectives, context and interest of the people on the other side of the table. That goes beyond transparency. The increased importance of stakeholdermanagement in public affairs is a signal. Companies that invest in their stakeholder-relations are better in securing their social license to operate. Their lobby is conducted by their ambassadors.

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