

Kingdom of the Netherlands

(Koninkrijk der Nederlanden)



Capital: Amsterdam

Inhabitants: 16.408.557 (2008)

Area: 41.526 km²

1. Introduction



The Netherlands is a small country in Western Europe, bordering the North Sea to the west, Germany to the east, and Belgium and Luxembourg to the south. The country comprises 41,526 km², of which 7,643 km², or 17.9%, is water. With 16.4 million inhabitants it is one of the most densely populated countries in the world.

The Netherlands is situated in the delta of three major western European rivers, the Meuse, the Rhine, and the Schelde, and about a quarter of the country lies below sea-level. The sea defence comprises sand dunes and 430 km of sea dykes, whilst the river defence includes 1,430 km of river dykes. The lowest point, in one of the many 'polders' (reclaimed land) is 7 meters below sea-level, and the highest point in the rare hills in the South East is 322 meters above sea-level.

The full name of the country is The Kingdom of the Netherlands, referring both to its status as a monarchy and the inclusion of the overseas territories of the Dutch Antilles and Aruba (in the Caribbean). The country is often called Holland, which is the name of the two of the coastal provinces: North Holland and South Holland. The capital Amsterdam is in North Holland, the seat of Government is in South Holland, in The Hague, which is also the seat of the International Court of Justice.

The Netherlands is a generally prosperous country, with an average life expectancy at birth of 79.3 years (76.7 for men, 82.0 for women). 80.5% Of the population is from Dutch origin, 8.8% are of other Western origin, and 10.8% are from non-Western origin. Of the non-Western population, roughly 20% each are from Morocco, Surinam and Turkey (source CBS).

A majority in the population identifies themselves as non-religious (43%), 28% are Catholic, 9% are Dutch Reformed, 6% are Protestant, 4% are Dutch Protestant, and 10% are 'other'. 5.8% Of the population are Islamic, and 0.6% are Hindu. (source CBS) Freedom of religion and separation of state and religion are determined in the constitution.



Traditionally government in the Netherlands is spread across three hierarchical layers: national, regional (provinces) and local. However, towards the end of the 20th century there has been a debate about the roles of the different layers and inter-governmental relationships and responsibilities. This debate was carried out by various committees and task-groups representing a wide range of stakeholders. In March 2002 a new law was introduced that was aimed at achieving separating different functions within local government. This is further discussed in section 7. All three layers of government have a similar structure: a large group of directly elected members, governed by a smaller council of indirectly elected, or in the case of the provinces selected, members.

2. Territorial organisation

There are 12 provinces that are responsible for environment, planning, energy supply, social work, and sports and culture. There are 443 (Jan 08) municipalities that are responsible for services in traffic and water, housing, public education, social and health care, culture, sport and recreation. The number of municipalities is declining as Central Government is hoping to improve efficiency by creating larger municipalities through mergers.

There are two basic premises to law and policy making of both provinces and Municipalities: autonomy and co-governance. The former means that municipalities and provinces can make policies and laws as long as they do not contradict existing laws and policies of the higher levels of government. The latter means that municipalities and provinces are required to cooperate with implementing laws and policies from the higher levels of government.

Both provinces and municipalities receive two types of funds from central government: general funds, and funds earmarked for specific purposes. In addition, they generate income by charging for services and levying taxes.

There are two other forms of non-national government: the Waterships, and the Dutch Antilles and Aruba. The latter are equal partners within the Kingdom. Although the Queen is the Head of State and is represented by a governor, they have independent powers and government. Only matters such as defence and external relations are dealt with by the Kingdom.

The Waterships are the public bodies responsible for dealing with all matters aquatic, including protecting the land from the water, distribution of water and maintaining the water table, and ensuring the quality of drinking water. They are the oldest public bodies in the Netherlands. Their governance arrangements are similar to those of local authorities, which will be described in the next section.

Governance of public life in the Netherlands is characterised by deliberation and cooperation. It is sometimes suggested that this is a direct consequence of having to deal with the threat of water throughout history, and the need for consensus-based rather than confrontational politics. Policy proposals and government regulations centre around concepts such as 'concordats', 'agreements', 'consultation', and such practices are embedded throughout all levels of public life.



3. Local democracy

3.1 Local political system

Local elections take place once every four years, in a system of proportional representation. Local parties are largely a reflection of national parties, with an addition of varying numbers of smaller, local, and topic-specific parties. Depending on the size of the locality, anywhere between 9 and 45 councillors are elected. In parallel with national and provincial government, these councillors then elect a smaller council, called College, for the operational control of the municipality. Members of this College are Wethouders (literally translated as 'lawholders'), who were traditionally elected from amongst the councillors. Since 2002, those councillors elected as Wethouder have to rescind their role as councillor. In addition, people from outside the Council can now be elected as Wethouder.

27.5% of councillors are from local parties, rather than local sections of national parties. 23.1% are from a Labour party, and 19.6% from the Christian Democrat party. The average age of councillors is 51.1; 26% is female and 74% is male. The distribution of Wethouders across parties is different, with the 2 biggest national parties taking up the largest share: 28% Labour and 25% Christian Democrats, with only 19% local parties. The average age of Wethouders is 52.2; 19% is female and 81% male (2007 figures).

Mayors are appointed by the Crown, on recommendation by the Minister of Internal Affairs, which in turn is guided by the council. The procedure is one of advertising and selection as takes place for any other job. Their appointment is for 6 years at a time, after which they can be re-appointed. Their role is to be the chair of the College, as well as the Council. They are responsible for ensuring unity of the public

administration in their council, and ensuring public order and safety.

Mayors are mainly derived from the three main national parties: 33% from the Christian Democrats, and 27% each from Labour and the Liberals. Only 2% derive from local parties. The average age of Mayors is 54.4; 19% is female and 81% is male (2007 figures).

3.2 Citizen participation

The table below shows the turnout in the most recent elections of various kinds.

Table 1: Voter turnout at various elections in % (2003 – 2007)

Year	Election	Voting (in %)
2003	Waterships	23.0
2004	European Parliament	39.3
2005	Referendum on the EU constitution	63.3
2006	National Government	80.4
2006	Local Council	58.6
2007	Provincial Council	46.4

In the 1990s electronic voting was introduced in local elections. 80% of the population has (great) confidence in this process, compared with 74% who have (great) confidence in the traditional way of voting on paper. However, the Organisation for Security and Cooperation in Europe was concerned with the security of the privacy of voters as the voting computers were shown to be open to external access. A group of activists in Amsterdam had been campaigning against electronic voting for the same reason and in May 2008 it was decided to prohibit the use of (the current version of) voting computers and instead rely on the paper-and-pencil method.



4. Central-local relationships

4.1 General issues

Parliament comprises two chambers. Members of the Second Chamber (n=150) are directly elected by the public. Elections normally occur every four years; suffrage is universal from the age of 18. The system is one of proportional representation of a wide variety of parties. Traditionally, Dutch society is arranged according to religious background, resulting in a system of parallel organisations and institutions, such as sports clubs, schools, and broadcasting companies. The same so-called 'pillar phenomenon' underpins the variety of political parties. However, this so called 'pillarisation' has been reducing from the late twentieth century and new political parties have formed based on single issues or other ideologies.

Elections are followed by a more or less prolonged period of negotiations between the largest parties (generally Christian-Democrats, Labour, Liberals, and Greens) to agree to a Cabinet of ministers, chaired by a Prime Minister. Ministers and the Queen together form Government.

Every four years the general public elect their provincial government (Provinciale Staten), the size of which reflects the number of citizens in each province. The members of the Provinciale Staten (n=564) then elect the members (n=75) of the First Chamber, or senate. The Provinciale Staten can select their ruling council, Collee van Gedeputeerde Staten, in two ways: either to reflect their political composition, or to form a coalition council.

4.2 Supervision of local government

Local government as a policy domain falls under the remit of the department of Internal Affairs. There is a host of organisations and institutions through

which the relationships between central and local government are conducted. One of these is the Financial Relationships, which is discussed in more detail in section 6.1. The overarching policy mechanism is the Governance Agreement between the Association of Netherlands Municipalities and the departments of Finance, and Internal Affairs.

The 2007 Governance Agreement is a continuation of the drive to reduce the distance between citizens and government, which was set out in the Code on Intergovernmental Relationships in 2005. The Governance Agreement focuses on decentralisation and reinforcement of municipal autonomy, strengthening of governance within and cooperation between municipalities, reducing governance pressure, and improving inter-government supervision. The main discourse in these matters is around dialogue, trust, cooperation, and agreement. The focus is on reinforcing the position of municipalities as the first layer of government, i.e. nearest to the public, and a reduction of entanglement of all layers of government. The ultimate aim is for no more than two layers of government to be involved with any one policy arena. The emphasis in supervision and control is on horizontal relationships, own responsibilities, and the democratic process, rather than on vertical relationships between different layers of government.

4.3 Protection of local self-government rights and interest

The main organisation to represent local government is the Association of Netherlands Municipalities. This represents all municipalities in dealings with provinces and national government. Early involvement in the policy making process is aimed at ensuring decisions and policies



that are acceptable and suitable for local government.

One of the functions of the Association is delivery of information and support to municipalities. One of their projects, together with the Association for Municipal Secretaries (similar to chief executives), is on quality. The general view, from both national and local government, is that benchmarking is the best way to stimulate high quality of municipal activities. Organisations that take part in the benchmark project collect and deliver performance data in a standardised way. These are then used to provide reports for individual organisations, to provide comparisons between localities, and to provide support and directions for improvement.

Where supervision or intervention is mentioned at all, this refers to policies of national interest, and to inter-governmental relationships. There does not seem to be a punitive or even directive framework for judging the performance of local service delivery.

5. Local responsibilities

Local government responsibilities comprise public order and safety, fire services, markets, harbours and waterways, sewers and water quality, well-fare services, recreation and sport, culture, education, planning, and housing developments. In many of these tasks operational activities are carried out by public (including charitable) or private companies. In housing for example, the council decides on new housing development, and rules of allocating public housing, but housing corporations activate these policies.

An important policy change is a law on welfare that was implemented in January 2007. This aims to promote overall

inclusion in society, regardless of age of disability. It brings together a range of policy issues such as promoting social capital, community cohesion, and advocacy; supporting home care and volunteers; and dealing with addiction, domestic violence, youth problems, and mental illness. Some of these areas are not new to the municipal remit, and some are. This shift in responsibilities towards local government is linked to a shift in funding through the Municipal Fund (see below).

6. Local finance and management

6.1 *Local government incomes*

Local government income is made up of three components: their own income, the Municipal Fund, and funds linked to specific policies. In this order they represent a decrease in the freedom to decide on how to spend the money on which policy.

Local councils' own income comprises taxes and charges for services as well as returns on investments or sales. Municipal taxes comprise less than 4% of overall taxes levied in the Netherlands. The main tax is on property, which accounts for 40.4% of income from taxes. For houses this is levied on the owners, for business properties it is levied on both owners and users. The value of properties is set once a year, and is used for municipal, provincial and state tax alike. Although some variation between localities is possible, national government closely monitors and limits this variation.

The Municipal Fund is the means through which national government distributes general funds to local government. The way the money is distributed is based on the assumption that service delivery is equal across localities. Although these funds are not earmarked, councils are still restricted in what they spend them on due



to their obligatory spending (on running costs of the council and prescribed tasks).

The third form of income available to local government is policy-specific funding. This includes policies that concern environmental and safety issues, and policies that are decided and directed at national level, but implemented at local level. This type of funding is considered least efficient because due to its lack of fit with organisational activities, it requires additional administrative resources in the receiving organisation. In addition, in the distributing organisations there is conflicting understanding of what earmarked funds are, leading to a poor overview of the policy. Therefore the overall policy is to limit the use of this policy instrument, and when government departments want to use it, this has to be agreed with the two departments that are jointly responsible for the system of municipal finances, known as the Financial Relationships (Internal Affairs and Finance).

In theory, the Financial Relationships contains a preference for funding through own income first. When the own income is not sufficient a council can turn to the Municipal Fund, and only when that is not sufficient should they turn to the policy-specific funds. However, the practice is different. The majority of tasks is financed through policy-specific funds, which make up nearly 50% of municipal funding. The municipalities own income only funds 15% of activities, leaving around 35% of costs to be covered by the general Municipal Fund.

6.2 Local government personnel and management

In 2006 193,000 people were employed by Dutch Local Government (168,000 FTE), at a cost of €7.6 billion. Privatisation of jobs that require lower education has led on

average to a higher educational level of local government staff. Therefore staff costs have increased even when there have been reductions in the number of staff. In addition, local government staff tends to be older and with longer service, and therefore more expensive, in comparison with other sectors. The overall greying of society will lead to a reduction of younger people with higher education, which in turn will lead to an increase in competition for qualified staff.

Bribery and corruption do not normally feature in the public life in the Netherlands. In context of the Global Corruption Barometer 2007, only 2% of respondents claimed to have paid a bribe to obtain services, putting the Netherlands in the bottom quintile of surveyed countries.

7. Recent developments

There has been a drive towards improving efficiency of governance and delivery in the municipalities in the last decades. This has led to mergers of municipalities in order to achieve economies of scale, both in delivery and in governance. It has also led to a shift of responsibilities in for example welfare policies from central to local government. However, much attention has been paid to the strengthening of local government as the first level of government in being closest to the public. This has mainly focused on separating the roles of local councillors and Wethouders (see section 3.1). This process and the associated law (implemented in 2007) are called 'dualisering' (roughly translatable as promoting duality).

It appeared that across a long period of time a local governance practice had developed that largely sidelined local councillors. The main aim of the law therefore is to return some of the power to the councillors, by making explicit the



separation of policy development and executive functions. The college of Wethouders and Mayor is the executive body, and the council is the policy development body. Overview and scrutiny functions have been strengthened and/or reintroduced to provide the council with tools for holding the college to account.

An evaluation of the law on dualising took place in 2004. In practice it appeared that the law had caused confusion rather than clarification of roles. Where previously the college had been an integral part of council meetings, Wethouders were now being excluded from meetings. However, the mayor was still present as this role had not been 'dualised' but retained its double function in chairing both the council and the college. To achieve the aims of the dualising it was therefore recommended that confusing situations would be rectified, through providing training for councillors and Wethouders, taking into account that being a councillor is a voluntary role that many fulfil in conjunction with work and/or family commitments. The Association of Netherlands Municipalities and the Department of Internal Affairs are now providing a new training programme that is aimed at the professionalization of councillors and Wethouders, amongst others, to develop the skills they need to realise the ideas of the dualising.

In the most recent budget (September 2008) national government has again emphasised the desirability of decentralisation of responsibilities wherever possible. This is combined with a reduction in policy-specific funding linked to an increase in the Municipal Fund.

Dr. Pauline Jas

University of Birmingham