



*“We can either have democracy in this country or we can have great wealth concentrated in the hands of a few, but we can’t have both.” - Louis Brandeis<sup>i</sup>*

Today, the world stands upon the verge of fatality, where a proper standard of living is the chief necessity of existence. A respectable standard of living is unattainable when it exists parallel to income inequality. Income inequality refers to the gap between the high class standards and the lower class’s. This inequality disturbs nations’ economic stability and political certainty, resulting in the distortion of a nation’s democracy. In turn, those who deserve to be heard no longer have the privileges they should be given nor a say in their country. Thus, in order to put an end to this inequality and achieve constitutional democracy in nations, Netherlands has been meticulously operating on this issue, on both national and international levels.

On a national basis, the Dutch Development Cooperation Policy contributes to the rule of law and security, which are the backbone of a strong legal order. The latter implicates an economic expansion and advancement, which permits the realization of economic equality to take hold. In addition, according to the OECD and OECD’s PISA<sup>ii</sup>, the Netherlands favorably reached high literacy rates of 519 for the average Dutch student. This value is greater than the OECD average of 497. It is also stated by the OECD that the Dutch employment rates marks 75%. Maintaining a high net-disposable income of 29,697 USD per capita a year is another high ranking for Netherlands. So, the Dutch nation stretches to one of the top countries with abundant intellectual skills, declined unemployment, and higher standards of living through that it could be clearly observed that income inequality is not a life threatening issue within the borders of Netherlands.

On an international level, the Netherlands is officially considered as a shareholder in the IMF and the World Bank in aims to anticipate the accomplishment of global financial stability and raise developing countries’ standard of living<sup>iii</sup> as stated in foreign policies’ objectives (CFSP). In fact, Netherlands’s partnership with Israel, Cyprus, and a few Balkan and Eastern European states in the IMF Executive Board promotes the efforts to attain the World Bank and IMF main goals stated previously<sup>iv</sup>. On another note, Netherlands stands as a member of five regional development banks (ADB<sup>1</sup>, ADB<sup>2</sup>, IADB<sup>3</sup>, IFAD<sup>4</sup>, EBRD<sup>5</sup>) whose main targets are to eradicate poverty and boost economic prosperity in concerned regions<sup>v</sup>. Furthermore, the European Union’s Lisbon Treaty<sup>vi</sup>, signed on the 13<sup>th</sup> of December of 2007, which entitles that the EU ought to preserve its democratic dogma as one and summons citizens’ initiative and activism in policy development, inspires democracy.

Though Netherlands alongside the UN has endlessly worked in the intentions of solving this issue, there is much more our nations can do. On a first note, the Kingdom of Netherlands suggests the creation of a new UN body specialized with educating the public, specifically the individuals sinking in burdening poverty. Providing quality education to empower and evolve the needy minimizes income gaps among citizens and provides the people with equivalent rights of speech in the long run. Motivating local investment, by decreasing the cost of production, is also essential to intensify local production where demand and supply of labor follows. Hence, the country reaches lower unemployment rates. Furthermore, Netherlands highly recommends the Ministries of Finance to amend fiscal policies by implementing rubrics to heighten direct and progressive taxes. Thus, tax revenues and social benefits of poor classes upsurge while social gaps lessen. Netherlands also proposes dropping indirect taxes, which are continuous consumers of income per capita, proportionally to increasing minimum hours of working for full time jobs. Moreover, the Netherlands finds it significant for governments to make sure that income is being paid equally and fairly amongst the labor in all firms. It is also a great deal for capable developed countries to offer monetary aid to developing regions in order to combat polarization throughout developing grounds and therefore, achieve political egalitarianism and develop friendly relations among nations. Additionally, Netherlands advocates implementing an international law that defines and necessitates income equality in a country. Lastly, the Netherlands urges holding a yearly conference to check on the progress of all related economies.

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<sup>1</sup> African Development Bank

<sup>2</sup> Asian Development Bank

<sup>3</sup> Inter-American Development Bank

<sup>4</sup> International Fund for Agricultural Development

<sup>5</sup> European Bank for Reconstruction and Development

## **References:**

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<sup>i</sup>Inequality Quotes. N.p., n.d. Web. <<http://inequality.org/quotes/page/2/>>.

<sup>ii</sup>"Netherlands." OECD Better Life Index.N.p., n.d. Web.  
<<http://www.oecdbetterlifeindex.org/countries/netherlands/>>.

<sup>iii</sup>"Financial Institutions."N.p., n.d. Web. <<http://www.government.nl/issues/international-organisations/financial-institutions>>. >.

<sup>iv</sup>"Financial Institutions."N.p., n.d. Web. <<http://www.government.nl/issues/international-organisations/financial-institutions>>.

<sup>v</sup>"Financial Institutions."N.p., n.d. Web. <<http://www.government.nl/issues/international-organisations/financial-institutions>>.

<sup>vi</sup> "EU Treaties." EUROPA -. N.p., n.d. Web. <[http://europa.eu/eu-law/decision-making/treaties/index\\_en.htm](http://europa.eu/eu-law/decision-making/treaties/index_en.htm)>.