

**Big Business as an agent of change in the development of Dutch industrial
policies, 1970s-2010s.
With implications for the Varieties of Capitalism model**

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Abstract

This thesis argues that significant changes in Dutch industrial policies between the late 1960s and the late 2010s ultimately have been the result of active and purposeful involvement of corporate agents rather than corporatist intermediation.

Apart from increasing absenteeism of labour unions, the changes involve a retreat of the government as entrepreneurial initiator of industrial policy outputs (measures). Instead, the government has increasingly accepted a compliant position with respect to preferences held by big businesses (or MNEs). The long-term development of industrial policy shows that more or less original ideas about where the country's industries ought to be heading have been increasingly abandoned in favour of generic fiscal support for especially large and/or listed firms.

These changes have moved the Dutch variety of capitalism tighter into what the literature qualifies as a Liberal Market Economy. The current study thus confirms earlier studies that have demonstrated that the Dutch variety of capitalism has moved away from the Coordinated Market Economy form. However, whereas several earlier studies have suggested that this change in form is the result of globalisation, thus rather implicitly proposing that what is at stake is simply a convergence to best practice, the current study does not find evidence for this suggestion. Instead, this study supports a view that argues that changes in a variety of capitalism come about as a result of political struggle.

For evidence, the thesis reports on discussions in the literature and makes use of primary materials, including the study of industrial policy documents, policy memoranda, policy committee reports, and documents that thus far remained confidential but were recently revealed by non-governmental organizations after having successfully appealed to the law on the freedom of information.

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A special thank you goes to emeritus professor Arie Van der Zwan who, as chairman, author and rapporteur of an influential study in industrial policy, was so kind to spend quite some time in introducing me to the hidden history of the industrial policy debates in the Netherlands towards the end of the 1970s and early 1980s. In fact, Van der Zwan's drive, even evident after so many years, made me very curious to this period and its relations with earlier and later decades. Of course, I alone take full responsibility for any errors of interpretation or argumentation in this thesis.

Contents

1. Problem and approach	
1.1 The problem.....	4
1.2 Methodology and limitations	9
1.3 Set-up.....	12
2. An industrial policy primer	14
3. Industrial policies in the Netherlands from the 1970s through to the 1990s	
3.1 Political polarisation in the 1960s and 1970s.....	18
3.2 Dutch industrial policies in the 1970s.....	23
3.3 Dutch industrial policies in the 1980s.....	26
3.4 Conclusions	31
4. Industrial policies in the Netherlands from the 1990s until 2018	
4.1 Dutch industrial policies in the 1990s and the first decade of the 21 st century	33
4.2 Dutch industrial policies from 2008-2018.....	38
4.3 Conclusions	42
5. Conclusions and inferences.....	43
Bibliography	48
Appendix: Interview with prof. A. Van der Zwan.....	54

1. Problem and approach

This chapter delineates the problem studied against the background of recent findings in the literature pertaining to the changes in Dutch capitalism, comes up with the main question to be studied in this thesis and discusses the methodology used. It also defines the most important terms in the text, and several others in the footnotes.

1.1 The Problem

According to important contributions to the literature, the Dutch variety of capitalism has changed from what is called a coordinated market economy towards a liberal market economy during especially the last two decades of the 20th and the first two decades of the 21st century (see various contributions in Sluyterman 2014; De Jong et al. 2010; Touwen 2014)¹.

In many cases, this change has been studied from, or against the background of, the modern tradition of the so-called Varieties of Capitalism (VoC) approach, developed by Hall and Soskice (2001).² Hall and Soskice define two basic forms of capitalism: the LME form (an acronym for Liberal Market Economy) and the CME form (Coordinated Market Economy). As these labels suggest, LMEs are economies in which anonymous market forces take a more prominent role than in CMEs, whereas in the latter corporatist negotiations between players predominate. Hall and Soskice see the USA as the prototypical example of an LME and Germany as the best example of a CME.

Hall and Soskice suggest that these forms are rather robust, and that any major changes would largely result from exogenous shocks. This robustness derives from the existence of complementary institutions that have become so much intertwined over time that potential changes in any one of them would encounter resistance from the others, unless institutions change at the same time and in parallel—which is relatively rare and would imply a large-scale, perhaps even revolutionary change. Besides, Hall and Soskice maintain that although the basic forms may change over time, they do not converge to one single ‘best’ form. Finally, they argue that the one basic form is not generally superior in terms of

¹ Sluyterman K.E., ed. (2014). *Varieties of Capitalism and Business History: The Dutch Case*, London: Routledge; De Jong A., Röell A., Westerhuis G. (2010). Changing national business systems: corporate governance and financing in the Netherlands, 1945-2005. *Business History Review* 84: 773-798; Touwen L.J. (2014). *Coordination in Transition. The Netherlands and the world economy, 1950-2010*. Leiden: Brill.

² Hall P., Soskice D. (2001). An Introduction to Varieties of Capitalism. In: Hall P., Soskice D. (eds.), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford: Oxford University Press.

economic performance than the other, so that there is no generic need for the one form to emulate the other.³ VoC was widely criticized for its comparative statics.⁴

If the Dutch case is typical, it is now evident that change can be significant even without an exogenous shock or without a large-scale parallel change in institutions.

The research that has been referred to above, particularly points out changes in the domains of industrial relations and in the purpose and governance of the firm. Focusing here on the latter, what researchers have found is that Dutch firms, which traditionally were (at least said to be) acting in the interest of multiple stakeholders (amongst whom: shareholders, employees, and even the public at large), have increasingly adopted an Anglo-Saxon-style focus on shareholders. By implication, the goal of firms has changed from maximizing profits to maximizing shareholder value (of course, shareholder value depends on profits realized, but it also depends on the perception of investors, thus can be more easily manipulated, and is much more subject to financial volatility).⁵ Collaboration between firms has been replaced by secretive and competitive animosity and distrust. Whereas traditionally Dutch firms were run according to two-tier governance models (in which the Supervisory Board is a separate authority with a focus on oversight), they have been introducing Anglo-Saxon-style one-tier board systems in which both non-executives and executives sit and non-executives, rather than on oversight, are focusing on making sure that shareholders' interests are served. Also, Dutch firms have increasingly become active in the market for corporate control, and as a consequence have opened up for hostile takeovers too (although this has come under attack again by representatives of large firms and governance experts during the second part of the 2010s).⁶

In terms of executive pay, Dutch managers had traditionally been compensated well but not extravagantly, and mostly by means of remuneration models that only to a small extent were dependent on performance. The literature has observed that this has changed quite dramatically, both in size and in structure, following a gradual but apparent change from the collegial model to the model in

³ Hall and Soskice do suggest, however, that innovation in an LME would be more radical than in a CME, in which it would be more incremental. This view has been strongly challenged, however, by Taylor M.Z. (2004). Empirical Evidence against Varieties of Capitalism's Theory of Technological Innovation. *International Organization* 58 (Summer): 601-631.

⁴ Fast T.W. (2016). Varieties of Capitalism: A Critique. *Industrial Relations* 71 (1): 133-155.

⁵ For firms that are listed on the stock exchange, shareholder value represents the value at the stock market, i.e. the economic price for which its shares could be sold. For non-listed firms, it represents the resale value of the firm.

⁶ Cremers J., Vitols S., eds. (2016). *Takeovers with or without worker voice: workers' rights under the EU Takeover Bids Directive*. Brussels: ETUI.

which the traditional chairman was renamed Chief Executive Officer (CEO) and given the absolute powers to take decisions within the management board. For the large quoted firms, it has by now become rather common to pay out more than half of executive income in terms of bonuses that are tied to the price for the firm's shares.⁷ Payment of executives in shares has also become popular amongst non-quoted firms. Obviously, all this connects to the increasing focus on shareholder value. Finally, tax optimization has been on the increase over the last two decades.⁸

A challenging question would be why exactly these changes took place, how and when did they materialize, and/or how would they have to be characterized in the light of VoC and the debates that have ensued around this approach. It is not only challenging from an academic point of view but also from a policy point of view. Answering it may be crucial when having to assess the sustainability of changes in an economy, and for estimating their desirability. Although this fundamental question will not be addressed directly in the current study, as we will see further below, I will address issues that may ultimately contribute to answering it. This question therefore can be seen as a background motivation for the work undertaken in the current thesis. In order to provide more justification in this respect, let me stipulate the following, to which I will come back at the end of this thesis.

There are at least three competing answers to the question asked.

1. From a neoclassical economics point of view, it would be argued that the observed moves from a CME-type economy towards an LME-type economy would have to be understood as the result of the CME-type growing into a more efficient form, in short as an improvement, resulting from the pursuit of welfare.⁹ Put differently, economies exist in some equilibrium, and can only change into a better equilibrium (or: when they change into another equilibrium, this must be interpreted as a change for the better).

Obviously, economics is aware that in the real world some changes might not be consistent with this fundamental assumption. Such changes, however, are subsequently qualified as aberrations, i.e. deviations from the norm. Quite possibly, such deviations might be more persistent than would be expected. If this is the case, neoclassical economics would argue that firms are displaying rent-seeking

⁷ EY (2017). *Executive Remuneration in the Netherlands 2017. Empirical Data Analysis 2014-2016: governance, insights and vision*. Amsterdam: EY.

⁸ See KPMG (2016). *A look inside tax departments worldwide and how they are evolving*. London: KPMG International; Rabobank and Enigma (2017). *Treasury Barometer 2017*. Retrieved from www.TreasuryBarometer.com which offers more information on this issue.

⁹ Hodgson G.M. (1988). *Economics and Institutions: a manifesto for a modern institutional economics*. Cambridge: Polity Press.

behaviour, which, if not automatically punished by the market, would need to be corrected by regulation.¹⁰

That this basic idea has been able to get a foothold within VoC is evident from Touwen (2008) who maintains that the changes in the Dutch variety of capitalism were representative of a *learning* process that moved the country from what he calls 'immobile corporatism' to (the allegedly superior state of) what he calls 'responsive corporatism'.¹¹

2. A second possible answer derives from the ideas of acculturation and assimilation, and could therefore be termed anthropological. Acculturation occurs when different organisms, or for that matter: systems, meet, start exchanging information and subsequently adopt elements of each other.¹² In the case of assimilation, the same occurs but predominantly in one direction, usually from the more powerful to the less powerful.¹³ In economic parlance we might perhaps say that meeting systems adopt best practices from each other. Obviously, acculturation comes close to convergence; in fact it is a more detailed explanation of how convergence can take place. But it does not necessarily imply some even-handed development of the different systems, whereas convergence by definition implies that two systems that meet end up in bilateral absorption. The one system could adopt many more elements of the other than vice versa, namely when this other displays generally better performance, or seems attractive from some other point of view, or is coerced into doing so. Acculturation and certainly assimilation therefore assign less importance to the improvement part of the neoclassical economics answer, but they still carry part of its main idea.

Sluycman cum suis (2014) would seem to suggest that it has been the internationalisation of Dutch firms that has forced them to adapt to what was the rule in the environment of competing firms. Since a large number of these global competitors originated from the USA and the UK, it is only natural that Dutch firms adapted accordingly. Consequently, Dutch firms introduced LME-type governance models in which the one-tier form together with the CEO-model was emu-

¹⁰ The term rent seeking was introduced by Krueger to describe a situation in which a firm uses company resources to obtain economic gain without reciprocating any benefits to society through wealth creation. See Krueger A. (1974). The Political Economy of the Rent-Seeking Society. *American Economic Review* 64 (3): 291–303.

¹¹ Touwen J. (2008). How does a coordinated market economy evolve? Effects of policy learning in the Netherlands in the 1980s. *Labor History* 49 (4): 439–464.

¹² According to Kottak (2007), acculturation is the exchange of cultural features that results when groups come into continuous first-hand contact; the original cultural patterns of either or both groups may be altered, but the groups remain distinct. See Kottak C. (2007). *Cultural anthropology*. New York: McGraw Hill.

¹³ According to the *Cambridge Dictionary*, assimilation is "the process of becoming a part, or making someone become a part, of a group, country, society". See <https://dictionary.cambridge.org/dictionary/english/assimilation> (last accessed on 15 October 2018).

lated; executive pay became dependent on market value and/or was paid out in the firm's stock; and anti-takeover barriers were removed.

3. The third answer derives from classical political economy and would argue that change develops from political struggle. If a capitalist society is a society in which conflicting interests fight for dominance, changes in the economy and its institutions will be the result of one interest prevailing over the other. In this case, no assumption whatsoever is needed concerning the performance aspect of such changes. A particular change could simply be for the worse when assessed from a generic point of view, that is, a point of view that uses the public interest as a benchmark.¹⁴ Interestingly, Hancké et al. (2007), while sympathetic to VoC, tried to parry its hypothesized robustness to change by referring to this class struggle explanation of change. They suggest that VoC could be enhanced by paying more attention to class struggle.¹⁵ However, is this not the very first idea that VoC tried to avoid?

In a similar vein, but not quite so lodged in the classical political economy of struggle, Kristensen and Morgan (2012) argue that views on the place of institutions in history are changing. The dominant view is that of institutions determining behaviour, treating institutions as constraints, which can be managed and manipulated by powerful actors. A more recent view, still taking shape, is one in which strategic behaviour by actors within contextual constraints determines the design, use of, and functions of institutions. Consequently, they argue, path dependencies and institutional complementarities become less important.¹⁶ Ogilvie would say that this is what she terms the conflict view of institutions, that is, a view which is not predicated on the supposed increase in efficiency as the sole reason for institutional replacement or renewal.¹⁷

Which of these three explanations would fit the changes in Dutch capitalism best? Interestingly, this question as such, and in the current setting, has not been problematized in the otherwise so extensive Sluyterman volume referred to

¹⁴ In this respect, also see Ogilvie who argues that economic history as a discipline is dominated by the belief that institutions arise and survive because they are economically efficient, thus welfare-enhancing (just like neoclassical economics does, see above). Ogilvie S. (2007). Whatever is, is right? Economic institutions in pre-industrial Europe (Tawney lecture 2006). *CESifo working paper* 2066. München: Center for Economic Studies and Ifo Institute.

¹⁵ Hancké B., Rhodes M., Thatcher M. (2007). Introduction: Beyond Varieties of Capitalism. In: Hancké B., Rhodes M., Thatcher M. (eds.). *Beyond Varieties of Capitalism. Conflict, Contradictions, and Complementarities in the European Economy*. Oxford: Oxford University Press: 3–38.

¹⁶ Kristensen P.H., Morgan G. (2012). Theoretical contexts and conceptual frames for the study of twenty-first century capitalisms. In: Morgan G., Whitley R. (eds.), *Capitalisms & Capitalism in the twenty-first century*, Oxford: Oxford University Press: 25–30. Notice similar ideas in recent work of Crouch: Crouch C. (2005). *Capitalist Diversity and Change. Recombinant Governance and Institutional Entrepreneurs*. Oxford: Oxford University Press; and Crouch C., Schröder M., Voelzkow H. (2009). Regional and sectoral varieties of capitalism. *Economy and Society* 38 (4): 654–678

¹⁷ Ogilvie op. cit.: 16.

above (nor by other scholars). The present thesis ultimately hopes to contribute to shedding more light on this issue.

1.2 Methodology and limitations

What I will be actually studying in this thesis, however, is the development of *industrial policy* in the Netherlands from the early 1960s through to the late 2010s, while the 1960s have been taken as a run up to the 1970s. I will focus on the relationship between inputs to the industrial policy decision making process on the one hand and its outputs in terms of measures on the other.¹⁸ Since the current thesis has a limited assignment, I will, moreover, focus on the role of actors in bringing such inputs, that is: on *agents*, rather than on the totality of inputs, many of which would likely be of an anonymous environmental character (such as the state of the business cycle). From an agency perspective, the number of potential agents in the current domain is limited. They can be representatives of employees or employers, public interest groups, experts, government ministers, advisory bodies, and finally individual firms, provided that they are big enough to have influence credibility. In the latter case, we are mostly dealing with what is normally denoted as ‘Big Business’ or as ‘MNEs’, an acronym used for ‘multinational enterprises’.¹⁹

The term ‘industrial policy’ will be clarified in the chapter 2. For now it suffices to say that it encompasses all government measures that, at least allegedly, are meant to strengthen the performance of firms and industries by aiming at the restructuring of their industries. As governments are supposed to be motivated by the pursuit of welfare for their citizens, performance ultimately is defined as a measure of contributions to the creation of (public) welfare. Notice the use of the word ‘allegedly’: whereas it is almost always stated that industrial policy measures are meant to contribute to the goal mentioned, this need not necessarily be the case. One could imagine, for example, that governments while referring to the goal mentioned, in fact are rolling out such measures for other reasons,

¹⁸ Further explanation on the modalities of inputs and outputs are discussed at the end of this section.

¹⁹ Although precise delineations of the category ‘Big Business’ vary between countries and even between statistical sources pertaining to one and the same country, there is common understanding that it excludes the category of small and medium-sized enterprises (SMEs). Big Business has been defined in Merriam-Webster as ‘an economic group consisting of large profit-making corporations’ (See [https://www.merriam-webster.com/dictionary/big business](https://www.merriam-webster.com/dictionary/big%20business), last accessed on 24 July 2018). In general, the category of large corporations is almost identical to the category that is defined as Multinational Enterprises (MNEs). A Multinational Enterprise has been defined as a firm that maintains assets and/or operations in more than two countries. In practice, this means that almost all large corporations (and even state-owned enterprises, e.g. in the public utility industry or in transport) can be qualified as an MNE. In this thesis, I will not distinguish between these different types, except when necessary, and use them interchangeably.

such as regional employment or even nepotism.

Unfortunately, the influence of some players on others, or on particular developments, like in industrial policy, cannot be measured quantitatively in an ordinal or interval sense. To some extent, though, it suffices for us to reach a nominal or even dichotomous conclusion: agents have either been able, or not, to affect industrial policy changes. But, how can we ascertain whether agents have influenced industrial policy at all?

This question becomes daunting if we are conscious to the fact that the influence of agents on industrial policy might not be exercised openly but by lobbying efforts that are hidden to the public eye. Lobbying has been defined as the act of attempting to influence business and government leaders to create legislation or to conduct an activity that will help a particular organization.²⁰ Getting to grips with the content of especially *hidden* lobbying efforts is, moreover, difficult because lobbyists themselves are not particularly candid about it.²¹ On top of that comes the fact that the available evidence differs greatly over the time period under study.

The preferred way of getting to know what happened is to have access to minutes of meetings, witness testimony, oral history, and so on and so forth. Of course, this would also need the availability of empathetic assets on the side of the researcher. But it would especially be very time-consuming, certainly asking for more time than available for the current project. Close to the preferred way would be when one has access to written or spoken evidence about the results of the meetings that generated industrial policies. Luckily, by far most industrial policies being explicit government policies, these would have to be expressed in some parliamentary form, such as policy guidelines (soft law) or legal articles (hard law). This means that we can work with policy documents, policy memoranda, parliamentary publications, decision announcements, et cetera.²²

As will become evident, the 1970s and 1980s turn out to be crucial with respect to the character of changes in industrial policy. What I have done with respect to this period in particular is to study the various reports that were made public by

²⁰ See <http://www.businessdictionary.com/definition/lobbying.html> (last consulted on 24 June 2018). Lobbying has been estimated to involve at least several billion euros in both the USA and the EU annually, and this only refers to organizations that have been registered as lobbyists, thus not to lobbying done by those with a direct interest in the result, such as large corporations. See <https://www.statista.com/statistics/257337/total-lobbying-spending-in-the-us/>; and <https://www.politico.eu/article/transparency-register-analysis-lobbying-east-west-skew-european-union> (both last consulted at 26 July 2018).

²¹ Mayer L.H. (2007). What Is This "Lobbying" That We Are So Worried About? *Yale Law & Policy Review* 26 (2): 485-566.

²² Bryman A. (1984). The debate about quantitative and qualitative research: A question of method or epistemology? *British Journal of Sociology* 35 (1): 75-92.

the so-called Wagner Commissions, a series of commissions that was called upon to advise the government on how to go about with a voluminous industrial policy document published by the Dutch Scientific Council for Government Policy (WRR) that had received wide acclaim in Dutch society. I will also reflect on the composition of these commissions in order to get an estimate of how influential some stakeholders apparently were in comparison to others. This evidence will also be confronted with the views of emeritus professor A. Van der Zwan of Erasmus University Rotterdam who at the time was a council member of the WRR and the author of the study already referred to, as well as a recurring member of the Wagner Commissions.

The discussion of Dutch industrial policies ends with the proposed abandonment of the so-called withholding tax on dividends, which was annulled in 2018. This discussion is greatly helped by the availability of a stack of official documents that became public thanks to an appeal on the basis of the Dutch Freedom of Information Act (WOB) carried out by the Centre for Research on Multinational Corporations (SOMO) on the request of Oxfam-Novib in 2016.²³ These documents, more than 200 in total, all relate to the fiscal support of businesses, partly detailing the requests of employers' organisations; the reactions of a wide array of employers organisations and tax consultancy firms to consultative documents; and e-mail correspondence between the Ministry of Finance and consultants. They cover the period from 2009 to 2015. In 2018 other documents have been made available that shed light on this discussion. On the 24th of April 2018, after Prime Minister Rutte was put under pressure, 12 memoranda have been published describing the negotiation process for the formation of the new Dutch cabinet.²⁴ At yet a later date a second stack of documents has been made available, again on the basis of a WOB appeal.²⁵ These documents relate to the direct influence of Dutch multinational firms on policymakers in relation to the proposed abandonment of the withholding tax on dividends covering the period 2004 to 2018. These documents are more limited in scope due to laws protecting the privacy of individuals and sensitive private information of the firms themselves.

Having arrived at this point, we can now further illustrate what is meant by inputs to, and outputs from the industrial policy decision making process. Inputs consist of the ways and means that agents can adopt in getting access to industrial policy making. Access can be indirect, for example by getting their wishes on the agenda of Parliament, and through this on the agenda of policy makers, in-

²³ <https://www.rijksoverheid.nl/documenten/wob-verzoeken/2016/06/10/besluit-wob-verzoek-vestigingsklimaat-in-nederland-beperkt-tot-het-belastingbeleid-in-brede-zin>

²⁴ <https://www.rijksoverheid.nl/documenten/publicaties/2018/04/24/notities-5-t-m-12-bij-brief-over-dividendbelating>

²⁵ <https://www.rijksoverheid.nl/documenten/wob-verzoeken/2018/09/07/wob-besluit-betreffende-documenten-over-de-tariefverlaging-en-voorgenomen-afschaffing-van-de-dividendbelasting>

cluding the relevant minister of state. Getting on to the agenda of Parliament can be achieved through lobbyists; through agenda setting in the Social and Economic Council (SER), which usually but not necessarily is done through one of the organisations that are a member of the Council; and also through interviews granted to the press. Access can be direct if agents can address policy makers by directed messages (usually by e-mail or printed mail), by direct telephone calls, or by meetings in person. Currently, such means of direct access are recorded formally, so that a WOB appeal can reveal them, but this was perhaps less accurate during the years that preceded the 1990s. The ministries that are most relevant for industrial policy making are Economic Affairs and Financial Affairs.²⁶ For those earlier periods, I will have to accept educated guesses as my only source and/or revert to the literature, which unfortunately is rather sparse in this sense.

Outputs of the industrial policy decision making process consist of industrial policy measures. Such measures are usually formally announced, or even part of the accords that political parties may strike for the period that they are members of a cabinet. The various sorts of industrial policy (ranging from subsidies for individual firms to tax breaks for all incorporated firms) will be explained when they come up in the following chapters. Tracking the development of such industrial policies is done here by referring to the literature as well as official government documents and newspaper announcements. Unfortunately, there is no means available for redressing incidental measures to a common denominator, so that assessments of intensity changes over time must be done with great care.

In summary, since we are able to define the contents of industrial policy outputs, we can subsequently decide whether or not the inputs have contributed to moving the Dutch variety of capitalism away from the CME form and towards the LME form. Since we are interested in the extent to which MNEs as agents have been able to influence the design of industrial policies, or even their realization, we will be able to establish to what extent MNEs have influenced the move of the Dutch economy towards the LME form.

1.3 Set-up

After having discussed the meaning of the term industrial policy in more detail in chapter 2, chapter 3 will study the development of industrial policy in the Netherlands during the 1970s and the 1980s. In order to understand the developments better I will start with an overview of the political and economic climate in

²⁶ Although the name of the Ministry of Finance has a long tradition, during the period covered in this thesis, the Ministry of Economic Affairs was named so between 1946 and 2010, after which it was amalgamated with the previous Ministry of Agriculture into the Ministry of Economic Affairs, Agriculture and Innovation. The name was changed back into Ministry of Economic Affairs in 2012 before ending up as Ministry of Economic Affairs and Climate Policy in 2017.

the run up years to the 1970s that set the stage. Following this, I will study both the inputs to, and the outputs from the industrial policy making process. Chapter 4 will adopt this latter structure while focusing on the industrial policy process during the 1990s, 2000s and the 2010s up till 2018. Chapter 5 will provide conclusions and reaches backwards to the question that ultimately motivated me to undertake the present study. The chapter will also make some inferences, both for the position of VoC and for the study of comparative capitalism.

2. An industrial policy primer

Industrial policy has been defined in the first chapter as any type of intervention or government policy to stimulate economic growth through restructuring selective sectors of industry.²⁷ This, however, is only one of the many definitions that abound, and, moreover, a particularly narrow one. Precisely because of this large collection of definitions, this chapter will elaborate a bit on the precise meaning in which the concept will be used in this thesis.

The definition just given was born during the early years of international competition, that is when European governments deemed the creation of national champions essential in order to be able to compete effectively with (especially) US firms, starting in Great Britain and France in the 1960s.²⁸ Such policies came to be labelled as picking winners policies. Among the sectors that were selected for support were high-technology industries such as aerospace and computers. Meant to narrow the technology gap between Europe and the US, such policies also received the label of technology policy. When, in the 1970s, Japanese multinationals conquered Western consumer markets, scholars and politicians started to study Japanese industrial policies. Japan's MITI (the Ministry of International Trade and Industry) became famous with its picking-winners-cum-technology policies, that were joined together under the label developmental policy.²⁹

The Japanese variety of capitalism became a shiny example for policies across industrialized countries. Over the 1980s, emulation abounded, especially in Europe.³⁰ Ministries were equipped with new industrial policy tasks, universities enacted industrial policy chairs and research programmes, industrial policy institutions were enacted to complement ministerial tasks, and a still existing conference of economists was founded (viz. EUNIP, the European Network for Industrial Policy). Still, it was uncertain whether the liberal economies of the West would be able to cope with governments that were so heavily involved with decision-making by private firms as appeared to be the case in Japan. This feeling

²⁷ Pack H., Saggi K. (2006). Is there a case for Industrial Policy? A Critical Survey. *The World Bank Research Observer* 21(2): 267-297. Notice that 'industry' is taken in its English-language meaning as 'sector', thus industrial policies are not limited to manufacturing (which would be the traditional meaning of 'industrie' in the Dutch language).

²⁸ Owen G. (2012). Industrial policy in Europe since the Second World War: what has been learnt? *ECIPE Occasional paper* 1/2012. Brussels: The European Centre for International Political Economy. For the original work on the American challenge, see Servan-Schreiber J.-J. (1967). *Le défi américain*. Paris: Denoël.

²⁹ Carter C., ed. (1981). *Industrial Policy and Innovation*. Joint Studies in Public Policy 3. London: National Institute of Economic and Social Research/Policy Studies Institute/Royal Institute of International Affairs.

³⁰ Best M.H. (1990). *The New Competition. Institutions of Industrial Restructuring*. Cambridge: Polity.

was reinforced by the fact that the USA did not appear to be convinced that a strong directive role of the government was asked for, despite a flurry of academic research that argued that American business would suffocate without.³¹

A backlash started in Europe in the late 1980s and early 1990s. Generally, policies were lifted away from the level of firms or industries that had been promoted to the status of national champions. Instead of 'specific', industrial policies became 'generic', or 'horizontal', that is, with broad relevance for firms throughout the economy as a whole.³² The backlash in no small part was inspired by two developments. First, some companies and industries that had been lavishly supported with taxpayer money appeared unable to keep up with foreign (i.e. now Asian) competition nevertheless.³³ Some went bankrupt (as we will see for the case of the Netherlands further below), others moved production away to developing countries in order to save costs (labelled rather appropriately at the time as 'run-away' firms).³⁴ By implication, some of the most important public interest legitimizations (employment, progress) disappeared. Industrial policy was, sometimes jokingly, rechristened as 'backing losers' policy instead of 'picking winners' policy. Second, the continued rise of very successful American high-tech firms like Microsoft (founded in the 1970s but breaking through in the 1980s), the Silicon Valley phenomenon, and the generally booming American economy of the 1990s, all seemed to suggest that firms were capable of successfully minding their own business.³⁵

Thus, the second half of the 1980s and the 1990s saw a large-scale retreat of the governments' industrial policy activities in (especially) western-European economies. These were the heydays of privatization and deregulation, continuing with accelerated speed in the early years of the 21st century.³⁶

Looking back at almost half a century of industrial policy since the 1960s, a few things come to mind. Industrial policies initially put governments in the driver's

³¹ See for example: Adams F.G., Klein L.R., eds. (1983). *Industrial Policies for Growth and Competitiveness*. Lexington: D.C. Heath; Magaziner I.C., Reich R.B. (1983). *Minding America's Business. The Decline and Rise of the American Economy*. New York: Vintage. For a contrarian contribution to this discussion, see Schotter A. (1985). *Free market economics. A Critical Appraisal*. New York: St. Martin's.

³² Best M.H. (1990), op. cit.

³³ Bianchi P., Cowling K., Sugden R., eds. (1994). *Europe's Economic Challenge. Analyses of Industrial Strategy and Agenda for the 1990s*. London: Routledge.

³⁴ Blanpain R. (1979). *The OECD Guidelines for Multinational Enterprises and Labour Relations 1976-1979. Experience and Review*. Dordrecht: Kluwer: 20.

³⁵ How wrong this idea was, was only convincingly uncovered two decades later when Mazzucato demonstrated that despite appearances, the US government was spending hundreds of billions in industrial policy support for major companies through sponsored research, tax facilities and procurement. See Mazzucato M. (2013). *The Entrepreneurial State: Debunking Public Vs. Private Sector Myths*. London: Anthem.

³⁶ Parker D., ed. (1998). *Privatisation in the European Union*. London: Routledge.

seat. Captivated by ideas of future techno-economic success, they widely supported national champions. Since it was thought that competitive success in large part depended on production costs, such support was mainly pointed at reducing costs. Sometimes this was given by large subsidies, sometimes by procurement guarantees, and sometimes by introducing all sorts of fiscal incentives, such as R&D expenditure allowances. Decision making in the firms themselves, however, was left to company executives. Moreover, the selectivity of industrial policies, rather than focusing on the restructuring of specific industries, often appeared geared to a specific type of firm: the large, established MNEs in high-tech industries, like computers, as much as in traditional industries like shipbuilding and steel making. Still, the first decades of industrial policy buzzed with novel ideas, especially in academic and other research institutions, focusing on how, through interventionist industrial policy, the structural footprint could be changed from a focus on industries that went through troublesome times to industries that catered for the future. Gradually, however, the idea of free markets regained political prominence, leading to deregulation and to support instruments that were hidden in tax returns rather than being publicly visible in the form of government-led technology programmes.³⁷ The Dutch history is not very much different, as we will see below.

Industrial policy, we can now conclude, has to be seen as much more broadly than was suggested in the definition in the beginning of this section. According to Rodrik, industrial policies can quite simply be seen as policies that aim to stimulate economic activity and/or restructure the economy.³⁸ This, then, would include quite a lot of interventions of government in industrial development, as Singh has rightfully stressed recently: “Industrial policy includes a whole range of initiatives through macroeconomic policies, subsidies, tariffs, non-tariff measures including standards or licensing requirements, regulatory requirements/exemptions, local content requirements or policies favouring local content, tax policy including tax preference, government procurement, state ownership and operations, intellectual property rights regime, infrastructure policy, energy policies, price controls, specific environmental policies, establishment of internal markets, competition policy, research strategy and innovation stimulus, encouraging entrepreneurship and the provision of risk capital, skill development and training, and cluster generation and promotion.”³⁹ It would, therefore, be appropriate to see industrial policy as concerning the whole of benefits that

³⁷ See various contributions in Bailey D., Cowling K., Tomlinson Ph., eds. (2015). *New Perspectives on Industrial Policy for a Modern Britain*. Oxford: Oxford University Press.

³⁸ See Rodrik D. (2004). *Industrial Policy for the Twenty-First Century*. *Kennedy School of Government Working Paper RWP04-047*. Harvard University. Available at SSRN: <https://ssrn.com/abstract=617544>, or <http://dx.doi.org/10.2139/ssrn.617544>

³⁹ Singh H. V. (2016). *New Industrial Policy and Manufacturing: Options for International Trade Policy*. Geneva: International Centre for Trade and Sustainable Development and World Economic Forum: 20.

governments arrange for domestic businesses, the whole of special provisions meant to make life more comfortable for firms that compete with firms from other countries for foreign markets (i.e. MNEs) or firms that face incoming competition from foreign firms.

In our case, however, covering the full spectre of industrial policy would imply a task that goes much further than assigned. Therefore, I have selected to focus on those measures that readily come to mind when discussing industrial policies, and that are most usually mentioned in the applicable literature. Consequently, I will focus on the (implicit or explicit) restructuring of the economy, particularly by means of financial operational support for ailing or promising industries or firms (i.e. through capital subsidies), R&D-support, and fiscal support. By explicit restructuring, I mean restructuring that has been formulated as a goal of policy. Implicit restructuring refers to restructuring that comes about as a result of industrial policies that are pointed at other goals. For example, and with special relevance for this thesis, when governments are supporting MNEs to such an extent that SMEs suffer, the economy will 'automatically' restructure from a relative focus on the latter to a focus on the first. Similarly, if industrial policy is done by means of support for technological innovation, it will likely favour firms that invest in R&D, and thereby move industrial activity to such firms rather than to firms from industries that do not usually do such investments.

3. Industrial policies in the Netherlands from the 1970s through to the 1990s

This chapter will start off in section 3.1 with a review of some political and economic developments in the 1960s and early 1970s that form the background against which industrial policies developed in the Netherlands. As has been stipulated in chapter 1, I will subsequently describe and characterize the outputs of the industrial policy making process for periods of approx. ten years each and ask whether we can understand these policy measures in terms of the inputs that have come from MNEs (if any). The latter will be largely informed by asking whether MNEs have been able to access policy makers, most likely in order to make forthcoming policies comply with their wishes or to start the process of making new policies. This discussion will be done for the 1970s in section 3.2 and for the 1980s in section 3.3. Building on the conclusions drawn in both sections, section 3.4 will wrap up what can be concluded for the period of approx. twenty years, or even thirty years if we include the backgrounds given in section 3.1. Please notice that the decade labels that I am using are merely to be seen as a help to memorize developments rather than as exact boundaries of such developments.

3.1 Political polarisation in the 1960s and 1970s

The 1960s and 1970s were generally a period of socio-political awareness in which especially people who had been born shortly after World War II, started to enjoy higher education while the economy around them initially prospered and new technologies and cultural expressions blossomed, and subsequently went into recession when Arab oil-producing countries decided to proclaim an oil embargo against those countries that had explicitly supported the Israelis in its Yom-Kippur war against Egypt and Syria (i.e. the USA, the UK, Canada, Japan and the Netherlands) in 1973.⁴⁰ People also became increasingly aware of the role and position of large firms in their economy. MNEs in particular were more and more accused of carelessly damaging the environment, outsourcing employment, exploiting less developed and developing economies, all in search for profits. They were denounced for their powerful positions in the economy due to financial might and interlocking directorates.

The companies themselves, i.e. their managers and non-executive directors, not having been accustomed to people criticizing their behaviours, became wary of their increasingly negative public image and the possible repercussions this might have in terms of regulatory scrutiny. Gerrit Wagner, CEO of Shell from

⁴⁰ Buelens G. (2018). *De jaren zestig*. Amsterdam: Anthos-Ambo.

1971 to 1977 and later—as we will see—chair of the Dutch Advisory Commission on Industrial Policy, stated that he felt hurt because people like him were looked down upon at a time when “polarisation was the foundation of the political left”.⁴¹ Companies wanted to find a way to turn public opinion around in their favour. One of their first initiatives was the founding of Stichting Maatschappij en Onderneming (SMO/Foundation Society and the Firm) in 1968, a foundation that was to stimulate an informed debate on the contributions of large companies to society. Amongst its founders were the then (and still) largest firms in the country, like Shell, Philips, Akzo (after the acquisition of Nobel in 1994 renamed into AkzoNobel), and Heineken. Presenting itself as an impartial organisation, SMO’s aim was to convince the general public of the contributions of Big Business to economic growth and employment.⁴²

However, the public’s anger expressed itself also in terms of electoral wins for left-wing parties. The largest of these, the social-democratic Labour Party (PvdA) under the leadership of Joop den Uyl, even became the largest party in Parliament after the elections of 1971. The PvdA, however, was cast aside when the new cabinet was formed. This cabinet had to step down, though, after a political crisis over the budget already one year later. New elections were again victorious for the PvdA, and now, in 1973, Mr Den Uyl became Prime-Minister of the Netherlands, heading what has become known as the most progressive Dutch cabinet ever. Already in the early 1960s, Mr Den Uyl, then the director of the social-democratic think-tank Wiardi Beckman Foundation, had written a blueprint for what came to be called a welfare society, large parts of which were eventually realized.⁴³ Incidentally, Mr Den Uyl was also responsible for one of the first policy documents on industrial policy, the *Nota inzake groei en structuur van onze economie* (Memorandum on the structure and growth of our economy), put forward after he had become the minister of economic affairs, in 1965.⁴⁴

The business community, however, increasingly felt at unease with political developments, and started joining forces in order to speak up with one voice. Built on several earlier mergers, the Verbond van Nederlandse Ondernemingen (VNO/Confederation of Netherlands Industry and Employers) was founded in 1968. In its own version of history, VNO qualifies this period as one of polarisation, just like SMO did. VNO represented the more secularly oriented employers’

⁴¹ *Trouw* (2003). Waardering voor Shell-topman kwam later (newspaper of 10 October), see <https://www.trouw.nl/home/waardering-voor-shell-topman-kwam-later~a39183fa> (last accessed 10 July 2018).

⁴² See <https://smo.nl/over-smo> (last accessed 10 July 2018).

⁴³ On the positions and contributions of various political parties in the Netherlands, see: Wielenga F., Van Baalen C., Wilp M., eds. (2017). *Een versplinterd landschap. Bijdragen over geschiedenis en actualiteit van Nederlandse politieke partijen*. Amsterdam: Amsterdam University Press.

⁴⁴ Ministerie van Economische Zaken (1966) *Nota inzake groei en structuur van onze economie*. Den Haag: SDU Uitgevers. I have also been able to use an extended biography of Dr. Den Uyl, sent to me upon request by Parlement.com on 9 August 2018.

organisations. There were Christian-oriented employers' organisations as well, catholic and protestant, that eventually teamed up in the Nederlands Christelijk Werkgeversverbond (NCW/Dutch Christian Employers Federation) in 1970, before merging with VNO into VNO-NCW in 1996.⁴⁵

Not being entirely new organisations like SMO, these federations represented a broad spectrum of Dutch companies and as such had a history of advocacy. They started meeting with labour representatives to coordinate capital-labour relationships. These meetings had been institutionalised in two organisations, the Stichting van de Arbeid (STvdA/Labour Foundation) and the Sociaal-Economische Raad (SER/Social and Economic Council), in 1945 and 1950 respectively.⁴⁶

These latter two organisations were built on the idea of cooperation between employers' federations and labour unions (including, in the case of the SER, crown-appointed experts). In the 1960s and 1970s, unions had a relatively strong, and accepted, status in the Netherlands.⁴⁷ There were mergers here too. The currently largest union, The Netherlands Trade Union Confederation (FNV, Federatie Nederlandse Vakbeweging) was founded in 1976 as a merger between NVV, the left-leaning union at the time, and NKV, the catholic workers union. According to De Beer, the unions at the time represented about 35 per cent of the workforce (meanwhile this has dropped to somewhat less than 20 per cent). Consequently, the deliberations in the StvdA and SER got also momentum from the workers' side.⁴⁸

A large point of contention between labour and capital was the influence of workers in companies through so-called works councils. The legal-institutional framework of the works council has been subject to debate and change. It was first codified in law in 1950 in what is commonly referred to by its acronym, WOR (Wet op de Ondernemingsraden). After updating the law in 1971 proved to be unsatisfactory for the labour movement, it was Den Uyl's cabinet that looked to revise it again in 1973. A significant change was that the works council was no longer to be chaired by the firm's chairman of the management board, and that the works council got the explicit right of consent in several matters, especially with respect to working conditions. The firm's strategy, and major restructuring issues such as mergers and acquisitions, remained the province of top-

⁴⁵ For a complete genealogy of all the organisations that eventually became VNO-NCW see: https://www.vnoncw.nl/sites/default/files/downloadables_vno/Bijlage_1_Stamboom.pdf

⁴⁶ Windmuller J.P., De Galan C. (1979). *Arbeidsverhoudingen in Nederland* (3rd ed.). Utrecht: Spectrum.

⁴⁷ De Beer P.T., ed. (2013). *Arbeidsverhoudingen onder druk. Preadviezen van de KVS*. The Hague: Sdu.

⁴⁸ De Beer P.T. (2013). 30 Jaar na Wassenaar: de Nederlandse arbeidsverhoudingen in perspectief. In: De Beer P.T., ed. (2013), op. cit.: 11-58.

management although in some cases the works council obtained rights to be consulted, thus to be informed.⁴⁹ That power is seriously hindered, however, because nothing less than a lawsuit would have to be filed against the management if the latter does not want to comply with the works council's wishes.

Amidst increasingly voiced anti-business opinions, the mergers amongst employers' federations now demanded the professionalization of their organisations, and a first permanent director was appointed by VNO in 1974.⁵⁰ In the meantime, yet another employers' organisation had appeared on the scene, the Council of American Chambers of Commerce (hereafter Amcham). Having started protecting the interests of American MNEs in 1967, and apart from general advice on how to conduct business in Europe, it advised its members (amongst which virtually all US firms operating in the Netherlands) to keep a low profile and to adapt to local conditions.⁵¹

The proposed revision of the WOR in 1973 remained a bone of contention, as well as Mr Den Uyl's ideas on a welfare state, the more so since he proposed to finance it by increasing corporate taxes. However, according to Van Hengel (2008), it was Den Uyl's personal attitude vis-à-vis the captains of industry, amongst whom Mr Wagner, that made the relationship between government and Big Business worse and worse.⁵² This became evident when Den Uyl addressed a meeting of the employers' federation NCW in Nijmegen on 1 October 1974. His lecture has become a central reference point in Dutch socio-economic history. Den Uyl had been asked to speak on the relationship between socialism and free markets. Bleich notes that Den Uyl did not mince his words at all. The Prime Minister spoke about a "truce between the legal opportunities that were available to the state for constraining the freedom of capital, on the one hand, and the remaining freedom of executives and shareholders on the other".⁵³ Furthermore, he argued that the time had come to submit investments of large enterprises to a test on social utility, and that resources and income were to be distributed in a much more equalitarian fashion, both inside the firms and in society at large.

Employers called the lecture a declaration of war against free enterprise and pri-

⁴⁹ Looise J., Drucker M. (2003). Dutch Works Councils in Times of Transition: The Effects of Changes, Society, Organizations and Work on the Position of Works Councils. *Economic and Industrial Democracy* 24 (3): 379-409; also SER (2012). *Medezeggenschap: ontwikkelingen in de 21e eeuw*. The Hague: SER.

⁵⁰ See https://www.vno-ncw.nl/sites/default/files/downloadables_vno/Geschiedenis.pdf

⁵¹ Sluyterman K.E., Wubbs B. (2014). Multinationals as agents of change. In: Sluyterman K.E. (ed.), *Varieties*, op. cit.: 156-182 (p. 167).

⁵² Van Hengel G. (2008). De spanning tussen Den Uyl en de ondernemers. *Historisch Nieuwsblad* 3 (to be found at <https://www.historischnieuwsblad.nl/nl/artikel/25109/de-spanning-tussen-den-uyl-en-de-ondernemers.html>).

⁵³ Bleich A. (2008). *Joop den Uyl 1919-1987: dromer en doordouwer*. Doctoral Thesis, University of Amsterdam. Amsterdam: Balans: 314 (my translation from the Dutch).

vate property. Soon after the lecture, the VNO chairman wrote a letter to the Prime Minister in which he angrily expressed the concerns of employers on another of Den Uyl's suggestions, i.e. to introduce international labour union control over MNEs, adding that ideas like this fostered the public's lack of trust in corporations rather than building up confidence in their social performance. VNO's chairman Van Veen concluded his letter by informing the Prime Minister that he expected him to further abstain from publicly decrying the social performance of Big Business.⁵⁴ Some ten years later, Van Veen informed us in an interview that as the incoming chairman of VNO he had 'discovered' that the real competition for business was not trade unions but the government, and that he saw it as one of his main tasks to make the Dutch government more friendly towards Big Business.⁵⁵

Van Veen's letter to the PM was followed-up by another letter, openly published in the major Dutch newspaper *NRC Handelsblad*, this time signed by nine executive chairmen of the Netherlands's largest MNEs, and addressed to cabinet and parliament, a novelty in Dutch political history.⁵⁶ These captains of industry explicitly spoke out against the introduction of a tax on wealth accruals that the cabinet needed to finance its welfare programmes, and plans to increase the power of works councils. They insisted on reducing the influence of the unions and urged politicians to enlarge the freedom to operate for large companies as they themselves saw fit.

According to one of the country's leading professional lobbyists, H. De Hoog of Public Affairs Consultants in The Hague, the letter was a perfect example of a textbook manoeuvre in lobbying.⁵⁷ But it also added fuel to the flames that were increasingly threatening the relationship between Big Business and the government. In fact, what was arguably happening was that the country's largest firms were internationalizing to such an extent that they were on the verge of declining the social role of creating employment and contributing to Dutch welfare that they had embraced for the first several decades after World War II.⁵⁸

⁵⁴ Letter of Mr C. van Veen, chairman of VNO, to His Excellency Mr J. Den Uyl, Prime Minister, The Hague, 17 November 1975, as excerpted in Bleich, *ibid*.

⁵⁵ *Trouw*, 8 November 2002. See <https://www.trouw.nl/home/terug-in-wassenaar~afa4f479/> (last accessed 10 July 2018).

⁵⁶ Open brief van bezorgde ondernemingsleiders (Open letter of concerned captains of industry), *NRC Handelsblad*, 13 January 1976 (hard copy clipping). Its signatories were J.R.M. Van den Brink (ABN), H.F. Van den Hoven (Unilever), G. Kraijenhof (Akzo), P. Van Meeteren (Nationale Nederlanden), H.A.C. Van Riemsdijk (Philips), F.O.J. Sickinghe (Stork), A. Stikker (RSV), E. Van Veelen (Hoogovens) and G.A. Wagner (Shell).

⁵⁷ See <https://www.nrc.nl/nieuws/1991/05/24/de-zakelijke-massage-van-de-politiek-6968030-a1155066> (last accessed at 6 August 2018).

⁵⁸ Fennema M. (1975). *De Multinationale Onderneming en de Nationale Staat*. Amsterdam: SUA.

3.2 Dutch industrial policies in the 1970s ⁵⁹ ⁶⁰

One of the very first academic contributions to the post-World War II debate on industrial policy in the Netherlands was a 150-page study published by the Wiardi Beckman Foundation (the Labour Party's think tank) in 1973.⁶¹ It grew from meetings during which invited economic and social experts, most of whom were members of the Labour Party PvdA and had built up careers in public service (as members of parliament or cabinets), had voiced their concern over 'modern' questions as the increasing damage to the environment and the uneven international distribution of wealth and labour. They blamed industry for these problems, but at the same time argued that industry was a source of wealth and jobs, and that tackling the questions as mentioned would necessarily have to involve the business community.

The study argued in favour of a leading role for government in the restructuring of Dutch industry and demanded a more social role for business enterprise. Its publication coincided with the Labour Party coming back to power when Mr Den Uyl, after having won the 1972 elections (and as has been elucidated in the previous section) took up the position of PM in the Spring of 1973.

However, meanwhile, in 1972, the Christian-democrat-led government had founded the Nederlandse Herstructureringsmaatschappij (Nehem), modelled after Great Britain's IRC (Industrial Reconstruction Corporation), and also applauded in the Wiardi Beckman Foundation's study. The Nehem's task was to help making Dutch firms, especially SMEs, stronger in the face of international competition, in particular by means of restructuring, especially through mergers. Against a background of deteriorating economic conditions, the Nehem could boast of wide support amongst both employers' and employees' federations. Indeed, both stakeholders collaborated with the government and with experts in the management of the Nehem.⁶² As such the Nehem, because of its tripartite backing, fitted nicely within what one would expect in a CME.

⁵⁹ Parts of what follows, particularly in relation to assessments with respect to the work done by the Scientific Council for Government Policy (WRR) and certain follow-up commissions, are inspired by an e-mail interview that was willingly given to me by professor emeritus Arie Van der Zwan, who at the time was the leading expert as well as expert witness in these matters. The written version of the relevant portions of prof. Van der Zwan's opinions in these matters, authored by prof. Van der Zwan himself, can be found in the attachments to this thesis. Portions in the text that lean on Van der Zwan's views and statements from the interview explicitly refer to this interview.

⁶⁰ Please recall, that the decade labels that I am using are merely to be seen as a help to memorize developments rather than as exact boundaries of such developments.

⁶¹ Van Gelder W.A., ed. (1973). *Industriepolitiek*. Deventer: Kluwer.

⁶² De Hen P.E. (1980). *Actieve en re-actieve industriepolitiek in Nederland*. Doctoral Thesis, Tilburg University. Amsterdam: Arbeiderspers; Wijers G.J. (1982). *Industriepolitiek. Een onderzoek naar de vormgeving van het overheidsbeleid gericht op industriële sectoren*. Doctoral Thesis, Erasmus University Rotterdam. Leiden: Stenfert Kroese

The Nehem set up and completed almost two dozens of industry studies, i.e. studies in which the problems and possibilities of a particular sector were thoroughly analysed. The idea was that the Nehem would subsequently lead the implementation of the proposals that had been put forward in the studies. However, the Nehem did not have a budget that extended beyond financing the studies nor the authority to force companies into collective solutions. Its tripartite sectoral committees almost never reached into the agreements that were necessary to actually start restructuring industries. According to Wijers, conflicting interests between, especially, SMEs and large firms in the same industry hindered the realisation of consensus in the restructuring of various industries such as heavy machinery, construction and shipbuilding.⁶³

In quite a few cases, large firms addressed the Ministry of Economic Affairs directly when desiring financial support—and they always obtained it. Usually, the support was given through the semi-independent National Investment Bank (NIB, later to become NIBC), which already existed since its foundation as the reconstruction bank (Herstelbank) immediately after World War II. The NIB could give its support pursuant to the so-called Special Financial Support Facility (Regeling Bijzondere Financiering, founded in 1945 to help firms obtain funding), which was set up and guaranteed by the government to support large firms that were otherwise deemed strong enough to keep up against foreign competition, but just now had to cope with transitory problems. The form in which the support was given usually had a subordinated character, meaning that although formally it consisted of loans, in fact it had the characteristics of equity in case of default.

This development not only undermined the very rationale of restructuring whole industries, including SMEs, it also made it difficult to record the industrial policy outputs in detail, due to the fact that subordinated loans that are channelled through a non-governmental organisation need not to be transparently registered. Brouwer suggested that the appropriate expression for this state of affairs was indeed “shadowy”, and confirmed the complaints of the government’s financial watchdog (the Algemene Rekenkamer) that it could not pursue its lawful task of establishing the size and purpose of the support given to industry.⁶⁴

Use of the Special Facility increased rapidly during the 1970s, especially after it had been extended to include firms that might otherwise have qualified as unhealthy, to an estimated total of (probably far) beyond 6 billion Dutch guilders

⁶³ Wijers G.J. (1982), op. cit.: 257.

⁶⁴ See Brouwer M. (1998). *Industriepolitiek*. In: Tellegen J.W., Brouwer M. (1998). *Industriebeleid*. Amsterdam: Welboom: 26.

during 1973-1979.⁶⁵ In contrast, the total of funds supplied through the Nehem amounted to only a few dozen millions. While recalling that precise amounts cannot be obtained because of the off-balance character of most of the support given (so that the support given could not be retrieved from the government's budget either), we can conclude that industrial policy towards the late 1970s typically implied sizable financial support for especially large companies, both in traditional and high-tech industries, without direct decision-making influence of the financier, the government. The recipients usually obtained their support through direct access to the government's Ministry of Economic Affairs.

For the 1970s, it can be concluded that industrial policies, though being, at least formally, set up to help industries restructure so as to help them to better cope with unfortunate circumstances and/or competition in foreign markets, in practice were heavily directed towards individual large firms, by far most of these being MNEs. No matter whether these outputs of the industrial policy making process were labelled as offensive/picking winners/supporting promising or innovative firms, or defensive/backing ailing firms, in practice it ultimately all amounted to capital support in the form of subsidies, without enforcing anything like the appointment of new executives or even the development of new firm strategies. Whereas the major industrial policy institution, the Nehem, had been meant to focus on SMEs, in practice this broadly acclaimed instrument could not achieve its task. Instead, a special financing facility that had existed already for several decades, was grasped as a solution to circumvent this new-born corporatist institution.

Although it remains difficult to prove without records of what happened in the corridors of direct access to the Ministry of Economic Affairs, it does not seem farfetched to argue, with Wijers, who in later life was to become a minister of Economic Affairs himself, that MNEs succeeded to promoting their interests well, or at least much better than other, smaller firms in the Dutch economy. Interestingly, this happened partly while the government was led by the Social-democrat Den Uyl who, before becoming PM, and even while he was in office, was very crit-

⁶⁵ Brouwer op cit., citing De Lange R., Spierenburg R. (1980). Over steun aan de industrie door de Nederlandse overheid. Mimeo, *Research Memorandum*, Faculty of Economics, University of Amsterdam (the De Lange/Spierenburg study can no longer be retrieved but has been cited with approval in various other studies that have been mentioned in this paragraph). In order to get to grips with these data, let us consider the following. According to CBS data, GDP for 1973-1979 totalled 868 billion euro, whereas Dutch GDP for 2017 alone was approx. 737 billion euro. Using a conversion rate of 1 DFL=0.4 euro, the 6 billion guilders translate into 2.4 billion euro. Under today's circumstances, we can therefore say that at least an amount of $(2.4/868) \times 737$ billion = 2.04 billion would have equalled the support given over 1973-1979 on a current per annum basis. Similarly, if support conditions would not have changed since the 1970s, this would have equalled approx. 15 billion euro for the period 2013-2019. Notice, that since this calculation uses ratios, inflation is not relevant. For the CBS data, see <https://opendata.cbs.nl/statline/#/CBS/nl/dataset/84087NED/table?ts=1540472738189> (last accessed 25 October 2018).

ical of what these same firms were accomplishing.⁶⁶

Yet, it is uncertain what the outcome in terms of performance of all this industrial policy output has been. On the one hand, as Van Zanden argued, one should not underestimate the benefits that the policies delivered to the economy in terms of savings on unemployment allowances.⁶⁷ This may be correct, but on the other hand, several of the recipient firms went bankrupt despite the government support, most notably the most expensive case of all, RSV. This Rijn-Schelde-Verolme (RSV) conglomerate, which was the end-product of a series of mergers in the shipbuilding industry (notably concluded without involvement of the Nehem), ended up in a huge failure after fifteen years of support, amounting to at least 1.5 billion guilders, in 1983. The RSV-case generated a vast literature and ultimately ended up in an extensive Parliamentary Enquiry that itself already covered twelve volumes and more than 3000 pages of text.⁶⁸ According to some, backing losers policies were a fundamentally bad idea, but to others, the failure had more to do with what they called the Santa Claus attitude of the government. That is, while the government footed the bill, it did not really get involved with the problematic and relied on established economic powers, i.e. incumbent captains of industry, thus changing little to nothing with respect to the causes of the problems.⁶⁹

3.3 Dutch industrial policies in the 1980s

However, although RSV's fate, as this has just been discussed, already caught public attention during the 1970s, it went bankrupt not sooner than 1983. And there were remarkable industrial policy outputs between the second half of the 1970s and the early years of the 1980s. First, the position of the Nehem had increasingly come under attack, starting with a new policy memorandum by Den Uyl's minister of Economic Affairs, the Christian-democrat Ruud Lubbers, viz. the *Nota inzake de selectieve groei* (Selective Growth Memorandum) of 1976.⁷⁰ Apart from announcing the necessity of selectivity in economic growth because of 'new' environmental concerns, Lubbers widened the scope for the Nehem in the sense that it was now also given the task to study forward looking developments, especially looking at industries in which significant technological change was ob-

⁶⁶ Notice that this neglect of SMEs by Social-democrats is (was) rather common. See: Pontusson J. (1995). Explaining the Decline of European Social Democracy: The Role of Structural Economic Change. *World Politics* 47 (4): 495-533.

⁶⁷ See Van Zanden J.L. (1999). The Netherlands: The History of an Empty Box? In: Foreman-Peck J., Federico G. (eds.), *European Industrial Policy. The Twentieth-Century Experience*, Oxford: Oxford University Press: 177-193.

⁶⁸ Tweede Kamer der Staten-Generaal, Vergaderjaar 1984-1985, *Enquete Rijn-Schelde-Verolme (RSV)*, The Hague, dossier 17817

⁶⁹ See Wassenberg A. (1983). *Dossier RSV*. Leiden: Stenfert Kroese

⁷⁰ Ministerie van Economische Zaken (1976). *Nota inzake de selectieve groei (Economische Structuurnota)*. The Hague.

vious. At the same time Lubbers abandoned the tripartite construction of the institution. In his view, the government would have to put itself under restraints with respect to business restructuring matters. At the height of the popularity of the Special Financial Support Facility, he added another facility in the form of the Investments Account Regulation (*Wet op de Investerings Rekening, WIR*). Financial support would now come (also) in terms of tax-exempts for firms that undertook capital investments.⁷¹

In hindsight, this new facility marked a significant change in industrial policy output. It moved interference of the government with the development of industries and businesses out of its roster, and generalized policy support to the profit and loss statement of firms. At the same time, the representatives of employers and employees in the country's main corporatist institution, the SER, started to grow apart on the desired type of industrial policy more and more, especially with respect to the proper role of government, which in fact passed the death sentence for the *Nehem*.⁷² This lack of agreement, however, also gave birth to what was to become the perhaps most important intellectual industrial policy initiative of the late 1970s and the 1980s: the request to commission the Dutch Scientific Council for Government Policy (WRR) to start a project that should settle the modalities of industrial policy for the years to come.

Professor Arie van der Zwan, a reputable professor of economics at Erasmus University, and known as a social democrat, was asked to chair the project and become its intellectual spirit.⁷³ Van der Zwan, as he himself puts it in the interview granted for this thesis (see Appendix), had come across the then novel idea of pending deindustrialization and felt that the Netherlands, like Great Britain, ran a relatively high unemployment risk because of the dominant role of its large MNEs that were—as we pointed out already above—increasingly moving employment to far-away cheap labour countries, and were feeling less and less responsibility to the economies and welfare in their home country. He recalls that his proposal to study the position of industrial activity vis-à-vis the service industries, however, did not meet with great enthusiasm within the WRR. The

⁷¹ Vermeend W.A.F.G. (1983). *Fiscale Investeringsfaciliteiten*. Doctoral Thesis, Leiden University. Arnhem: Gouda Quint.

⁷² Wijers op cit.: 96

⁷³ WRR (1980). *Plaats en toekomst van de Nederlandse industrie*. The Hague: Staatsuitgeverij. The title can be best translated as 'Position and Future of Industrial Activity in the Netherlands'. Author and rapporteur Arie Van der Zwan of Erasmus University Rotterdam, who was one of the most reputable professors of economics and business in the country, later became president of the National Investment Bank (still later to become NIBC) and deputy-chairman of Vendex International, parent company of Vroom & Dreesmann retailers (which went bankrupt in 2015, i.e. long after Van der Zwan had left, but as he had predicted in the dispute with owner-chairman prof. Anton Dreesmann which led to his resignation). Council membership of the WRR is reserved for between five and eleven of the country's most eminent scientists, and usually is granted for a period of five years.

Council had just embarked on a study that was to demonstrate the future importance of the service economy for employment and saw Van der Zwan's ideas of revitalizing industry as old-fashioned and as a potential disclaimer to the project that had just been set in motion. Nevertheless, Van der Zwan's proposals were eventually accepted, and when the study was finished it was showered with acclaims in the country, particularly in the quality press and among academics, by the unions and both the Labour Party and the Christian-democrat CDA party. The employers' federations, however, appeared reluctant.⁷⁴

Van der Zwan's study, which soon became known by an acronym formed by the capitals in its title, viz. PTNI, argued that with the current structure of the Dutch economy, economic growth was not likely in the near future. Industry had to be restructured and policies aimed at restructuring industry had to be more proactive. In its core it advised that both generic (financial) and specific policies had to be engaged by the government and carried out by an independent National Development Corporation (NOM) that would be accountable to Parliament but run by experts. Specific investments in technical innovation and marketing were needed to modernize industry and strengthen its international competitive position. Moreover, the study recommended that industries that could be expected to have a potential for economic growth in the future should be given specially added attention. The report was clearly in favour of government intervention into the specifics of businesses and industries to get the economy growing. This constituted a significant break with the policies that were becoming more and more popular at the time and that were mainly focusing on the explicit creation of those conditions that were supposed to have a positive effect on the performance of businesses.

According to Van der Zwan, PTNI received so much positive response from the public as well as academia that the government could not shrug it off. By letter of 8 January 1981 addressed to Parliament, it installed therefore a commission of "independent experts" (thus, not a Governmental Commission as had been proposed by PTNI) to assess Dutch industrial policy and the WRR-proposals. This Advisory Commission on Industrial Policy and its successor, the Advisory Commission on the Progress of Industrial Policy, both under the leadership of Gerrit Wagner, the former chairman of Shell, set out to translate Van der Zwan's ideas into realistic actions. According to Van der Zwan, the conclusions of the WRR report met with strong opposition in the Ministry of Economic Affairs, which obviously was supposed to be the parenting department. That the Wagner commission was installed at all was the result of a more favourable view on the report by the Ministry of General Affairs (which is the ministry of the PM). The committee

⁷⁴ Geul A. (1983). De navigatoren van Den Haag. *Beleid en Maatschappij* April: 105-113. Also see a reaction from the then chairman of the WRR, prof. Th. Quené, as well as a reply by the author in the same journal, pp. 212-216.

was set-up to co-opt the Ministry of Economic Affairs to create a large political platform for industrial policy.

Whereas PTNI envisioned an active interventionist and leading role for the government, the commission, however, turned out to be much more charmed by allowing market forces to play an important role in realizing the ideas that had been promulgated by the WRR. It moved, therefore, away from the interventionist views that were held by professor Van der Zwan and his team, and towards the views of the Ministry of Economic Affairs, and especially its head of staff between 1973 and 1990, F.W. Rutten, a leading member of the conservative Christian-democrat party CDA.⁷⁵ Rutten himself played an influential role in the findings of the commission by having succeeded in obtaining the responsibility for the selection of the members of the commission and becoming its main ministerial advisor. The commission ended up consisting mainly of business leaders instead of the independent experts that the ministry had anticipated in its letter to Parliament. Almost 60 per cent of its regular members, plus the chairman, held executive or director positions in Big Business, 2 members were affiliated with a union, of which one was a chief economist, and two others were to be regarded as established politicians without any special expertise in industrial policy or even economics. In fact, only Van der Zwan qualified as an expert in industrial policy.⁷⁶

It is therefore not surprising to find that the Wagner commission, apart from cherishing the renewal of industry programme in what was arguably little more than paying lip-service to the selective and interventionist policies that had been proposed by the WRR, put a strong emphasis on traditional socio-economic policies.⁷⁷ In this respect, the commission argued that it was necessary to reallocate social resources from consumption to investment, implying that the tax burden needed to be reduced as well as the macroeconomic financial deficit of the government and the costs of labour. The growth in welfare expenditures needed to

⁷⁵ Oudenampsen M. (2018). *The conservative embrace of progressive values: On the intellectual origins of the swing to the right in Dutch politics*. Doctoral Thesis, Tilburg University.

⁷⁶ Apart from dr. H. Verwey-Jonker (previously crown-appointed member of the SER and chair of the Wiardi Beckman Foundation, the Labour Party's think tank), P.J. Vos (economist at the FNV), L.R.A. Ester (CNV) and prof. Van der Zwan, these were prof. W. J. Beek (Unilever), W. A. J. Bogers (DSM), prof. A. C. R. Dreesman (leading retailer Vroom en Dreesman, later renamed into Vendex), prof. J. Klevering (Enraf Nonius, leading medical instruments supplier), H. Langman (Algemene Bank Nederland, later part of ABN-Amro Bank), dr. A. E. Pannenberg (Philips), prof. P. A. J. M. Steenkamp (leading Christian-democrat politician), F. Swarttouw (Fokker Aircraft), H. Vredeling (former minister of Defence for the Labour Party), and G.A. Wagner (Shell). Apart from Wagner and Van der Zwan, Bogers, Langman and Vredeling stayed on in the successor-commission. New members were dr. W. Albeda (previously Christian-democrat minister of Social Affairs), M. Bijl (Hollandse Beton Groep, a leading building and construction firm), A. H. Kloos (former chairman of NVV and Labour-politician); and J. H. S. van Ruiten (Nagron Mechanical Engineers and a right-wing politician).

⁷⁷ See Adviescommissie inzake het industriebeleid (1981). *Een nieuw industrieel elan*. The Hague: Ministry of Economic Affairs.

be stabilized and to be brought on par with the growth of national income. In terms of industrial policy, the commission made a plea for enlarging the set of fiscal investment facilities. The support of ailing industries and firms needed to be replaced by incentives for promising industries and firms. In this respect, the commission suggested to set up a Fund for Industrial Projects (Maatschappij voor Industriële Projecten, MIP) that would arrange equity capital for (large) innovative projects. The MIP would add to the National Investment Bank (NIB), which was set up to support on-going projects in established firms. This proposal, however, obliterated the WRR's proposal to install a National Development Corporation. And it was doomed to fail because of its focus on large projects, making the MIP inaccessible to small firms while Big Business did not want 'outsiders' to have a say in where it was heading for.⁷⁸

The successor commission focused on general economic issues as well. It argued in favour of abolishing the automatic adaptation of wages to the costs of living as well as the synchronization between the minimum wage and social security payments. It made a plea for wage austerity for civil servants, for facilitating the easier dismissal of employees and for the introduction of more flexible labour contracts. The motivation to work hard had to be encouraged by introducing more pay differentials. Education had to become more market-oriented, or more in line with the needs of trade and industry. In terms of industrial policy, the commission argued in favour of lowering the corporate tax rate, while the most original idea of PTNI, fostering long-term growth by selectively encouraging new initiatives, was treated harshly. Industrial policy, therefore, was to be moved out of the hands of the government, or even experts, and to be left to the 'good intentions' of business firms. Such intentions merely needed support in terms of generic R&D facilities.⁷⁹

In conclusion, it is arguable that industrial policy discussions between the late 1970s and, say, 1990, though having started out with the preparations for, and the eventual publication of an innovative study of the WRR in 1980, appeared locked into decade-old debates on the extent of government intervention versus free markets. Apart from the tone of discussion, public discourse thus had not progressed very much beyond the clashes between Mr Den Uyl and the captains of industry in the late 1960s and early 1970s. However, while such discussions went on, actual industrial policy output became more and more favourable to MNEs. For, on the one hand, labour, unions, independent experts, and SMEs were increasingly by-passed in the decision making processes, while the government,

⁷⁸ De Boer A.G. (1985). Investeren en participeren; de financieringsproblematiek van ondernemingen en de rol van de overheid. In: Brouwer M., Ter Hart H.W., eds. (1985). *Ondernemen in Nederland. Mislukkingen en Mogelijkheden*. Deventer: Kluwer: 83-93.

⁷⁹ Adviescommissie inzake de voortgang van het industriebeleid (1982-1983). *Verslag van werkzaamheden 1-4*. The Hague: Ministry of Economic Affairs.

in particular the Ministry of Economic Affairs, took as much distance to active involvement as possible. The industrial policy making process therefore lay open to the inputs of Big Business. On the other hand, the willingness of the government to provide support at all, apparently, had significantly increased. Whereas in the earlier periods outputs had included the formation of a special tripartite institution to channel funds towards restructurings that could boast of wide support (viz. the Nehem), increasingly, and especially after the Wagner commissions had been able to hush up the suggestions from PTNI, support was given via tax breaks and decreases in the corporate tax rate. The nominal average corporate tax rate for large firms decreased between 1980 and 1986 from 48 % to 38 %.⁸⁰ This turned out to be a definitive turn in industrial policy, as we will see in the next chapter.

3.4 Conclusions

The 1970s and 1980s were crucial decades in terms of industrial policy. Generally, what we have been able to observe is a change from politicization and open public debates (or near-debates, such as when captains of industry sent open letters of complaint to the media) in the 1960s and first half of the 1970s, to depoliticization during the 1980s.

Developments in industrial policy reflected this change. Initially being encouraged by the idea that the government should take the lead in bringing the Dutch economy more in tune with public goals, including modernization of industrial activities and preservation of the environment, over the course of less than two decades industrial policy had settled as a province for Big Business, funded from the public purse by means of ever-increasing tax facilities. Although the Coordinated Market Economy continued to survive in the domain of industrial relations, covering labour conditions, social security and wages, the productive part of the economy had increasingly become the exclusive domain of MNEs.⁸¹

Whereas the PTNI study was daring and innovative, both in terms of who was entrusted with industrial policy design and decision making, and of what was to drive the selectivity of support, it came too late to be effective. Its main 'fault' was that it proposed a decision making infrastructure that fitted the CME while Big Business was opting for industrial policy outputs that fitted the LME. Big

⁸⁰ The calculation of the 'effective' corporate tax rate is much more complicated than this conclusion might suggest, basically because companies have many opportunities to subtract income before tax, thus lowering the tax base. Tax auditors agree, however, on the fact that the effective tax burden for companies has decreased significantly over time as well. Currently the nominal average tax rate for large firms is as low as 25 %, while in 2001 it was 35 %. See <https://www.cbs.nl/nl-nl/zoeken/?query=vennootschapsbelasting&typefilter=nieuws> (last accessed 11 August 2018).

⁸¹ Windmuller and De Galan (1979), op. cit.

Business found the Ministry of Economic Affairs at its side, informally led by the civil servant who appointed a majority of captains of industry to dominate the Wagner Commissions. As we have seen, the proposals of these commissions differed significantly from what had been proposed in PTNI. Wagner's proposals ultimately became the industrial policy outputs, and not those that had been crafted in PTNI.

4. Industrial policies in the Netherlands from the 1990s until 2018

During the 1980s, it had become clear that corporatist approaches to industrial policy met with strong opposition from Big Business. By 1982, when the now famous corporatist Accord of Wassenaar had been agreed on labour conditions and wages, Van der Zwan's proposals for a government-installed National Development Corporation had been flicked off the table by the Wagner Commissions and replaced by the MIP, which a few years later was shut down following lack of effectiveness. Meanwhile, the support of individual MNEs that needed backing in international competition had continued, while the Wagner Commission's recommendation to lower the tax burden for corporations had been honoured. According to Brouwer, Big Business had succeeded in creating a very comfortable position for itself as it now "received capital support and low wages but in return did not have to allow any significant interference with its affairs".⁸²

Meanwhile, the integration of European markets had been boosted, and the Dutch economy, like other economies in Europe, was in good shape. In terms of political orientation, Dutch society increasingly catered for individuation.⁸³ It is against this background that this chapter will discuss industrial policy developments from the beginning of the 1990s until today. Section 4.1 discusses industrial policy inputs and outputs during the 1990s and the first decade of the 21st century. The most recent decade will be analysed in section 4.2, with an analysis of the lobby processes that almost led to the abolishment of the dividend tax. Finally, section 4.3 will conclude this chapter and draw conclusions on MNE influence on Dutch industrial policy.

4.1 Dutch industrial policies in the 1990s and the first decade of the 21st century

When public and academic attention for industrial policy was high, in the 1970s and 1980s, Big Business with the help of the Ministry of Economic Affairs knew to side-track most initiatives that interfered with business autonomy and required the government to take positions and/or involved corporatist negotiations (such as requests to the Social and Economic Council SER). In the 1990s, this attitude of non-involvement was continued. Following the Wagner Commissions' recommendations, the government focused on the tax system, on wages,

⁸² Brouwer M.T. (1998), op. cit.: 37

⁸³ CBS (2012). *Waardenverandering in Nederland: resultaten van de SOCON-enquête 1980-2011*. The Hague: Centraal Bureau voor de Statistiek. Retrieved from <https://www.cbs.nl/nl-nl/achtergrond/2012/45/waardenverandering-in-nederland-resultaten-van-de-socon-enquete-1980-2011>. According to CBS, a definitive trend has set in motion since the 1980s that in cultural terms can be characterized as hedonistic and driven by economic pettiness.

education, infrastructure, the labour market, bureaucracy and red tape.⁸⁴ One message of PTNI, however, had arrived. When professor Van der Zwan demonstrated that Dutch industry was insufficiently prepared for the future, he also argued that technological innovation should be much higher on the policy agenda. Indeed, innovation was quickly becoming the new thing during the 1990s throughout the economy or even society.⁸⁵ In the domain of industrial policy, the surge of attention for innovation issues culminated in the installation of the Advisory Commission for the Strengthening of Technology Policy (Adviescommissie voor de uitbouw van het technologiebeleid) in 1987. The commission and its successor were chaired by former Philips CEO W. Dekker and had four other captains of industry as members, against three academics and two politicians; the unions were not represented in these commissions.⁸⁶ In comparison to the Wagner Commissions, this looked more in line with what one would expect in a CME, except for the fact that employees were not represented now at all.

The Dekker-commissions supported generic fiscal facilities for corporate R&D and more collaboration with academic research institutes. It speaks almost for itself that such proposals were only rarely contested. In fact, unions nor parliamentarians seemed to care very much about the modalities of what was increasingly labelled as innovation policy.⁸⁷ The fact that the European Commission gradually was becoming more strict in disallowing capital support for individual firms will probably not have been totally alien to this change of track.⁸⁸ Innovation support, one could say, was a sort of risk-free form of industrial policy.

Yet, as a result, the use of fiscal facilities to support MNEs almost silently got more and more foothold in Dutch industrial policy. Besides, the strong opposition to government interference among MNEs, in contradistinction to financial government support, was followed up when the so-called 'Project Marktwerking, dereguleren en wetgevingskwaliteit' was set in motion in 1995.⁸⁹ The project involved a long series of deregulation and privatisation activities, often supported by selectively commissioned academic working papers that promulgated an unfaltering belief in the virtues of free markets.⁹⁰ This policy emphasis was in

⁸⁴ Ministerie van Economische Zaken (1990). *Economie met open grenzen*. The Hague.

⁸⁵ Velzing (2013), op. cit.

⁸⁶ The Dekker Commission consisted of W. Dekker (Non-executive Chairman Philips); J. J. Kaptein (CEO of Océ); J. Aalberts (CEO of Aalberts Industries); M. Epema-Brugman (MP for the Labour Party PvdA); prof. dr. M. Galjaard; A. Heijn (CEO Ahold); prof. drs. A. A. Kampfraath (VP Hoogovens); prof. dr. B. Nooteboom; prof. ir. B. P. Veltman; dr. A. J. Vermaat (MP for Christian-democrat party CDA.)

⁸⁷ Velzing (2013), op. cit.

⁸⁸ Owen (2012), op. cit.

⁸⁹ Tweede Kamer, *Verslag der handelingen van de Tweede Kamer der Staten-Generaal*, 1994-1995, 24036.

⁹⁰ See Van Damme E. (1996). Marktwerking en herregulering. *Mimeo*, CentER, Tilburg University.

line with the wishes of the employers organisations VNO and NCW who had been professionalizing more and more during the early 1990s, and especially after they merged in 1996 to become VNO-NCW and the most important interlocutor between (big) business and government.⁹¹ Recurring themes in VNO-NCW's own magazine were complaints about prevailing bureaucracy and fiscal policies that were not directed at promoting innovative initiatives.

In terms of more tangible outputs, the studies and government memoranda on the virtues of innovation were accompanied by new financial facilities. The most important of these was a law set up to promote R&D (the *Wet tot Bevordering Speur- en Ontwikkelingswerk*). Main beneficiaries, however, were small and medium-sized firms (SMEs). Moreover, the government made more work of the innovative research programmes (Innovatiegerichte Onderzoeks Programma's, IOPs) that had already been set up in 1981, and, in 1998, it created a number of so-called Technological Top Institutes in which research institutions collaborated with industry. Together they constituted an infrastructure that laid the foundations for the Top Industries Policy (Topsectorenbeleid) to which I will return further below. In terms of selectivity, however, all these initiatives favoured the 'usual suspects', i.e. ICT, biotech, new materials, energy generation, aerospace and chemical products. Since all these industries in fact are dominated by MNEs, the spin-off of most initiatives settled amongst the largest firms in the country.

Alongside these changes, the pecking order within the Ministry of Economic Affairs changed as well. Whereas the directorate for industry used to be the most important industrial policy entity, gradually the directorate for technology policy took over this position. The directorate for SMEs was abandoned as a separate directorate.

At the same time, European integration moved forward emphasizing the importance of the EU's competitive position from a global competition point of view. In 2000, the European Commission developed an action and development plan for the economy of the European Union known as the Lisbon Strategy. The overall goal was to make the EU "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion by 2010".⁹² Although framed as a means to generate economic progress and wealth, the Lisbon Strategy in fact was heavily focused on the interests of Europe's very biggest companies, which, as discussed by Hauser, was the result of massive lobbying by Europe's largest

⁹¹ Velzing (2013), op. cit.

⁹² Presidency conclusions (23-24 March 2000). See http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/00100-r1.en0.htm (last accessed 10 July 2018).

MNEs.⁹³

In the Netherlands, the Lisbon Strategy initiative led to the foundation of the so-called Innovatieplatform in 2003 (this platform for the encouragement of innovation was dissolved again in 2010). Several of the largest companies (such as Philips, McKinsey, DSM and Hoogovens/Corus) were present as members, while the then Prime Minister, Jan-Peter Balkenende, became the chair. The platform had to propose innovation programmes that would allow to keep up the Netherlands' international competitive position. The platform was also requested to select so-called 'key areas' for innovation, which reminds us of the PTNI efforts to come up with a list of specific industries that warranted extra support, the IOPs and the Technological Top Institutes. The foundation of the platform was soon followed by a special 'Letter for Industry' in 2004 in which the cabinet concluded that "in the recent past, government has distanced itself too much of business".⁹⁴ A new policy set of three main tracks, fitting within the framework set at the EU level, was announced:

1. Business initiatives were to be facilitated as much as possible;
2. The innovative capacity of businesses had to be strengthened;
3. There had to be special attention for specific industries and stakeholders.

This letter set the tone for the years to come, only interrupted by the great financial crisis that hit the Netherlands relatively hard. In 2011, the special attention for specific industries, which had already been advocated by PTNI more than thirty years earlier, finally became policy after the three Dutch business confederations, led by VNO-NCW, had lobbied hard for it.⁹⁵ Arguably, the recession that followed the financial crisis, which was probably deeper than in neighbouring countries because of the country's overexposure to financial services and banking, had increased the urgency to get the Dutch economy growing again.⁹⁶ I will return to this so-called Topsectorenbeleid (Top Industries policy), which in essence built on the key areas that had been formulated by the Innovatieplatform, further below.

⁹³ Hauser H. (2011). European Union Lobbying Post-Lisbon: An Economic Analysis. *Berkeley Journal of International Law* 29 (2): 680-709.

⁹⁴ Ministerie van Economische Zaken (2004). *Industriebrief. Hart voor de industrie*, Annex to Kamerstuk 29826 nr. 1. See <https://zoek.officielebekendmakingen.nl/kst-29826-1-b1>: "According to business representatives, the climate for doing business in our country is not up to standard. The pressure of all sorts of regulations is too cumbersome. Fiscal facilities are no longer competitive in comparison to neighbouring countries. The labour market is insufficiently flexible. Because of this, firms cannot adapt fast enough to changing circumstances. Their access to the knowledge and skills that are necessary for both product and process innovation is too difficult [my translation]."

⁹⁵ See VNO-NCW/MKB/LTO (2010). *Optimistisch*. The Hague

⁹⁶ Van Tilburg R. (2012). *Het Financiële Overgewicht van Nederland*. Amsterdam: Centre for Research on Multinational Corporations SOMO.

In the meantime, in 2009, a special commission had been set up to study the modalities of the Dutch fiscal system, including those pertaining to firms (the Studiecommissie Belastingstelsel).⁹⁷ VNO-NCW seized the opportunity by presenting a report to Prime Minister Balkenende on the Dutch dividend tax as a strong competitive disadvantage that needed to be abolished as soon as possible. The dividend tax is a so-called withholding tax, meaning that it is levied to the firms before they pay out the dividend to their shareholders. Like Balkenende himself, the fiscal study commission was quite sceptical about the justifications for this demand. It acknowledged that dividend tax is for the most part an issue for foreign shareholders, and moreover only for some of them.⁹⁸ Domestic shareholders can deduct the dividend tax from either their income tax due or any taxes due in the form of corporate tax. In many cases foreign shareholders have the same possibilities for evading double taxation. So, in all likelihood, the dividend tax would only be relevant to those tax payers officially located in countries that do not allow compensating any withholding tax paid from their income and/or corporate tax. The commission notes that abrogating this withholding tax has several drawbacks. First, it will significantly affect domestic tax collection (while benefiting foreign tax collectors, in case the tax is levied at all) and, second, it will make it more difficult to negotiate tax agreements with other countries once it is known that any dividend taxes collected will benefit the countries in which the taxpayer is located. The Netherlands would, therefore, give up a tradable regulation and the country would acquire an even stronger reputation as a tax haven. Obviously, Dutch MNEs would find it easier to access foreign capital markets, as investors located in countries that do not levy a dividend tax, like the UK, would benefit from investing in these MNEs.

The question remained unsolved, but it received new impetus when a new topic emerged: boosting the economy by attracting headquarters of foreign firms to the Netherlands in the form of direct investment. In 2008, the Boston Consulting Group published the report *Hoofdkantoren een hoofdzaak* (Headquarters are a Head Issue) while in 2009 the Rotterdam School of Management presented a study that had been commissioned by VNO-NCW, viz. *Wederzijds profijt* (Mutual benefits).⁹⁹ It turned out later, when investigative journalists had appealed to the Freedom of Information Act (WOB), that the study had been sponsored by Shell

⁹⁷ The commission, chaired by professor S. Van Weeghel, published its report *Continuïteit en vernieuwing: een visie op het belastingstelsel*, in 2010. See <https://dare.uva.nl/search?identifier=7d16b63e-1198-4bec-baa5-c6a439d2e127> (last accessed 10 July 2018).

⁹⁸ See Ministerie van Financiën (2014). *Notitie Voorbereiding Bespreking AmCham 4 juni 2014*. 23 May. doc. A02.izv201487

⁹⁹ Boston Consultancy Group (2008). *Hoofdkantoren een hoofdzaak*. Amsterdam; Baaij M.G., Van den Bosch F.A.J., Volberda H.W., Mom T.J.M. (2009). *Wederzijds profijt: de strategische waarde van de top 100 concernhoofdkantoren voor Nederland en van Nederland voor deze top 100*. Rotterdam: Erasmus Universiteit, Rotterdam School of Management.

while AkzoNobel, DSM, Philips and Unilever provided argumentative support.¹⁰⁰ Both reports underlined the importance of attracting headquarters from abroad.

4.2 Dutch industrial policies from 2008-2018

When in 2011 the new Topsectorenbeleid was introduced, in which nine industries were selected for special government support,¹⁰¹ it was not surprising, therefore, that a tenth 'industry' was added at the last moment, again after lobbying by VNO-NCW: Headquarters.¹⁰² After all, it was argued, the Dutch economy and business environment could rely on its geographical position between two large and well functioning economies, those of the UK and Germany, its membership of the European Union, its competitive and stable fiscal climate, and the available talent pool. Headquarters were advertised as starting points for other facets of economic development such as R&D and would benefit large accounting and consultancy firms as well as the top-tier of legal advisories located primarily on Amsterdam's so-called Zuidas. The biggest opportunities were to be found in attracting European headquarters of non-European firms in one of the nine top sectors.

The team preparing the proposal to adopt headquarters as a tenth top sector argued that the Dutch business environment was attractive for many MNEs, but still had to take into account strong competition from other member states, especially after the UK would have exited from the European Union. Moreover, the team argued that improving the business climate is a continuous process and that adjustments had to be made to deal with changes that would take place in the business environment of its main competitors. Having a certain number of foreign headquarters locating in the Netherlands would also encourage locals to compete with foreign experts, thus raising the availability of highly educated individuals. It argued that the Netherlands should have the ambition to put itself amongst the top ten locations for firms ranked in *Fortune's* Global 500.¹⁰³ To

¹⁰⁰ *Follow the Money* (2017). Shell financierde Rotterdamse professor voor onderzoek in de lobby voor belastingverlaging (newspaper of 16 May). <https://www.ftm.nl/artikelen/rsm-professor-belastingverlaging-multinationals?share=1> (last accessed 16 July 2018).

¹⁰¹ Agro-Food, Chemicals, Creative Industries, Energy, High Tech Systems and Materials, Life Sciences & Health, Logistics, Horticulture and Starting Materials, Water.

¹⁰² Topsteam Hoofdkantoren (2011). *Met hoofdkantoren naar de top. Actieagenda ter versterking van het vestigingsklimaat, de acquisitie en het behoud van internationale bedrijven en talenten*. See https://fd-binary-external-prod.imgix.net/2x_tIRn-A8vlnI2CFC5TCFhzlnk.pdf?dl=Rapport%20Topteam%20Hoofdkantoren.pdf. VNO-NCW (2017). Brexit biedt kansen om honderd bedrijven naar Nederland te halen. See <https://www.vno-ncw.nl/nieuws/brexit-biedt-kansen-om-honderd-bedrijven-naar-nederland-te-halen> (last accessed 10 July 2018).

¹⁰³ According to the Boston Consulting Group's 2008-report *Hoofdkantoren een Hoofdzaak*, the Netherlands at the time of publication already had 16 global, and 14 European headquarters amongst the world's largest 500 firms. See <https://www.consultancy.nl/media/2008-03%20BCG%20-%20Hoofdkantoren%20een%20Hoofdzaak-132.pdf>

make this goal a reality the government was to improve its global brand, provide government communication in English, strengthen the favourable tax-environment, invest in its infrastructure, and improve education in line with the demands of globally active large corporations.

The importance of headquarters has also been argued from the viewpoint of originally Dutch MNEs. Recently, some of these firms (among which AkzoNobel and Unilever) have been under attack from speculative American investors (using established MNEs as their vehicle, viz. PPG and KraftHeinz respectively).¹⁰⁴ It is feared that such attacks, alternatively qualified as hostile takeovers, may continue and might become successful, thus removing the headquarters of such firms from the Netherlands. Attracting new headquarters would thus compensate for possible losses of existing headquarters to foreign MNEs.¹⁰⁵

In this perspective abolishing the dividend tax would be an important incentive for Dutch based MNEs. This, obviously, would clarify why VNO-NCW had lobbied so hard on behalf of Dutch MNEs. The lobby for abolishing the dividend tax was not only pursued by VNO-NCW, but also by the American Chamber of Commerce in the Netherlands (AmCham) and the Dutch Organisation of Tax Advisors (NOB).¹⁰⁶ Recently revealed confidential documents confirm that the abrogation of the dividend tax is closely connected to the interests of MNEs, as expressed by organisations like the Dutch federation of tax advisors NOB, AmCham and VNO-NCW. These documents show that AmCham, for instance, was introduced to the secretary of finance as a well-known partner of the department of finance when it came to its fiscal 'dossier'.¹⁰⁷ A preparatory note for a meeting of the minister and secretary of the department of finance with VNO-NCW, appears to promise

¹⁰⁴ Ibidem.

¹⁰⁵ Notice that hostile takeovers could be prevented as well by continuing currently existing protective institutions, such as certification of shares, preference shares, loyalty shares, or non-voting shares. Moreover, there is currently a debate on-going on the introduction of so-called cooling-off periods, implying that hostile takeover parties would need a half to a full year before being allowed to consume such a takeover. According to some influential lawyers and economists, this would have as an effect that wealth-creating takeovers would be encouraged but speculative takeovers discouraged. In fact, according to oral information given to me by Radboud University on 29 May 2018, during a seminar at AkzoNobel's headquarters, the Dutch cabinet has recently commissioned expert legal and economic advice on this possibility. Also see De Adelhart Toorop R., De Groot Ruiz A., Schoenmaker D. (2017). Maatschappelijke toetsing van overnames is nodig. *ESB* 102 (4752): 360-363.

¹⁰⁶ The proces has been detailed in a recent position paper by VNO-NCW. The paper shows that it had been on the agenda of MNEs, lobby organisations and the state for well over a decade. See: VNO-NCW, Position paper VNO-NCW inzake de afschaffing van de dividendbelasting, 21 December 2018. This can be corroborated with documents released by the Dutch government. For example see: *Ministerie van Financiën*, Notitie bezoek Unilever, 2 March 2006, DGB 2006-01182, *Ministerie van Financiën* Notitie aanwezigheid staatssecretaris bij ABUP-overleg 15 oktober, 17 oktober 2007, IFZ 2007-714 N, and the government memoranda mentioned below.

¹⁰⁷ WOB documents published by SOMO and commissioned by Oxfam-Novib on 16 March 2016. See <https://www.oxfamnovib.nl/persberichten/interne-overheidsdocumenten-leggen-belastinglobby-bloot> (last accessed 13 August 2018).

that ‘In the near future we will develop a strategy for the future of the Dutch fiscal environment together with the NOB, VNO-NCW and AmCham’.¹⁰⁸

Less than a year later, nine years after the first report on dividend tax by VNO-NCW, the abrogation of the dividend tax became a definitive part of industrial policy, with the liberal prime minister as its main advocate. It had not been part of any election plan that political parties usually publish ahead of the elections, nor had it been part of the public and political debate for years. But now it was part of the coalition agreement, i.e. the accord that is signed between the parties that will form a new cabinet. It was not supported by civil servants—on the contrary—but prime minister Rutte said “he could feel it was important”.¹⁰⁹

How precisely it got on the agenda was another matter, one that has all the characteristics of dealings that are concocted out of the public eye.

When the Dutch Prime Minister Rutte announced the measure it caused quite some uproar. The public felt this was evidence of preferential treatment of MNEs, the press lambasted it and opposition parties complained fiercely. When asked if there were any documents on which the decision was based Rutte answered he had no recollection of such documents.¹¹⁰ Eventually he had to admit the existence and released them for the public record, although they were edited heavily.¹¹¹ There were only two internal notes written by the Ministry of Finance that are readable, the attachments consisting mostly out of blank pages.

In these notes internal policy advisors made it clear that it was important to settle the matter once and for all. Mentioning the same drawbacks as in notes mentioned above, however, they read altogether much more positively on the subject. New arguments brought forward were that repealing the tax would fit with the international position of the Dutch state. Moreover, they add, such would solve important issues for Shell and Unilever. The latter argument was given additional weight by remarking that this problem would be especially important for a firm that is considering to change its current bi-national headquarter struc-

¹⁰⁸ Ibidem.

¹⁰⁹ Efforts to influence Dutch tax policies were not restricted to the dividend tax. The WOB documents mentioned in the previous footnote confirm that the close relationship between the Dutch government and representative organisations goes back to at least 2001. In a note on an earlier meeting with AmCham, government officials remark that AmCham was firmly against restricting the interest subtraction before profits. Moreover they inform the reader that the VNO-NCW and NOB notified government officials that they expect to be included in the technical consultation on pending hostile takeover procedures and exemptions. In the same document AmCham is shown to have argued that they would like to see more facilities for extending innovation subsidies to include various forms of contract R&D.

¹¹⁰ Rutte: Ik herken de memo's niet, alleen een VVD stuk, (25-04-2018) <https://nos.nl/video/2229033-rutte-ik-herken-de-memo-s-niet-alleen-een-vvd-stuk.html> (last accessed 16-11-2018)

¹¹¹ Kamerstuk: Kamerbrief over dividendbelasting, 24 April 2018, 3999908,

ture into the more regular structure in which there is only one headquarter if the tax system in the one country (read: the UK) is more attractive than the other (read the Netherlands).¹¹² The name of the firm is classified (thus blackened in the note), but of course, everyone knew almost for a fact that this concerned Unilever. Not only was this widely reported in the Dutch and English news media, Unilever had already been considering such a move as early as 2005. In a meeting with the mayor of Rotterdam at the time, I. Opstelten, Unilever said that the dividend tax was a problem that stood in the way of choosing the Dutch port city over the English capital.¹¹³

The public outcry never made Rutte reconsider his position, but in the end, the withholding tax on dividends has remained part of the Dutch tax code. In what surely must be seen as another example of how important MNEs can be in the design of industrial policy, the cabinet withdrew the abrogation plan just after Unilever shareholders had informed their CEO P. Polman that they would not support a merging of Unilever's London headquarter into its Rotterdam head offices.¹¹⁴ According to PM Rutte, this denial was not the only reason for withdrawing his proposal, but he admitted that it was an important test case. For Mr Rutte, the public outcry therefore never was the reason for maintaining the tax, although for Mr Polman it was evident that Unilever's decision had been the real reason for not abrogating the dividend tax.¹¹⁵

Looking back at the developments in the 2000s, it perhaps has never before been so clear that industrial policy is influenced by Big Business in a direct sense. And if such influence is not manifest, the discussion above has demonstrated that its design has everything to do with Big Business's interests. Interestingly, whereas earlier sections in this thesis implied that the financial aspects of industrial policy had been fiscalized more and more so that support would not be seen as preferential or even illegal (by the European Commission, for example), industrial policies just can go too far, even when hidden in fiscal disguise. However, this cannot take away the conclusion that there is not much coordinated, corporatist negotiation from which actual industrial policies derive. Rather, it very much looks like MNEs have a tight hold on the government's industrial policy.¹¹⁶

¹¹² See notes 4 and 5 attached to the Kamerbrief over dividendbelasting, 24 April 2018, 3999908

¹¹³ *Ministerie van Financiën*, Notitie bespreking Unilever, 4 April 2005, AFP 2005-00978

¹¹⁴ *The Economist*, Unilever stays in London, October 11 2018)

¹¹⁵ *Follow the Money* (2018). Planeet Polman (newspaper of 17 Oktober).

<https://www.ftm.nl/artikelen/planeet-paul-polman?share=1> (last accessed 16-11-2018).

¹¹⁶ Perhaps it should be recalled in this respect too, that the Netherlands has also been frequently charged for preferential treatments of large firms as well as investors by lavishly making use of so-called confidential tax rulings.

4.3 Conclusions

The discussion of changes in Dutch industrial policies in this chapter has shown that Big Business has been instrumental in changing the Dutch variety of capitalism. Industrial policy post-WRR—as much as had been the case before—was dressed up according to traditional pleas in favour of reducing the tax burden, reducing the substantive role of government, lowering the costs of wages, and increasing the flexibility of labour. Whereas in the early years of the periods covered here, the pleas in favour of tax facilities focused on lowering the corporate tax rate—which were so successful that this rate was about halved during the full period studied—and tax exempts for all sorts of activities, particularly investments in R&D, these pleas ultimately also ended up in the proposal to abrogate the withholding tax on dividends in 2018. Perhaps it can even be argued, that the latter was simply a next step in a process of patronage that had already started decades earlier when the government after having outsourced the determination of its position to representatives of MNEs, refused to adopt the basic ideas of PTNI, therefore refused to take the lead in a process that while involving all stakeholders would amount to a smart and just development of the economic infrastructure of the Netherlands.

Yes, ultimately, some ideas that had already been embraced in PTNI eventually were taken over in industrial policy. For one, the idea that innovation is (almost) all that matters became generally accepted, which in itself is no small feat. Secondly, the introduction of the idea of technological selectivity, culminating in the Top Industries Policy, may not have been possible without many years of contemplation. However, if we look at how selective this selectivity really is, some feelings of disappointment cannot be suppressed. Again, the outputs appear to be very much linked to the existing priorities of incumbent MNEs. In terms of inputs, these stakeholders need not do much more than making sure that they dominated the commissions that the government invariably installed to do what some would define as its own mission.

5. Conclusions and inferences

The discussion of changes in Dutch industrial policies in the previous two chapters has made it plausible to conclude that Big Business has been instrumental in bringing about changes in Dutch industrial policy. Although it does not appear possible to directly connect specific changes in outputs to specific changes in inputs to the extent that proof of causality has been obtained, the discussion has made clear that MNEs, and their representatives, have been *involved* in bringing about the changes in outputs that have been observed. Sometimes, MNEs used as inputs open letters to the Dutch public and polity. These letters could only be understood as expressions of involvement that went further than just announcing that MNEs regretted this, or applauded that. Sometimes, the inputs amounted to actively taking part in advisory commissions, at other times MNEs appeared to take little notice of especially founded industrial policy institutions by simply cold-shouldering these, such as happened to the Nehem. Sometimes, the inputs from MNEs amounted to active lobbying efforts to get the government to abandon certain industrial policies, or not to embark on others, or even to pull back from parliamentary agreed ways ahead.

Such MNE involvement mostly took part in the form of bilateral contacts between cabinet ministers and MNEs, or their representatives, rather than in the form of tripartite contacts in which the trade unions also had a say. Employers and unions together only negotiated with the government on macroeconomic issues concerning general aspects of employment, social security, pensions and wages policy, except for the early part of the period studied. Over time, we can conclude that industrial policy increasingly became the prerogative of governments and MNEs, with MNEs in an important designer's role.

It is unknown whether MNEs could grab their role because the trade unions let them, nor for which reasons if that has been the case indeed. It is possible that the unsatisfactory development of the Nehem forced the unions to become more focused on the domains just mentioned, but this may also have been the result of changing ideological preferences within the unions themselves.¹¹⁷

We can certainly say, however, that the role of the Dutch government as an independent industrial policy entrepreneur did decrease over time while its financial support of Dutch MNEs, if anything, increased. If this has been the output that was aimed at by the representatives of MNEs when putting in their efforts, this must be qualified as a great success (for them). While one could argue that a

¹¹⁷ See e.g. Ter Heide H. (1979). Vakbeweging en Maatschappijkritiek. *Beleid en Maatschappij* 9: 154-161/188.

declining substantive role for the government fits the increasing political commitment to liberalism in Dutch politics, its role as a financier to MNEs certainly would not allow such an argument. In the process, the support moved from subsidies (ranging from backing ailing firms to innovation funds) to credit facilities and to fiscal facilities in the form of additional tax breaks and reductions in the corporate tax rate. That, again, can be qualified as a successful output result, since it leaves MNEs with a maximum of freedom to manoeuvre.

By way of contents summary, industrial policies in the Netherlands have especially favoured MNEs, sometimes because such MNEs had become financially distressed, sometimes because such MNEs wanted further backing in international competition even though they were not distressed. Especially in the first decade of the 21st century, industrial policy boasted strong selectivity when it became labelled as 'Topsectorenbeleid', but upon further analysis this selectivity appeared to be a route again to support particular MNEs. *Again*, because the support of MNEs really has been the main output of the industrial policy process over many decades, despite all sorts of differently sounding policy initiatives, such as the Innovation Platform, or the Investment Account Facility.

Since in CMEs, according to the Varieties of Capitalism school, industrial policy changes are supposed to come about as a result of repeated corporatist intermediation (mostly in the form of explicit or implicit negotiations among the players), and tête-à-têtes between government and big businesses do not fit within this mold but are more typical for LMEs, it is factually correct to say that the Dutch economy also on this account has moved from a CME-type to an LME-type variety of capitalism.¹¹⁸

How exactly we should understand this development, is another matter. In chapter 1, I discussed three alternatives in this respect and promised to come back to them. According to the first of these alternatives mentioned, the neoclassical explanation, changes like those that have been observed ought to be interpreted as changes for the better. For, economic systems continually strive for improvements in the creation of welfare. Economies would have a sort of in-built corrective mechanism, i.e. the market mechanism, which would punish changes that work against this assumption. The first question to ask, therefore, would be whether the creation of welfare has benefitted from the changes observed. Clearly, such a question not only goes far beyond what has been assigned for the present study, it is also almost impossible to answer. For in order to answer this question properly we would need to know what results would have come out in

¹¹⁸ On the relationship between government and big business in the USA, see e.g. Lemann N. (2016). Notorious Big. *The New Yorker* 28 March (<https://www.newyorker.com/magazine/2016/03/28/why-big-business-and-big-government-haunt-america>).

case the observed changes would *not* have occurred. More specifically, we would have to compare the actual state of the Dutch economy towards the end of the period studied here with its counterfactual, for example in terms of GDP per capita, in terms of innovation performance, in terms of the distribution of income and wealth, in terms of the standard of living of the poor, perhaps even in terms of the condition of the environment. Unfortunately, counterfactuals in all these respects are not readily available, or not at all.

Does this mean that we cannot say anything at all on this? As has been documented in many studies, we do know, for example, that income and wealth have become more unequally distributed towards the end of the period studied than before.¹¹⁹ Also, it appears that the Dutch economy has suffered a harsher financial crisis post-2007 than the archetypical example of a CME, Germany, or even the archetypical example of an LME, the USA.¹²⁰ It can be argued, that this also is a result, albeit perhaps in a more indirect sense, of prevailing industrial policies that allowed Dutch MNEs to take part in global processes of so-called financialization. These latter processes thrived in markets that had been freed from takeover regulations, as has been the case in the Netherlands, especially because of this country's relatively large and 'sophisticated' financial industry.¹²¹ The rising number of such mergers hardly created wealth when measured against the counterfactual (which researchers in this case have been able to construct), thus necessarily contributing to the financial crisis.¹²² Another example, which is associated with the previous one, concerns the move to shareholder value maximization that was already referred to in chapter 1.¹²³ Firms that focus on shareholder value appear to be significantly more active in the market for corporate control (takeovers); they distribute significantly more of their profits to shareholders rather than reinvesting these in the firm, and they do so either in terms of irregular so-called super-dividends or, and especially, in the form of buy-backs of their own stock. Indeed, it has been shown that this also applies to Dutch MNEs.¹²⁴ As a result, firms become more oriented to short-term interests than to long-term value creation. As Lazonick and O'Sullivan have shown, this has a reducing effect on investments in R&D activities.

¹¹⁹ Salverda W. (2013). Inkomen, herverdeling en huishoudvorming 1977-2011: 35 jaar ongelijkheidsgroei in Nederland. *TPEdigitaal* 7 (1): 66-94. Zucman G. (2015). *The Hidden Wealth of Nations*. Chicago: University of Chicago Press.

¹²⁰ Sustainable Finance Lab (2013). *Achtergrondnotitie bij de inbreng voor de Commissie Structuur Nederlandse Banken*. See <http://sustainablefinancelab.nl/publicatie-sfl>.

¹²¹ Cremers J., Vitols S., eds. (2016), op. cit.

¹²² Cremers J., Vitols S., eds. (2016), op. cit.

¹²³ Lazonick W., O'Sullivan M. (2000). Maximizing shareholder value: a new ideology for corporate governance. *Economy and Society* 29 (February): 13-35.

¹²⁴ De Monchy R. (2015). *Actual share repurchases in the Netherlands 2005-2014. Short-termism, shareholder relations and the signalling theory*. MSc Thesis, Utrecht University School of Economics.

On the face of it, these developments would not lead one to conclude that the moves of the Dutch CME toward the LME-form that have been observed must be explained as the implications of an economy moving into a more efficient, a 'better', equilibrium.

According to the second explanation mentioned in chapter 1, change might occur because when two systems meet, they may adopt elements of each other. As a result of increasing contacts between Dutch and Anglo-Saxon firms, the Dutch firms may have adopted practices that they learned in the US or the UK and/or have lobbied in favour of these with the Dutch government. At first glance, this may seem to be a plausible explanation. However, in order to accept it, we must be prepared to accept that the changes through which the Dutch variety of capitalism has gone, have not deteriorated its performance. As discussed above, this is far from evident, on the contrary.

According to the third explanation mentioned in chapter 1, changes in a variety of capitalism basically result from political struggle. It is unlikely, as we have argued above, though difficult to prove because counterfactuals are not available (except in the case of takeovers), that public welfare—the ultimate goal of industrial policies—has not benefited from the move of the Dutch VoC towards the LME type. At the same time, however, private wealth in top-tier income and wealth brackets has increased.¹²⁵ It is therefore difficult to escape from the third explanation, i.e. that the changes in the Dutch VoC have been the result of some parties struggling successfully against others.¹²⁶

While in traditional capitalism, such struggles involved capitalists against labour, today they may have changed into struggles between MNEs and SMEs, and in struggles between MNEs and public welfare. From my discussion of industrial policy developments, we can see that to some extent both apply. Sometimes, particularly during the early years of the period studied in the present thesis, Big Business cold-shouldered industrial policy institutions that had been organised to support SMEs (viz. the Nehem), sometimes, particularly towards the end of the period studied here, it succeeded in getting large fiscal advantages (most recently by almost succeeding in getting the withholding dividend tax abrogated).

Thus, contrary to the general appreciation in the VoC literature, the changes in the Dutch variety of capitalism do not appear as some inevitable result of an

¹²⁵ Salverda W. (2013), op. cit.

¹²⁶ This, of course, raises the question where the obvious gains in economic development derive from. Apart from the fact that unequal appropriation of proceeds is not identical to full appropriation of proceeds by one party, a classic study by Ayres demonstrates that wealth mainly originates from technological development, and technological development from public and semi-public research: Ayres R.U. (1988). *Technology: The wealth of nations. Technological Forecasting and Social Change* 33 (3): 189-201.

anonymous development (i.e. globalization) but the result of certain agents orchestrating these changes because they somehow benefit or believe that they benefit from them.

This conclusion would seem important for appreciating the contributions of VoC. Studying varieties of capitalism would leave us with an understanding of historical change that would not do full justice to the way in which things really develop, if we are not prepared to take into account the possibility of uneven access to the policy making apparatus and to study whether purposeful actors do more than just adapt to exogenous changes. Yet, it was VoC's explicit aim to develop a paradigm that broke fundamentally with other approaches such as the modernization approach, neo-corporatism and the social systems of production approach that had made these considerations part of the analysis.¹²⁷

By arguing that VoC would only be able to properly explain the changes in industrial policy that we have documented if it could move towards comparative capitalism models that bring the notion of power back to the center of analysis, we appear to link up strongly with Coats, according to whom power is understood as the preserve not only of capital and labour, but also of governments and firms.¹²⁸ Thus, the findings reported in this thesis would furnish arguments to reinstate 'older' approaches to comparative capitalism, similar to a plea made by, for example, Streeck when he stressed that the role of political conflict ought to be one of the central parts of a theoretical framework of varieties of capitalism.¹²⁹

¹²⁷ Howell C. (2003). Review Article. Varieties of Capitalism: And Then There Was One? *Comparative Politics* 36 (1): 103-124.

¹²⁸ See Coates D. (2000). *Models of Capitalism: Growth and Stagnation in the Modern Era*. Cambridge: Polity.

¹²⁹ Streeck W. (2001). Introduction: Explorations into the Origins of Nonliberal Capitalism in Germany and Japan. In Streeck W., Yamamura K. (eds.). *The Origins of Nonliberal Capitalism: Germany and Japan in Comparison*. Ithaca: Cornell University Press: 1-38.

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Appendix: Interview with prof. A. Van der Zwan

I: Vragen Bob Schenk voor prof. A. van der Zwan, 3 juli 2018

De belangrijkste vraag die ik zelf moet beantwoorden is: *in hoeverre is het Nederlandse industriebeleid door de tijd heen bepaald door onze grote, internationaal opererende ondernemingen*. De vraag is onderdeel van een beschouwing over de mogelijke veranderingen in de Nederlandse variant van het 'Varieties of Capitalism' model van Hall en Soskice.

Ik weet dat het een bijna onmogelijke vraag is. Kwantificering is zeker onmogelijk. Maar toch wil ik er graag een vinger achter krijgen.

Daarom probeer ik de kwestie d.m.v. twee cases nader in beeld te brengen.

De eerste betreft de recente verwickelingen rond de afschaffing van de dividendbelasting. Daarover wil ik u niet lastig vallen (tenzij u zich daar wel graag over zou willen uitlaten, natuurlijk).

De tweede betreft de invloed van 'het' bedrijfsleven op het tot stand komen van het industriebeleid in de jaren '80.

Ik ken uw WRR-rapport PTNI. Ik zie de WRR vooral als een min of meer neutrale denktank, ofschoon er ongetwijfeld een adviesgroep is geweest waarin ook niet-wetenschappers mochten meepraten.

Maar mijn aandacht gaat vooral uit naar de verschillen tussen PTNI en de daaropvolgende commissies-Wagner. Deze commissies bestonden in meerderheid uit vertegenwoordigers van het bedrijfsleven.

De vraag aan u is nu: hebben de commissies-Wagner (waarvan uzelf overigens ook lid was) de analyses resp. aanbevelingen in/van PTNI grotendeels overgenomen of heeft men daar een significant andere draai aan gegeven die er uiteindelijk op neerkomt dat elementen van publiek belang werden ingewisseld voor elementen van privaat belang, te weten de belangen van bedrijven waarmee commissieleden uit het bedrijfsleven zich wellicht meer verwant voelden?

Ook zou ik graag een taxatie van u ontvangen m.b.t. de rol van de politiek in de totstandkoming van de uiteindelijke adviezen. Heeft EZ, in het bijzonder, een sturende rol kunnen vervullen, of liet men de advisering vooral bepalen door de vertegenwoordigers uit het bedrijfsleven?

Voormalig SG Rutten heeft ooit in een interview (Trouw) gezegd dat het industriebeleid toch vooral door een 'informeel' clubje ambtenaren van EZ en MinFin, aangevuld met mensen uit het bedrijfsleven, is voorgekookt. Ik weet niet op welk clubje hij doelt, maar u wellicht wel. Heeft dat 'clubje' de lijnen uit PTNI resp. de commissies-Wagner doorgetrokken of was er sprake van een inhoudelijk ander soort beleid dat in 1982 door dit 'clubje' aan Lubbers I werd voorgesteld? (Ik neem hierbij aan dat Rutten niet op de commissies-Wagner zelf doelt.)

Er wordt vaak gesteld dat EZ (en MinFin) contacten met grote bedrijven liever hebben dan met het MKB, het werkt voor de betrokken ambtenaren statusverhogend, wordt wel gezegd. Denkt u dat degenen die dit beweren een punt hebben? En zo ja, is dat erg voor onze economie?

Er wordt vaak gesteld (bv: Zuidhof 2012) dat Nederlandse denktanks, zoals het SCP, de WRR en het CPB zo 'neutraal' mogelijk hun bevindingen moeten presenteren. Hebt u tijdens het schrijven van PTNI druk gevoeld om zo 'neutraal' mogelijk te blijven? En, zo ja, heeft de WRR zich daar iets of niets van aangetrokken, bijv. door wellicht zelfcensuur toe te passen om te voorkomen dat er twijfel aan die neutraliteit zou ontstaan?

En tot slot toch nog een vraag over de actualiteit: bent u van mening dat aan het Topsectorenbeleid de aanbevelingen uit PTNI ten grondslag liggen? Hoe kijkt u aan tegen de topsector 'Hoofdkantoren'?

II: Reacties prof. Van der Zwan

Industriebeleid; aantekening voor Bob Schenk, 4 juli 2018

1. Mij richtend op de Nederlandse verhoudingen is er pas in de jaren dertig in beleidskringen sprake van de noodzaak van een te voeren industriebeleid. Daarbij stonden linkse en rechtse denkbeelden tegenover elkaar, links spelend met de gedachte van planning van het economisch leven, rechts voorstander van voorwaardenscheppend beleid. Op regeringsniveau heeft deze discussie in de jaren dertig weinig impact gehad, bij de beleidsvoering op dat niveau overheerste het beeld van Nederland als een natie groot geworden door handel en scheepvaart.

2. De omslag vond plaats tijdens de Duitse bezetting toen Nederland werd afgesneden van internationale handel en scheepvaart en de industrie enerzijds op dirigistische wijze ondergeschikt werd gemaakt aan Duitse prioriteiten en anderzijds als gevolg van het autarkisch karakter dat de economie noodgedwongen aannam, geheel gericht op de binnenlandse markt.

Dat gold ook voor het agrarisch bedrijfsleven, de veestapel werd ingekrompen en grasland omgezet in akkers ten gunste van de voedselvoorziening.

Alleen al met oog op de schaarste aan grondstoffen werd de economie bedrijfstakgewijze georganiseerd en vond de toewijzing van grondstoffen in eerste instantie per bedrijfstak plaats en binnen bedrijfstakken op basis van wedijver tussen bedrijven.

De grote internationale bedrijven die Nederland rijk was bevonden zich gedurende de bezetting in een uitzonderlijke positie, ze waren afgesneden van hun internationale netwerk en werkten (gedwongen) voor de Duitsers en de binnenlandse markt. Hun research en development werd vrijwel geheel gericht op de ontwikkeling van vervangende grondstoffen en nieuwe producten zoals bijvoorbeeld de knijpkat. Samenwerking met de door de overheid in de jaren dertig opgerichte wetenschapsorganisatie TNO gaf ook andere bedrijven dan de multinationals kans om op dat niveau aansluiting te vinden bij nieuwe ontwikkelingen.

Het werken binnen een dirigistisch systeem was een nieuwe ervaring, enerzijds bemoeilijkt door allerlei beperkingen maar anderzijds vergemakkelijkt door ongekende mogelijkheden van expansie en winstgevendheid.

In bedrijfskringen rijpte het inzicht dat Nederland na de oorlog voor zijn welvaart en werkgelegenheid het niet zonder bloeiende industrie zou kunnen stellen.

3. De noodregering Schermerhorn-Drees kreeg in 1945 als eerste taak het herstel van de economie en het bedrijfsleven dat in het laatste jaar van de oorlog zwaar geleden had onder de vernielingen en roofzucht van de kant van de Duitsers die door de dreigende nederlaag geen enkele consideratie meer kenden. Over het herstel van de haven infrastructuur in Rotterdam viel politiek weinig te twisten maar anders was dat met de organisatie van het bedrijfsleven. De aanhoudende schaarste aan grondstoffen dwong de overheid het bureaucratisch bestel uit de oorlog te handhaven maar politiek rechts zag daarin een bedreiging namelijk dat politiek links van de gelegenheid gebruik zou maken om zijn planningsintenties te verwezenlijken.

Die vrees werd nog aangewakkerd door de benoeming van ir. Hein Vos op economische zaken die in de jaren dertig bekendheid had verworven met de lancering het Plan van de Arbeid. Deze politieke strijd heeft de beleidsvorming geen goed gedaan. Vos keerde in het eerste parlementaire kabinet na de oorlog (1946) niet terug op economische zaken en zijn opvolger Huysmans was geen man van verstrekkende denkbeelden waaraan toen wat de richting van het beleid betreft, wel behoefte bestond.

De controverse kreeg zijn ontknoping toen Huysmans overleed en opgevolgd werd door J.R.M. (Jan) van den Brink. Met politieke steun van premier Drees sprak Van de Brink zich uit voor een duidelijk industriebeleid en het beleidskader dat hij daarbij koos was een vorm van indicatieve of richtinggevende planning. De invulling ervan was pragmatisch ingegeven door ontwikkelingen die zich (internationaal) aftekenden. Toch was hij niet wars van keuzes zoals de uitbouw van de chemische industrie en staalfabricage alsook de vliegtuigbouw die niet alleen met de mond beleden werden maar door de toewijzing van grondstoffen, financiering en andere vormen van steun werd gefaciliteerd. De coördinatie van al die activiteiten was een belangrijk punt en een nieuw punt in het beleid.

4. Het is onmiskenbaar dat in de plannen van Van den Brink ruimte werd gemaakt voor het grote, internationale bedrijfsleven. Over zijn overwegingen kun je speculeren maar in objectieve zin was er toen sprake van het gelijk lopen van de belangen. Dat gold zowel voor hun bijdrage aan de handels- en betalingsbalans (toen een heel belangrijk beleidspunt), nieuwe investeringen met de daaraan verbonden werkgelegenheid, belastingopbrengst ook al werden de multinationals fiscaal coulant behandeld, industrieel speurwerk waarop de multinationals zich vanouds toeleghen.

De overheid stelde daar veel tegenover, ik doe een greep:

- beschikbaarstelling van schaarse valuta, voornamelijk dollars, ten behoeve

- van importen voor nieuwe investeringen;
- ontwikkeling van nieuwe locaties en bedrijfsterreinen en bijbehorende infrastructuur voor nieuwe investeringen;
- actieve arbeidsmarkt politiek bestaande uit scholing door verbetering en uitbouw van het vakonderwijs alsook actieve werving door de arbeidsbureaus;
- stichten van groeikernen zoals Emmen, Terneuzen en Drachten met woningcontingenten voor investeerders (In Nederland heerste toen woningnood) waardoor die kernen heel snel uitgroeiden en ook het internationale bedrijfsleven zich er vestigde;
- financieringssteun voor innovatieve bedrijfsonderdelen via de Herstelbank, later Nationale Investeringsbank.

5. Het is verdienste van Van den Brink dat hij zijn beleid ontwikkelde en vorm gaf in nauwe samenwerking met de ambtenarij op economische zaken waar voor het industriebeleid een afzonderlijk directoraat-generaal in het leven werd geroepen. Aan het hoofd daarvan stond Albert Winsemius die een voor Nederlandse begrippen ongekende discretionaire bevoegdheid verwierf bij het aantrekken van (internationale) investeringen.

Het beleid droeg vrucht wat nog tijdens de zittingsperiode van Van den Brink (1948-1952) zichtbaar was. Zijlstra en de Pous die hem opvolgden zetten zijn beleid tot in de jaren zestig voort wat mede te danken is aan de ambtelijke verankering ervan.

In de daarna volgende periode van hoogconjunctuur die tot in de jaren zeventig voortduurde werd overheidsinmenging gaandeweg steeds meer als een bezwaar ervaren en verwaterde het industriebeleid dat ook in de opinievorming op de achtergrond geraakte.

6. De kentering daarin begon zich af te tekenen in de tweede helft van de jaren zeventig, nu ingegeven door de gedachte dat de multinationals in de westerse wereld niet langer de rol van trekker van de economie vervulden. Hun bijdrage aan de groei nam af en op het vlak van de werkgelegenheid was er door verplaatsing van activiteiten naar Azië en de oliecrises sprake van krimp en sanering toen daar in de rest van het bedrijfsleven (nog) minder sprake van was. In Nederland waar de multinationals een relatief hoog aandeel hadden, was die beweging die zich internationaal voordeed, uitgesproken merkbaar. Ook in Engeland was dat het geval. Het zal in 1977 geweest zijn dat ik in Engeland een congres bijwoonde waar een van de inleiders sprak van “de-industrialisatie”. Dat denkbeeld van een tegengestelde beweging fascineerde me en hoe meer ik me erin verdiepte, hoe meer bij mij de gedachte rijpte om er studie van te maken met de vraag of we niet toe waren aan herindustrialisatie om het tij te keren. Toen ik met ingang van 1-1-1978 lid werd van de WRR stond mij duidelijk voor ogen dat dit onderwerp uitstekend paste in het programma van de Raad. Een gedachte die toen allerminst gedeeld werd. Dat gold zowel binnen als buiten de Raad. Toch diende ik een voorstel in onder de titel Plaats en toekomst van de Nederlandse industrie (PTNI) dat ondanks de scepsis aanvaard werd en kon ik als voorzitter van de projectgroep aan het werk.

De achtergrond van die scepsis kwam het scherpst tot uitdrukking in een rivaliserend project van de Raad waarin het perspectief geschetst werd van een dienstenmaatschappij waarin het werkgelegenheidsprobleem zou worden opgelost door de groei van een zogenoemde quartaire (verzorgende) sector die met belastinggeld zou worden gefinancierd dat door de commerciële sector zou moeten worden opgebracht. Een concept dat door mij alleen al uit een oogpunt van de internationale concurrentiepositie (en als gevolg daarvan de handels- en betalingsbalans) van Nederland als onrealistisch moest worden bestempeld.

Het rapport PTNI werd in juni 1980 gepubliceerd en kreeg veel bijval niet in de laatste plaats doordat de groei van de economie toen vertraagde en de uitstoot van arbeid steeds ernstiger vormen begon aan te nemen, problemen die in 1982 culmineerden en de werkloosheid in Nederland met inbegrip van de verborgen werkloosheid in de WAO het miljoen naderde. Een niveau dat door het Zwitsers bureau PROGNOS een aantal jaren eerder al was voorspeld, wat toen in Nederland met schouderophalen werd afgedaan.

7. Ik ga nu niet in op wat al of niet de verdienste van het rapport PTNI is geweest, de timing ervan was perfect. Het verwierf steun binnen het regeringsapparaat met uitzondering van EZ dat zich er fel tegen keerde. Het was aan het ministerie van Algemene Zaken (overigens met steun van het VNO) te danken dat een openlijke afwijzende reactie van EZ werd geneutraliseerd en het rapport in de troonrede van 1981 genoemd werd. Een zwak punt was dat het buiten de reguliere kanalen om was ontstaan en alleen al om die redenen met afstootverschijnselen te maken kreeg wat geen basis is voor verankering in de ambtelijke organisatie (zie punt 5 hierboven) die voorwaarde is voor doorwerking ervan in beleid.

Ik had in die tijd een heel goed contact met de beleidsadviseurs van de premier op het ministerie van AZ en met hen samen is het idee ontwikkeld tot instelling van de Commissie Wagner waarvan het secretariaat op het ministerie van EZ gevoerd zou worden. Doel daarvan was om voor het industriebeleid politiek een meerderheid te vormen en de weerstand van EZ om te zetten in coöperatie. De parallel met de naoorlogse gang van zaken valt niet te missen.

8. In het rapport PTNI evenmin als in de rapporten Wagner is de invloed van de multinationals aanwijsbaar. Dit sluit niet uit dat er al die jaren fiscale deals zijn gesloten die aan het zicht zijn onttrokken waarover ik dan ook geen uitspraken kan doen. Ook in de nauwe samenwerking die ik met Wagner gedurende het werk van de Commissie heb gehad, heb ik iets bemerkt dat op een aparte behandeling van de multinationals zou kunnen duiden, veeleer bespeurde ik een neiging tot onthechting. De multinationals waren juist huiverig om de rol van trekker van de nationale economie op zich te nemen en daardoor minder vrij te zijn in hun bewegingen en activiteiten elders in de wereld.

9. Met name in haar tweede rapport heeft de Commissie Wagner zich uitgesproken over het industriebeleid en daarbij gekozen voor de bevordering van veelbelovende sectoren, zich baserend op een keuze op grond van objectieve criteria. In dat opzicht lijkt het veel op de schema's uit de benadering van minister Van den Brink in de periode 1948-1952. In die zin is er sprake van een specifiek beleid en

niet alleen een generiek beleid. In zoverre is er ondanks accentverschillen overeenstemming met PTNI.

Een duidelijk verschil met PTNI is dat daarin een pleidooi wordt gehouden voor een vorm van samenwerking die in de naoorlogse periode voor de vliegtuigbouw is ontwikkeld. In PTNI werd die aanpak bijvoorbeeld bepleit voor de ambachtelijke industrieën zoals kleding, meubelen en schoeisel die in ons land in een tempo te gronde zijn gegaan waarin wij lelijk afstaken bij onze buurlanden. Uit een oogpunt van werkgelegenheid waren die zeer aantrekkelijk omdat er een vorm van arbeid wordt gevraagd die in andere takken niet geboden wordt terwijl de afgedankte werkers uit die takken van bedrijf moeilijk elders inzetbaar zijn.

Om zo'n aanpak kans van slagen te geven was een grotere betrokkenheid van de overheid nodig. De doorgaans kleine bedrijven in die takken waren met name zwak op het punt van ontwerp en moderne werkwijze bij de uitvoering. Die grotere betrokkenheid van de overheid was politiek niet haalbaar, evenmin had men oog voor het belang van zulke bedrijfstakken en staarde men zich blind op "high tech".

Industriebeleid twee, 5 juli 2018

Commissies Wagner: publiek versus privaat belang

In mijn vorige notitie heb ik al gesteld dat voor zover ik dat heb kunnen nagaan private belangen in de beleidsadviezen niet de voorrang hebben gekregen ten koste van publieke belangen. Dat betekent niet dat de bevordering van private belangen bij het werk van de commissies niet op de loer heeft gelegen. Er zijn altijd pogingen om adviescommissies voor het eigen karretje te spannen. In die situaties speelt de voorzitter een belangrijke rol daarbij gesteund door leden die deze belangen niet hebben: countervailing power.

Er zijn twee commissies Wagner geweest, de eerste was een voorbereidende, de tweede bracht het beleidsadvies uit. De personele samenstelling van de twee commissies verschilt nogal. Een van de overwegingen bij de samenstelling van de tweede commissie was de inmiddels opgedane ervaring dat bepaalde leden trachtten de commissie in de richting van private belangen te sturen. Daaruit mag blijken dat Wagner erop bedacht was de commissie daarvan vrij te houden. Ik moet daaraan toevoegen dat ook de betrokken ambtenaren van EZ op dat punt alert waren en er zelfs voor waakten dat stokpaardjes van het departement werden binnengesmokkeld.

Daar komt bij dat het opstellen van de teksten van het rapport toch vaak neerkwam op het secretariaat van EZ samen met ondergetekende, waarbij Wagner de eindredactie fiatteerde. Ondernemers stellen doorgaans geen rapporten op.

Ik kijk nog steeds met een onbezwaard gemoed terug op het werk van de Commissie Wagner, met name bewaar ik goede herinneringen aan de vele stimulerende sessies van secretariaat en ondergetekende bij Wagner thuis.

Beleidsadvisering: neutraliteit versus objectiviteit

In zijn rapporten aan de regering stelt de WRR zich niet op als feitenverzamelaar die trends signaleert maar het oordeel aan de ontvanger over laat. De betekenis van de trends voor de samenleving, de interpretatie daarvan en de relevantie voor de beleidsvorming behoren bij uitstek tot het werkterrein van de Raad. In die zin zijn Raadsrapporten doorgaans niet neutraal, er wordt stelling in genomen. Dat geldt zeker voor PTNI en ook voor de rapporten van de Commissie Wagner.

Daar komt nog bij dat zij beide ook een pleidooi bevatten om met andere ogen naar het belang van de economie en een florerend bedrijfsleven te kijken. Om dat te begrijpen moet je je realiseren dat het publieke klimaat en opinievorming met betrekking tot de economie en het bedrijfsleven in de jaren zeventig gaandeweg steeds negatiever, zo niet vijandiger werden: milieuvervuiling, economische belangen in strijd met de ontplooiing van de mens, tekenden dat klimaat. Publiek noch beleidsmakers waren zich er voldoende van bewust dat deze mentaliteit zich ontwikkeld had op basis van een langdurige hoogconjunctuur en overspannen arbeidsmarkt, maar dat veel tekenen erop wezen dat er een ingrijpende omslag op handen was die inhield dat werkgelegenheid weer een eerste prioriteit zou gaan worden.

De feitelijke ontwikkeling bewees het gelijk daarvan. Toen ik begin 1978 een lans brak voor een andere benadering van economie en bedrijfsleven werd mij binnen de raad door medeleden en staf het verwijt gemaakt van mijn linkse geloof te zijn gevallen. Toen PTNI medio 1980 verscheen was de kentering al in volle gang die in 1982 tot een dramatisch banenverlies zou leiden.

Niet neutraal maar rapporten moeten wel objectief zijn, dat wil zeggen dat keuzes helder moeten zijn en beargumenteerd alsook dat alle cijfer- en ander feiten materiaal voor derden toegankelijk moet zijn.

Grote bedrijfsleven versus MKB

Ik heb al eerder gesteld dat de positie van het grote bedrijfsleven in de westelijke wereld anno 1978 al zo was afgekald dat ze niet langer als trekkers van de economie werden gezien. Multinationals stootten activiteiten af die niet zelden de vorm aannamen van verzelfstandigingen voorafgaand aan de overdracht nieuwe eigenaren. Vanaf dat moment kreeg het MKB in de ogen van ondernemers en later ook het grote publiek een andere klank, niet meer die van de ploeterende middenstander maar de frisse ondernemer die meer dan het grote bedrijfsleven zou moeten gaan zorgen voor nieuwe werkgelegenheid. Dat was een overtrokken denkbeeld want ook de multinationals zouden een revival beleven maar het denkbeeld dat beleidsambtenaren toen uit statusgevoeligheid liever te doen zouden hebben met vertegenwoordigers van het grote bedrijfsleven is bepaald onwaar, eerder het tegendeel.
