

# Federalism past and present in the Netherlands

The contemporary Netherlands is a unitary state but notions of federalism have played an important part in its history and in that of its colonies.

## THEME II: FEDERALISM, DECENTRALISATION AND CONFLICT MANAGEMENT IN MULTICULTURAL SOCIETIES

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*The Netherlands* do not figure prominently on the list of federal or federalizing countries. Yet federal lines and links in Dutch history are indispensable to explain current events in the Netherlands and in other parts of the world.

At some points in the history of the Netherlands, both domestically and in its former colonies, federalism played a prominent role, and at other times, it was completely discredited (see box). The Kingdom of the Netherlands is now a 'decentralised unitary state' that acts as a single entity in international relations with a uniform legal structure – but it does accord a constitutional status to municipalities and provinces. The provinces and municipalities are mentioned as 'autonomous' entities in the constitution, and their powers are defined in separate laws (*Provinciewet, Gemeentewet*). In legal terms, their role is twofold: agents of the central government, and autonomous, democratically accountable administrations.

### **Dutch political culture: small is beautiful**

While Dutch law may allow the provinces and municipalities certain autonomy, in reality the system is quite centralized. In terms of personnel and budget, the provinces and municipalities take 25-30% of the public sector, but in terms of autonomous tax revenue they amount to no more than 5%.

In spite of this, however, Dutch political culture is strongly decentralist, or even federalist. The autonomy and identity of groups in society (religious and cultural) and local or regional entities are handled with great respect. At the root of this political culture is the historical necessity to survive in a system where no single group has ever been able to gain exclusive dominance.

The model of "consociational" democracy in the Netherlands (as developed by Lijphart, a Dutch-American political scientist, strongly inspired by Althusius) is quite close to federalism, especially non-territorial federalism. In fact, this model has been applied not only to the Netherlands, but also to federal systems such as Belgium, Austria and Switzerland. And so, although the Netherlands are not a federal system, basic federal 'reflexes' – respect for diversity among groups and regions, non-majoritarian modes of decision-making, and consensus-seeking – are strongly embedded in its culture.

In domestic administration in the Netherlands, as elsewhere in the western world, municipalities have been confronted with an increase in technically complex tasks, and in new and daunting challenges caused by increased socio-economic scale/mobility. The answer to these developments has been to expand the administrative scale, which has entailed the merging of small municipalities. The total number of municipalities in the Netherlands in the 20<sup>th</sup> Century was reduced from some 2000 to less than 500 today. Citizens' resistance against this trend is rising, and in 2002, as an alternative to mergers many municipalities supported the idea of creating inter-municipal "federations" (*federatiegemeenten*).

### **Decolonization and mistrust of federalism**

From the 16<sup>th</sup> Century onwards, the Dutch established a sea-based trading empire in the East and the West Indies. In order to gain access to the colonies, deals had to be made with local rulers, especially in the East. Their internal rights were recognized, and Dutch influence was restricted to trade, commerce and external relations.

In some parts of present-day Indonesia, a system developed similar to British

*indirect rule* in India. In other parts, however, Dutch colonial influence took a much more direct form, and in the late 19<sup>th</sup> and early 20<sup>th</sup> Centuries the overall tendency was increasingly direct intervention by the Dutch. When the desire for independence presented itself in the 20<sup>th</sup> century, the Dutch response was reluctant and centralist. Only a limited 'native' influence was granted to a People's Council (*Volksraad*) at the central level.

After the Second World War, when Indonesian independence became a political reality, political authorities began negotiations regarding the transfer of power (1947-1949). Surprisingly, federalism was brought to the table as a formula for transition. In view of the enormous diversity of the East Indies, a federal structure was drafted for the United States of Indonesia (U.S.I.). The Dutch government transferred power to the U.S.I., which was quickly dismantled, however, by the new government in Jakarta. Although the diversity of Indonesia might very well justify a flexible federal system, federalism was considered a neo-colonial 'divide-and-rule' ploy. Even today, federalism in Indonesia is not looked upon very favorably.

East Timor, which just gained its independence in 2002 after a period of violent conflict, is the former Portuguese part of Timor. The western part was conquered by the Dutch in the 16<sup>th</sup> century, and became part of Indonesia in 1949. Indonesian policy towards East Timor was motivated by the tensions and conflict potential within its own borders: in western Timor, in the nearby Moluccan Archipelago, in the Indonesian part of New Guinea, and in the region of Aceh in Sumatra in northwestern Indonesia. Instead of a federal arrangement (which the then U.S. President mused would have been a preferred option were it possible) the

international community brokered a deal to separate East Timor from Indonesia.

### **Fragmentation in the Caribbean**


In the Caribbean, the Netherlands Antilles are facing increasing difficulties staying united. Six islands – three of them close to the Venezuelan coast, and three in the Windward Group near Puerto Rico – were once united under Dutch colonial rule and are still heavily dependent on the Netherlands.

In this region, decolonization took place in gradual way compared to Indonesia. Surinam was granted independence in 1975. The Netherlands Antilles obtained internal self-government in the early 1950s. The regulations for the six islands envisioned a federal arrangement, based on equality and partnership among the islands and supported by the Netherlands. In practice, however, federalism did not materialize in the Antilles. The stronger islands were unwilling to take care of the weak ones, and the Dutch government was not willing to impose federalism on an unwilling group.

In 1986, the island of Aruba left the system and opted for a special status and a direct link with the Netherlands. At present, St.Maarten is following a similar line. Since loyalty among the islands is generally weak, and since no island is willing or able to impose its will on the others, an independent Dutch-Antillean state and/or a federal state seems politically unviable.

### **Implicit federalism**

To be quite frank, and despite the examples cited above, in Dutch politics, one will find few references to federalism. Dutch Christian-democrats, leftist-liberals and Greens are explicitly in favour of a federal Europe. In domestic politics, however, federalism hardly rings a bell.

Nonetheless, the principles of federal thinking and federal 'political reflexes' are part of Dutch history and politico-administrative culture. The notion of 'municipal federations' may therefore well find fertile ground. As a practical solution to problems of accommodating groups in a society of minorities – multicultural, multi-loyal, small-scale – federalism is part of the Dutch *repertoire*. It has old roots in Dutch soil. 

## **History**

### **16<sup>th</sup> and 17<sup>th</sup> Centuries**

During the religious wars in Europe in the 16<sup>th</sup> Century, new political theories were promoted to justify breaking-up the universal order of church and state. Among them was federalism. The 'father of modern federalism', Johannes Althusius, was in close touch with the revolts against the Emperor. More specifically, he supported the Calvinist rebellions in Switzerland, northern Germany and the Netherlands. In fact, he developed his ideas on federalism and local autonomy at the University of Herborn, Nassau county, which is a stronghold of Calvinist reform and the territory where the Dutch royal family (Oranje-Nassau) finds its roots.

William of Oranje-Nassau took a leading role in the rebellion against Spain, and could draw on Althusius' ideas. The new Dutch state, which was formed in 1579 in Utrecht to organize the war against Spain, was established along new federalist lines, i.e. recognizing the autonomy of constituent units as much as possible, but creating a common authority for specific common purposes. The Union of Utrecht – a treaty rather than a constitution – stated that the signatories would 'act as if they were one state' in matters of war, respecting their full autonomy in all other matters.

The Dutch Republic of the Seven Provinces, which was recognized by Spain in 1648, and which became a major power in 17<sup>th</sup> Century European politics, was among the first new federally inspired states in post-medieval Europe – the other major example being Switzerland.

### **18<sup>th</sup> and 19<sup>th</sup> Centuries**

After the successful war against Spain, the weaknesses of the new system quickly presented themselves. Whether the Republic was actually a federation or a confederation, clearly the common 'federal' executive remained very weak in terms of personnel, financial resources and autonomous powers. The provinces, especially Holland and Zeeland, supported by towns like Amsterdam, Leiden or Dordrecht, successfully resisted the ambitions of the federal executive in The Hague (the *Stadhouder*), even in matters of warfare and foreign policy. The Republic, therefore, increasingly became an arrangement for the common profit of the ruling provincial and local elites, without any overall loyalty – and with corruption, nepotism and elite self-enrichment becoming rampant.

The Republic became synonymous with Holland, which was its richest province. Its international role in the late 17<sup>th</sup> and 18<sup>th</sup> Centuries rapidly weakened. By the 1750s, this former world power had become a *quantité négligeable*.

When the American rebellion against Great Britain took shape and the Founding Fathers were considering the strengths and weaknesses of possible constitutional arrangements, they clearly took note of the Dutch Republic. The Federalist Papers devote considerable attention to the Republic of the Seven Provinces as an example of failed federalism. The Dutch experience was one of the reasons why the United States Constitution opted for a strong federal executive.

The Republic lost its credibility among its citizens because of corruption, oligarchy and ineffectiveness. The new ideas of the French Revolution gained ground, and in 1795 after a bloodless revolution, the Union of Utrecht was replaced by the new Batavian Republic whose constitution was based on French, centralist, unitary thinking. This Republic soon became a part of France, until 1815, when the Netherlands regained its independence. Throughout the 19<sup>th</sup> Century, however, French legal and administrative thinking remained very strong in the Low Countries.

In 1815, the Kingdom of the Netherlands consisted of both Belgium and the Netherlands. Its centralist constitution allowed the Dutch government to follow a policy of 'enlightened despotism', disregarding local or regional differences. This provoked a rebellion in the south, i.e. today's Belgium, which separated in the 1830s.

However, after Belgian independence, the Dutch constitution remained under strong criticism for its lack of democracy and respect for local/regional rights. The 1848 Constitution – the basic legal framework of the Netherlands today – brought back a recognition of municipal and provincial autonomy, based on German 'organicist' (not federalist) thinking, combined with French unitary principles.