

European Crises and Ordoliberalism

A North-South Divide in Dutch Political Communication?

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Over the years the Dutch government has become known for its strict adherence to EU budgetary norms while expecting the same from other Member States, even in times of crisis. Different perspectives on the adherence to these norms have led to political clashes between the Netherlands and others. One could speak of a political North-South divide as it is often the Northern and Southern EU Member States which oppose each other on such fiscal matters (Pérez 2019). A similar frame could be found in media coverage or in the argumentation of Eurosceptic parties. Within the literature, differences like these are often attributed to a partly ordoliberal structuring of the EU (Nedergaard 2013, Hien 2020, Hien and Joerges 2018). An economic-institutional structure founded on ordoliberal principles would arguably represent the interests of Northern EU Member States better than those of (Southern) EU Member States (Hien 2013). From a more sociological perspective, some scholars attribute this to different social and economic backgrounds when Northern and Southern Europe are compared. This became especially apparent in relation to the European response to the European debt crisis which started in 2009. Some argue that during this crisis the economic preferences of Northern EU Member States were forced upon the European South (Bokajlo 2019, Bulmer 2014, Feld, Ekkehard, Köhler and Nientiedt 2022, Pottier

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and Delette 2019). However, that was not the only time that European policies were disputed from this perspective. Similar conflicts occurred during the negotiations about the European recovery plan to counter the economic consequences of the COVID-19 Pandemic (Kurtz 2020). This article aims to contribute to the analysis of an ordoliberal North-South divide by addressing debates about European plans regarding the European debt crisis and COVID-19 pandemic in Dutch parliamentary debates.

Theoretical framework: Ordoliberalism and European Integration

The economic school of ordoliberalism originated in the great depression of the 1930s, which eventually led to the fall of the Weimar Republic. Scholars claimed that the cause of this economic crisis was that the German government had failed to sufficiently regulate the economy (Bonefeld 2017). Ordoliberalism is a variant of economic liberalism, but one that strongly emphasises the necessity of government involvement in order to ensure that the free market reaches its full potential. It is assumed that when the state is not involved in maintaining a healthy degree of economic competition, monopolies will arise which will eliminate the advantages offered by the free market. However, it is important to note that ordoliberalism as an economic doctrine does not limit itself to the responsibilities of the state in these regards. On the one hand, the state bears the sole responsibility for fiscal policies, that is balancing the government revenue against the government expenditures. On the other hand, monetary policies are the domain of financial institutions. These operate independently from day-to-day politics in order to ensure monetary stability and low inflation. Other macro-economic aspects are arranged by non-state actors such as employers and trade unions. In this research the focus will be on the fiscal elements of the ordoliberal doctrine. The reason for this is that the financial crisis has led to a reintroduction of ordoliberal ideals (even though without ordoliberalism hardly being mentioned at the time) (Biebricher 2014: 2), that is, a strong emphasis on getting the government revenue and expenditure in check. During the ‘ordoliberal renaissance’, the limitless optimism towards the free market economy

from the 90s made a place for the politics of financial reregulation (*Ibid.*, 3). But this could also be considered a more general tendency in the European Union. Compliance with fiscal rules is overseen by the European Commission, the European Court of Justice and, only for a small part, by the European Council and the European Parliament (EP) (i.e., the only directly elected institution of the Union) (*Ibid.*, 11). As such it could be argued that what could be considered an ordoliberal response to the financial crisis became deeper engrained in European day-to-day politics but also in how the European institutions are arranged. As the only European institution with a direct democratic mandate is hardly involved in fiscal matters. According to Blyth the weak role of the EP suits the ordoliberal template:

If a focus by Germans on rules, obligations, a strong monetary authority, a weak parliament, and no spending to compensate for busts sounds familiar, it should. It's the basic design of the European Union. Germany's response to the crisis, and the crisis itself, both spring from the same Ordoliberal instruction sheet (Blyth 2013: 13).

According to scholars such as Nedergaard the ordoliberal emphasis on keeping the books was enshrined in the Treaty of Maastricht. The 60 percent national debt limit and the 3 percent budgetary deficit cap were part of the Maastricht Treaty, of which the goal was to prevent European Monetary Union (EMU) members from excessive borrowing and to keep a sound fiscal policy (Balassone and Franco: 2013). The rationale behind this was that unattainable fiscal policies such as excessive borrowing would have a negative effect on the EU's monetary stability growth and employment. The reasons for the EMU to establish limits for national debts and budgetary deficits falls in line with the ordoliberal priority of maintaining monetary stability and avoiding inflation. However, this approach has also been criticized as it takes away the possibility for EMU states to act in accordance with their national needs. According to Bruno, the EMU reforms have resulted in a consolidation of ordo-liberal principles through the persistence of Germany:

Regardless of whether the German preferences were determined by a commitment to ordoliberalism or by economic common sense, pragmatism, or national self-interest they were consistent with the ordoliberal principles of rule-based economic policy, fiscal discipline,

and national responsibility and were largely reflected in the EMU reforms (Bruno 2022: 15).

Germany implemented an economic policy partly based on ordoliberalism after the Second World War. This proved successful when taking into account the *Wirtschaftswunder*, the quick post-war recovery of the German economy. Within the European Union, Germany is able to assert much influence over European policies, especially in the European Monetary Union (Nedergaard: 2020). According to some scholars, the school of ordoliberalism has greatly influenced the German approach to economics, and thereby also European policies. In practice, this means that, within the European Union, there is a large emphasis on fiscal discipline to ensure monetary stability, implying that EU Member States are urged to maintain a low government debt and a small budgetary deficit:

The Maastricht Treaty and the EMU, the Fiscal Compact, the ESM and the banking union have a lot of similarities with the economic constitution for economic and monetary policy that ordoliberalism advocates (Nedergaard 2013: 26).

Ordoliberalism is not only an economic approach that has influenced certain European policy areas and institutional frameworks but also serves as an ideological framework for certain issues. According to Pottier and Delette (2013: 57–73), ordoliberal principles have been leading in how the European Union has dealt with the European debt crisis. This was the result of policymakers deliberately placing the crisis in an ordoliberal framework, thus a crisis of government spending. However, the authors point out that other policies were viable options as well and might have been implemented if the crisis had been framed differently. This falls in line with a common critique of how the European debt crisis was handled, that is that the European Union opted for a one-size-fits-all approach in which the economic and cultural differences of EU Member States were not taken into account sufficiently. During the European debt crisis, there was a large emphasis on reducing government expenses through austerity measures while many countries had to deal with high unemployment rates. According to some experts, in order to boost the economy, increased government expenditure would have been more effective than austerity in this context (Feld, Ekkehard, Köhler and Nientiedt 2022: 15). In the context

of European integration, the previous observations are not without importance. Under the pressure of demanding economic reforms and austerity measures, a Grexit had become an increasingly realistic scenario.

According to Hien, from a more sociological perspective, this is a tunnel vision that has led to an unjust prioritization of reducing government expenses above bridging any cultural differences:

The novelty that the Euro crisis brought to the European integration project is that, in contrast to the previous sixty years, the aim no longer seems to be to overcome, compensate or compromise for these cultural differences. Instead, certain Member States try to enforce their cultural socio-economic paradigm onto others (Hien 2013: 357).

Hien points out that there is a strong historical and cultural component behind the conception of different economic doctrines. While Protestant thinkers would prefer the ordoliberal doctrine, Catholics would be inclined to follow corporatist ideas. The difference is that within a corporatist framework a much bigger role for the state is envisioned in regard to the macro-economic aspects (which under the ordo-liberal doctrine would be the domain of non-state actors) and social welfare:

For the Eurozone today, this means that ordoliberalism, as a Protestant concept, is used during the crisis as a policy prescription by a largely secularized but still culturally Protestant European North to discipline a secularizing but still Catholic/Orthodox corporatist European South (Hien: 350).

From this perspective, one might consider the conflicts which occurred during the European debt crisis not just as economic disagreements, but also as being deeply rooted within the different socio-economic backgrounds of EU Member States. From this perspective, strict adherence to the ordoliberal principles magnifies the economic differences between the EU Member States, deepening the division between the traditionally Protestant and ordoliberal North and the traditionally Catholic / Orthodox corporatist parts of Europe.

Finally, these reflections on the ordoliberal influence on certain European policies, especially in relation to the EMU and the 2008 financial crisis, leave open the question of

1. how ordoliberalism relates to other ideologies which have influenced the European project, but also,

2. of which alternatives and ideological competitors are available.

First, it is important to note that none of the cited authors claims that the European Union is an inherently ordoliberal project. But rather that an ordoliberal influence could be detected in the arrangements of the European institutions and certain policies.

To better understand how ordoliberalism relates to its ideological competitors it could be helpful to look at its origins again. The ordoliberal school of thought originated as reaction to the capitalist crisis of the 1920s. This crisis was considered by ordoliberals as proof that the economy could not organise itself. But simultaneously ordoliberals rejected the more radical proletarian collectivist movements which fought against the miserable social conditions capitalism had brought forth (Bonefeld 2012: 634-635). “They thus saw their neoliberalism as a third way in distinction to laissez-faire liberalism and collective forms of political economy” (*Ibid.*). On the one hand, laissez-faire liberalism, they argued, does not consider the social consequences of capitalism which should be addressed in order to sustain market freedom. On the other hand, collectivist forms of political economy (ranging from social democratic ideas to Bolshevism) would eventually lead to tyranny. As such, ordoliberalism could be considered ‘the third way’ seeing as the task of a strong government to sustain a free market economy by embedding this free market into society at large in an ethical and safe way (*Ibid.*, 635). To translate the position of ordoliberalism to contemporary debates about the nature of the European Union might be less straightforward. Depending on the side of the political spectrum where critique comes from, the European Union could be considered as either neoliberal or socialist-interventionalist. If we contextualize what Biebricher (2014: 2) describes as the ‘renaissance of ordoliberalism’ in a (post) financial crisis Europe this might also be contested from two perspectives. When considered as a call for a stronger role of the government in regulating the economy, ordoliberalism could be considered an anti-capitalist alternative to neoliberalism. According to Sheppard and Leitner (2010: 188), ordoliberalism is critical of capitalism and pro-state. However, even though it is paradoxical, ordoliberals would have “defined their stance as neoliberal in character.” (Bonefeld 2012: 652). At the same time, one might argue that the renewed tendency for economic regulation has not led to any actual steps towards a more

social Europe. Within the European response to the crisis, monetary stability seems to have been prioritized above the economic interests of European citizens (Bresser-Pereira: 2010).

Methodology, Sources and Research Questions

It is important to note that the European Council and the Council of the European Union meetings, where the heads of government and responsible ministers meet, take place behind closed doors. As such it is not possible to directly analyse the decision-making process on the general outlines of the European Union's policies. However, the minutes of debates in national parliaments in preparation for a European top are publicly available.

So far the relation between ordoliberalism and its influence on European policies and institutional design through Germany has been discussed. Therefore, it might seem strange to make a case study out of the Netherlands in order to address the ordoliberal influence in parliamentary debates. The reason why the Netherlands is a suitable case is that the position of the Netherlands has not differentiated much from many Northern European member states, most notably Germany. As most of them have expressed a preference for a strict, rule-based nature of European austerity policy (Oudenampsen: 2021). As a member of the Frugal Four, the Netherlands' position is likely to reflect the ordoliberal ideas present within this Northern-European political cooperation.¹ The tendency to treat these member states as a block in regard to European fiscal rules does not mean that there is no scholarly debate on what ideologically motivates their position. Oudenampsen (2021) states that the Dutch stance has, even though similar to the German position, not been primarily influenced by the German ordoliberal school of thought. Instead, Dutch fiscal conservatism can be traced back to the adaptation of an Anglo-American public choice theory (*Ibid.*).

These observations lead to the following set of research questions:

- a. What is the role of ordoliberal ideas within parliamentary debates on the economic consequences of the European debt crisis and the COVID-19 Pandemic?

¹ The informal political cooperation among fiscally conservative EU Member States (Austria, Denmark, Sweden and the Netherlands).

- b. Did this discourse change during both crises?
- c. What does the influence of ordoliberal ideas say about a potential North-South divide?

These research questions are addressed through a political discourse analysis of two debates.

As such the argumentation of different political parties in the Dutch Parliament is analysed in relation to both crises with a specific focus on their reactions to the proposals on the table in the European Council. Even though the pandemic was not a financial crisis in the first place, a comparison could be made between the European response to the Greek debt crisis and the European debt crisis in general, especially in the sense that during the pandemic the European Union had to reach consensus on a common response to counter the economic effects of the crisis. A parallel could also be drawn since during both crises there was a debate on how the proposed measures should be financed, but also about the conditions under which member states would be eligible to receive European funding. The comparison could also be interesting due to the different natures of both crises. While the debt crisis was strictly financial, the COVID-19 pandemic was mainly a health crisis that had financial consequences due to lockdowns and an increase in government expenditure. This elicits the question of whether the European response to both crises would be perceived and framed differently by political parties, proponents and opponents of a comprehensive European response.

The first debate took place in August 2015 and was about the position of the Dutch government regarding the third economic readjustment programme for Greece. During this debate, it was discussed whether and under which conditions the Netherlands could support further loans for Greece (*De Dienst Verslag en Redactie*: 2015). The second debate is about the position of the Netherlands regarding the European Recovery Plan in July 2020 (NextGenerationEU). The goal of which was to stimulate the general European economic recovery after the COVID-19 pandemic (*De Dienst Verslag en Redactie*: 2020). These plenary debates have been selected because they both took place directly before a European top during which an agreement was reached. The contributions of the five biggest parties or coalition parties will be taken

into account.² Therefore it is important to note that the analysed parties do not represent the same political ideals or ideology. They cover a broad political spectrum that goes from the far left to the far right.

An important thing to note about the political context is that the European playing field changed significantly between 2015 and 2020. The first reason is Brexit, as the UK had been an influential like-minded partner for Member States that pursued a modest European budget.³ A second reason is that the ‘frugal’ countries used to have a partner in Germany, which also pursued a Europe-wide adherence to fiscal norms, took a position against Eurobonds, and advocated for a modest European budget. However, the Franco-German proposal to counter the economic consequences of the COVID-19 pandemic was not in line with the Frugals’ preferences due to its extensive size and inclusion of a commitment to share debts in order to counter the economic effects of the COVID-19 pandemic. (Bayer, Burchard, and Smith-Meyer 2020, Ministère de l’Europe et des Affaires étrangères 2020).

As identified in the theoretical framework, the goals set by the Frugal Four on a European level partly reflect the core ideas of ordoliberalism. As such the position of Dutch political parties will be analysed within an ordoliberal framework as indicated in Table 1. The analysis is, therefore, focused upon the expression of support for, or discontent with European plans, and the question whether this falls in line with the ordoliberal doctrine.

| Table 1: TITLE ??? | |
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| Theme | Explanation |
| Fiscal norms | In the Maastricht Treaty, the European Monetary Union has established a 60 percent national debt limit and a 3 percent budgetary deficit cap. However, in practice, these requirements are generally not met by most EU Member States. |

² VVD (conservative Liberals), CDA (Christian Democrats), PvdA (Social-Democrats), PVV (Anti-immigration Right), CU (Social-Christians), D’66 (Leftist Liberals) and SP (Radical Left).

³ Thatcher demanded the first national rebates in relation to the EU budget through the infamous words: ‘We want our money back’. Arguably the cooperation among the Frugal Four intensified as a result of Brexit.

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| Demand for economic reforms | During both crises, affected EU Member States had to introduce economic reforms in order to meet the fiscal criteria established in the treaty of Maastricht in order to receive European funds. Parties might agree with or oppose the demand for such reforms. A strong emphasis on the demand to meet the Maastricht criteria could indicate an ordoliberal influence. |
| A common European debt | European policy areas and previous economic packages have been funded by national contributions from Member States. During the financial crisis, the idea of a common European debt (in the form of Eurobonds) was raised but did not find sufficient political support. In response to the pandemic, France and Germany's proposal supported the European Commission's policies to borrow money from the financial markets (Politico 2020). |
| Economic interests | Do parties explicitly tie Dutch interests to the functioning of the European market? |
| North-South divide | Do parties make an appeal to cultural/economic differences between Northern and Southern European Member States? |

Third economic readjustment programme for Greece

During the debate to decide whether and under which conditions the Netherlands should support a third economic adjustment program for Greece,⁴ the coalition parties VVD and PvdA expressed their support together with D66. The PvdA stressed the importance of a stable Europe in times of crisis, especially due to the Netherlands' trade-based economy. The PvdA expressed their belief in the necessity and effectiveness of economic reforms, despite these being very demanding on the Greek population. The bad financial position and the rise of poverty in Greece are attributed to the irresponsible policies of Prime Minister Alexis Tsipras. D66 was also sceptical towards Tsipras' government but considered it crucial for the European Union to avoid a Grexit and to keep Greece on board. According to D66 Greece's perceived unwillingness to pursue economic reforms was not a real threat to the European Union. Instead, the crises on the borders of Europe were the

⁴ All quotations are to be found in De Dienst Verslag en Redactie 2015.

actual dangers:⁵ “People are being talked into fear, about lazy Greeks and abuse of our solidarity, but the real threat lies elsewhere (Alexander Pechtold).”⁶ D66 also stressed that a Greek bankruptcy would go against Dutch trade interests. The party expressed a firm belief that the current European plans are the only way forward. The VVD, the party of Prime Minister Mark Rutte, emphasised their initial preference not to send money to Greece. But they also acknowledged that a lot of progress had been made due to previous reforms and that a new package could push Greece permanently into the right direction. Despite their strong scepticism, they based their support on the observation that their position was not shared by any other member states. This implied that a Dutch veto would most likely not sort out the desired effect of drastically changing the proposed common response. Also, the VVD stressed that a deterioration of the situation in Greece would lead to economic problems in the Netherlands.

The opponents of the economic adjustment programme can be found on the left and right flank of the opposition. The PVV strictly opposed sending money from the so-called hard-working Dutchman to “the lying and lazy Greeks” (Geert Wilders)⁷ and to the European Union in general. As such the PVV did not express the desirability of reforms, the adherence to European fiscal norms, or common market aspects which were stressed by other political parties. As an outspoken Eurosceptic party the PVV would have never condoned a Dutch contribution to the economic readjustment programme. In that sense, the PVV differed from the other parties as they did not propose any alternatives for stricter or lighter conditionalities. No matter how strict the austerity measures would have been for Greece, the core of the statement was that if Prime Minister Mark Rutte decided to send money to Greece he should resign:

Leave the swindling to the Greeks. In that case, I will submit a vote of no confidence during the second term. Because the Netherlands—and let

⁵ Pechtold is referring to the 2015 European migrant crisis and Russia’s annexation of Crimea in 2014.

⁶ “Mensen wordt angst aangepraat, over luie Grieken en misbruik van onze solidariteit, maar de echte dreiging ligt elders.” (All translations are by the article’s author, unless otherwise indicated)

⁷ “De Grieken liegen en bedriegen.”

that be my last sentence—deserves a prime minister who stands up for the Dutch, not for the Greeks and the fortune-seekers (Wilders 2015).⁸

The CDA's main argument was that it would be hypocritical to extend help to Greece as long as the Greek government would not adhere to European fiscal norms. The improvements made in other European member states (Spain, Portugal, Cyprus, etc...) were considered by the CDA as proof that the required reforms were effective and as such necessary for the survival of the euro. But also, they stressed that so far the Greek government had been unwilling to cooperate. According to the CDA not being strict enough with the application of fiscal norms to Greece would open the door for other Member States to challenge the Maastricht criteria, which would eventually lead to a weaker Eurozone. The CU opposed increasing the national debt of Greece by granting more European loans, and as such, they took a position against the new European package, expecting that this would only worsen the Greek situation. They proposed a debt cancellation for Greece under the condition of a departure from the Eurozone.

The SP opposed the economic adjustment programme. The SP spokesman's main assumption was that the average Greek would be overburdened with debt, while the money would only benefit the banks and institutions. As such, the SP considered the crisis to be an institutional problem as banks always take the profits in times of crisis while the taxpayer takes the financial burden. In this context, the SP opposed the economic reforms imposed on Greece as in their view these were too much oriented towards privatization and austerity measures. Additionally, the SP also expressed their concerns about a transfer union, which would constitute a permanent flow of money from the North to the South.

Response to the COVID-19 Pandemic

The four government parties in power in 2020 were willing to support the European recovery fund to counter the economic effects

⁸ "Laat het zwendelen maar aan de Grieken over. In dat geval zal ik in tweede termijn een motie van wantrouwen indienen. Want Nederland — en laat dat mijn laatste zin zijn — verdient een premier die opkomt voor de Nederlanders, niet voor de Grieken en de gelukzoekers."

of the COVID-19 pandemic,⁹ albeit mostly very sceptical and under the strict condition of economic reforms. The VVD considered a quick European economic recovery as a matter of national interest since the Netherlands has an export-based economy. They raised the question of why some Member States had to keep making appeals to emergency support while others did not. “We have reformed. We have kept to the agreements” (Anne Mulder).¹⁰ Regarding the recovery fund, the VVD stressed that solidarity also meant that one had to abide by the agreements made in order to get out of the crisis in a stronger shape. In this context, they urged the cabinet to be careful with spending money as the crisis might worsen and even develop into a banking crisis. The VVD was against Eurobonds and urged to keep the recovery fund as modest as possible without the European Commission expanding its competencies. The CDA also emphasised the necessity of reforms, especially by questioning why the Member States which were most severely affected by the economic consequences of the pandemic have not made use of other emergency options such as the IMF (International Monetary Fund) which are tied to stricter conditions (a fiscal framework and a ceiling on government spending) (*IMF conditionality*, 2021). At the same time, the CDA emphasized the design of the European Union “as a social market economy” (Evert Jan Slootweg)¹¹ in which taking care of the sorrows of citizens should be prioritised instead of maximising the profit for shareholders. The CU doubted whether more loans were sustainable due to the high national debts in the Southern Member States and suggested that loans could become grants under the condition of strict reforms. Among the governing parties, D’66 were the most positive and considered the crisis an opportunity to continue European integration by allowing the European Commission to borrow from the financial markets. Just like the VVD, they underlined the importance of the European economic recovery for the Dutch economy “because European recovery makes us rich” (Rob Jetten).¹²

The right-wing opposition parties strongly opposed the recovery package. The PVV used a frame in which the hard-earned money of the

⁹ All quotations and references are to be found in De Dienst Verslag en Redactie 2020.

¹⁰ “Wij hebben wel hervormd. Wij hebben ons wel aan de afspraken gehouden.”

¹¹ “Als een sociale markteconomie.”

¹² “Want Europees herstel maakt ons rijk.”

working Dutchman would be spent on frivolities in Southern Europe, such as early retirement for the Italians. All of this while the Dutch had suffered through austerity measures to fix their government expenses. This was strongly expressed by the PVV which suggested a Nexit after which a new Union could be formed with Northern European countries:

A Nexit would have hurt every country in the beginning. But on the long term, I am convinced that this will be good, provided we remain members of the internal market [...] Perhaps we can form something of a union with those other countries, with the Northern countries (Wilders 2020).¹³

This was paired with the observation that there was no emergency. Otherwise, the affected Member States would have made use of other emergency options which were readily available. The PVV opposed the idea of shared debts along with virtually every other project of European integration.

On the left flank of the opposition, the attitudes towards the recovery package were divergent. The SP was sceptical and considered the European COVID funds to be a sneaky way to increase the competencies and budget of the European Commission. They proposed a “modest and efficient European Union” (Mahir Alkaya).¹⁴ Again, the Socialist Party opposed economic reforms in return for financial support, since, in their eyes, this often comes down to further diminishing the welfare state in the Southern Member States. The SP also strongly emphasised that there was not enough understanding and respect for the differences among the economies of Member States. The European proposal was considered undesirable as based on the idea of increasing national debts through loans while cutting national expenses.

In addition to Brussels’ lust for power, the second fundamental problem in our Union is that there is too little understanding and too little respect for the differences in the economies of the Member States (Wilders 2020).¹⁵

¹³ “Een nexit zou voor ieder land in het begin pijn hebben gedaan. Maar op langere termijn ben ik ervan overtuigd dat het goed is, mits wij lid zouden blijven van de interne markt [...] Misschien kun je met die andere landen samen iets van een unie vormen, met de Noordelijke landen.”

¹⁴ “[...] een meer bescheiden en efficiënte Europese Unie.”

¹⁵ “Naast de Brusselse machtslust is het tweede fundamentele probleem in onze Unie dat er te weinig begrip en te weinig respect is voor de onderlinge verschillen in de economie van de lidstaten.”

The PvdA pointed out that the EU Member States must act in unity and need solidarity, not only to fight the crisis, but also to avoid a deepening of the crisis. As such, the PvdA was not supportive of the sceptical course of the Dutch government in Europe. This attitude “looks ugly and eventually does not bring a solution much closer” (Attje Kuiken).¹⁶ The PvdA doubted if the questions raised by the Prime Minister, such as the European funds being a gift or a loan, ensured that the European recovery plan would benefit all and ensure a sustainable transition.

And perhaps even more important than the discussion about gifts or reforms, I think, is the question whether the money from that emergency fund is spent in such a way that we all benefit from it (Wilders 2020).¹⁷

Conclusion

Let us now get back to our research questions: a) What is the role of ordoliberal ideas within parliamentary debates regarding the economic consequences of the European debt crisis and the COVID-19 pandemic? b) Did this discourse change during both crises? c) What does the influence of ordoliberal ideas say about a potential North-South divide?

And let us now try to answer the research question. There seems to be a tendency, mainly among the governing parties, to emphasise the importance of adherence to EU fiscal norms, based on the belief that adherence to these norms would help to strengthen economies after the crisis. But also, on the belief that this would establish a stable Eurozone and a favourable market condition for the Netherlands' export-based economy. To a certain extent, such arguments could be considered ordoliberal in nature, especially when contrasted with the objections raised against such measures, that is, that other Member States are forced to cut into their budgets without considering economic differences and that, as such, these measures could be counterproductive. It could be considered contradictory to grant European loans which increase the national debt in exchange for national reforms to decrease expenses leading to privatization and a smaller budget for social welfare. The

¹⁶ “Het ziet er lelijk uit en het brengt uiteindelijk een oplossing ook niet veel dichterbij.”

¹⁷ “En wellicht belangrijker nog dan de discussie over een gift of een hervorming vind ik de vraag of het geld uit dat noodfonds ook op een zodanige manier wordt besteed dat we er allemaal van profiteren.”

question was raised about whom this money should benefit banks, institutions and creditors, or citizens. As such, this discussion could be broadened to an ideological discussion on what should be the role of the state or in this case the EU, in regulating the economy and market. From an ordoliberal perspective, the state should set the conditions for circumstances under which the free market can reach the most optimal result while avoiding prolonged inflation and deflation. But from other perspectives the state should be involved to a larger extent in improving the circumstances for citizens. On a sidenote, this discussion is also mirrored in the debates on whether the European Commission should receive more competencies within social policies.

Based on this analysis, it does not seem that the nature of the Covid crisis made the position of most political parties represented in Dutch parliament milder. In both 2015 and 2020, most of the parties seem to have based their scepticism or support on similar reasoning. A reoccurring element is that during both crises the European negotiations did not develop in favour of the Netherlands. This turned out to be a pragmatic reason for parties to soften their positions, mainly because vetoing in the European Council was considered fruitless and potentially harmful. The PvdA is the only party in this study which became more critical towards the Dutch government's emphasis on loans and reforms in 2020 in comparison to 2015. While in 2015 the PvdA acknowledged that the reforms were painful but necessary, they openly doubted this in 2020, an important factor for this change being that in 2020 the PvdA was no longer part of the governing coalition.

In general, on a European level the debate on loans and reforms seems to be the result of a macroeconomic North-South divide in a specifically economic sense: "The divide in the Eurozone between a small set of core economies with strong international financial positions (North) and a set of debtor states that show periodic vulnerability in international financial markets (South) (Pérez 2022: 1014)." When the contributions to both debates are considered on a national level, only some parties in the Dutch Parliament explicitly adopt a North versus South frame, especially the far left and right-wing opposition parties. The response to both crises was framed by them as either a permanent stream of money from the so-called hard-working North to the inefficient and lazy South

or the result of culturally and economically incompatible characteristics. Both frames were strongly opposed by more pro-European parties.

Even though these observations seemingly hint at a potential North-South divide, most parties still seem to have based their positions regarding these European policies upon an ideological base or on pre-existing national commitments. For some parties, their scepticism towards European policies is based on a general euroscepticism while for others it is based specifically upon the nature of the proposed reforms. Most of the centre-right conservative parties stressed the importance of adherence to a common European set of rules, and specifically regarding European fiscal norms. This also seems to be in line with what should be expected from conservative parties. Critique from the left-wing parties was more often based on the observation that the proposed reforms would mean cuts within the welfare state while it was unclear who would benefit from the European funds (citizens, companies or other non-state actors?). Again, this prioritization of the welfare state above keeping the books falls more in line with the general ideological positioning one would expect from left-wing parties. As such one could not argue that there is a framework upon which all parties simultaneously base their support or critique towards the European plans and proposed reforms. Just as ordoliberalism, the European plans during both crises are critiqued from both sides of the political spectrum, either for being excessively top-down or for putting the economic wellbeing of citizens on the second place. However, the ordoliberal elements as highlighted in this study seem to best fit the preferences of centre-right parties.

This leads to the following question in relation to the literature on ordoliberalism: is there truly a North-South divide in relation to the influence of ordoliberal ideals on EU policies? Or, have different policy preferences not developed along international cleavages but rather along the lines of party preferences? Based on this study the second option seems more likely. Even though there has been a tendency among most of the Dutch parties to reject or be very critical of the European plans, the critique comes from different ideological perspectives and is not unitary as such. A recommendation for future studies would be to approach this matter in a comparative study between EU Member States which are either likely or unlikely to adopt an ordoliberal stance towards European policies and reforms.

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