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Cleavage in Dutch Society:
Changing Patterns of Social and Economic Discrimination

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SOM theme D: Structural Change and Long-term Development

Abstract

This paper is on the long term changes of the nature of social and economic cleavage in the Netherlands. In the 1960’s the break down of traditional denominational affiliations associated with increasing individualization and accelerated economic growth moved Dutch consensus society into the direction of a class society. In the 1980’s the rise of structural unemployment led to the rise of a potential underclass which sharpened the lines of social division. In this potential underclass ethnic minorities are overrepresented. Consequently, for the first time in Dutch history economic division and socio-cultural cleavage now go together. To prevent a potentially resulting social instability a re-evaluation of social policy is needed.

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1. Introduction

Since its origins in the late sixteenth century the Netherlands has always been a melting pot of minorities with differing interests. In the seventeenth century together with England and France the 'Republic of the Seven United Netherlands’ formed the political, economic and cultural centre of the Western world. It was known for its atmosphere of tolerance and became a refuge for those Europeans who where not able to speak, write and live in freedom. Till today the labels of pluralism, tolerance and freedom are still associated with the Dutch nation.¹

Despite this reputation, in Dutch history social conflict, often linked with religious conflict, comes repeatedly to the fore. In the past many European countries saw often bloody conflicts between religious groups. The Netherlands, however, never experienced a 'St. Bartholomew’s night’. From the seventeenth till the twentieth century the protestant Dutch Reformed Church was dominant. However, dissidents within Protestantism and other denominations were tolerated and informally granted religious freedom. The largest category of these religious minorities were the Roman-Catholics. Although treated as second rate citizens and disqualified from public office they were never prosecuted and many of them even reached positions of great wealth and influence. In my opinion, the fact that in Dutch history lines of economic division never coincided with social, religious and cultural cleavage explains this absence of disruptive social conflict.

In the second half of the nineteenth century Dutch society underwent major changes. The contradiction between rich and poor, labour and capital, was sharpened, or at least, became more apparent. New ideologies, liberalism and socialism, entered the political arena to compete with traditional political groups. In all segments of social and economic life processes of differentiation took place. Mass democracy rose and political parties were established.

These parameters of modernization were similar to those in other countries of the West. However, the institutional shape they eventually took, was different in many a respect. Instead of the overthrown of pre-industrial meaning systems, Dutch modernization as a complex of economic, social, cultural and political change meant the moulding of traditional pluralism into a new institutional pattern. Since the
Second World War it is generally referred to as ‘pillarization’ (in Dutch: verzuiling). In the twentieth century pillarization as a system of managing minorities proved to be successful to mitigate the social contradictions resulting from the process of modernization Dutch society underwent. It largely contributed to the continuation of social stability of modern Dutch society and of the rather harmonious living together of social classes and religious minorities.

In the 1960s the institutional make-up of Dutch society changed once again. The pillarized system started to erode. Additionally, in the late 1960s the country saw an influx of migrant workers, notably from Mediterranean countries like Turkey and Morocco. Although initially their stay in the Netherlands was supposed to be on a temporary basis, eventually it turned out that they and their families became permanent residents. In the late 1970s and early 1980s many people from Surinam - and to a lesser extent from the Netherlands Antilles - migrated to the Netherlands. From the 1980s up till now foreigners from notably African and East European countries sought political asylum in the Netherlands. Further, many from the Third World and Eastern Europe now stay in the country without residence permits as illegal alien workers in the informal economy. The volume of the latter category is unknown but experts estimate it to be substantial. Thus, since the late 1960s not only the frame that from the seventeenth century onwards enabled the successful integration of denominational minorities, changed, but also the composition of the total of minorities: ethnic elements and non-Christian religions were added.

In this contribution I will concentrate on the long term changes of the nature of social and economic cleavage in the Netherlands. In the next section I will describe the historical origins and the nature of the system of Dutch pillarization and why the latter was so successful as a tool of minority management in a plural society. In section three the breakdown of pillarization as it developed since the 1960s is described. Here the main argument is that because of economic growth and changes in the employment structure the traditional lines of vertical cleavage are now more and more substituted by horizontal lines of social division. In other words, the Netherlands move into the direction of a class society. In section four the issue treated is whether and how this process of class formation is related to the position
of allochthonous people in Dutch society. Finally, section five is devoted to conclusions and discussion.

2. Dutch Social Cleavage in a Historical Perspective: the Culture of Living-Apart-Together and Pillarization

2.1. The Origins of the Dutch Nation and the Culture of Living-Apart-Together

In the beginning of the seventeenth century when the Netherlands gained independence from the Spanish Habsburg king Philip II, the new Republic of the Seven United Netherlands turned out to be a divided political entity. Actually the new state was only a federation of seven politically autonomous provinces in which the cities took powerful positions. Provinces and cities had often dissimilar or even conflicting interests based on different economic activities.4 Next to this there was the problem of the relation between the Protestants and the Roman-Catholics. As Protestantism was strongly related with the fight for independence against a Roman-Catholic Spanish king, Roman-Catholics became second rate citizens until the Napoleonic era. However, they were fully integrated in the economy and were unofficially granted civil and religious rights.

It is remarkable that the seven provinces remained integrated in the newly formed Republic after the success of the Revolt. Actually, they were only a hotch-potch of minorities without a significant central authority. What united them against Spain was their resistance against the attempt of Philip II to centralize the Netherlands. Under such conditions one would expect disintegration after the victory was won.5 How can we explain that this did not happen?

One of the arguments often advanced is that unity was fostered by the need for hydraulic management or a common struggle against the continuous threat of the sea. There certainly was an effort in the Republic in this field.6 However, one
may wonder whether this particular commitment to action was strong enough as a cultural element to foster unity in the social system as a whole, the more as only the coastal provinces were threatened by the sea. Anyway, land reclamation, the construction of canals and the building of dikes were not organized on a national but on a local level. Land reclamation was even often regarded as an investment opportunity for private entrepreneurs. So the evidence in favour of hydraulic management as an integrative force in Dutch society is rather shaky. A more powerful explanation is the consolidating function of external enemies. Faced with an external enemy, in the struggle for survival internal differences tended to be put aside. The Republic was founded by the seven provinces as an attempt to resist a common enemy. However, after gaining victory, the national territory and its commercial interests were constantly threatened by the French and the English. As the position of the powerful regent class of the dominant provinces of Holland and Zealand depended mainly on foreign trade, it was, above all, their interest to counter these threats effectively. This could only be done on condition that the federation remained integrated to a minimal extent.

In the Republic principles of politics were therefore determined by three factors: the desire of each of the provinces to keep its autonomy at a maximum, the need to avoid the violation of the autonomy of other provinces and the requirement of some central decision making in order to safeguard the Republic’s sovereignty in the interest of all. It is easy to see that in political reality these principles lead to conflicts. The defense of one of them may imply the violation of the others. In other words, seventeenth and eighteenth century Dutch politicians had to cope with an optimum problem. Thus, autonomy of the Republic’s provinces has to be understood as a matter of relative autonomy. Consequently, political life was impressed by compromise as the only way to achieve the required national decisions. At the same time, the parties involved were anxious to maintain their autonomy to the highest possible degree. Gradually institutions developed that smoothened this type of decision making.

One could say that the political culture of the Dutch republic resembles that of some modern relationships where the partners live in separate houses with their own things, belongings and friends, because they believe that the sacrifice of their
individuality will ultimately end in a therapist’s consulting room, a lawyer’s office, murder or suicide. The political culture of the Republic can therefore be labelled as a culture of 'Living-Apart-Together' (LAT). By this I mean the institutional arrangement which enables mutually interdependent social and political groups to maintain their autonomy to a perceived optimum, within the frame of a national sovereignty. It ensures the integration of these groups to a minimal degree such as to prevent the jeopardizing of the national existence. A breakdown of the latter would be detrimental to the relative autonomy of all its constituting parts. Interactions between the groups involved are structured according to this institutional arrangement. This LAT-culture has from the Revolt onwards always been a core element in Dutch social and political development.  

2.2. The Rise of Vertical Cleavage: Pillarization

Dutch pluralism in the period from the Revolt against the Spaniards till the Napoleonic occupation at the end of the eighteenth century was predominantly of a geographical nature: it had to do with the relative autonomy of provinces and cities. The Napoleonic regime centralized the Dutch state and thus geographical pluralism was overcome. The Kingdom of the Netherlands which started in 1813 was ruled by a truly central government in the Hague. However, many vestiges of the old dispersed Republican power structure still remained.

After 1813 liberalism presented itself as a modernizing force. In the first half of the nineteenth century it promoted social and technological innovation and increasing centralization. In the second half of the nineteenth century liberalism came under attack of those Protestants who perceived it as the main representative of the evil of modernity. The first conflicts between liberalism and the traditional religious forces took place as early as the beginning of the nineteenth century and centred around the issue of poverty legislation. A second major conflict was the school issue in the last decades of the nineteenth century. Here the Roman-Catholics joined the Protestants. A third conflict originated from the so-called social question and was strongly related to the rise of socialism. These three conflicts all involved
the contradiction between traditionality and modernity and centred around the relation between religious and secular forces. As such they were not uniquely Dutch but could be observed in other European countries as well. They were, however, solved in an exceptional way. The elites of the different ideological groups used the traditional mechanisms to manage these new problems: they heavily fell back on the LAT-culture that had been so successful in the past. Among the factors that explain why the conflict between traditionalism and modernity did not tear Dutch society into pieces and why it was solved the way it was, Daalder points to the learning behaviour of elites:

'...there was a widespread awareness that at most power might be shared rather than conquered; ... one might speak of an effect of accumulating experience, a learning process suggesting that a recognition of claims for autonomy need not conflict with practical cooperation among groups.'

The resistance against modernity was led by Abraham Kuyper, who formed the Protestant Anti-Revolutionary movement. It was his idea that the Protestants should be 'sovereign in their own circle' in order to be protected to the evils of modernity. His ideal was that his followers should live from the cradle to the grave in Protestant organizations that represented and reinforced the Protestant value system and its related norms. Consequently, the Protestants started to establish all kinds of Protestant organizations varying from schools and unions to youth organizations and employers associations. Gradually, the Roman-Catholics and, to a lesser extent, the Social-Democrats and the Liberals followed this pattern. At the end of the nineteenth century when mass democracy rose, these networks of ideologically oriented organizations were represented in parliament by political parties that formed the centres of their powers. Thus as social differentiation took place as part of the more general process of Dutch modernization, newly established organizations were brought under the influence of ideological groups. This phenomenon of social and political organization around an ideology within the nation state was later on called *pillarization*. In this way every ideological group could hold a grip on its followers.
Pillarization is the historical process by which society becomes divided in pillars. A pillar is then defined as a subsystem in society that links political power, social organization and individual behaviour and which is aimed to promote - in competition as well as in cooperation with other social and political groups - goals inspired by a common ideology shared by its members for whom the pillar and its ideology is the main locus of social identification.

Additional to this definition some remarks have to be made. Lijphart described Dutch pillarization foremost as a political phenomenon. He emphasized the fact that pillars’ elites accommodated at the top of the system. Gradually all kinds of institutions arose to enable this. Hence the element of cooperation in the above definition. Because of this characteristic of Dutch pillarization the system became identified with consensus between different social groups and with social and political stability. However, at the same time pillarization should be regarded as a system of social control in a plural society. Under the conditions of mass democracy the equilibrium between the different pillar elites could only be maintained if the degree of floating votes was minimalized. Therefore, in every day life the social boundaries between the pillars had to be safeguarded. Thus while the elites negotiated ‘behind closed doors’ at the same time in public they sharpened the differences between them: in this respect their attempts were aimed at preventing social interaction between adherents of different pillars as much as possible.

Next to elites negotiating at the top of society and a large social distance between adherents of the different pillars, a third important characteristic of pillarization can be observed at the meso level. I point here to the already above mentioned phenomenon that every pillar has its own organization for every social function to be fulfilled. In other words, on the organizational level pillarized society is multiple structured. For instance, in the domain of trade unions there are Roman-Catholic, Protestant and non-denominational Social-Democratic unions. The same holds for the media, the educational system, the world of sports and leisure activities, et cetera.

Further, pillarization as it functioned in the Netherlands from about the beginning of the twentieth century till about the mid 1970s should be understood
as a system comprising the whole of society. I.e. it is without any meaning to conceive a pillar as a phenomenon in isolation: a pillar can only exist if there are other pillars to which it is related. Pillarized society is a social system of interdependent pillars. This interdependence becomes clear at the top of society where the pillars’ elites attempt to reach a national consensus. Finally, it is important to note that pillarization involves vertical lines of social cleavage to which horizontal lines of class division are subordinated. Loyalty was primarily directed towards the own pillar. Social and political organization had developed along the lines of pillarization. Consequently, social classes were segmented as to pillars. Dutch pillarization can then be summarized as a representation of the ancient Greek temple (figure 1).

*Figure 1: Dutch Pilarization and Vertical and Horizontal Lines of Social Cleavage*

![Diagram of Dutch Pillarization and Social and Economic Discrimination](image)

2.3. *Pillarization and Social and Economic Discrimination*

It is important to note that in such a system where vertical cleavage dominates horizontal cleavage, lines of social and political division do not coincide with
economic class segmentation. Economic discrimination is difficult to take place, precisely because the economic underprivileged are spread over the different social blocs and are at the same time vertically integrated within these blocs. So far, tendencies of structural discrimination were present in Dutch history, they existed mainly before the Napoleonic era and were directed against the Roman-Catholics, but had never an economic nature. However, in the period of Dutch pillarization - especially after 1917 when general suffrage was introduced - the Roman-Catholics became fully integrated into society.

Next to the factor of economic integration and the dispersion of economic classes over the pillars, there is a second explanation why the cohabitation of minorities in the Netherlands developed rather peacefully. The latter is the tradition of the LAT-culture as was described before. In the twentieth century it gradually found a new institutional shape that fully matured in the 1950s. The nucleus can be summarized in three principles. The first one is the principle of proportionality: scarce social goods are distributed over social groups according to the number of their adherents. Thus political power is distributed by a system of proportional voting and not by a district system like in the UK and the US. The same holds for economic means which are distributed by the state as subsidies. The second principle is that no social group is excluded socially, economically and politically. One of the results is the phenomenon that for every important issue to decide on the government falls back on advisory bodies or installs a committee in which all major social groups are represented, even those who are not represented in government. In case of issues that threaten to split the nation decisions are not taken by majority rule but by consensus. The last principle is related to the second: the state is the representation of consensus. Its major role is to guard the rules of the game. Parliament and government together are the forum that enable the elites to accommodate their interests.

All the characteristics of pillarization together explain the equilibrium between social categories. If one or more elements are left out, such a system of minority management may collapse. In this respect I refer to two examples. The first one is Northern Ireland. Here we can see two socially and politically well organized blocs, the Protestants and the Roman-Catholics. Northern Ireland is, however,
dissimilar from pillarized Dutch society in the sense that in the former mechanisms of integration at the top of society are lacking and that lines of class division go together with religious cleavage.

The second example is South Africa during the Apartheid era. Apartheid can be conceived of as based on vertical lines of cleavage. However, in the Apartheid system the lines of division were racial instead of denominational. Accommodation of elites at the top of society was lacking, the lines of social and cultural division coincided with sharp economic inequality and the whole system was geared against the principle of proportionality. In this way institutionalized vertical cleavage turned out to be nothing more than a system of blunt discrimination. However, with some fantasy the concept of 'sovereignty in one’s own circle’ could be applied to Apartheid, although the essence of it was that some groups were more sovereign than others. In my view it is not a coincidence that Apartheid showed some vague similarities with Dutch pillarization: its major constructor was dr. Verwoerd who had a conservative Dutch protestant background and who was at the time the leader of the Afrikaners, the group of white South-Africans being or descending from Dutch immigrants.

3. Changing Patterns of Cleavage

In the 1960s the patterns of cleavage in Dutch society as analyzed before started to change. Three main developments can be pointed to as driving forces that led to a structural change of lines of social division in the Netherlands: the de-pillarization of Dutch society, the coming of new immigrants and structural changes of unemployment.

3.1. De-pillarization of Dutch Society

In the late 1960s the de-pillarization of Dutch society set in and pillarization gradually lost its effectiveness as a political strategy of social control. A process set
The unprecedented level of economic growth of the 1960s created the economic surplus that enabled the foundation of the welfare state characterized by its professional supply of welfare provisions, state-directed schemes of income maintenance and a wide array of bureaucratic regulations aimed at the management of social conflict. All these made individual households less dependent on churches, unions, extended family and all kinds of significant social collectivities and thus contributed to the erosion of social control by pillars. This trend of increasing independency of the individual was strengthened by the rise of discretionary incomes.

Enlargement of scales as produced by economic growth, induced in society a culture of calculation which was incompatible with moral involvement. It stressed achievement oriented aspects of social roles rather than the ascriptive ones which were basic to pillarized structures. This change of value patterns was reinforced by a trend of growing secularization.

De-pillarization and the associated individualization of Dutch society implied that the vertical lines of social cleavage withered away as did the consensus nature of Dutch social conflict management and that, consequently, horizontal lines of social and economic division came more in the open.

3.2. The Coming of New Minorities

The accelerated economic growth of the 1960s which triggered off the process of de-pillarization had yet another effect: it caused substantial shortages in the labour market particularly of low skilled manual labour. The solution of this problem was
found by the importation of foreign labour notably from mediterranean countries like Turkey and Morocco.

In the beginning of the introduction of foreign labour in the Dutch economy it was not the intention of employers and government that the workers from abroad should become permanent residents nor was this expected by them. The immigrant workers lived in poor conditions and generally tried to economize on their costs of living in order to send as much of their earnings as possible to their families at home. Many of them had the dream to save as much as possible and in due time to start a small business of their own in their countries of origin.

How different reality turned out to be. When economic growth declined in the early 1970s many alien workers became unemployed. They were now trapped by the dilemma to go back to their fatherlands and to face poverty or to stay in the Netherlands hoping for a better future and living on relatively generous unemployment benefits to which they were entitled. An overwhelming majority choose for the latter option, became permanent residents in the Netherlands and reunited with their families from abroad.

Because the idea was dominant that the foreign workers of the 1960s would stay in the Netherlands on a temporary basis, the authorities did not develop a policy of social and cultural integration. Also, because of the Dutch culture of tolerance, these new groups of Dutch citizens were explicitly allowed - and in some cases even stimulated - to cling to their own values and culturally determined patterns of behaviour. In Dutch history under the conditions of the LAT-culture this had proved to be a successful tool of minority management. Contrary to the immigrants from Turkey and Morocco, however, in earlier periods of immigration and minority formation the religions, value patterns and lifestyles of the social categories involved were much more close to the dominant culture in the Netherlands. After the 1960s the differences between the autochthonous Dutch people and the allochthonous new immigrants became the more visible as the latter categories tended to concentrate in certain areas of the big cities in the West of the country.

In the 1970s and 1980s Dutch society saw new waves of immigrants. Those coming from Surinam and the Netherlands Antillans manifested themselves like the
Turks and the Moroccans as clearly recognizable groups. Other categories like illegal alien workers and those who sought political asylum were much more heterogeneous. Although the factors behind these patterns of immigration and the ways they manifested themselves in Dutch society were different, from the perspective of the man in the street they changed the nature of Dutch society profoundly: compared to the 1950s Dutch society had become ‘coloured’ with deviant lifestyles. The fact that these newcomers were associated with unemployment and the usurpation of scarce resources like social security benefits and housing sharpened the contradictions between some parts of the autochthonous population and the allochthonous people.

3.3. Structural Changes of Employment

In the early 1970s the economic climate started to deteriorate. A spectacular increase of unemployment in the late 1970s provoked a policy of labour cost reduction and cuts in the social security budget. It was argued that an increase of real wages and social benefits would imply a further rise of unemployment. Additional to this policy concept, it was stipulated by the government that the country could only recover from the economic downfall of the 1970s if free entrepreneurship and the functioning of market mechanisms - especially that of the labour market - would be restored. Gradually social policy lost its position as a more or less independent domain. It became the servant of economic policy as it was strongly believed that once the aim of a healthy economy was reached, social and economic deprivation would consequently disappear. In the meantime some of the objectives of social policy had to be sacrificed.

In the 1980s the reduction of public expenditures became a corner stone of Dutch socio-economic policy, partly to decrease a growing budgetary deficit of the state, partly to reduce the costs of labour as many social insurances were paid for by employers’ and employees’ contributions. As a result the levels of social security benefits like social assistance, unemployment and disability benefits were substantially lowered, while at the same time the definitions as to the eligibility for
these benefits were narrowed down. Next to the argument of reducing the costs of
labour the latter was done because it was felt that the generous Dutch social
security system offered too few incentives for the non-active part of the labour force
to participate in the labour market. Consequently, the replacement ratio which was
in the period 1954 -1964 less than 60 per cent and reached in 1975 a peak of 75
per cent, after 1983 started to decrease with about 2 per cent annually.16

In the 1970s and 1980s the policy of enhancing the competitiveness of the
Dutch economy by reducing the costs of labour turned out to be rather successful.
A large number of new jobs were created. However, this did not decrease the
unemployment figures. After every turn of the business cycle unemployment rose
to a higher level than before.17 This is not exclusively a Dutch phenomenon, but
can be observed in almost all industrialized countries: for all OECD countries
ultimate 1993 unemployment rose to 8.5 per cent of the labour force which was 50
per cent higher than the unemployment figure of 1990.18

Unemployment in the Netherlands is foremost a social problem because of its
persistent character. The proportion of long term unemployment - i.e.
unemployment of over one year - in total unemployment rose from 15 per cent in
1970 to 21 per cent in 1980 and 50 per cent in 1984.19 In the years 1992 and 1993
about 45 per cent of the Dutch unemployed were without a job for more than one
year, while in the US and Japan this percentage was 7 respectively 18 per cent.20

One may wonder why despite the successful creation of a large number of
new jobs in the 1980s the growth of unemployment continued and why it remained
persistent in character. Firstly, in the second half of the 1980s the Dutch labour
market had to absorb a wave of new entrants: nine out of ten new jobs were
occupied by newcomers.21 This was not only due to demographical factors (among
which immigration), but it resulted also from socio-cultural developments, notably
the increase of women’s participation on the labour market: compared to other
industrialized countries the Dutch participation rate for women has always been
rather low. A change of attitude in the 1970s and 1980s as to the position and the
role of women in society led to a catch-up effect.
Secondly, in the 1970s and the 1980s the employment structure changed. A shift took place from industry to services. Especially those branches within industry characterized by low paid labour suffered from the rise of the New Industrializing Countries. In the second half of the 1980s employment rose for those with higher and senior vocational training, but decreased for those of a lower educational level. This seems to be contradictory to the fact that in the period 1983-1990 employment growth at the bottom of the labour market was proportionally large: 53 per cent (116,000 jobs) which was about three times as high as the average growth of employment (19 per cent). However, these were mainly jobs at the base of the labour hierarchy characterized by flexible contracts and minimal or no job security. They were mainly occupied by new entrants to the labour market.

A third factor that may account for the persistent nature of unemployment in the Netherlands is the Dutch social security system and the existence of a minimum wage level. Therewith the unemployed are enabled to be selective in the acceptance of jobs while at the same time the costs of labour of a low marginal utility become too high. Thus the unions complain that the jobs available at the bottom of the labour market are of low quality, have no job security and offer no prospects to the employees. At the other side, employers’ associations try politically to promote the abolition of the minimum wage level as a major barrier to the solution of the unemployment problem.

As mentioned above, many low skilled jobs were lost to NIC countries and recently also to East European countries formerly belonging to the Soviet block. Because of a growing international competition of business, low skilled labour intensive industries could no longer compete because of the relatively high level of Dutch labour costs. So they were forced to move labour intensive production to countries with lower wage levels. This was only one solution to the problem of growing international competition. A second solution was found in shifting production from the formal to the informal ‘black’ economy. Some employers did so by subcontracting. In this respect the case of the large Dutch clothing-stores is notorious. Many of these used illegal sweat shops to produce clothing; in turn these
sweat shops recruited illegal alien workers who because of their weak legal status were forced to accept wages far below the official minimum wage level. Other employers, notably small enterprises in horticulture, directly hired informal labour in order to meet production peaks.27

The flexibilization of labour contracts is a third trend that can be related to economic competition. It means that job security is offered by the employer only to those workers whose labour is regarded to belong to the core business of the company and of which the qualifications are considered to be scarce on the labour market. Workers who do not comply to these criteria are offered temporary contracts - directly or via manpower agencies - for a limited period of time. This solution is different from the one described in the former paragraph because here the contracts comply to Dutch Labour Law offering the workers normal wages and providing them with social security rights in cases of sickness and unemployment. In the former section we noted that in the period 1983-1990 most jobs created at the base of the labour hierarchy were characterized by flexible contracts.

The fourth alternative to fight international competition was specialization. It is believed that western industrialized countries can only economically survive by either reducing production costs or by investing in knowledge intensive sectors of the economy. Therewith the employment shift from labour intensive industries to services and the growing demand for those with higher and senior vocational training.

4. The Rise of a Potential Underclass

4.1. The Marginalization of Low Skilled Labour

The ways Dutch entrepreneurs reacted to increasing international competition weakened the position of low skilled workers to a substantial degree. The shift of low skilled labour to the NIC’s and Eastern Europe relatively reduced the demand for low skilled workers. As it may be clear that the expulsion of labour to the informal economy implies a marginalization of its conditions, the same holds for
subcontracting and numerical flexibilization, be it to a lesser degree. As mentioned before, it is significant that in the period 1983-1990 the substantial growth of jobs at the bottom of the labour market consisted mainly of jobs characterized by flexible contracts and minimal or no job security. Technological innovation, on the other hand, had an almost opposite effect on the labour market. In those sectors of the economy submitted to technological innovation job complexity increases and therewith the level of skills required. Workers that comply to such skill requirements operate in the core sectors of the economy and are crucial to the production processes in which they are engaged. However, before their levels of productivity needed are reached they have to be trained on the job. Therefore, employers try to prevent labour turn over by providing them with relatively good conditions of employment.

The phenomenon of supersession fits rather well into this trend. On the supply side most workers prefer to work in the core segment of the labour market because there the conditions of employment are best and career opportunities are provided. On the demand side employers will try to select the best workers they can get. As long as jobs are scarce, employers are able to require skills that are higher than actually needed for a good performance of the relevant job. The net effect of this will be supersession downwards the labour hierarchy resulting in structural unemployment of those in the lower segments.

With the objective to fight unemployment, socio-economic policy was aimed at a reduction of the costs of labour, at the removal of the barriers to labour market mobility and at increasing the incentives for accepting work instead of a social security benefit. Consequently, the last decade the replacement ratio was substantially lowered whereas the criteria of social security eligibility were sharpened and the benefit durations shortened. The hope that these policies would decrease the number of those structurally and long term unemployed turned out to be idle. Instead socio-economic policy contributed to a sharpening of social divisions in society by reducing the social security incomes of those who had a weak position on the labour market.
4.2. **New Lines of Economic and Social Division**

The cumulative effects of de-pillarization in the 1960s, the rise of structural unemployment in the 1970s and the cuts of social security benefits in the 1980s led to the dominance of horizontal over vertical lines of cleavage in Dutch society. However, the fact that in the last decade the Dutch working class took a sharper profile does not imply that it is now of a more homogeneous nature than before. Within the working class positions differ considerably as to income and the quality of working life. Already in 1986 Kern and Schumann published their book *Das Ende der Arbeitsteilung? Rationalisierung in der industriellen Produktion* in which they pointed out that the rise of new technology would lead to a segmentation of the working class into four categories.

The first category consists of workers employed in sectors characterized by new technology and the resulting new production concepts: the so-called new employees or the core workers as we described them above. Workers in the new technology sectors who are not part of the new production concepts belong to the second category. These are the traditional workers that are not polyvalent because of age, sex or immigrant status. The third category consists of workers in the traditional production units and the fourth category are the unemployed.

In the analysis of social deprivation the labour market is of special importance as it can be considered as a central institution by which scarce goods and services are distributed in society. However, in modern post-war industrialized societies it is not only the labour market that fulfils this social function. As early as 1952 M. Penelope Hall distinguished as the essential characteristic of highly developed industrial welfare societies that governments guarantee the participants in those societies a minimum level of health care, economic security, civilized living and the ability to share in the social and cultural achievements of society. To the degree these attributes cannot be realized by the functioning of the labour market, they should be attained by social security rights. People are then socially deprived to the extent that they that cannot share in the achievements of society as defined by Hall either because of their positions on the labour market or because of a lack of sufficient guarantees by the social security system.
Consequently, for the study of social deprivation the Kern and Schumann classification has its limitations as it does not take into account the effects of social security on the distribution of scarce goods and services in society. However, if we would extend the classification with social security rights it could be a useful tool to describe social deprivation in its varying degrees. Taking then the position on the labour market as a starting point it seems to me that presently five segments can be discerned.

The first segment consists of the core workers with medium or higher vocational training employed in modern and knowledge intensive industries and services. These core workers do have a reasonable degree of job security, have relatively high incomes and their labour is of high quality.

The second segment consists of those working in the formal economy on flexible contracts. They have only temporary job security, a relatively low quality of labour, but they are entitled to all formal rights provided by labour law and the social security system. If they wish to do so, they have the opportunities to supplement their incomes in the informal economy.

The third segment consists of those on social security benefits (social assistance, unemployment and disability benefits) who have some qualifications demanded in the market. They therefore have the opportunity to moonlight in the informal economy and to supply their benefits with black earnings.

The fourth segment consists of people living on social security benefits which have few or none qualifications demanded in the labour market. Consequently, their opportunities to leave the social security system or to earn a supplementary income in the informal economy are minimal. Because of cuts on social security benefits the last decade they were confronted with decreasing incomes even to the extent that a large category is believed to live on the subsistence level. To this fourth segment belongs the chronically sick, the long term unemployed and the elderly.

The fifth segment consists of those workers with a weak legal status, notably illegal immigrants. They have no access to the formal labour market and are forced to work in the informal economy and to accept work of low quality with low earnings.
and no job security. In case of sickness or unemployment they do not have any social security rights.

4.3. *Ethnicity and New Lines of Cleavage in the Netherlands*

The conclusion from the former paragraphs must be that the last decade Dutch society is confronted with a growing problem of structural long term unemployment. From the perspective of our subject, the analysis of changing lines of cleavage and social and economic discrimination, the issue at hand is whether or not the forces of economic change as described above push into the direction of economic class formation which coincides with certain social and cultural categories like ethnicity, religion and lifestyle. If the latter is true, this may be an indication of increasing discrimination, but only on the condition that those excluded from the labour market do - from an objective point of view - have the qualifications to meet the demand.

Statistics suggest that unemployment is unevenly spread over the population. The victims are mainly the young, the lower educated and the allochthonous workers: in 1994 compared to total registered unemployment (7.5 per cent) registered unemployment was disproportionately high among those younger than 25 years of age (11.1 per cent), the low skilled workers (19.3 per cent) and allochthonous people (19 per cent).\textsuperscript{30} As can be concluded from table 1 within the latter category large differences exist.
<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autochthonous</td>
<td>6.4</td>
</tr>
<tr>
<td>Allochthonous</td>
<td>19.0</td>
</tr>
<tr>
<td>* Turkey</td>
<td>36.0</td>
</tr>
<tr>
<td>* Morocco</td>
<td>31.0</td>
</tr>
<tr>
<td>* Other Mediterranean</td>
<td>17.0</td>
</tr>
<tr>
<td>* Surinam</td>
<td>18.0</td>
</tr>
<tr>
<td>* Netherlands Antilles</td>
<td>30.0</td>
</tr>
<tr>
<td>* Other</td>
<td>12.0</td>
</tr>
<tr>
<td>* Total</td>
<td>7.5</td>
</tr>
</tbody>
</table>


The figures presented above hint to the conclusion that presently in the Netherlands a new underclass is arising of which a part consists of lower educated autochthonous workers, but that has also a strong ethnic component. In his valuable study on ethnic stratification and underclass formation Roelandt uses the concept of 'potential underclass' which is defined as a more or less permanent social category of people who do not - or only to a small extent - participate in the core institutions of society, and, who have only little or none (effective) means to change that position. The permanent character of this social category has to do with the absence of upward intra- and intergenerational social mobility. Roelandt too refers to the labour market as a primary factor behind class formation, while the element of participation in the core institutions of society links underclass formation to the nature of social security rights that determine to a large part the potential for such social participation. Thus Roelandt’s potential underclass covers more or less the categories four and five of my own classification as presented at the end of the former section.
Roelandt took four representative samples of the major ethnic minorities living in the Netherlands (Turkish, Moroccan, Surinam and Antillean) and compared these with a sample of autochthonous Dutch people. Table 2 shows that - compared to the autochthonous Dutch - ethnic minorities are disproportionately represented in the potential underclass. For the employed we can conclude that ethnic minorities are strongly underrepresented in higher functions and that Turks and Moroccans are also underrepresented in functions of the middle level.

Table 2: Breadwinners (15 - 65 years of age) by Socio-Economic Class and Ethnic Category in percentages, 1991

<table>
<thead>
<tr>
<th></th>
<th>Turks</th>
<th>Moroccans</th>
<th>Surinamers</th>
<th>Antilleans</th>
<th>Autochthonous</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential Underclass</td>
<td>35</td>
<td>47</td>
<td>38</td>
<td>44</td>
<td>17</td>
</tr>
<tr>
<td>Function Level Employed:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* low</td>
<td>47</td>
<td>35</td>
<td>18</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>* middle</td>
<td>17</td>
<td>15</td>
<td>37</td>
<td>33</td>
<td>45</td>
</tr>
<tr>
<td>* high</td>
<td>1</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>n =</td>
<td>688</td>
<td>705</td>
<td>609</td>
<td>405</td>
<td>597</td>
</tr>
</tbody>
</table>


In table 3 the composition of the potential underclass is presented. The table shows that there are considerable differences between the five social categories in the potential underclass:

'Half of the potential underclass among Turk and Moroccans consists of those declared unfit to work and the other half of long term unemployed. Among Surinamese and Antilleans half the potential underclass is made up of female, non-
working breadwinners in single-parent families. Main breadwinners in the potential underclass have very unfavourable market capacities and the chances of getting back into work are very low.\(^{32}\)

An important finding from Roelandt’s empirical analysis was that:

‘... while the long-term unemployed from minorities are very much overrepresented among those with unfavourable market capacities, they are much more concerned with getting back into work than most of the Dutch long-term unemployed. This applies particularly to Turks and Moroccans. Most of the long-term unemployed from minorities are willing to work and actively seek jobs, while most of the indigenous long-term unemployed no longer aspire to paid work. One reason for this is that unemployment among the indigenous population is more often due to personal circumstances, while among minorities it is mainly due to the state of the labour market. Another finding was that the long-term unemployed from minorities have a relatively unstable career background. The Surinamese and Antilleans in particular have either been out of work frequently, so that they have only limited experience, or never worked in the Netherlands at all.'\(^{33}\)

Roelandt also investigated the effect of the replacement ratio on re-entering the labour market. He did so by measuring the so-called reservation wage, i.e. the wage for which people would accept a job. In case of the long-term unemployed from minorities the reservation wage turned out to be on average 25 to 30 per cent above the legal minimum wage level. In my view this may be explained by the fact that in the Netherlands the minimum wage level is seldom paid: in practice the lowest wages paid are above the legal minimum. Related to the social security benefit level, Roelandt found that both the allochthonous and the autochthonous long-term unemployed would accept a job with a salary of about 30 per cent higher than the benefit level. An interesting result from Roelandt’s study is that he found that in case the gap between the reservation wage level and the minimum wage was bridged by state subsidies, most employers would not hire long-term unemployed from ethnic minorities.\(^{34}\) This result clearly points to the phenomenon of discrimination on the labour market.\(^{35}\)
Table 3: Composition of Potential Underclass by Ethnic Minority (breadwinners, age 15-65 years) in percentages, 1991.

<table>
<thead>
<tr>
<th></th>
<th>Turks</th>
<th>Moroccans</th>
<th>Surinamers</th>
<th>Antilleans</th>
<th>Autochth.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disabled:</td>
<td>46</td>
<td>44</td>
<td>14</td>
<td>11</td>
<td>50</td>
</tr>
<tr>
<td>One Parent Family:</td>
<td>2</td>
<td>3</td>
<td>51</td>
<td>54</td>
<td>17</td>
</tr>
<tr>
<td>Long Term Unemployed of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* never worked</td>
<td>23</td>
<td>20</td>
<td>37</td>
<td>64</td>
<td>14</td>
</tr>
<tr>
<td>* fired after reorganization</td>
<td>32</td>
<td>33</td>
<td>12</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>* fired from temporary service</td>
<td>12</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>* fired for personal reasons</td>
<td>12</td>
<td>10</td>
<td>22</td>
<td>12</td>
<td>61</td>
</tr>
<tr>
<td>* other long term unemployed</td>
<td>21</td>
<td>27</td>
<td>19</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>


Concerning social mobility - an important element in the definition of the concept of potential underclass - Roelandt found that about half the young people in the minority samples having long-term unemployed parents are themselves unemployed:

An additional factor in the case of young Turks and Moroccans is their low level of education. Half of Turkish young people have the same low level of education as their parents. Only a quarter of young Moroccans have obtained any school-leaving qualification; in other words, three quarters of them have the same low level of education as their parents.

Clearly - for all groups - there is some upward mobility in education, but despite this it can be concluded that both in the labour market and the educational system there is partial intergenerational reproduction of social inequality.'36
A final important conclusion that can be drawn from Roelandt’s study is that those from ethnic minorities who have a strong socio-cultural orientation towards the own community are in a less favourable socio-economic position than might be expected on the basis of their market capacity. In other words, the more people from ethnic minorities cling to their own life styles and the more they are recognizable as such, the lesser their chances on the labour market. This may point into the direction of discrimination, but it seems also likely that these autochthonous show difficulties in adapting to culturally determined work patterns.

It is however too simple to explain the underprivileged position of ethnic minorities exclusively from social and economic discrimination. Discrimination is certainly one of the elements, but not the only one. Cultural differences that make in some cases the fit between job requirements and individual behaviour difficult, language problems and a level of education too low are also important elements in the explanation. Notably the educational factor comes more and more to the fore as changes in the economy weakened in general the position of the lower educated on the labour market substantially.

5. Summary and Discussion

This contribution was on minority management in the Netherlands. It presented the factors that made the cohabitation of minority groups in the Netherlands peaceful over the last three centuries. From its origins onwards the Dutch nation was characterized by a culture of Living-Apart-Together which fostered elite accommodation and prevented major outbursts of social conflict between the different minorities. In the nineteenth century geographical pluralism changed into ideological pluralism. In this era forces of modernization pushed into the direction of class formation. The later, however, did not mature as ideological forces proved to be stronger and produced pillarized structures which enabled the elites to accommodate and suppressed class conflict because vertical lines of cleavage dominated horizontal ones: although sharp divisions existed among the Dutch, lines of ideological and religious cleavage did never coincide with class formation.
In the 1960s accelerated economic growth induced an individualization of Dutch society resulting in de-pillarization: more and more horizontal cleavage became dominant. The development into the direction of a class society was reinforced by the rise of structural unemployment and the marginalization of certain types of low skilled labour in the 1980s, and, consequently, the formation of a potential underclass of people who are almost permanently outside the labour market and to a large extent dependent of social security provisions. An unknown part of this class exists of illegal alien workers without a residence permit who are not eligible for social security rights and because of their weak legal status have to accept work of low quality for relatively low earnings. The common denominator of those belonging to the potential underclass is their low levels of education.

In the potential underclass ethnic minorities are overrepresented. This is not only due to discrimination, but also to maladaptations to the dominant Dutch culture and to low levels of education. As to the latter, within the ethnic component of the potential underclass, class positions tend to reproduce themselves. The potential underclass in the Netherlands is not a class in the Marxist nor in the Weberian sense. Its composition is heterogeneous as to economic positions and life styles. However, because of the overrepresentation of ethnic minorities in this potential underclass, for the first time in Dutch history economic cleavage and social and cultural lines of division go together to a large extent.

The fact that the Dutch potential underclass is so heterogeneously composed makes it difficult to organize this class for social change. Instead, already strong tendencies of blaming the victims can be observed. Especially among the autochthonous Dutch part of the underclass many are inclined to consider the allochthonous as the cause of their social misery. They believe that ‘these foreigners’ with their ‘strange’ religions and life styles are taking the jobs and houses to which they consider themselves to be entitled and that the allochthonous are responsible for the cuts of social security benefits because of their large numbers and the supposed extent to which they live on benefits. Thus the ethnic minorities tend to become identified with laziness, social and economic usurpation, criminal behaviour and drug abuse.
So among the autochthonous members of the potential underclass frustration and aggression originating from social deprivation tend to become inner directed, i.e. directed to the ethnic minorities who are in the same situation. This may trigger off social conflicts that may take the shape of discrimination and racism. Actually, some signs of these phenomena can already be observed: for the first time since World War II extreme right wing political parties that blame the ethnic minorities for all social misery in Dutch society are now represented in parliament, be it only marginally. However, in the quarters of the big cities of the West where poverty and underclass positions are concentrated, these parties find a strong support among the autochthonous population.

One may wonder what the effects of these developments may be among the ethnic minorities themselves. So far only relatively small effects can be noticed: they seem to be restricted to phenomena like higher rates of drug abuse and criminality among the immigrant youth. However, in my view it is not too bold to imagine that a continuation of the coincidence of economic and cultural cleavage will in the future make those ethnic groups in underclass positions more apt to political and religious radicalization.

It is easy to see that the developments as described in this contribution bear the germs of social instability. In this respect the Netherlands are not unique. The same observations can be made in a number of other European countries as well. Some of them are already far on the road to democratically legitimized racism (Belgium) or outburst of social unrest rooted in the relative deprivation of the underclass (France). However, it would be false to think that underclass formation and the rise of poverty is only a whim of nature caused by the tides of the international economy. The least one could say is, that policies aimed at reducing the role of the state in the distribution of scarce means and resources and a revived believe in the benevolent effects of the market mechanism added to create dead-end situations for large proportions of the population.

Without idealizing state intervention, it presently becomes more and more clear that the market next to efficiency produces social inequalities of which the very effects may jeopardize social stability and therewith the requisite conditions of market functioning itself. Given the fact that the labour market as a main
institution of income distribution is not able to provide every citizen a decent living, a reconsideration of the relevant government policies seems inevitable to me. In this respect the battle against social and economic discrimination can not be won by only executing anti-discriminatory repressive law and by supplying relevant educational programs. However necessary and useful these may be, one of the main evils should be attacked: i.e. the strong systemic economic deprivation that creates tendencies of discrimination. This can only be done if social policy is reevaluated and is no longer considered to be the servant of economic policy. Social policy should instead take its own role in modern society in order to compensate for the social costs produced by the functioning of markets.
Notes

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The Hague.


1. Even in 1973 Bagley found a high degree of racial tolerance in the Netherlands compared to other European countries. See Bagley, 1973, passim.

2. See for an elaborate treatment of social, economic, cultural and political cleavage in Dutch society from the early sixteenth century onwards till the 1980s my book *Modernization and Cleavage in Dutch Society* in which I also extensively treated the concept of pillarization. For a classic on the political dimensions of pillarization in the Netherlands the reader is referred to Arend Lijphart’s *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*.


5. C. Brinton, 1938, passim.

6. According to Maddison, around 1700 Dutch investment in infrastructure was high for the period. See A. Maddison, 1982, p. 31.


8. It is precisely because of the regional character of water management that Wittfogel did not regard the Netherlands as a hydraulic society. See K.A. Wittfogel, 1978, p. 12.


10. See also Daalder, 1966.


14. Pillarization was a social process that from about 1870 onwards developed gradually and with differences between social categories as to tempo and degree. The 1950s are generally considered to be the peak period of Dutch pillarization.

15. See Bax, 1990, pp. 141-175.


22. *Ibidem*.

23. Andriessen and Van Esch, 1993, pp. 4-5.


34. Roelandt, 1994, p. 263.

35. This result is not an unique one. Many studies reported discrimination of ethnic minorities on the labour market. See Bovenkerk, 1978; Bovenkerk, 1986; Blanpain, 1985.