

ELECTION PROGRAMME

1998 - 2002

**INVESTING IN
YOUR FUTURE**



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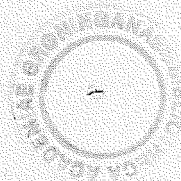
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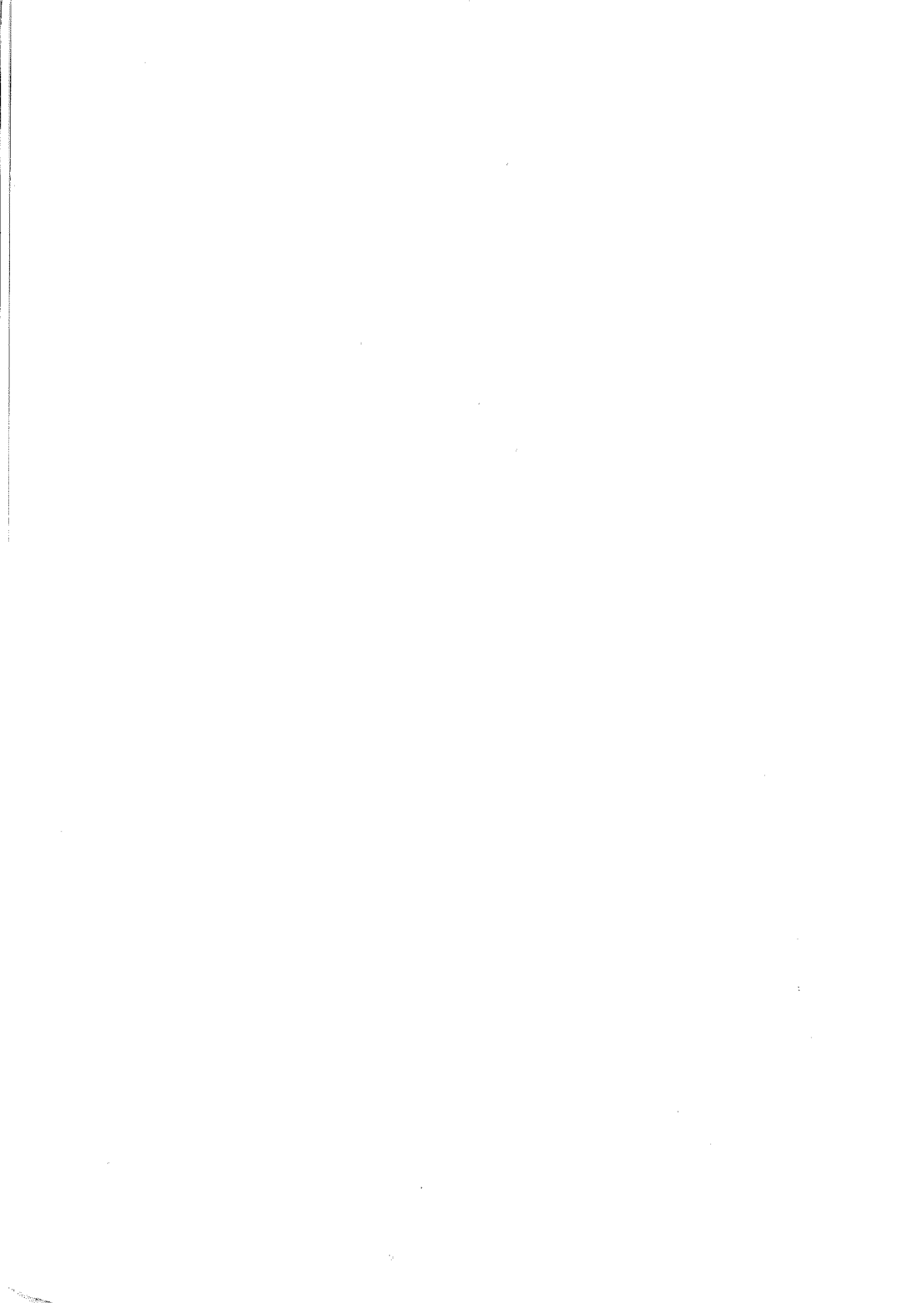
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DOCUMENTATIECENTRUM
NEDERLANDSE POLITIEKE
PARTIJEN

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Contents

I	Introduction	7
II	Democracy and the rule of law	9
III	The economy and prosperity	13
IV	Policy on welfare, care and the elderly	27
V	Public safety and security	37
VI	The use of space	41
VII	Information and communication technology	47
VIII	Education and cultural affairs	48
IX	Global matters	57
	Summary: the VVD's 10 priority areas	61

I N V E S T I N G I N Y O U R F U T U R E

I. INTRODUCTION

United in the VVD, Liberals attach great value to the freedom of the individual: freedom to develop one's talents, a freedom which is possible if people feel responsible for their own well-being and for that of others. Freedom and responsibility are inextricably linked. People who have freedom of choice can be called to account for their actions. Responsible people deserve freedom. This awareness forms the basis of the liberal view of people and society. It is also the leitmotif of this programme.

The most recent Speech from the Throne, the government budget and the Budget Memorandum reflect the great improvements in the Dutch financial, economic and social situation. There has been considerable growth in employment. In addition, the public deficit has fallen as a proportion of national income. These trends all mean that the Netherlands can join the European Monetary Union (EMU).

Much has been achieved. During the last administration, a definite turnaround took place. An economic policy bearing the unmistakable stamp of the VVD's previous election programme proved successful. Substantial savings in public spending enabled the burden on the taxpayer to be considerably reduced. As a result, differentiated wage restraint was achieved. More and more people who are willing and able to work no longer have to stand on the sidelines. Once again, there are clear prospects for people who feel responsible for themselves and want to fulfil that responsibility by earning their own income.

Much has indeed been accomplished in recent years. And there is every reason to continue on the path we have chosen. Pruning government finances, strengthening the stimulus towards greater participation provided by the social security system, flexibilising the market for products, services and labour, and relieving the burden of taxes are once again the features of a policy for which the VVD wishes to be responsible. We must continue this policy because, despite its achievements, there are still a number of imbalances in the Dutch economy. The inactivity at the lower end of the labour market, which affects those with little training and migrants in particular, remains a cause for concern. This is unacceptable since it may lead to social disintegration. Furthermore, it appears that older people who are not yet anywhere near retirement age are finding it increasingly difficult to maintain their position in the labour market. This is a worrying development, particularly when viewed in conjunction with the steady

ageing of the Dutch population. We must endeavour to strengthen the position of these groups further.

Ageing creates problems in itself, which can only be solved by steady economic growth. The basic old age pension, the AOW, that has to be index-linked and independent of income, must remain affordable. Health care must continue to be of sufficient quality and that requires more money, since ageing imposes greater demands on the system.

Savings in public expenditure through measures to increase effectiveness, among other things, are not only self-evident - they are highly necessary, since economic growth does not provide sufficient funds for the necessary policy-intensification measures.

More money is needed for health care, for public safety, for education, for the environment and for our infrastructure. That money is needed because the VVD wishes to invest in the future. *To invest in the future of present and future generations.*

The natural consequence of our basic principles, expressed in the linking of freedom and responsibility, is that people in an open, liberal society in the first instance try and solve their problems together. An effective, efficient government is needed to perform certain essential core tasks. It is also needed to create the conditions to expand the problem-solving potential of its citizens. For this purpose a policy is required which will invest, for the benefit of this potential, both now and in the future. This programme clearly sets out what the content of such a policy should be in the coming term of office.

II. DEMOCRACY AND THE RULE OF LAW

The VVD chooses for effective and efficient government. One which serves the individual in his/her personal and social development. It creates the conditions for sustainable development geared to the growth of well-being and prosperity. In the Netherlands the government functions within a democracy and the rule of law. This means that the government apparatus must have democratic legitimation at a number of levels.

Much has already been achieved in terms of the effectiveness of government. Clear priorities and a decision-making ethos that facilitates problem-solving promote effective action. Politicians must also ensure that the aims they set are feasible.

The following propositions are aimed at improving the quality of governance and democracy within the rule of law.

1. In order to maintain a democratic decision-making process, what are known as the 'functional regions' (that came into being as a result of sectoral regionalisation) must be incorporated into a democratically legitimate integrated administration.
2. In our view, decision making in a democracy must aim to promote the public interest and take place as part of an integrated balancing of interests (in the municipal and provincial councils). Decentralisation must therefore take the form of territorial decentralisation down to the municipalities and provinces. Functional decentralisation (to functional regions, such as the police regions) entails the risk that integral interest-serving and democratic scrutiny comes under pressure. The VVD therefore advocates great circumspection with regard to this form of decentralisation.
3. Within the government apparatus, the distance between decision making, payment and enjoyment must be further reduced. In other words, government must be as close as possible to the people. This means that government tasks may only be centralised (i.e. moved to a higher level) if this means greater effectiveness. Centralisation of policy at European level must only take place if it is clear that the problems involved can only effectively be solved on a European scale. Conversely, it must not take place if it means that democratic scrutiny is lost. Decentralisation must be accompanied by a transfer of funds

for this purpose to the lower tiers of government.

4. In its last period of office, the VVD made a strong case in the national assembly for dualist relations between government and parliament. This approach must be continued.
5. In the relations between municipal councils and the municipal executive, the scope for a dualist system must be examined.
6. The scope of referendums must be restricted to that of corrective referendums.
7. The system of three fully-fledged tiers of government developed under Thorbecke (central government, provinces, municipalities) must be the basic principle for the administrative organisation of national government.
8. Collaboration between decentralised (lower]) tiers of government through joint cooperation areas must remain solely confined to policy implementation.
9. More government tasks must be allocated to the provinces, so that the provincial executive can function alongside central government and the municipalities as a powerful tier of government.
10. Government must remain as close as possible to the people. This requires a continuous process of assessment as to whether central government and provincial responsibilities cannot better be fulfilled at municipal level.
11. The instrument of redivision of local government is intended to enable the municipalities to carry out a full range of tasks. It must be deployed with great care.
12. Policy on the major cities must be a ministerial responsibility.
13. A high-quality and flexible public service is of great importance. This will require adequate and market-oriented terms and conditions of employment and clear career prospects. The public service must also be kept as small as is appropriate.

14. Systematic attention must be paid to the quality of government organisations. They must be transparent and their performance measured as far as is possible. Where there are staff shortages, a 40-hour week with appropriate remuneration instead of a 36-hour week must be made possible.
15. As a user of communication technology, the government can stimulate its development. In carrying out its tasks, including the provision of information to the public and to industry, the government should make use of advanced information technology, thereby increasing labour productivity within the public service.
16. Political parties are the most important link between government and the public. Their position, both financial and otherwise, is being weakened by the decline in the traditional ties between the electorate and parties. Membership of political parties is falling. In view of the fundamental importance of the political parties to the functioning of democracy, this development is cause for concern. Together with the government, the parties will have to examine the options for revitalising the party system.
17. The further development and completion of the Senior Public Service (ABD) is needed for the most effective deployment of public servants. A larger number of ranks should be admitted to the ABD and it should extend its recruitment activities beyond the civil service.
18. Legislation and regulations should be clear and practical. Ways of reducing government through the courts must be found. Overlapping must be prevented in court proceedings.
19. Assessing the degree to which legislation and regulations are liable to misuse and abuse should form part of the drafting process.
20. The terms and conditions of employment applicable to top civil servants must be adjusted to facilitate dismissal on account of poor performance. It would be undesirable to provide income supplements in such cases. Furthermore, greater differentiation in the salaries of civil servants is needed.

21. The VVD will remain constantly on the alert so that fundamentalist views do not take such root in society that they become a threat to the principles of the rule of law.

III. THE ECONOMY AND PROSPERITY

The Netherlands has received international acclaim for its successful economic policy, one which is aimed at restoring economic growth and employment. Its objectives are healthy government finances, a reduction in the burden of taxation, flexible markets for products, services and labour and wage restraint. All these are now bearing fruit. The VVD has recommended this policy for many years. It took some time before the need for rationalisation advocated by the VVD was acknowledged. The growing realisation of the need for such measures and the opportunity it created for a government coalition of liberals and social democrats helped achieve these policy aims.

As a result, the budget deficit has been cut back to under 3% of GDP (the EMU norm). The percentage forecast for 1998 is in fact well below 2%. The present government has also achieved a substantial reduction in the burden of taxation (over 17 billion), creating more room for growth in the domestic economy. It also made it easier to bring about differentiated wage restraint in order to create more jobs. The government continued with a review of the social security system in order to increase its potential for mobilising the unemployed. As a result, the number of people in employment increased and for the first time in decades the number of people below the age of 65 who are on benefit fell.

The success of a policy principally advocated by the VVD is certainly a cause for satisfaction. Nevertheless, the economic balance has not yet been restored. We are still confronted with the fact that many unemployed people and the partially or wholly incapacitated have had no prospect of work for a considerable time. These are mainly people whose productivity is low due to their lack of education or training. Their low productivity, coupled with the relatively high level of the lowest wages in the scales agreed by collective bargaining (CAO), have led to a scarcity of jobs for these people. In addition, the number of older people who are out of work is worrying: for those over 50 it is often difficult to keep their jobs, while early retirement options become increasingly attractive.

Despite the improvements in the government's balance sheet, the amount that has to be borrowed in order to cover public spending remains too high. As a result, the public deficit is increasing in absolute terms and the shifting of the burden of taxation on to future generations has not yet come to an end. The public deficit in the Netherlands is still greater than it should (the

EMU norm of 60% of GDP has yet to be attained) and expenditure on the public sector remains too high.

In view of the results achieved so far, there is every reason to continue on the path we have chosen. The following policy recommendations are in line with this conclusion.

Public finances

1. In recent years the present governing coalition has succeeded in reducing the budget deficit, as a percentage of GDP, to such a level that admission to the Economic and Monetary Union was possible. The public debt has also started to decline. It will be necessary to reduce the budget deficit still further. In the coming term of office, the government must endeavour to reduce it to 1% at most, which will make it possible to reduce the public debt within a reasonable length of time to 60% of GDP (the EMU criterion). The VVD would ultimately like to see a norm of 0% for the budget deficit.

2. Reductions in the budget deficit mean that part of the government's investment expenditure in the coming years will have to be financed from current funds. The public debt as a percentage of the national income must decline further. Room for investment must be created by economic growth, but also by further cuts in government expenditure on goods and services. In the slightly longer term, a budget deficit of 0% must be the target. If the public debt is reduced to reasonable proportions, it is sensible to borrow in order to invest. From that moment, the public finance system will be governed by what is known as the golden rule of finance: government expenditure on goods and services will be paid for from current funds and borrowing on the capital markets will be permissible to finance investment spending. A ceiling will be imposed on borrowing on the capital markets which will be determined by the EMU norm and by the agreements made as part of the stability pact.

3. Extra funds must be released for certain core tasks of government. People must be able to feel safe again. The fight against crime therefore requires more funding. The same applies to environment policy. A policy targeted on the future, on sustainable economic growth, means we have to spend more on education. What is more, the ageing of the population entails extra expenditure on care,

including health care, for the elderly. Extra funds are in any event necessary for improvements to the health care system in general. The same applies to much needed improvements to the infrastructure. Adjustments in funding are necessary to cope with these measures to step up policy. Savings are possible if the government leaves those things to the private sector which the latter does better. These measures will cost approximately NLG 6.65 billion, the reduction in the budget deficit around NLG 5.5 billion and for reducing the burden of taxation about NLG 7.5 billion will have to be earmarked. Economic growth will create an extra margin of about NLG 6.8 million for the public sector. This means that rationalisation amounting to approximately NLG 12.8 billion will have to be achieved.

4. As stated above, a reduction in the budget deficit to at most 1% must be achieved in the next four years. In calculating the implications of this option we assume that economic growth will be 2%. Should it be higher, any windfalls on the income side should be used to reduce the deficit to 0% and thereafter for relieving the burden of taxation. Windfalls on the expenditure side should be used to finance the desired policy intensification measures (see part 3).

5. The private sector has been given more room to manoeuvre in recent years, partly as a result of the efforts of the VVD. Reductions in the burden of taxation and social charges have made wage restraint possible. As a result, many jobs have been created in the private sector. This trend must continue. In the coming four years it should be possible to relieve the burden of taxation by another NLG 7.5 billion. Part of this amount could come from restricting progression in the levying of income tax, in other words the first tax band in which the lowest rate is paid should be expanded. In addition to this one-off expansion, the size of each band should automatically be linked to the wage index. In this way, extra effort will be rewarded. This will have a favourable effect on the growth of the economy and on tax revenue. It is paradoxical but true: reduce tax progression and tax revenue will rise.

6. In addition, a shift from direct to indirect taxation would be desirable. In the existing situation, taxation exerts too much pressure on income from work. This pushes labour costs up which in turn puts a brake on growth in employment. But with any such shift in taxation it is

important to take account of rates in neighbouring countries. Because of sales prices in these countries, such shifts can only be effected in a European framework. Furthermore, the VVD wishes to introduce the phased abolition of wealth tax and capital duty, the first to promote capital formation and the second to encourage investment. What we need is a mix of tax measures which is as beneficial as possible in terms of job creation; an increase in the tax benefit to those in paid employment and an overall reduction in tax rates would be appropriate in this strategy. This will require a combination of a broader tax base and a net reduction in taxation. We must investigate what supplementary tax measures are possible to improve the position of older employees on the job market. A capital gains tax must not be introduced.

7. Strenuous efforts are being made within a European framework to create room for a reduction in VAT on labour-intensive services at national level.
8. Environmentally friendly behaviour on the part of society must be rewarded. This can be done by 'greening' taxation in the EU. Any increases in the eco tax must not be used to further an incomes policy. Any increase in energy taxes should preferably be made at European level. This can only be done if:
 - it does not harm our competitiveness internationally
 - the revenues are completely ploughed back
 - there are no negative effects in border areas.
9. In introducing further measures to 'green' taxation, we should remember that if taxing activities that damage the environment leads to more environmentally sound behaviour, this will erode the basis for the tax in question. Further greening must take place at EU level.
10. The distance between 'decision, payment and enjoyment' must be made as small as possible in public finances. The VVD therefore urges more intensive application of the user-pays principle.
11. Funds can be released through further sales of State estates and of shares in enterprises, and by selling off excess State property. The revenues obtained should be used to reduce the public deficit or to make sustainable investments.

Economic affairs

12. Healthy public finances will promote economic growth and employment. But that is not enough: with employment in mind, it is also necessary to invest in the infrastructure, which includes not only the physical infrastructure (roads, rail and waterways, ports, airports, etc.) but also the facilities required for the transport of information (IT, the electronic highway) and investment in human capital (education). The government has a role to play in all these areas. Sometimes responsibility rests entirely on government, sometimes it can confine itself to creating the necessary conditions.
13. The importance of a modern and adequate physical infrastructure for Dutch industry is obvious. Mobility and transport must not be too greatly affected by delays resulting from a lack of capacity. An active approach to expansion and modernisation that takes sufficient account of statutory environmental criteria is required.
14. The further development of information technology is of great importance to our economy. If we lag behind other countries in any respect it affects our competitiveness. The government needs to adjust the regulations in order to stimulate rather than hinder technological progress and associated cost savings. Dutch industry must make better use of the facilities available at European level for such development.
15. Research and development in all kinds of areas is a necessary pre-condition in order to be able to compete in the long term on international markets. There is an important role to be played here by Dutch universities, alongside the large technological institutions (TNO etc). The need is primarily for fundamental research rather than for applied studies. The funding structure of Dutch universities has led to a situation in which applied research (financed through contracts with industry) has begun to predominate over pure, pioneering research (funded by TNO etc.). This is an undesirable development, and more funds must therefore come from government and the technological institutions, thereby reducing dependency on industry. International cooperation and the integration of publicly funded research should be encouraged.
16. The privatisation of government activities also creates room for new developments in industry. Privatisation means that the government

terminates certain activities and hands production and services over to the private sector, which has to contend with competition and the discipline of the market. However, privatisation may not create monopoly positions for newly autonomous government services, since this is not in the interests of consumers nor does it lead to cost-reducing innovations.

17. In the funding and operation of large investment projects the question of whether 'public-private partnership' is possible must always be in our minds.

18. Service industries are rapidly becoming predominant in Dutch industry, while the relative importance of manufacturing is declining. This is a general, international trend in all the developed countries. However, it may not lead to neglect of manufacturing, since so many forms of economic activity (including the service sector) are complementary to industry. A healthy manufacturing industry is indispensable for a flourishing economy. Although the direct effect of industrial activity on employment is small, the complementarity just referred to makes it very important for jobs in labour-intensive sectors. What we need therefore is a general policy aiming to create the right conditions for investment in industry and in services. The Netherlands' competitive position internationally, which is also partly determined by government activities in neighbouring countries, is of great significance here.

19. The importance of small and medium-sized businesses to our economy is evidenced by the fact that a large proportion of jobs are in this sector. The present government has done much to improve its prospects. In the future, policy will have to be directed towards:
 - reducing the burden of taxation and charges;
 - fewer regulations;
 - improving the position of people starting small or medium-sized enterprises;
 - improving access to credit for development and subsidies for technologically advanced projects;
 - increasing opportunities for retraining, on-the-job training and refresher courses for entrepreneurs and employees in this sector;
 - export promotion;
 - improvements in the position of older employees and those who also have care responsibilities;

- increasing interest in the education sector in 'entrepreneurial training'.
20. In recent years many jobs have been created by foreign companies establishing themselves in this country. The open and stable policy conducted to date, notably in the economic sphere, has placed the Netherlands at the top of the list of attractive countries for foreign companies. Future policy must aim to maintain and if possible improve this position.
 21. In addition to strengthening the spatial economic structure of the Randstad (or Western conurbation), the right conditions must also be created for other regions to make as large as possible a contribution to GDP, and to reduce or eliminate differences in unemployment between the regions.

National agricultural policy

22. The agricultural and fisheries sectors would benefit by the introduction of market forces. The cost of their products would then fall for the consumer, although quality requirements would have to be maintained.
23. Agriculture and horticulture, alongside other social sectors, are important economic bases. Agriculture will be obliged to adjust to an ever-growing extent to changes in the market and in society. Important factors will be innovations in products and processes and product diversification. New forms of environmental management and organic farming call for attention. The sector should aim for a commercial structure with economically full-fledged businesses, possibly combined with subsidiary activities. The points made at 19 in relation to small and medium-sized businesses also apply, where appropriate, to agriculture and horticulture. Women play a significant role in this sector, and attention should be paid to increasing the scope for combining work and care responsibilities, here as elsewhere.
24. Increasing diversification must not consistently be at the expense of valuable agricultural land needed to produce food. A review of the relevant section of the Green Space Structure Plan will be necessary on this point.

25. Agriculture and horticulture must not be the only economic bases in rural areas. The agricultural world responds to social change and the desires of the community. Diversification plays an increasingly important role: new products, organic farming, new forms of wildlife and countryside management, new forms of recreation and tourism, and farming on a part-time basis.
26. The policy pursued by the present government which is geared to private wildlife and countryside management must be elaborated. More funds must be released for this purpose. The government must promote the management of these areas by the agricultural sector.
27. The restructuring of intensive animal husbandry and glasshouse horticulture should be continued, in the interests of the environment and the welfare of the stock.
28. The government is responsible for an adequate knowledge infrastructure and for types of research which cannot be directly supported by those with an interest in them.
29. Policy on subsidies must be aimed at encouraging innovation in Dutch agriculture and horticulture, the strengthening of international competitiveness and export promotion.
30. National agricultural policy must in the future aim at:
 - reducing the burden of taxation and charges;
 - fewer regulations;
 - improving the position of those starting up in agriculture;
 - improving access to credit for development and subsidies for new technology;
 - export promotion.
31. Animal welfare must be guaranteed through acknowledging the intrinsic value of animals.

Fisheries

32. Changes to the Common Fisheries Policy as of 2002 must lead to a balance between economic and ecological sustainability. Flexible, practice-oriented management instruments are essential if this aim is to be achieved. Industry must be encouraged to shoulder its responsibilities.

Agriculture in Europe

33. The main aim of policy still remains to maintain and strengthen competitive, market- oriented agriculture and horticulture in Europe. Further adjustments to the Common Agricultural Policy should take account of the following:
- the Netherlands' net position must improve: the cost/benefit ratio must be more in line with the relative prosperity of Member States;
 - there should be more scope for the Member States to subject extra income support to conditions relating to the environment, conservation and animal welfare;
 - all sectors, types and size of business must receive equal treatment in Europe;
 - the entire chain of production (from the farm to the customer) must use sustainable processes;
 - rules and conditions that distort competition must be eliminated (to create a level playing field);
 - policy on trade must be business-like, transparent and consistent;
 - the EU must adopt a firm approach to the next round of World Trade Organisation (WTO) negotiations in 1999, so that the cost of sustainable, responsible and safe food provision is the subject of consultations with the most important negotiating partners;
 - the entrepreneurs affected must be compensated where possible, for example through a phased approach to the most severe consequences of the changes in the short term.

Other aims include:

- further harmonisation of fiscal, veterinary and phytosanitary measures and of quality standards;
 - restrictions on the structural funds and more emphasis on training programmes in this context;
 - concentrated action to strengthen the economies (including the rural economies) of Central and Eastern European countries.
34. Volume restrictions on exports must be removed and scope should be created for domestic income support for agriculture.

Our economy and the European Union

35. Our economy benefits from the expansion of the market resulting from European integration. The creation of Economic and Monetary

Union and the introduction of the euro must also be seen as positive developments provided:

- only the countries which meet the convergence criteria (relating to the budget deficit, public debt, inflation, exchange rate and interest rates) in a sustainable fashion should be allowed to join EMU;
- the norms of the stability pact must be strictly observed;
- the European Central Bank must be able to operate independently without interference from political decision-makers.

If EMU is to be a success, it is essential for the labour market in the participating countries to function more effectively. This certainly applies to the Netherlands. Deregulation is therefore required to achieve this aim.

36. Government policy aims to maintain and strengthen the advantages of the mainport function of the Netherlands in relation to its European hinterland and to optimise the accessibility of markets for our industry, agriculture, fisheries, trade, distribution and transport. Special attention should be paid to directing the growth in the flow of goods within Europe to rail and water transport. The VVD supports the implementation of plans for principal European transport axes for road, rail and water transport.
37. Harmonisation of regulations through centralisation at European level is often ineffective and undesirable. Harmonisation is only desirable if the application of the subsidiarity principle requires it. What harmonisation aims to achieve can often be accomplished, if desired, through policy competition between the EU Member States. Nevertheless, excesses in the field of tax competition must be dealt with and cross-border problems tackled on the basis of a coordinated policy.
38. The VVD supports free trade, above all, and therefore wishes to remove tariff barriers.
39. Economic cooperation with the other Benelux countries should be expanded further.

The labour market

40. The apprenticeship system can be introduced on a larger scale. Work experience must be made easier to obtain for the more highly educated. Training and education must be more oriented towards diversification, in order to increase the deployability of young people.
41. A policy that succeeds in promoting economic growth is a pre-condition for combatting unemployment. However, that is not the whole story. The labour market must also function effectively, otherwise growth produces too few jobs. The labour market in the Netherlands is still hampered by all kinds of regulations governing terms and conditions of employment. Deregulation is required here.
42. The working of the labour market would benefit from:
 - more flexible terms and conditions of employment;
 - no longer automatically making collective agreements generally binding where they are incompatible with the public interest;
 - making dismissal easier;
 - gearing vocational education to the needs of industry (the urgent need for skilled workers can be met by the reintroduction of trade schools);
 - encouraging individual pupils to complete their education;
 - promoting projects which encourage early school-leavers to complete their education in another way.
43. In the recent period of office, some tens of thousands of jobs have been created outside the private sector and the public sector in the narrow sense for the unemployed and those who are partially incapable of work. The activities carried out by the people in these jobs for the benefit of the community must not lead to the distortion of competition. Employment created in this way must continue. It is further also desirable for the people in these jobs eventually to move on to the public sector and the non-profit sector (including the care sector). It is assumed that 20,000 will move on in this way.
44. A policy must be developed which will create jobs in areas with high concentrations of unemployment, such as certain parts of major cities.
45. Despite a successful job creation policy, some of the unemployed and partially incapable of work will for various reasons fail to find work.

Attempts must be made to find useful activities for society that this group can carry out (for example voluntary work). Expenses can be paid for such work which are not deducted from benefit nor are regarded as income.

46. The distribution of work and care tasks is in the first place a question of mutual agreements between partners, but if social problems are observed which make it difficult to combine the two, the government must act to facilitate this. People in work are increasingly interested in having a break from career-making for a shorter or longer period. As jobs become allocated in a more balanced manner between men and women, the need will grow for flexible contracts of employment. Account should also be taken of the interests of employers and employees. The primary responsibility for the substance of employment contracts lies with the social partners and individual employers and employees. The government must however lay down requirements with regard to terms and conditions in order to make the combination of work and care possible. For example, although responsibility for child care rests primarily on parents, employers and employees can together create the conditions to make it affordable. The government can set up a framework for this.

Social security

Progress has been made on reviewing the system of social insurance and social provision.

The WAO (Invalidity Insurance Act) has been amended in order to provide greater incentives to return to work. Other legislation, including the Sickness Benefits Act (ZW) and the Widows and Orphans Benefits Act (AWW), have also been adjusted to control costs, help mobilise the unemployed and to increase personal responsibility. Much has been achieved following the route the VVD wished to take. Nevertheless, the new administration will have to make a number of changes to the system.

47. Social security fraud needs to be vigorously combatted and prosecuted. The government must shoulder its responsibility in this matter, both as legislator and as employer.
48. The basis for determining the period in which unemployment benefit is paid must be a person's actual history of work rather than a notional one.

49. Amendments to legislation to prevent avoidable take-up of unemployment benefit are necessary.
50. The number of people receiving invalidity benefit can be reduced by making the decision-making process with regard to awards more objective and centralised.
51. Early retirement schemes must no longer be imposed on industry by government.
52. The AOW (General Old Age Pensions Act) must be index-linked and not income-related; pensioners must have this assurance even in times of recession. This will require amendment of the Linkage (Conditional Suspension) Act (WKA).
53. Greater efficiency will enable the social security implementing bodies to make considerable savings. Cooperation between these bodies (including the municipal social services, implementing agencies and employment offices) is still inadequate. Privatisation in this area could be extended much further, and employers should no longer be obliged to work with a particular implementing agency.
54. Competition must be introduced with regard to provision for those unemployed people who are difficult to place and for vacancies which are difficult to fill. The budget for this area should be transferred to the bodies currently implementing unemployment regulations. Competition will lead to efficiency savings.
55. The accumulation of all kinds of financial arrangements and subsidies for the less-well-off creates what is known as the poverty trap. Improving one's position on the labour market can thus lead to a reduction in disposable income. To prevent this, employment must be made more attractive by introducing a work allowance in the tax and social security system which is substantially larger than the present employed person's allowance.
56. Instead of municipalities largely declaring their expenditure on national assistance to central government, the existing national assistance budget should be allotted as benefit norm, initially on the basis of past expenditure, ultimately on the basis of an objective formula. The budget will be adjusted annually in line with wage and

price increases and the employment situation (in accordance with the proposals made by the Ety working party).

57. The VVD advocates bringing pension schemes more in line with the wishes of employees (individualisation and flexibilisation). The scope for individuals to design their own pension within a scheme must be increased, and may not be overly restricted by health risks. The new statutory schemes relating to medical examinations for insurance purposes must be evaluated in due course.
58. The country of residence principle must be applied to child benefit payments made for children living abroad.

IV. POLICY ON WELFARE, CARE AND THE ELDERLY

Health care is regarded as an important asset in our culture and has for decades stood high on the individual's list of priorities. The Netherlands is characterised by a high level of care provision and access to services in comparison with other Western countries, while costs are no higher than elsewhere.

Difficulties are, however, to be expected, both now and in the future. Waiting lists, the quality of care, accessibility and affordability are all under pressure.

As a result of changes in society and the fact that life is becoming more and more complex, an increasing number of people suffer from psychological problems. An inventory should be made of the causes of such problems and the increase in demand for services in this area must be inventorised to ascertain whether existing institutions can cope. We need guarantees that our health care services will remain of high quality. In addition to quality, the VVD attaches great importance to the accessibility and affordability of care. Promoting these aspects, in addition to planning and guaranteeing the physical infrastructure of the health care services are the government's responsibility. Nevertheless, it is not unreasonable to expect greater responsibility on the part of the individual in this area. In calculating the costs of the health sector, the VVD assumes a 2% growth in volume per year. All these considerations have been incorporated in the following policy premises.

1. In the longer term we have to work towards a convergence between the Health Insurance Fund and private insurance. This can be tackled in two ways. Firstly, the income-related contributions made to the Health Insurance Fund must gradually be built up to become flat-rate premiums which cover costs and are unrelated to age. Secondly, the salary threshold above which the only option is private insurance should be frozen. It would be desirable to introduce the principle of excess in the system: in this way, the Health Insurance Fund will gradually begin to operate in the same way as any other insurer.
2. Everyone should be obliged to insure him/herself against the cost of medically necessary payments from a much reduced Health Insurance Fund package. Less essential and personally oriented services could then be insured on a supplementary and voluntary basis. Insurers

would be obliged to cover the basic, compulsory package.

3. If the introduction of flat-rate, cost-effective premiums leads to unacceptable financial problems for certain individuals, they should be able to apply for a care insurance allowance.
4. In order to make sufficient funds available for quality improvements in the care sector, it will be necessary to improve efficiency and effectiveness in the sector. Savings achieved through greater efficiency can be translated into more care services. With regard to home care, a distinction should be made between nursing and care on the one hand and household help on the other. Greater choice for patients and more competition are necessary with regard to the latter. In addition, the VVD advocates a limit on reimbursement of a prescription fee to dispensing chemists.
5. Further amendments to the AWBZ (Exceptional Medical Expenses Act) is necessary as insurance against only uninsurable risks. We must investigate whether individuals' own contributions to the cost of provision financed under the AWBZ cannot be increased. Furthermore, a right of recovery must be introduced into the AWBZ, as is already the case with Health Insurance Fund insurance and private medical insurance.
6. Health care belongs to one of the areas for which the VVD is in favour of policy intensification. We are thinking in particular of reducing waiting lists, improving the quality of direct patient care and of nursing homes (enhancing privacy). Waiting lists could be much reduced by allowing for treatment in the evenings and at the weekend. Priority for those in employment and people caring for others is an acceptable method of further reducing waiting lists where certain forms of treatment are concerned. Two billion guilders will have to be earmarked for these measures.
7. Quality standards will have to be developed to measure performance in the care sector which will be taken into account in the allocation of budgets to the various institutions. Bureaucracy must be avoided and commercial and non-commercial providers of care given equal treatment when the standards are being established.
8. The scope for medical treatment in private clinics must be expanded.

9. General practitioners occupy a central position in primary care. Their remuneration must be determined by both a subscription fee and a treatment fee for the Health Fund and for private insurers. The treatment fee is important since it can reduce the number of referrals to more expensive specialist care.
10. A standard package for home nursing must be defined. The composition of the package must guarantee sufficient care provision of high quality.
11. The incomes of medical specialists, both independent practitioners and those attached to a hospital or clinic, must be regulated as soon as possible. Length of training, the workload and inconvenience must be taken into account.
12. The individual's right to self-determination must be recognised as must the government's duty to protect life. Euthanasia and assisted suicide can only remain unpunished if a doctor is involved. The patient's request for euthanasia must be well-considered and urgent. The doctor must comply with the requirements imposed by the duty of care which have developed in case-law and medical practice and his actions must be assessable. This means that existing practice will have to be codified under the next administration in a statutory exception to the applicability of the criminal law to euthanasia and assisted suicide.
13. Clients in the care sector are entitled to information, privacy, the security of their medical particulars and to inspect their medical files.
14. The scope provided by the law for compulsory treatment of people with serious psychological disorders, particularly psychotic people with no insight into their illness, must be increased in order to ensure that their illness is treated as effectively as possible.
15. Better coordination of youth policy is desirable, which requires harmonisation of regional and central government policy.
16. It is essential to devote attention to young people in society. Government responsibility with regard to young people's growth towards independence and ability to look after themselves is expressed in:

- the provision of information in schools on the dangers of addiction to drugs, alcohol, smoking and gambling, and of sexually transmitted disease, accompanied where appropriate by measures to improve demand-led provision of youth services;
- provision of education tailored to suit the individual to young people who need it because of learning or behavioural difficulties or handicaps, and coordination of services provided by the different agencies.

The drugs issue

17. The problem of hard drug abuse is accompanied by considerable nuisance and other serious effects on the lives of many ordinary people. What is more, organised crime, which is associated with hard drug use, constitutes a threat to the rule of law. All of which necessitates a resolute corrective policy on the part of government. Public health issues must also be given a clear and central place in overall policy and the various approaches opted for must reinforce each other. A combined policy within the framework of safety and public health is called for.

An effective corrective policy requires more resources for the police and criminal justice authorities, in order to make detection and prosecution more vigorous. Each and every form of nuisance must be countered in a consistent manner. Policy should also focus on potential drugs users and those who have just started to abuse, and help them to stop or never to start. Foreign nationals will be prosecuted and then returned to their country of origin as quickly as possible. Clear agreements on this subject will have to be reached with the countries concerned.

If research shows that the health of individual users can be improved through expanding the scope for supplying them with certain amounts, this will have to be regulated by law, provided no negative external effects are created and provided such measures do not attract users from elsewhere. In helping serious addicts in this way, the services concerned will have to be enabled to provide, at a reasonable cost, on an individual basis and under medical supervision, the drugs or medicines required. The drugs should be provided and used in hospitals and should only be given to persons who are legally resident in the Netherlands. A contract should be signed between the agency

and the addict which contains agreements that will keep the addict away from the illegal circuit and encourage his/her reintegration in society. The agencies concerned must also offer good detoxification programmes. Strict identity checks and record-keeping are also required. At a decentralised level, close cooperation between local authorities, care agencies, the justice authorities and the police is a pre-condition. At central government level, the Ministry of Health, Welfare and Sport should offer assistance and supervision.

Equal opportunities

18. Equal opportunities policy still requires an integrated approach to employment, care, social security and tax legalisation.
19. Equal opportunities policy should aim to promote a society in which there is the freedom to play a number of roles in one's life, a society in which it is possible to share the responsibilities for paid and unpaid work and where men and women have equal rights, in relation to economic independence as well as in other areas.
20. The plans to expand child care must be continued, in particular before and after school provision.
21. Violence against women must be combatted, both domestic violence and that involved in the growing traffic in women.

People with a disability

22. In principle, the VVD favours a general policy actively geared towards integration with regard to people with a disability. In exceptional cases, a specific policy would be appropriate.
23. An effective health policy must lead to early diagnosis and treatment for physical, sensory and mental handicaps.
24. All public services such as education, public transport, public buildings etc. must be accessible for the disabled.
25. The personal budget must be expanded as an option alongside care in kind.

Policy on the elderly

26. Policy on the elderly must be based on freedom of choice, independence, ability to look after oneself and the participation of elderly people in the life of the community.
27. Adjustments to the terms and conditions of employment - for example, through permanent education - and tax rules should be made so that elderly people who are nowhere near retirement can maintain and strengthen their position on the labour market.
28. Benefit paid under the AOW must be index-linked. The AOW is a basic pension and every individual has in principle to join supplementary pension schemes. The VVD is not in favour of levying the AOW contribution over supplementary pensions. In exceptional cases additional support from the government is needed for pensioners who only have the AOW pension. This applies in particular to single or widowed pensioners. In order to ensure that the AOW remains affordable, an AOW Fund is to be set up in accordance with agreements already reached. The transfer of NLG 1.5 billion to the Fund envisaged by the present government will be gradually raised to NLG 4.5 billion in the next term of government.
29. Non-functional age limits that discriminate against elderly people and restrict their participation in society must be abolished.
30. Elderly people must be enabled to live independently for as long as possible. This has implications for building, care and traffic and transport policy.
31. User-friendly tion technology (see Chapter VII) must be employed to the same end.)
32. Flexible retirement schemes must be promoted and individual employees must have greater freedom of choice with regard to the pension agreements applicable to them. Pensioners are entitled to representation in the executive boards of the pension funds.
33. People living in nursing homes are entitle to have their privacy protected. Existing policy on this point must be taken into account and continued in the nursing home building programme. More

attention must be paid to quality of life.

Nursing home staff must demonstrate respect for individual wishes with regard to lifestyles and cultural and religious matters.

Immigration policy

34. Four main themes dominate policy on immigration:
 - promoting the integration of minorities residing in the Netherlands (participation);
 - restricting immigration;
 - combatting discrimination;
 - providing incentives for remigration.

35. Within the Dutch democratic and legal framework, migrants are entitled to express their own culture, except where it would conflict with the law. Dutch culture must be the binding element within our society, and migrants must therefore assimilate as much as possible of that culture.

36. The obligation to learn Dutch that is incorporated in the integration contract applies not only to newcomers but also to those who have lived here for a longer period insofar as a knowledge of Dutch is indispensable for getting and keeping a job.

37. Finding a job is of great significance in integration policy. A policy directed towards growth in employment is therefore essential. Restrictions caused by discrimination must be removed.

38. Restrictions on immigration are necessary to prevent policy being undermined by a significant difference between immigration and emigration. The basic premise on which asylum policy is based should continue to be that those who have fled their country for political reasons will be considered for refugee status. Economic refugees will not be granted admission to the Netherlands. Those who are illegally resident in this country will have to leave. Steps must be taken to prevent asylum seekers whose applications have been rejected disappearing and becoming 'illegal'.

39. Family reunion must only be possible if the person wishing to bring his/her partner to the Netherlands has an income equal at least to the national assistance payment for a married couple.

40. The harmonisation of asylum legislation and policy implementation within the EU is essential. Recognised refugees must be distributed proportionately over the EU member states.
41. Countries that refuse to cooperate in the return of their nationals must lose any eligibility they may have for financial assistance from the Netherlands.
42. The last court decision in an asylum procedure must also be the last actual decision. The General Administrative Law Act (AWB) hampers the implementation of the Aliens Act, resulting in numerous legal proceedings. The AWB must no longer apply to asylum proceedings.
43. The government has an important task with regard to the elimination of discrimination. The disadvantages suffered by many migrants are often caused by discrimination and racism, which must be countered by publicity and education.
44. In principle, all asylum seekers who have the proper documents in their possession must be allowed to apply for asylum.
45. Closer cooperation between the Ministry of Justice (Immigration and Naturalisation Service), the Ministry of the Interior (Aliens Department), the Ministry of Foreign Affairs (embassies and development cooperation), the Ministry of Defence (the Royal Military Constabulary) and local authorities is necessary in order to achieve better direction and control of migration issues.
46. Unequal treatment of nationals of the Kingdom of the Netherlands overseas with regard to their settlement here must end. The same rules must apply to the admission of all Dutch nationals within the Kingdom.

Youth policy

47. Youth policy must be based as far as possible on freedom of choice, independence, and participation. Young people are entitled to protection against sexual abuse and psychological or physical violence. The government is responsible for the adequate provision of services for young people in serious difficulty. Minor problems should be solved as far as possible outside the institutions. Drug abuse as a

form of recreation by young people must be discouraged as much as possible. Publicity campaigns are an important tool in this respect.

Adoption

48. The VVD considers the interests of the child to be paramount in adoption. The social circumstances (marriage, cohabitation etc.) in which the child grows up are secondary to this.

I N V E S T I N G I N Y O U R F U T U R E

V. SAFETY AND SECURITY

Assuring the safety and security of the public is one of the government's core tasks. However, the government's responsibility in this respect remains complementary to the responsibility of the individual, organisation or company for his/her/its own safety. Despite the efforts made in recent years, the quality of law enforcement still leaves something to be desired, which in turn affects the public's sense of safety. Greater emphasis on crime prevention, an increased and more visible presence of police and other forms of supervision (including those policing compliance with environmental legislation) and continuing reorganisation of the Public Prosecutions Service are all necessary.

1. First, the police force needs another 5000 officers, who should be deployed in such a way that their visible presence on the streets, in urban and in rural areas, has a preventive effect. In addition, members of the public, companies and public bodies must be reminded of their own responsibility to prevent crime. Town watchers and private security firms can help reinforce preventive measures, provided they are coordinated by the police. We must be alert for any loss of quality or integrity. Greater efficiency within the organisation can also strengthen the police service. Civilian staff, for example, can take over administrative work and thus release police officers for active duties, and simple tasks can be transferred to the municipality (town watchers).
2. If the government fails to enforce the law and maintain standards, then disrespect for norms and values will increase. The government's credibility is thus undermined. The policy of tolerance must therefore be restricted to situations where it is only needed for a short time. It is then essential to improve detection rates, enhancing prevention and the public's perception of its safety and security. Within this context it is necessary not to tolerate minor offences but to tackle them immediately in the interests of prevention. For example, the police have recently been applying in a number of problem areas the 'zero tolerance' model, as developed in the United States and the United Kingdom, but in line with Dutch regulations and practice. Another issue that must be raised is whether police protection at high-risk public events can always be provided free of charge.
3. Since a radical reorganisation of the police service would reduce the

attention that could be paid to routine duties, what is needed is a gradual development of the regional police forces towards one decentralised national police service. The responsibility of the Minister of the Interior for the management of the police service must be strengthened. This means that the minister must have greater powers to direct the policies of the force managers. He is accountable in this respect to Parliament. Authority over the police with regard to public order should remain with the burgomaster and with regard to enforcement of criminal and administrative law with the Public Prosecutions Service. The burgomaster is accountable in this to the municipal council and the Minister of Justice to Parliament. Ministers responsible for the police must have a greater say in matters such as the allocation of funds for staffing and equipment.

4. Prevention is an essential element in fighting crime. Relatively 'minor' offences must be nipped in the bud. The policy of imposing on-the-spot penalties has a preventive, educative and corrective impact on offenders and the scope for implementing this policy must be expanded.
5. The police must in the first instance act preventively, thereby reducing crime but also the burden on the criminal justice system in terms of resources invested in investigation, prosecution, trial and sentencing.
6. People who report offences must be better informed and protected. This applies even more strongly to the victims of trafficking in persons, particularly women.
7. Rules whose contravention does not constitute a serious offence must be enforced as far as possible under administrative law, as is the case with traffic regulations.
8. Where minor forms of common offences are concerned, the out-of-court settlement usually agreed to by the Public Prosecutions Service must be automatically converted into a fine if it is not paid, unless the person in question has instituted appeal proceedings. The Public Prosecutions Service must also be able to agree on an alternative sentence (community service) in such cases.
9. In passing sentence, the courts must have at their disposal a flexible array of instruments including financial penalties, community service,

and partial custodial sentences, so that the available cell capacity is most effectively deployed. Putting a number of people in one cell must be seriously considered. Confiscating the proceeds of crime must become the rule.

10. Savings can be achieved through tightening up the policy aimed at a more austere regime in prisons.
11. The Public Prosecutions Service has lost authority through the lack of success of its policy on organised crime in the drugs trade. Only those investigation methods sanctioned by law may be used. Like the members of other legal professions with high quality requirements, the officials of the Public Prosecutions Service must acquire more specialised knowledge of areas such as environmental offences, organised crime, crimes of violence, fraud and tax offences, vice, juvenile crime etc. The reorganisation will also have to create a new specialism: administrative enforcement. Only once its professionalism, quality and responsibility for results have been considerably enhanced will the Service have the upper hand once again over criminals and their sources of professional support.
12. Effective measures to combat organised crime, which is to an increasing extent a cross- border issue, will require close cooperation between the criminal justice authorities in the EU member states. The scope for such cooperation, which to date has been hampered by bureaucratic, old-fashioned diplomatic convention must be substantially broadened in the short term.
13. The reorganisation of the judiciary will have to respect its independence. This means that the judges forming part of the steering committee responsible for modernising methods of operation and increasing the effectiveness of existing capacity must have a casting vote.
14. Management tasks arising from the work of the judiciary and the Public Prosecutions Service must be carried out by professionals, thus creating more room for the core tasks of both organisations.

I N V E S T I N G I N Y O U R F U T U R E

VI. THE USE OF SPACE

Space is in short supply in the Netherlands and must therefore be used in the most effective way. We need space for economic activities (industry, services, agriculture), for nature and wildlife, for recreational purposes, for the transport of people and goods and as living space. The use of space for these different purposes has significant external effects, which makes government intervention in this field indispensable. Land-use planning, housing and environmental protection are thus a public issue. Planning in the broadest sense is an important part of government policy. The VVD's views on this matter are set out below.

The physical infrastructure.

1. A high-quality network of transport routes, ports and airports is of vital economic importance to the Netherlands. The network provides physical transport via road, rail and waterways, pipelines and air routes, but also information transport via cable and the electronic media (the superhighway). Increasing the capacity of the network is a pre-condition for economic growth and thus for increased prosperity and well-being. This is partly the responsibility of the private sector, and partly of the government. In other words, the government directly determines the capacity of part of the network and has to create the conditions whereby capacity increases are possible in the other part. A total of NLG 5 billion extra has been earmarked for this purpose in the coming term of office.
2. The procedures to be followed must be accelerated in view of the urgency of the need for more capacity and must therefore run in parallel wherever possible once the decision to increase capacity has been taken. The need constantly to take follow-up decisions on the same issue must be avoided. Nevertheless, the legal position of the various interested parties must be respected.
3. The government must make it possible to expand the capacity of our 'mainports' (both sea and airports). The investments required must come as far as possible from the private sector. Any public investment needed must come from the government.
4. Road capacity is completely insufficient, particularly in the Western conurbation, resulting in serious congestion. This must be tackled in

two ways: firstly, by increasing capacity and developing innovative alternatives to vehicle transport and secondly, by reducing car mobility.

5. The basic principle is that the public must be able to move from one place to another safely and quickly. Freedom of choice with regard to mode of transport is paramount. This does not alter the fact that the growth in road traffic must be limited by means of a number of coordinated measures:
 - variable car costs;
 - encouragement of teleworking (thereby reducing commuting);
 - incentives to firms to develop their own travel plans;
 - promotion of collective forms of transport;
 - construction of a light rail network;
 - improvements to public transport (efficiency, accessibility and service);
 - designating special lanes on motorways for certain groups and 'pay-lanes' as an alternative to busy routes;
 - use of information technology for traffic control;
 - improvements to connections between various forms of transport;
 - encouraging employers to allow their employees to work flexible hours;
 - creating the conditions for shifting goods transport from roads to rail and shipping.

6. If variable car costs take the form of road pricing, this demand-regulating measure must not become a covert form of taxation, which it is if there is no real alternative to using the road system.

7. More effective land use can be promoted by combined use (agriculture/nature conservation, water collection/nature conservation, nature conservation/recreation, nature conservation/housing). We should also consider combining infrastructural projects with housing or office buildings (for example, office buildings built over a motorway).

8. The quality of the environment (including the presence of green spaces and recreational facilities) enhances people's enjoyment of their housing and working situation in both urban and rural areas. It also attracts companies looking for locations for factories etc. A more equal distribution of economic activity over the entire country would therefore be in the interests of quality of life.

9. Contracting out can increase the efficiency of public transport and reduce costs.
10. Urban regeneration, aimed at strengthening the structure of our towns and cities, the economic base and the urban environment, and measures to improve the quality of life in certain neighbourhoods must continue. Policy on the major cities plays an important role in this connection.
11. The social and economic dynamism of rural areas demands constant attention, notably with regard to the level of facilities and the economic profile.

Housing

12. The need for suitable and high-quality housing is rapidly increasing in our cities and outside them. The causes are demographic ones (the ageing of the population, a decrease in the average size of families) and growing affluence. Allowing market forces greater play is the best solution here: high-quality residential areas offer the greatest economic and social value for the future. In most of the country, there is more than enough space for this purpose.
13. The quality of life in older districts in the major cities must be substantially improved. Concentrations of people who are out of work, on benefit and ill-educated must be restricted in order to avoid the formation of ghettos. This can be done by pursuing a housing policy in which social housing is combined in such districts with a supply of more expensive housing in the rented and home-owning sectors.
14. In order to maintain the level of facilities in population centres in rural areas, sufficient quantities of new housing must remain available there. The VVD supports measures to this end.
15. The connection between what a tenant pays and the quality of the housing must be reinforced where rent grants are concerned.
16. People must be encouraged to buy their own houses and the existing tax arrangements maintained.

17. In addition to encouraging people on lower incomes to buy houses, a sufficient supply of inexpensive rented accommodation must be maintained.
18. Market forces must be allowed free rein in the area of rents, since this will improve mobility.
19. People renting social housing must be encouraged to buy the house they are occupying and their landlords encouraged to sell.
20. Elderly people must be enabled to live independently for as long as possible. Once they have to move, accommodation must be available for them in their own, familiar surroundings and close to shops and public transport. The VVD wants housing construction to take place in accordance with the principle of 'life-long occupation'. This guarantees that the needs and wishes of elderly people will be taken into account.

The environment

21. Concern for the environment is in the first place a question of attitude. More publicity is required to develop even more rapidly the growing environmental awareness among the public.
22. Economic growth can indeed go hand-in-hand with improving and maintaining environmental quality. Sustainable economic growth also gives us the means to invest in prevention, environmentally friendly production techniques and to repair environmental damage.
23. The VVD is in favour of a market-oriented environmental policy. That is, producers and consumers should be given financial incentives for environmentally sound behaviour. If such a policy proves ineffective and if the conduct of producers and consumers causes serious environmental damage, then statutory regulations will have to be drafted and strictly enforced to prevent such damage being done. This will require an increase in the numbers of police officers charged with enforcing environmental regulations.
24. A market-oriented environmental policy must encourage innovations leading to the use of cleaner and more economic technology and more efficient use of infrastructure.

25. An example of such a policy is the introduction of emissions trading, though its use must first be carefully studied.
26. A successful environmental policy needs:
 - periodic evaluation of the results of policy and adjustment where appropriate;
 - a greater distribution of responsibility over the main actors;
 - efforts to make the policy implementable and enforceable;
 - vigorous measures to tackle environmental offences.
27. It is necessary to remove the link between economic growth and growth in energy consumption. We must change over to energy resources which are better aligned with the requirements of a sustainable society and thereby contribute to reducing the greenhouse effect. In order to reduce carbon dioxide emissions the option of increasing the use of safe nuclear energy must remain open. Pre-conditions for the use of nuclear energy are safe storage facilities and sustainable methods of disposal. In addition, research into the development of sustainable energy sources must continue. In view of the finite nature of fossil fuels (oil, gas), environmental and energy policy must place a high priority on energy-saving.
28. Energy taxes may be levied provided:
 - the Netherlands competitive position is not affected internationally;
 - the revenue is fully reinvested;
 - there are no negative effects in border areas.
29. In tackling cross-border problems, the input of the border regions is important. Border provinces must be enabled to reach cross-border agreements on the environment, with particular reference to water, with as little direct intervention from central government as possible.
30. The government must invest in publicity campaigns in order to increase awareness of the significance of environmentally friendly behaviour. Changes in behaviour are the basis for sustainable economic development.
31. Environmental policy is costly and the 'environmental guilder' can be invested in many ways. The benefit for the environment from each guilder invested must be as great as possible. Often, the benefit is greater if the funds are used to combat the destruction of the

environment abroad (in Eastern Europe, for example), where that damage has cross-border effects.

VII. INFORMATION AND COMMUNICATION TECHNOLOGY

Information and communication technology (ICT) is one of the challenges facing the next administration. Taking advantage of the opportunities it presents will lead to a whole range of new developments. These will affect our democratic system, the efficiency of our industries and the way our government operates. Our attitude to these trends is positive, though we do not underestimate the risks they pose. For this reason, the government must be actively involved in the introduction of ICT in society.

1. In the years to come ICT will exert an ever-growing influence on our democracy and thus on government. Provision of information to the public and public consultation processes will continue to take place along traditional lines, but will also take advantage of electronic media. This creates the opportunity to improve democratic processes at national, provincial and municipal level, while holding fast to the principle of representative democracy. Optimal access to new technology through libraries, neighbourhood centres and schools must be guaranteed.
2. A healthy ICT infrastructure is a pre-condition for further economic growth. This means that high-quality networks of sufficient capacity must be available and appropriate software and interesting applications developed. Job growth will increasingly be dependent on ICT.
3. In a liberalised market economy the creation of an adequate infrastructure is primarily the responsibility of market players (including, incidentally, the government as an important consumer and provider of services). The government has to create the right conditions for desirable developments. This has implications for legislation (copyright, privacy, security etc.). Existing legislation, such as the Computer Crime Act and the Data Protection Act, therefore require supplementary provisions in the field of telecommunications and the Internet, among others. In view of the great importance of these technologies, measures are necessary to put these provisions in place as soon as possible. An issue which merits particular attention is that of the confidentiality of electronic correspondence: compliance in the public and private sector must be investigated.

4. Better coordination with European regulations and developments is required if ICT is to flourish. Where appropriate the government, as a large consumer of ICT, can support and encourage new developments.
5. Further use of ICT in the government sector in order to improve the quality of the service it provides needs to be tackled on an integral basis and should be based on a policy view applying to the entire public sector. The VVD proposes the creation of a ministerial commission to formulate this policy view in the light of developments in Europe and in global industry.
6. The use of information technology must become part of every stage of education. Initial training and refresher courses for teachers must be designed to this end. Government should collaborate with industry to stimulate ICT studies in further and higher education. All these measures, combined with high-quality research into ICT are essential if the Netherlands is to continue to maintain a competitive position in a knowledge-intensive world market.
7. The use of ICT and the electronic superhighway to reduce traffic congestion and concomitant environmental damage by increasing the opportunities for working and learning from home must be encouraged.

VIII. EDUCATION AND CULTURAL AFFAIRS

Education

Education is one of the most important instruments for personal development and economic and social progress. Pupils and students must be offered optimal access to a school career that is in line with their individual abilities. Together with the family, schools help teach the norms and values that are important to the individual if he/she is to become a responsible citizen.

Ensuring the supply of high-quality education is one the government's most important core tasks. The VVD's policy in this respect is as follows.

1. Education needs to be more closely geared to the needs of the labour market. Greater emphasis on maths and sciences, technical subjects and languages is therefore required.
2. The rapidity of technological progress in particular means that knowledge quickly becomes out-of-date. There is thus a need for permanent education (life-long learning), and tax incentives can stimulate this.
3. There is in principle no need for renewed discussion on the structure of education. Efforts should now be made to achieve quality improvements based on the present structure.
4. Special attention should be paid to both gifted and less gifted children in improving the quality of education.
5. Policy in the past focussed strongly on through-put in education. Quality often won out over quantity. The effort to produce as many graduates as possible led to a lowering of performance requirements and levels. This development must be turned around by introducing strict selection criteria at the beginning and the end of courses.
6. The application of information technology can lead to great improvements in education. Increased use of computers in our schools has consequences for lesson content and the demands made on teachers. Greater attention must therefore be paid to the implications of computers where teaching methods are concerned.

7. In a society based on knowledge (the Netherlands as 'brainport'), it would seem logical for the teaching profession to have considerable social standing. That is not the case at present. In fact, the value society attaches to the profession would appear to be declining. To reverse this trend, efforts must be made to improve quality and to adapt the terms and conditions of teachers' employment in line with this. Better terms of employment will attract new talent, as will differentiation in salaries and legal status. Teachers working in difficult circumstances (for example in the inner cities) merit special attention.
8. Partly in view of the Netherlands' role as a trading nation and distribution centre, the knowledge and understanding of foreign languages and cultures must be stimulated.
9. We should support the effort to provide schools with greater independence and control over their own affairs, albeit subject to clear government criteria regarding proper administration.
10. Schools must offer an overall approach to pupils, demonstrating concern not only for their educational motivation and performance, but also for responsible social behaviour and their health and safety.

Primary education

11. The emphasis in primary education should be on basic skills such as reading, writing and arithmetic, while paying sufficient attention to subjects such as geography, history and biology, music and self-expression and physical training. The curriculum must not become overloaded as a result of the attention devoted to all kinds of social issues.
12. The partial integration of special schools into the ordinary education system demands constant alertness. Schools and teachers must be enabled to learn how to cope with differences between pupils.
13. Class sizes, notably in junior primary education must be reduced still further in order to offer pupils greater scope for development.
14. Clearly differentiated end targets must be formulated for primary education which are matched with the entrance levels for secondary

education. Primary and secondary schools must conclude agreements on standards for these targets, under the supervision of the education inspectorate.

Secondary education

15. In the changes currently being made in the second stage of secondary education, the primary aims are to make further improvements to quality, to link secondary education to higher education and to make adjustments in the light of new demands made by society. Knowledge, understanding and skills must be imparted and developed through a flexible approach combining class teaching, group work and independent study. Extra effort will be required to help pupils cope during the transition stage from the old system to the new.
16. There is no reason to question the *raison d'être* of the independent pre-university schools (gymnasium). Gifted children also require extra attention within the education system.

Pre-vocational and senior secondary vocational education

17. In the light of great economic importance of small and medium-sized businesses and the needs of the labour market, a reorientation is required in this segment of the education system. A practical variant is needed within pre-vocational education in order to reduce the drop-out rate. Continuing innovation is a characteristic of senior secondary vocational education. There should be greater coordination between these schools and the apprentice system and institutions offering adult education, so that they concentrate on the needs of the pupils and the wishes of industry. To increase efficiency and transparency vis-à-vis regional businesses, the training infrastructure of the manpower services system should be integrated into the regular education system.

The aim of a differentiated intake of pupils is to provide tailor-made education and thereby to provide industry with a supply of skilled, well-qualified recruits. Schools must play their part here through counselling, new teaching materials and by strengthening the vocational element, notably in the field of technical education and information and communication technology.

Higher education

18. Universities and institutes of higher vocational education (HBO) must be maintained as independent forms of higher education of a different character. Nevertheless, as much cooperation as possible is necessary where the use of facilities is concerned.
19. While research in universities should as far as possible consist of pioneering work (pure research), the applied research done in the HBO institutes should also serve educational interests
20. Too great an emphasis has gradually been placed on the funding of university research through contracts with industry. This has led to a disproportionate growth in applied research in the universities. More funds should be made available via government and the large technological institutes.
21. Measures must be taken to revitalised the teacher training system (primary and secondary) in order to increase the attractiveness of the profession, given the need for sufficient teachers.
22. Too much interference by government in scientific research can irreparably damage the process of knowledge production. Caution is therefore advisable in this area. Research is a creative process that must not be hampered by the application of criteria geared to the direct interests of society in the short-term.
23. More and more disciplines have evolved within the universities which would be better suited to the HBO institutes. University education should focus on analytic thought, acquaintance with the results of research and learning the skills necessary to conduct independent research. In the HBO institutes, on the other hand, the vocational element must be reinforced.

Student finance

Other forms of education, differentiation, internationalisation and combinations of study and work are leading to new developments in higher education. The many changes that have led to the present student finance system constitute an obstacle to flexibility and innovation within higher education. They do not measure up to the great differences between students

and the requirements of the labour market.

The system must be adjusted in the coming term of office so that stability is achieved without forcing students and education establishments into a straitjacket.

24. The student finance system should facilitate rather than hinder developments in higher education. The basic premises must be to maintain the existing loan system without reference to parental income, and to create access for everyone who has the required ability.
25. The system of financing will have to meet the following minimum requirements:
 - the basic grant should be maintained;
 - the entitlement to free rail travel should be abolished and the funds thus freed added to the basic grant;
 - financing geared to specific courses of study and no longer subject to an age limit;
 - no increase in performance criteria for foundation courses;
 - the present loan system which is independent of parental income must be continued;
 - more scope for agreements between students and educational establishments on the structure and length of a course of study must be created;
 - new measures should be introduced per year of study.

Weighted draw

The present system of a weighted draw has proved inadequate. It does not take sufficient account of the student as an individual. Future students must be enabled to determine their own fate to a greater extent. Marks gained in final school examinations must therefore play an important role in allocating university candidates where the number of places is limited. The average mark guaranteeing direct access to a university place should be set at a reasonable level. Good marks must be encouraged and rewarded.

Cultural affairs

26. Developing an awareness of the arts and promoting active and passive participation in the various forms of cultural expression are of major importance to personal development and to society as a whole.

Familiarity with our cultural heritage fosters social cohesion. The history of the Netherlands is visible in buildings, writings and images. This cultural heritage, which forms part of our national identity, must be passed on from generation to generation. There is a clear responsibility here for the education system, notably in the teaching of history and geography.

27. Our cultural heritage and the further development of our culture will give the Netherlands a clear identity in Europe and the rest of the world. The government must create the necessary conditions for the preservation of that heritage, including archaeological aspects, and must encourage new and high-quality forms of cultural expression. This will require an increase in the cultural affairs budget. Listed monuments and archaeological research need financial incentives which because of the broader issues involved should not be included in the culture budget. The present rigid division between categories of listed monuments should be reconsidered.
28. A system of licences for the import and export of archaeological material must be introduced.
29. Quality is a major criterion in policy on the arts, one which must be applied by external experts and not by government. Choices of substance need to be made in order to avoid fragmentation.
30. The various ministries involved must pay greater attention to cultural issues.
31. A greater focus on the development and use of the Dutch language, a culture carrier *par excellence*, is desirable. The cooperation between the Netherlands, Flanders and other areas where Dutch is spoken in the field of language and culture, must be expanded. One way of doing this would be to implement on a broad scale the cultural convention concluded with Flanders in 1995. A Dutch-Flemish information centre in the heart of Europe, i.e. in Brussels, would be a useful step in this direction.

Sport

Over 4,5 million Dutch people take part in organised sport through 30,000 associations, while many hundreds of thousands provide assistance on a

voluntary basis. So sport is important as such, but the figures show that it also plays a significant social role. It is an important cohesive factor and has a positive effect on health. To promote sport further, the following aspects should be addressed.

32. To improve the quality of sporting activity at local level an extra contribution of NLG 55 million should be made available. This will help revitalise the support given by municipalities and the different sporting federations, in the form of limited professional input and support for the voluntary network, sports associations, neighbourhood sport, sports academies and other initiatives. The main principle is that a high-quality organised sports infrastructure can make an important contribution to sport's useful social effects.
33. Both central government and local authorities must try to create much greater coordination between their policy on sport and other policy areas, on the basis of the same social considerations and each at their own level. Policy must also be better coordinated between the tiers of government.
34. Greater value should be attached to sporting activities in secondary and higher education. PE teachers must once again be appointed in primary schools.
35. The government must focus more attention on national measures to promote sport at local level.

The media

36. It is the government's responsibility to guarantee a pluriform supply of information.
37. Increasing mergers, some of which cross national borders, are a feature of the media world today. This phenomenon threatens the diversity of information supplied. An active competition policy is therefore needed to prevent the supply of information eventually being dominated by a few media companies. Regulation is required at EU level.
38. A public broadcasting system is required alongside the commercial networks, whose task it is to provide a variety of programmes of

sufficient quality. Government intervention in the broadcasting system should be restricted to promoting the establishment of a single, vigorous public system. It is not the government's task to preserve a purely Dutch broadcasting domain protected by the state from foreign influences. The VVD is in favour of a vigorous public broadcasting system which does not compete with the commercial sector. The number of channels and amount of advertising time must be reduced. This is a responsible step since the number of regional broadcasters has increased. The licence fee must not be increased: an auction system for the use of restricted advertising space will guarantee long-term revenues for the public broadcasting system and better safeguard the distinction between editorial and commercial considerations.

IX. GLOBAL MATTERS

Where foreign policy is concerned, the government's role is to serve the national interest, pursue national policy and formulate an effective policy on development aid. The national interest embraces creating security for the population, defending our territory, protecting the fundamental values of society and promoting the economic interests of the country.

Peace and international security

1. In the area of security policy, NATO remains the cornerstone of our foreign policy. The ties with the United States must remain strong, while organisations such as the UN, the WEU and the OSCE contribute to achieving the objectives of security policy.
2. The Netherlands should make a responsible contribution to international peace and security: for this we need effective armed forces. The international security situation does not justify any change in the mandate of these forces. They should have at their disposal sufficient staff and modern equipment. Cooperation between the various forces at operational level, both national and international, should be promoted. The problem areas that became apparent with the updating of the policy document on priorities in this field must be resolved.
3. In addition to protecting the territory of the Kingdom and that of our NATO allies, the armed forces have a role in disaster prevention and crisis control operations (peace-keeping and peace-enforcing activities) as part of international cooperation. Participation in the operations of international organisations can only take place if there is sufficient clarity concerning aims and responsibilities and the adequacy of the mandate and resources to be deployed.
4. Accession of new countries to NATO is only possible if the stability of the alliance and that in Central and Eastern Europe is not undermined. The Netherlands must continue to play an active role in the creation of new strategic concept for NATO and in the Partnership for Peace Programme (PPP).

European integration

5. The process of European integration makes an important contribution to long-term political and economic stability in Europe. It is therefore of the greatest importance to maintain the level of public support necessary for a radical integration process. Information and debate on this issue are therefore indispensable.
6. The Netherlands benefits from the breaking down of trade barriers within Europe and the common European approach to cross-border problems.
7. Completion of the single market is essential for employment and prosperity. It would therefore be desirable for EMU to get off to a good start. This means that only those countries who meet the convergence criteria formulated in the Treaty of Maastricht should be permitted to join the monetary union. After EMU has been launched, every effort must be made to adhere to the agreed stability pact.
8. In the opinion of the VVD, unlike policy on the completion of the single market, employment policy and social policy must largely remain a matter for national governments. In general, government tasks will remain part of national policy unless there is a need to transfer them to European level.
9. It would be desirable to change to majority voting in the EU in a number of areas, subject to the condition that the European Parliament is given the power of democratic scrutiny, particularly of the decision-making process in the areas of home affairs and justice. These include asylum policy, immigration policy and checks on the external borders of the EU. Cooperation within the EU to combat international crime must be strengthened.
10. Only countries characterised by a stable democracy and the rule of law which respect human rights may accede to the EU. They must also be able to accept the obligations membership brings. Enlargement of the EU will necessitate institutional reform.
11. The VVD is in favour of introducing a system whereby the difference between the transfers made by a Member State to the EU budget and EU expenditure directly attributable to that State be limited. This limit

should be related to income per capita in the Member State. If the limit is exceeded in any one year, the Member State's transfers in the following year should be reduced.

12. The principle of subsidiarity (i.e. that government should be as close as possible to the people) must be the touchstone for every proposed transfer of powers to the EU. Any particular competence will only be transferred to the Union if it cannot better be exercised at national or subnational level.
13. National sentiments and interests must be taken into account as integration proceeds ever further. To ignore them by 'Europeanising' where it is unnecessary or where the people do not wish it might turn them against integration.
14. The careless and fraudulent use of EU funds must be combatted more efficiently and more seriously than has been the case so far.

Development cooperation

15. Developing countries will benefit from a government policy characterised by a market- oriented approach. Development cooperation programmes must therefore stimulate such an approach (free play of market forces, private initiative, elimination of State monopolies etc).
16. Development cooperation must aim to create conditions that are favourable to development: democracy and the rule of law, a good education system, a sound infrastructure, stable monetary relations, responsible use of natural resources, measures to counter corruption and red tape.
17. The VVD wishes to achieve the international norm for expenditure on development cooperation (0.7% of GDP). This figure must not be contaminated, as it was in the past, by allocating all kinds of expenditure to development cooperation which according to international standards are nothing of the kind.
18. Development cooperation agreements must not be concluded with countries whose governments are guilty of gross and continuous violations of human rights, or who adopt an aggressive posture vis-à-

vis neighbouring countries.

19. The co-financing organisations (MFOs) are accountable for the spending of the public funds they receive. The VVD advocates greater cooperation between the MFOs and expects that in the long run only two will continue to exist.

Antilles and Aruba

20. The financial relationship between the Netherlands and the Netherlands Antilles and Aruba aims at economic independence provided they both establish and maintain a healthy economy.

Human rights

21. Serious and continued violations of human rights may constitute a reason for interference in another country's internal affairs. For such intervention to have a positive effect however, caution is needed, and it should preferably be effected by a group of states. Gross violations of human rights may lead to the suspension or complete termination of political, economic or financial cooperation, preferably at European level.

SUMMARY

The VVD is investing in your future. A continuation of current government policy would make that possible. We must therefore continue on the path we have chosen. The Netherlands is on course, but much remains to be done. For example, many people still feel unsafe on our streets. Public safety has priority for the VVD. Unemployment is falling, yet many people are still out of work. Balancing the State of Netherlands' accounts has still some way to go. Our aim is to reduce the burden of taxation and social charges still further and this create more jobs.

The VVD's ten priorities

1. The VVD wishes to continue the present government's successful financial and socio- economic policy. It wishes not to squander but to invest. The budget deficit must be reduced to 1% and then to zero. The government may not therefore spend more than it receives in revenue. The VVD wants a substantial cut in the burden of taxation for taxpayers and for companies. Extra funds will be found for new policy: for more jobs, care and health services, education, crime-fighting, infrastructure and the environment. In short, the VVD wants to invest in the quality of our society!
2. The best form of social security is paid employment. People must be able to do they best they can for themselves. This applies to older employees in particular. More opportunities must be created for combining care for the family with a salaried job. Access to child care, stimulated by tax incentives, is crucial here. A combination of a reduction in the burden of taxation, wage restraint, deregulation, training and a healthy investment climate will stimulate employment. 20,000 jobs will be created in the care sector, supervision and the environment. Income from employment will be subject to lower taxation.
3. The VVD wants high-quality health care, ready to cope with greater demand caused by the increasing numbers of elderly people. Shorter waiting lists, quality improvements in patient care and in nursing homes, including more attention for privacy. In short, more funds for care and more hands around the bed.
4. The VVD wants an education system that is better aligned with the

labour market. There should be more emphasis on language skills and vocationally oriented, technical education. Smaller classes are needed in the early years of primary school. The VVD wants to encourage life-long learning, in particular through tax measures. It wants schools to help parents in passing on norms and values, so that our children will eventually become responsible citizens. There must be an effective answer to the current blurring of values.

5. The VVD wishes to see an active policy on the elderly, based on freedom of choice, independence, participation and an active role in the life of the community. The VVD supports an index-linked AOW that is not dependent on income.
6. The VVD wants priority to be given to public safety. The visible presence of police officers, town watchers etc. on the street will prevent crime. Investigation policy must be improved. There must be more central direction of the police. Which means greater investments in the organisation and expertise of the Public Prosecutions Department and the judiciary. The government must put its own house in order.
7. The VVD wishes to invest in a high-quality infrastructure. Modern information networks, road and railways, air and seaports with sufficient capacity are indispensable to the Netherlands' international competitiveness - and therefore also to employment. Schiphol must be able to grow. People must be able to travel quickly and safely. Measures to reduce the growth in the number of vehicles on the road may not be a covert form of taxation.
8. The VVD wants a market-oriented environmental policy: producers and consumers must be given financial incentives to encourage environmentally friendly behaviour. On the other hand, environmental regulations must be strictly enforced. Environmental offences must be firmly dealt with.
9. The VVD wants an aliens policy that is characterised by the promotion of integration, limits on immigration and measures to fight discrimination. Participation is the basis of our integration policy. Only genuine political refugees should be allowed into the country and their distribution over the EU better regulated. Harmonisation of EU legislation in this area is therefore necessary.

10. A favourable start for EMU is of great importance. The criteria laid down in the Treaty of Maastricht must therefore be strictly complied with. The VVD wishes to see effective action against careless and fraudulent use of EU subsidies. The Netherlands should make a proportionate and reasonable contribution to the finances of the Union:
no more and no less than that. Our country should promote its interests internationally in the most effective manner possible.

The 1998-2002 Election Programme Committee

The Election Programme Committee was set up by the National Executive Committee on 7 October 1996

The draft programme was presented on 21 October 1997.

The Extraordinary General Meeting approved the programme on 30 January 1998 at Papendal (Arnhem).

The programme received the approval of the National Executive Committee on 9 March 1998.

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