## **ADVISORY LETTER**

# **OPEN LETTER TO A NEW DUTCH GOVERNMENT**

No. 17, June 2010



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### **Foreword**

The Advisory Council on International Affairs (AIV) has taken note of the studies produced by the civil service working groups and the budget cuts they propose. A number of these studies relate to foreign policy, the domain of the AIV. The AIV has also reviewed the final report of the interministerial working group on the future of the armed forces.

The AIV exists to advise the government and the States General on foreign policy, including development cooperation and defence policy. This is why, as we await the formation of a new coalition, the AIV has produced an advisory letter for parliament and the next government. In the letter, the AIV limits itself to a discussion of a number of general points that should be borne in mind when considering the proposed budget cuts.

This advisory letter was adopted by the AIV at its meeting of 4 June 2010.

Ms G.A. Verbeet
President of the House of Representatives
of the States General
P.O. Box 20018
2500 EA The Hague

Date 8 June 2010 Ref. AIV-097/10

Re Advisory letter: a contribution to the formation of the next government

Dear Madam President,

On 1 April 2010, the various civil service working groups released 20 studies, prepared at the request of the government, containing proposals for budget cuts. A number of these studies relate to foreign policy, the domain of the Advisory Council on International Affairs (AIV). The AIV has also reviewed the final report of the interministerial working group on the future of the armed forces.

The AIV exists to advise the government and the States General on foreign policy, including development cooperation and defence policy. This is why, as we await the formation of a new coalition, the AIV has produced an advisory letter for parliament and the next government. In the letter, the AIV limits itself to a discussion of a number of general points that should be borne in mind when considering the proposed budget cuts.

#### **General context**

In its latest annual report, the AIV observed that in the period following the Cold War, there was broad agreement in the Netherlands concerning the foundations of Dutch foreign policy: the continuation of closer cooperation with memberstates within NATO and the EU, a commitment to poverty reduction and compliance with human rights worldwide. In the past several years, some of these foundations have been undermined. On 1 June 2005, for example, the referendum on the Treaty establishing a Constitution for Europe revealed that many voters were deeply dissatisfied about the way in which the European integration process had evolved. It became apparent that the objectives of EU cooperation were no longer self-evident. On the rare occasions that European issues were debated in the Dutch parliament, a critical tone began to prevail. Similarly, it appears that the aims of and resources devoted to development cooperation with the world's poorest countries are no longer above discussion. The effects of past efforts and the size of the budget are increasingly being called into question. In addition, the government appears to be faced with limitations on Dutch participation in peace operations. In the light of the above, the AIV concludes that the traditional foundations of foreign policy are increasingly becoming the subject of public controversy, which is reflected in arguments both within and outside parliament.

The defining elements of Dutch foreign policy are the defence of national interests and the shouldering of international responsibilities, the latter of which is enshrined in the constitution (in the form of an obligation to promote the development of the international legal order). These two elements – national interests and the international legal order – are in fact complementary. As a trading nation, the Netherlands is highly dependent on a stable international environment: more than 70% of our national income is earned through international commerce and foreign investment. This puts the

Netherlands among the ten main exporting countries in the world. In recognition of the importance of a stable international environment, the Netherlands participates in peace missions, plays an active part in development cooperation<sup>1</sup> and, in the diplomatic arena, promotes respect for human rights around the world. These foreign-policy instruments are intimately connected to the 3D approach (i.e. the integrated or coherent approach), which will stay at the heart of our policy in the future. This approach to international affairs is inspired not only by altruistic motives – a sense of solidarity with others – but also by enlightened self-interest: our actions benefit our own prosperity and security. To make the world a better, safer place and reduce global tensions, the international environment is crucial for the Netherlands. This is why this country has invested so heavily in multilateral frameworks over the past 60 years. The aim of a multilateral system is to establish order so as to prevent or end chaos and conflict. This global order, from which no individual or state would be exempt, is based on legal principles and an active, pluralist civil society.

#### Looking ahead

Thanks to the rapidly shifting global balance of power, the post-war, Western-oriented international order is under growing pressure. Emerging powers, like Brazil, China, India and Turkey, are demanding a greater say on the world stage, and the Netherlands has been thrust into a new nexus of tensions. The financial and economic crisis has made it painfully clear: countries, economies and banks are so tightly interconnected that if something goes wrong in one part of the world, other countries will also suffer the consequences. This principle also applies to the other major challenges of our time, such as the proliferation of weapons of mass destruction, mass migration, scarcity, climate change and international terrorism. These challenges, which no single country can overcome on its own, demand collective action and clear choices. This state of affairs also has implications for a coherent Dutch foreign policy. In the AlV's opinion, the current reality dictates that the country operate both bilaterally and multilaterally.

Over and above our commitment to the multilateral channel, there needs to be ongoing investment in bilateral frameworks. The Netherlands must also continue, on its own initiative, to safeguard its role in the world and its position as a trading nation, cultivating relationships with partners and allies that share our values, in defence of freedom, democracy and human rights in the world.<sup>2</sup> The same applies to the services extended to Dutch businesses abroad, which are vital to our continued prosperity.<sup>3</sup> Bilateral relations must remain strong in all these areas. A well-organised approach places significant demands on our diplomatic network and will thus remain a key task

- 1 See AIV, 'Development Cooperation: the Benefit of and Need for Public Support', advisory letter 16, The Hague, May 2009.
- 2 See AIV, 'Private Sector Development and Poverty Reduction', advisory report 50, The Hague, October 2006; AIV, 'Climate, Energy and Poverty Reduction', advisory report 62, The Hague, November 2008; AIV, 'Universality of Human Rights: Principles, Practice and Prospects', advisory report 63, The Hague, November 2008; AIV, 'Demographic Changes and Development Cooperation', advisory report 66, The Hague, July 2009.
- 3 Until recently, Dutch businesses could depend in many countries on reliable support from local branch offices of Dutch banks, which could draw on centuries of expertise. Following a wave of takeovers in recent years and the impact of the banking crisis, the future of this network has become uncertain. These developments have also made the task of Dutch diplomatic and consular missions more difficult.

of embassies and consulates in the future.<sup>4</sup> This is the only way to build a sustainable future that will provide both profit and prosperity for the Netherlands.

Moreover, the Netherlands must continue to do its utmost to build a strong European Union. In the light of the recent crisis in the eurozone, our primary concern is to take the necessary measures to keep the currency viable. At the same time, as the largest trading bloc in the world, the EU has an interest in asserting itself as a global power, with a coherent foreign and defence policy. This is certainly not yet the case. If the EU does not succeed in making this transition in the years ahead, Europe (and thus the Netherlands) will have to resign itself to a world order where others lay down the law on matters of vital interest to us. This could result in decisions that are not only disappointing but also harmful to our interests. The EU is more than an economic community; it is a community of values, which upholds the standards of openness and democracy, observes humane working conditions, endeavours to reduce poverty and defend human rights around the world, and supports the United Nations as the embodiment of the global legal order (for example through contributions to peace missions). These values form the basis of the integration process and explain in large part the EU's attractiveness in the world.

Now that the Treaty of Lisbon has entered into force, we need to ensure that it works. This will be difficult, but the realisation that a common external policy also amplifies the Netherlands' clout in the world should ultimately outweigh any desire to make our individual voice heard in every corner of the globe.

For Europe, assuming a more powerful position in the world means investing in both soft power (e.g. development cooperation and diplomacy) – traditionally the Union's focus – and hard power, which only the armed forces can provide. Political power is, after all, only credible and effective when backed by military power. Investments must be made in a European Security and Defence Policy, and not just in a strong NATO. These investments must go to support cooperation and the development of military capabilities. The NATO partnership remains vital, thanks in large part to the transatlantic relationship. The new Strategic Concept should also serve as a powerful boost for an effective, forward-thinking alliance.

The Netherlands is a global leader in development cooperation expenditure, and there is (still) broad political support for it. Development is one of the pillars of the 3D concept, and thus of Dutch foreign policy as a whole. Cuts to development programmes could have an adverse impact on the health, economy and stability of developing countries, migration patterns, and ultimately on our relationship to the people living in those countries and on our own security. When considering cuts to development aid, it would be imprudent to lose sight of overall Dutch interests: the projected savings must be weighed against the additional costs that cuts could lead to in other policy areas. In this connection it is worth remembering that these national interests may lie outside the policy areas in which the cuts are being made.

- 4 In the AIV's view, the Netherlands may wish to work more closely with the Benelux or other EU countries to save on costs of providing of services abroad (e.g. visa services).
- 5 For an evaluation of the EU's response to the financial crisis, see AIV, 'The EU and the Crisis: lessons learned', advisory report 68, The Hague, January 2010.

The AIV has noted that since the Cold War, Dutch defence budgets have shrunk by 15%, both as a percentage of the national budget and as a percentage of national income. This trend followed from the (questionable) assumption that the world would become a safer place. In the course of 15 years the Dutch military was transformed into a lean, professional, expeditionary force, which capably defends this country's interests in often uncertain circumstances. This multifunctional force, which has achieved success in part through the integrated strategy referred to above, has proved its value to the Netherlands, has won broad international support, and influences other countries' approach to peace operations.<sup>6</sup> Protecting security, the rule of law and our standard of living demands constant vigilance. The AIV's perception, however, is that political support for the armed forces is on the decline. This is remarkable in the context of a balanced and effective 3D policy, given that one of the most important lessons of recent years is that security is a prerequisite for sustainable development and respect for human rights, and vice versa. Moreover, treating national defence in the same manner as other government duties obscures two important facts: that states are meant to have a monopoly on the use of force and that, in contrast to other tasks of government (such as health care and even development cooperation), the work of the military cannot be farmed out to the private sector or civil society. The AIV concludes that great care must be taken in deciding whether cutting defence spending would be responsible in this uncertain world, with its intractable challenges and many crises in the making.<sup>8</sup> At the very least, the government must ensure that the decisions taken are not irreversible.

The Netherlands will have to make spending cuts in the years ahead. That much is clear. These cuts must be made with a clear understanding of the world of which this country is a part. Foreign policy must stand for fundamental values, such as respect for human rights and the global legal order, as well as enlightened self-interest. This country has a solid reputation. Budget cuts must not destroy what we have managed to build since the Second World War.

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(Signed)

Frits Korthals Altes Chairman, Advisory Council on International Affairs

- 6 See AIV, 'Crisis Management Operations in Fragile States: the Need for a Coherent Approach', advisory report 64, The Hague, March 2009.
- 7 See AIV, 'NATO's New Strategic Concept', advisory report 67, The Hague, January 2010.
- 8 See Eindrapport Verkenningen, 'Houvast voor de krijgsmacht van de toekomst', (Project plan on Future Policy Survey guide for the armed forces in 2020), The Hague, 19 May 2010.

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