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## The myth of the Dutch middle way

A true story about the Dutch mountains<sup>1</sup>

Since the Netherlands seems to have solved the unemployment problem that is still haunting its neighbours, its policies have attracted a Europe wide attention. Somehow the rumor spread that there existed something like a Dutch ‘Poldermodel’ in politics, capable of solving the problems which were faced by almost all the West European states in the early 1980’s, like high unemployment, huge public deficits and overcrowded universities<sup>2</sup>. Among the ideas spread was the idea that the reform policy of successive Dutch governments had been able to solve the problems of the ‘mass university’ by steering a neat middle course between ‘The Anglo-Saxon Model’ – usually identified with private universities such as Harvard and Princeton<sup>3</sup> – and ‘The Continental Model’ – usually identi-

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<sup>1</sup> An earlier version of this article was presented as a paper for a workshop to the *Österreichische Forschungs Gemeinschaft*. “Beschäftigungssysteme, Arbeitschancen und Qualitätssicherung an Österreichs Universitäten”, Baden bei Wien, Austria, held 24–25 March 2000.

<sup>2</sup> The analysis presented here is developed at greater detail and length in: Chr. Lorenz, *Van het universitaire front geen nieuws*, Baarn 1993; in: Chr. Lorenz, ‘De wereld als markt en kennis als koopwaar’, *Zeno. Over wetenschap, technologie en samenleving* 3 (1995), 4, p. 10–15, and in: Chr. Lorenz, ‘Is dit beleid of is er over na gedacht?’, *Van het universitaire front geen nieuws vijf jaar later*, *De Gids* 160 (1998), nr. 4, p. 281–291.

I will not go into the discussion of the general myth of the ‘Poldermodel’ here. It must suffice to point out that the ‘Poldermodel’ boils down to a corporatist model, in which the state lowers the costs of labor relative to neighbour states in a tight coalition with the labor unions. In the Netherlands this policy became possible because the social democratic party (PvdA) and its unions (FNV) adopted a neo-liberal policy since the 1980’s, trading their traditional trust in the state for a trust in the market overnight. Significantly, the present day Dutch premier, Wim Kok, leading a coalition of his social democratic party (PvdA) with two liberal parties (VVD and D’66), inaugurated the ‘Poldermodel’ in 1981 in his capacity as a union leader. So the ‘secret’ of the ‘Poldermodel’ basically is the embracement of a neo-liberal policy and ideology by former social democrats.

<sup>3</sup> This is not the place to discuss the existence of such ‘models’ in reality. Typically the private Anglosaxon universities most often mentioned as a ‘model’, such as Harvard and Princeton, form the apex of a whole pyramid of a wide variety of universities. Typically, these top universities have huge endowments, very high tuition fees and a

fied with state run, public universities of the German type. An intelligent mix between a flexible market orientation and a rigid state control was attributed to ‘The Dutch Middle Way’, offering a beacon for other states wrestling with similar problems.

The purpose of this article is to dismantle the myth of the ‘Dutch middle way’ by replacing fiction for facts. I will argue that the Dutch model is basically a primitive market oriented model, in which state regulation remains a *Fremdkörper*, only introduced to bridge the most visible gaps between market rhetoric and academic reality. This model primarily functions as an instrument and a legitimation for a saving policy, even at the cost of the basic functions of the state, such as providing education<sup>4</sup>. The model itself represents a serious threat to the idea of the university in general and to the maintenance of academic standards and the civil servant status of university personnel in particular.

The analysis is presented in three parts. Firstly, an analysis of the Dutch university system will be presented, as it exists today. Secondly, the core ideas behind the reform policy towards the university system since the early 1980’s will be analyzed, including their consequences for the maintenance of academic standards. Thirdly, I shall sketch some of the consequences of this reform policy with regard to the character of the labor contracts for academic personnel alias the faculty.

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highly competitive selection of their staff and students. The Dutch proponents of this ‘model’ usually abstract from these essential characteristics, because none of them applies to Dutch universities. See also note 8.

<sup>4</sup> This can be inferred from the fact that in Dutch politics ‘the market’ is directly forgotten as soon as market logic dictates a *higher* state expenditure for educations as a ‘product’ than the existing level. ‘Budgetary neutrality’ has become a fundamental article of faith in Dutch politics. A very recent and instructive illustration of the selective ‘forgetfulness’ of market logic are the salaries for teachers in primary education. Due to the reform policy of the past two decades jobs in education have become so unattractive, that the primary schools are now unable to find enough applicants for vacancies. As a result thereof schools have started to send the pupils home whenever they are unable to staff their classes. Instead of raising the salaries and so increasing the financial attraction and the ‘supply’ of teaching to meet this ‘demand’ – as would be dictated by the logic of the market – the Dutch ministry of education has simply lowered its standards of admission for teaching jobs. As a result, applicants without the necessary formal education are now offered jobs as teachers. One wonders how this new practice relates to the traditional task of the Dutch state to provide education to its citizens, as laid down by law and formerly known as ‘compulsory education’. But, of course, market discourse dispends with such oldfashioned notions als ‘tasks’ and ‘duties’ of the state, or ‘academic freedom’, for that matter.

This example illustrates exactly how the policy of budgeting functions and how the problems, caused by saving policy, are passed down from the government level to the workforce. It also illustrates nicely what happens when considerations of a budgetary and of a qualitative nature clash.

### 1. *The Dutch university system*

In order to understand the Dutch situation, some basic information concerning the Dutch universities and their personnel over the last decade is called for. This basic information is necessary to understand important aspects of the Dutch reform policy and especially the growing political preference for changing the labor contracts from public to private.

Figure 1: *Distribution of personnel over the Dutch universities in 1998*<sup>5</sup>

University	male	female	total
LEI	2321	1476	3797
UU	3523	2144	5667
RUG	2541	1435	3976
EUR	1600	992	2592
UM	1171	903	2074
UvA	2411	1418	3829
VU	2189	1156	3345
KUN	2508	1331	3839
KUB	729	427	1156
TUD	3624	1059	4683
TUE	1886	480	2366
UT	1666	640	2306
LUW	1576	739	2315
OUNL	312	242	554
Total	28057	14442	42499

#### Abreviations of the universities

LEI	Universiteit Leiden	KUN	Katholieke Universiteit Nijmegen
UU	Universiteit Utrecht	KUB	Katholieke Universiteit Brabant
RUG	Rijksuniversiteit Groningen	TUD	Technische Universiteit Delft
EUR	Erasmus Universiteit Rotterdam	TUE	Technische Universiteit Eindhoven
UM	Universiteit Maastricht	UT	Universiteit Twente
UvA	Universiteit van Amsterdam	LUW	Landbouw Universiteit Wageningen
VU	Vrije Universiteit Amsterdam	OUNL	Open Universiteit Nederland

<sup>5</sup> VSNU, *WOPI 1999. WO-Personeelsinformatie. Kengetallen over het universitair personeel in fte's en naar leeftijd, geslacht, functie, salarisschaal, HOOP-gebieden en aard dienst verband per 31-12-1998*, Utrecht 1995, p. 5.

There are 14 universities in the Netherlands, among them 2 technical universities (Delft and Eindhoven), 1 agricultural one (Wageningen) and one 'open' one for education at a distance only (Fernuniversität) in Heerlen. Next to those 14 universities there are 2 institutions for professional education, that were recently upgraded to universities (Universiteit Nijmegen and Universiteit voor Humanistiek). I will restrict my analysis to the 14 older universities.

Some 42.000 people work at these 14 universities, and about half of them – 21.000 – belong to the academic personnel. 50 % of the academic personnel, that is some 11.000, belongs to the faculty proper. So only a quarter of the total number of employees at the modern Dutch university holds faculty positions; and their proportion is decreasing over time.

All 14 Dutch universities are financed by the central state and not by the provinces or *Länder*, as in Germany and Switzerland. Three of the universities are of catholic or protestant origin (Nijmegen, Tilburg = Brabant, and Vrije Universiteit Amsterdam), going back to 19th. century pillarization; they are fully financed by public means, but have a *non-public, private status*. Therefore the employees of these three universities officially are no civil servants, like the employees of the other universities, and have labor contracts regulated by private law and not by public law.

In contrast to the German system, in the Dutch system assistant and associate professors can get *tenure* in time. So in the Netherlands you can start your academic career as an assistant professor and end it as an assistant professor. However, the modern Dutch university career ideally looks slightly different: it would start with a successful application for a job as a so-called "AIO" (Assistent in Opleiding), i.e. a job as a post-graduate in order to write a Ph.D.-thesis in a maximum of 4 years. After the promotion to 'doctor' you would successfully apply for a post-doc position for another 4 years to finish a second research project and write a second book. Or the new 'doctor' would apply for a tenure track position as 'UD' ('universitaire docent'), i.e. 'assistant professor' or 'Assistenzprofessor' and hopefully move on in time to a position as an 'UHD' ('universitair hoofddocent'), i.e. an associate professor and a full professor. However, most post-docs do *not* move on to tenure track positions, because these are hardly available for them.

In the Netherlands, there are professors of all sorts and sizes: full time and part time, 'normal' (= full) and 'special' (= 'bijzonder' or 'außerordentliche'), and one university (Universiteit van Amsterdam) has even introduced some 'super professors' ('universiteitsprofessor'), who have no

other task than to do exactly as they like. Especially the number of the 'special professors' has grown spectacularly during the last decade, for the simple reason that this type of professor is not paid out of the university budget, but by all kinds of private foundations. This partial, 'hidden privatization' of the university is going on without any public debate about the pros and cons of the privatization of education; it is simply *assumed* that *all privatization means progress*.

The Dutch system has more peculiarities of its own, rooted in its history. In contrast to Germany and the US, it is possible – and far from unusual – in the Netherlands to get an appointment as professor at the university where one has received one's doctorate. So the usual institutional mechanism against 'academic inbreeding' is lacking in the Dutch system. Its absence is explained by the 19th. century pillarization of the Dutch educational (and political) system, that was characterized by a far reaching institutional autonomy of all of its ideological pillars. Therefore, the rhetoric of the 'free market' is surely something new within the Dutch educational system, whose institutional structure is still pillarized. The consequence of this structure is and always has been a very low degree of professorial mobility; it is not unusual for a Dutch professor to stick to one university for life.

This immobility is also due to a second peculiarity of the Dutch university system, i.e. the complete absence of any upward mobility once one has reached the rank of full professor. In contrast to Germany a 'Ruf' from another university does not have any consequences for one's position; and in contrast to the US there is hardly any competition between the Dutch universities to steal each other's 'stars'. Being not only a pillarized but also a very small system, the Dutch universities traditionally show a strong tendency towards consensus politics of the local elite's and towards *status*, all the recent rhetoric of 'the market', 'flexibility' and 'internationality' notwithstanding.

The *formal criteria for academic success* are the same in both the soft and the hard sciences, i.e. the *quality and quantity of academic output*. So publishing and having ideas usually helps your career, and the same goes for having the right referees and connections. A *Habil* is not a formal requirement for full professorship in the Dutch system, as in Germany or Austria, and there is also no age barrier for the professorial rank, such as in Germany.

In the last two decades, the normal university career track has become very risky, because the positions for assistant and associate professors outnumber those for full professor almost *four* times. So, statistically speaking, a member of the faculty runs a chance of four to one of getting

stuck in the mud somewhere along the career track. That is quite a risk that has lowered the attraction of this career path considerably. The consequences of this situation have become clear especially during the last 10 years. Many a faculty competing with booming economic sectors outside university has faced major problems in attracting new academic personnel for its lower ranks. The university salaries simply are no longer competitive and a brain drain from Asia and Eastern Europe is the result.

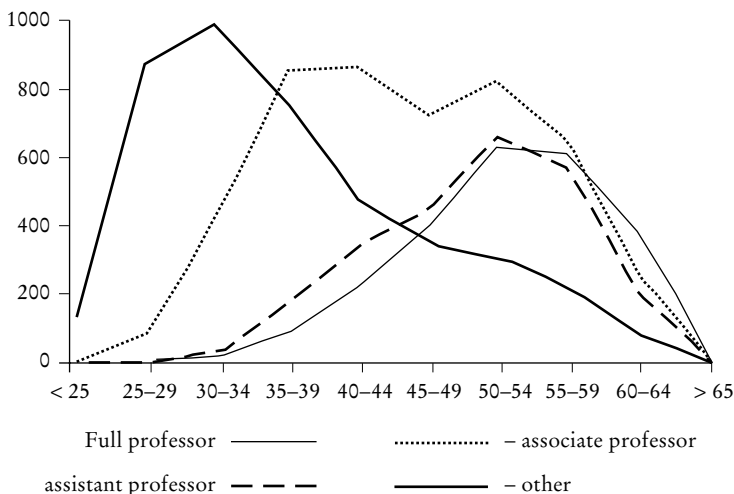
The solution to this scarcity problem has been sought in *differentiation* of the structure of payment. The Dutch universities have increasingly differentiated and decentralized their salary policies in order to adapt to the scarcity problem. Accordingly, professors in computer science and in medicine earn considerably more than their colleagues in the history or philosophy departments, because a whole range of so-called 'market allowances' and supplementary scales for scarce specialists has been introduced. However, because the salaries of *all* departments are still tied, at least *in principle*, to one and the same civil service system of ranks and salary scales, the Dutch government and modern Dutch university managers at last want to get rid of the civil service status of their personnel *altogether*. Private contracts are called for, so they say, in order to enhance the 'flexibility', to increase the 'innovative capacity', 'productivity' and the 'efficiency' of the universities and to adapt this old-fashioned institution to the 'global market' and modern 'information society' – at last! This message may sound fine to specialists in 'wanted' disciplines, but spells bad luck for all those who are specialized in less 'marketable' disciplines. Besides that, some fear that private contracts in the faculty may inaugurate an era of managerial financial self-promotion (as is amply testified in most recently privatized organizations) and an era of managerial 'divide and rule'.

How ever this may be, the Dutch state has at least *one* very powerful and urgent reason for a move away from labor contracts under public law in the direction of private law: the tenured faculty is getting *old*, slowly but steadily, because the majority entered the universities at the time of rapid university expansion, that is: roughly between 1965 and 1980. The average age of the tenured staff in many faculties is now over 50. As long as they are civil servants, it is not so simple to lay them off. So next to the *pressure of the labor market*, there is the *demographic pressure* on the traditional labor contract system of the Dutch universities. The 'long generation of 1968' is simply blockading the academic careers of the next generations, according to the dominant political opinion. Now it is high time *for them* to be moving on, or rather to be moving *out*. The fact that this

‘generation blockade’ of the academic career path (alias the ‘grey wave’) is the *combined* result of a normal, natural and of a *policy* process is never mentioned in political discourse. For the plain and natural fact that academics too simply get older each day, can hardly be called a problem, unless one is inclined to blame nature for the basic facts of life. *Only* in combination with the sudden expansion and the following stagnation of the universities – as a consequence of Dutch *policy*, that resulted in an ever shrinking number of new tenure track positions – this basic fact of ageing can be presented as a ‘generation problem’. So the problem here is the policy, that results in a lack of new tenure track positions, and definitely *not* the natural fact of aging that applies to all. In dominant political discourse, however, the ‘long generation of 1968’ is held accountable for the academic hardships of the following generation.

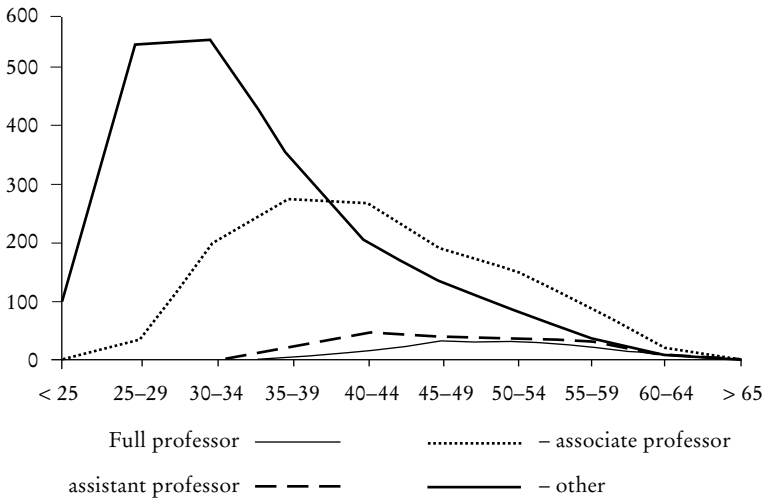
Now before turning to politics, let’s take a quick look at the *age distribution of the faculty* and observe the actual generation and gender drama as well as the drama of the ‘1968-generation’ in the making.

Figure 2:  
Distribution of age of the male faculty, exclusive Ph.D – students (AIO)<sup>6</sup>



<sup>6</sup> VSNU, WOPI 1999, p. 7.

Figure 3:  
*Distribution of age of the woman belonging to the faculty,  
 exclusive Ph.D – students (AIO)<sup>7</sup>*



## 2. Modern Dutch educational policy since 1980

For an understanding of Dutch policy towards the universities it is necessary to place this policy in its broader setting since 1980. A few remarks must suffice. Since somewhere around 1980, Dutch policy has been dominated by a financial policy, in which cutting the public deficits and a strict budgetary control of the spending departments have had the highest priority. Placing strict limits on the costs of public services, including education, has become priority number one of all the major political parties.

The first policy to that effect has been the privatization of *public services*, but I will not go into that topic here. The second policy in case consists of *budgeting, decentralizing and economizing* the public domain. This is the more relevant policy for the universities until now, because privatization of the universities is presently regarded as a too ambitious goal.

The basic principles of budgeting as a policy are *lump sum financing* and *economizing* all public institutions. Lump sum financing has the advantage from the viewpoint of government, that with passing down the lump sums, all policy risks and problems are passed on to the institutions

<sup>7</sup> VSNU, WOPI 1999, p. 7.



themselves as well. So the ministry transfers the consequences of lack of foresight, of wrong predictions, of bad planning and of unforeseen circumstances all to the institutions themselves.

Lump sum financing may also be attractive from the viewpoint of the institutions, provided that the lump sums are adequate to meet their normal financial needs. However, and very typical for the process of 'decentralization' at the Dutch universities, the sorry fact is that lump sum financing and *cutting* the budgets (nominal or relative) has gone hand in hand from day number one. In this way the Dutch governments succeeded in evaporating the responsibility for the consequences of their saving policy miraculously by passing half-empty financial buckets down.

Economizing public institutions has the advantage, from the view of government, that every public institution can be treated as a financially self-sufficient enterprise, selling products in a competitive market. So a university is located in the market for education and research and in competition with other universities which are trying to sell similar products. Within the economic view, the complexity of the real world is forcefully reduced and so are its problems. Like all enterprises, the university now only has to deal with *three categories* of persons: firstly, a *management*, that organizes the 'production process', consisting of the local board of directors ('College van Bestuur'). These local boards are in turn organized on the national level as an employer's organization ('Vereniging van Samenwerkende Nederlandse Universiteiten' or VSNU). Like most Dutch employers since the 1980's, the Dutch university employers too are full of self-confidence: "We are internationally ahead of all others", was recently stated by the chairman of the VSNU in an interview; "Students from abroad will come to us because of our quality"<sup>8</sup>.

The second category consists of the direct *producers*, who actually produce the university's products, formerly called the faculty. In contrast with the employers the faculty, typically, lacks any kind of organization worthy of the name, both at the local and at the national level. The third category consists of the *consumers* of education, formerly called students, and the consumers of research. Students are organized both at the local and the national level.

Now, like all other products, education and research have a price, which must be paid by their consumers. The price for education, formerly known as the tuition fees, is until now centrally fixed by the ministry and is some DM 2600 per year. Within the economic model the price should,

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<sup>8</sup> Interview with R. Meijerink, 'Wij liggen internationaal op kop', *Ad Valvas* 20.01.2000, p. 4.

of course, be fixed by the market mechanism, but – alas! – this is not yet the case in Dutch reality. The DM 2600 is no small deal compared to the free university education in Germany and Austria, but the tuition should at least be *doubled* to cover the real costs – and that only holds for the ‘cheap’ faculties, like those of languages and human sciences. So further economization of the university will imply at least doubling the tuition – with predictable consequences for what used to be called the ‘external democratization’ (alias the ‘societal openness’) of the university. Understandably, the proponents of economization never advertise *this* fact in Holland.

Now when you look at the university and education in terms of an economic process, it is absolutely essential to be able to *quantify* all services and products within this process in order to *specify their prices*. The *basis* of the economic model of educational processes is the *reduction of all quality to quantity*; and this is the point where fundamental problems pop up in relation to the maintenance of academic standards<sup>9</sup>. The simple and troubling fact is that the essence of the Dutch model consists of making subjective academic standards *irrelevant* by reducing academic standards to objective *time measurement*. In the Dutch model, all academic performances are basically defined in terms of time and reduced to time, usually quantified in *creditpoints*. Even a dissertation has been transformed into just the book you can write in a time span of four years<sup>10</sup>. These troubling characteristics of the *model* do not imply that professional criteria do not longer play a role in Dutch academic *reality* – they surely do – but it simply means that their continued functioning can not be explained in terms of the economic model.

This way of looking at and handling of the universities has several substantial advantages, seen from the viewpoint of financial management and budgetary control. The first advantage is that the Dutch State now pays the universities for teaching students during five years at the maximum (4 plus one extra, for reality’s sake). This makes the state budgets for the universities very stable indeed. After 5 years the tuition is dramatically raised for each extra year, so this has proven to be a strong incentive for students to finish their study within 5 years. So most modern Dutch students are

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<sup>9</sup> Of course, quantification *as such* is not the problem, provided that measurement and indicators are adequate and reliable; it is only the *reduction* of quality to quantity which is wrong and dangerous in the academic domain.

<sup>10</sup> Because faculties are also financed on basis of the number of produced doctorates, there are strong financial incentives for the faculty to accept the books produced by their Ph.D. students in 4 or 5 years as dissertations, independent of their quality.

usually very hasty students, because of the financial hold they are in. This is basically how the university looks from the consumers' side.

Now what about the university looked at from the producer's side, i.e. from the *point of view of the faculty*? The basic problem here is that in the economized university there is a *fundamental tension* between the financial basis of the faculty and its professional standards. This fundamental tension results from the fact that the ministry *only* pays the universities for the students who leave the university with a *diploma*, i.e. with a degree. This is so-called 'output financing' or 'diploma financing'; actually two thirds of the budget is now based on the number of diplomas and one third on plain student numbers. Because the economized university is financed by the ministry mainly on basis of the number of diplomas it produces, the faculty is almost financially 'forced' to produce as many diplomas as possible within the standard student career of 5 years, *irrespective of its professional criteria*.

How then about selection? Did the old idea that selection is necessary in order to keep up quality standards survive the transition to the 'modernized' Dutch university? Well, the answer is *no and yes*, and exactly in that order.

Let's first look at the 'no'. Well, teaching has always involved conveying and applying certain standards of quality, representing a *subjective* element in the educational process, because it is usually impossible to objectify and quantify the exact criteria of selection. This subjective element had to be eliminated from the educational process in order to make it objectively manageable. To obtain that goal, the *educational process* has been *redefined* in terms of the *production and consumption of creditpoints*; and the subjective selection by the faculty has been transformed into an objective and quantitative type of selection, independent of professional criteria. This quantitative selection is, ideally a *zero selection*, because selection *as such* simply shows up in the economic model as a *loss of production*, i.e. a loss of creditpoints. Selection, constituting a loss of production, thus turns into a waste of time, and since time is literally money in the economic view, it turns into a waste of money too. Therefore, there exists a *direct and inverse relationship* between the negative selection of the students by the faculty and the financial basis of the university since the number of diploma's produced by universities corresponds directly with the amount of money they get from the ministry. No wonder this economic system inevitably 'stimulates' the staff to lower its qualitative criteria whenever the selection exceeds specific limits and turns into a threat for the financial basis of the faculty; no wonder this economic system is especially threatening for the 'poor' faculties within the university, which

have little or no additional income next to the state budget. This pressure to 'adjust' the criteria to the financial needs of the faculty is all the stronger since in the economic model the producer – i.e. the faculty – is held *wholly* accountable for the 'loss of production'.

For one university I know the first year a drop out-percentage of 30 % is set as an acceptable 'loss of production', for each of the following years a drop out of some 10 % is viewed as the limit. Characteristically, these figures are completely arbitrary within the terms of the model, and only reflect the fact that the proponents of the economic model want to avoid a total frontal clash between their pet model and the practice of university reality as yet. Within the terms of the economic model, however, 'zero selection' can be the only logical 'system goal'.

Now to the 'yes', to the maintenance of quality control in the Dutch system. Remarkably for a system, that propagates an almost complete *de*-centralization and autonomy of universities, the system of quality control is completely centralized. This is another blatant inconsistency within the economic view, because in economics we are supposed to have faith in the salutary effects of the functioning of the market principle instead of the functioning of the state. The introduction of the market principle is always legitimized by its proponents in order to free the universities of the rigid bonds of centralized state control!

This may be fine in theory, but in Dutch practice the quality control of all university programs and research is delegated to so called *commissions of visitation*. These are commissions, usually consisting of retired specialists selected by the ministry, who have the task to evaluate the quality of education and research at the university level. Usually they tour the country once every four years and visit a faculty during two or three days. On basis of the quantitative data and the impressions collected during the tour, they produce so called rapports of visitation, that list the pros and cons of faculties and that are meant as a kind of quality mark. That is what is left of *quality control* of education and research in the modernized Dutch university. For the rest of the time, the quality of education and research is only controlled by the university in terms of *quantitative* 'efficiency' and 'loss of production'. Symptomatically, university bureaucrats – especially educationalists – execute this quantitative control and *not* professional peers, which is one of the causes of the increasing ratio of the non-faculty in relation to the faculty.

Because peers more often than not also check the quality of research before it is published (peer review), this system of quality control is more damaging to education than to research. It is far from innocent for research, however, as we shall see.

Figure 4: *State expenditure for education and research, including universities, in terms of % of the Gross National Product*<sup>11</sup>

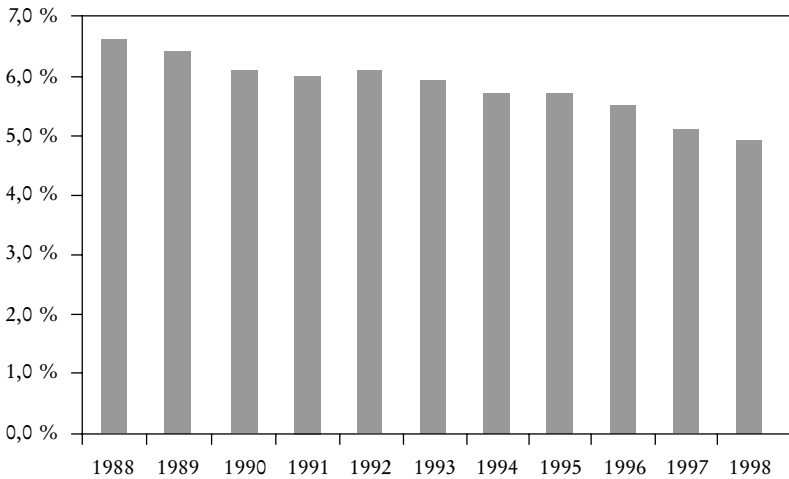
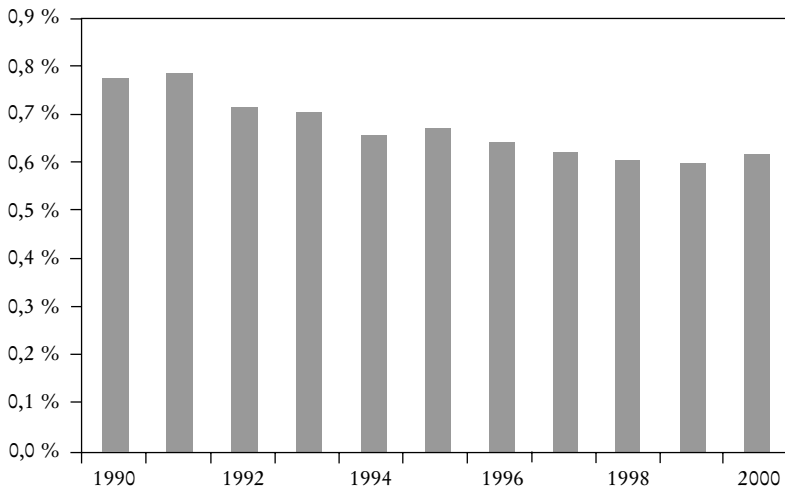


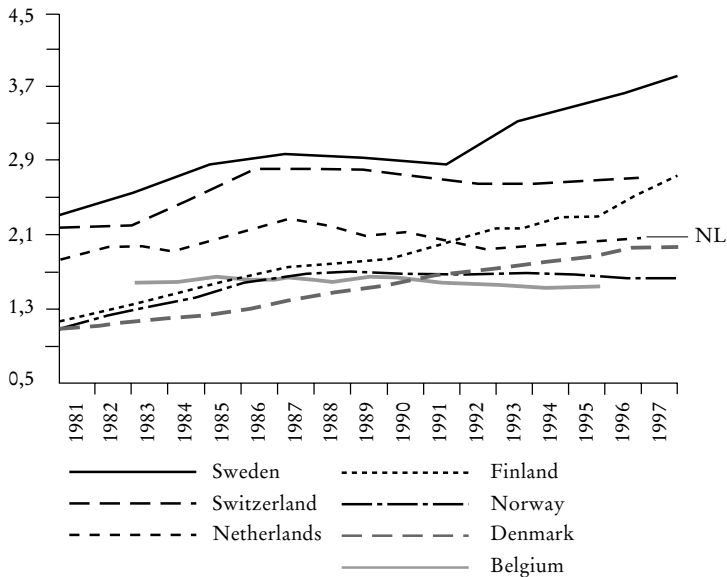
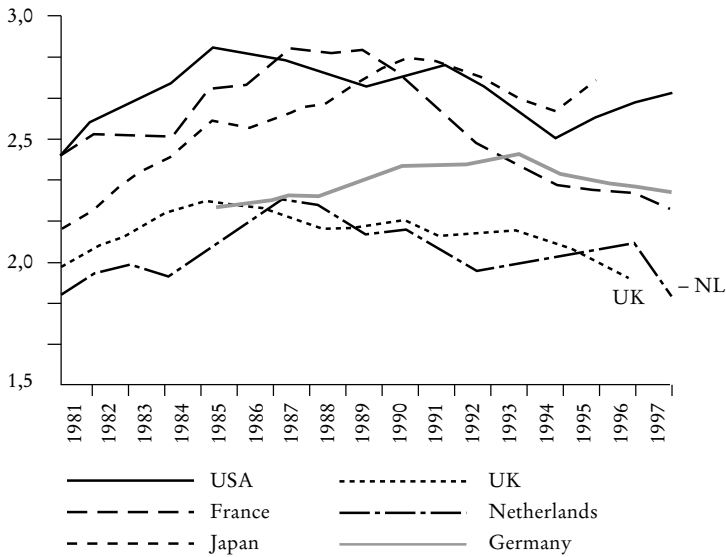
Figure 5: *State expenditure for university education and research in terms of % of the Gross National Product*<sup>12</sup>



<sup>11</sup> Centraal Bureau voor de Statistiek.

<sup>12</sup> Centraal Bureau voor de Statistiek.

Figure 6: Expenditure on R & D in the Netherlands in comparison<sup>13</sup>



<sup>13</sup> Ministry of Education, Culture and Sciences, 'Wie oogsten wil, moet zaaien'. *Wetenschapsbudget 2000*, The Hague 1999, p. 6.

*On balance*, there are very good reasons both for the faculty and for the students to be quite unhappy with the ‘modernized’ Dutch university. Well then, who isn’t? The answer is: the politicians, who regard balanced budgets and financial control over the public sector as priority number one under all circumstances, and the state appointed university managers, who have actually taken over power in the universities completely. In these respects the Dutch model is a major success, which can be shown by the following graphs. These are even more telling given the constant emphasis on the growing importance of education and knowledge in the age of the ‘information society’ of successive Dutch governments. The simple and plain fact is that Dutch governments are cutting down expenditure on education, including the universities, ever since the 1980’s. The result is that according to the OECD the Netherlands now spends a full percent of its GNP less on education than the EEC average.

### 3. Modern Dutch labor contracts at the universities

In the preceding two paragraphs I have analyzed the financial and demographic pressures working on the traditional Dutch university system and the policies which have been developed in order to cut university expenditure down. My main *two theses* have been 1. that *university policy* in Holland has been made *completely subordinate to the financial policy of saving*; and 2. That this *financial policy is undermining the basis of the traditional university*, i.e. the *professional autonomy of the faculty*, including its capacity to evaluate and select performances on basis of its own professional criteria. Professional standards of quality are simply replaced by purely quantitative and financial criteria, except for the marginal quality controls by the commissions of visitation. In the modern university this system basically means “Bye bye to *Bildung*, hello to Budget”.

Similar developments can be observed in all the other branches of what used to be the public domain in the Netherlands, including the domain of justice and health care. The professionals in those domains too are forced to trade their qualitative for quantitative ‘output’ criteria by making ‘output’ the financial basis of the institutions in case. So Dutch courts in the near future will be financed on basis of the number of handled cases, all, of course, to increase the budgetary control and the ‘efficiency’ of Dutch justice. It is therefore only logical when the Dutch state institutions define their own role anew as enterprises and when, for instance, provinces start banking with public funds and school boards start investing money in

order to make some profit<sup>14</sup>. Now it's high time to take a look at the consequences of these developments for the labor contracts at the university.

As noted before, the Dutch university employees used to have a civil service status, just like their German and Austrian colleagues. Only the employees of the catholic and protestant universities had private labor contracts, which were look-alikes of the collective one. Since 1994, however, the uniform collective labor contract of civil servants is history, because it was replaced by eight collective labor contracts, corresponding with specific sectors in the public sector. Education was one of these sectors, but this sector has recently been differentiated further; so from 1999 onwards the Dutch universities have their own collective labor contracts. And it is my prediction that the Dutch universities will skip the civil service status of their faculty employees within the next 5 years, because they have been *undermining this status already for the last 10 to 15 years*. Moreover, the Dutch labor unions have already agreed to a 'study' of the consequences of skipping the civil service status of the faculty. This 'study' will most likely reveal that skipping the civil servant status of the faculty is advisable, because only this standpoint is compatible with the economic market and enterprise as the organization principles of the university.

Given the policy goals of the Dutch governments, the process of undermining the civil servant status, therefore, was to be expected. Moreover, it has been going on for years by denying most *temporary* faculty members the civil servant status and by all kinds of legal tricks in an attempt to cut

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<sup>14</sup> These were real events in the Netherlands, reported in the Dutch press in 1999. The banking example refers to the province of Zuid Holland. This example made it to the headlines because Zuid Holland had provided a loan to a firm – Ceteco – that went bankrupt, thus loosing some DM 40 million. It soon turned out that Zuid Holland was definitely not the only public institution in the Netherlands that had begun to raise its revenues by acting as a private bank with public money. The officials involved did not see what they had done wrong and appealed to the 'new' and 'enterprising' conception of government, as set out in the book *Reinventing government. How the entrepreneurial spirit is transforming the public sector*, authored by David Osborne and Ted Gaebler. Nevertheless, they were forced to resign.

An interesting consequence of this new and entrepreneurial public practice is the *disappearance of legal guarantees for the citizens* and the *potential bankruptcy of state institutions and of what used to be public services*. This implication, however, was *not* debated in the Netherlands, probably because the government is very busy privatizing the energy and transport sector at the very moment. Lately, the Dutch government is even considering to privatize the public infrastructure, such as the roads, channels and airports. Rapports on the risks and negative effects of privatization – based among others on the English experience – are completely neglected in political practice.



costs for personnel down<sup>15</sup>. Because traditional civil servant labor contracts oblige the employer to pay a substantial part of the pensions, sick leave and unemployment allowances of their employees, the Dutch universities have developed a strong preference for cheaper types of labor contracts without any of those old-fashioned obligations. Temporary personnel nowadays are, therefore, often hired by the universities through *temporary employment agencies*; and these temporary employment agencies are sometimes even run by the university itself. As through a U-turn construction modern Dutch universities have already evaded the civil servant status of its faculty members where they could.

The result of this policy has been that the *faculty* has been *split in two parts*, in which working conditions and career prospects are quite different. The tenured and older part of the faculty usually still has traditional civil servant labor contracts with the accompanying legal protection. The untenured, younger part, however, and this is especially clear when one looks at the situation of the so-called “post-docs”, has all kinds of labor contracts without the traditional legal protection of the civil servant status. The negative consequences of budgetary politics have thus been passed on, for the major part, to the younger generation. And it is plain to see that their career prospects can *only be solved by either creating new tenure track jobs for them (the only ‘bloodless’ solution) or by removing the old faculty from its tenured positions (the ‘bloody’ solution)*. Given the fact that the first option cannot be realized without raising the university budgets temporarily and thus negating the dogma of ‘budgetary neutrality’ – that is, for a decade or so until the ‘1968 generation’ has retired – the second policy option is by far the more likely one. This scenario is all the more likely because all the temporary employment projects for the post-docs have been unable to remove the basis of their unemployment problem, i.e. the obvious unavailability of new tenure track positions.

Then there is a last, threatening consequence of Dutch budgetary politics for the labor contracts in a specific sector of the university that needs to be mentioned. I am referring to the situation of specialists, working in *small disciplines*, such as specialists in ancient metaphysics or marginal languages, such as Celtic or Friesian. One of the consequences of the primacy of the budget in Holland has been the *introduction into the university of the economics of scale* in order to cut down costs. Small, specialist units are lumped together in ever bigger and more general educational and

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<sup>15</sup> The strategy of cutting labor contracts in such parts, that they generate a minimum of financial claims of the employees after the contract expires, has become quite popular.

research units in the university, leading to ever growing conglomerats and its concomitant of an ever-growing proportion of university bureaucrats. Since 1999, universities even are legally allowed to *fuse* with institutions for professional education. One university (University of Amsterdam) has already announced to do so in the near future. The policy goal of cost reduction by scale increasement, thus, is overgrowing the university as an institution at the very moment in the Netherlands.

Now this development from small specialist units towards bigger generalist units, propelled by budgetary logic and its economics of scale, has already turned out to be a deadly threat for especially the marginal specializations in the universities. Many of those have not survived the last decade and worse is still to come. And, significantly, nothing can be done about it *within* this economic model of the university, because this model simply favors big over small units, being more cost efficient. The measures to counter imminent catastrophes in the 'small' disciplines by 'saving' a limited number of chairs, have not solved but only delayed the problem in case, because its cause – the system of 'output financing' – has been left fully intact<sup>16</sup>. Therefore, the *economic model of the university* is inherently *inimical to disciplinary specialization* and favors disciplinary integration over disciplinary differentiation<sup>17</sup>. The economic model, thus, is also an attempt to put the history of the university, that was characterized by continuing disciplinary differentiation, *in reverse*.

These economic characteristics explain why *interdisciplinarity* has become so surprisingly popular as a slogan in Dutch management and policy circles lately; it is just the rhetorical fig leaf in order to abstract from disciplinary specialty and to neglect it. Perhaps this consequence is the clearest indication that the economic model of the university, in essence, is something like a *category mistake*. It is nothing less than the *totalitarian attempt to model homo academicus after homo economicus* without any regard for the peculiarities of scholarly practice. The economic model ne-

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<sup>16</sup> I am referring to the measures following the rapports of the commissions led by Staal and by Vonhoff respectively. Both rapports were followed by *temporary* financial protection of a number of specific 'small' disciplines. I am also referring to the installation of so called 'Van der Leeuw' chairs and 'Akademie' chairs in the 1990's in order to prevent the elimination of specific specializations. All these protective measures did *not* annule the *cause* of the problem, i.e. the system of 'output financing', nor did they lead to its public discussion.

<sup>17</sup> The economies of scale have also lead in the humanities to the substitution of the 'research school' for the individual researchproject. The (presupposed) format of the research units in the natural sciences have thus been imposed on the humanities, leading to an incredible production of policy papers, paper plans, window dressing and a new layer of bureaucrats.

glects the well attested empirical fact that reputation and *not* money is the institutional motive of scholarly disciplines; and the economic model neglects the well attested historical fact that all attempts in history to impose external, ideological motives on scholarly disciplines – as was done under nazism and communism – have only engendered counterproductive effects. These facts, of course, do *not* imply that scholars *as persons* are averse of money or free of ideology – they most certainly are *not* – but only that scholars *qua scholars* are driven by other motives – such as striving after reputation and plain curiosity. Scholarly practice cannot thrive and cannot be explained without them. Imposing external motives on scholarly disciplines, like the economic motive, therefore, can only have damaging effects, from uneconomic publishing strategies to plagiarism and outright fraud.

The type of damage in case is, for instance, exemplified by the introduction of the citation index, leading to the slicing of publications, the organization of citation cartels and to the multiplying of authorship. It is also exemplified by the introduction of pure quantitative output criteria, leading to the avoidance of risky topics and risky questions.

The basic fact of scholarly output is that it is fundamentally limited by the productive time of the scholar; and this productive time, basically, cannot be expanded nor manipulated by any input, as most who have ever tried know. Neither is there any *guarantee* of a direct relationship between the input of time and the quality of the output in the scholarly domain. So, contrary to most normal economic production, the quality of scholarly production can *not* be conceived of as a *direct* function of its inputs. Therefore, the whole idea of modelling the domain of scholarly activity after economics is fundamentally misconceived. Moreover, it is bound to the counterproductive, because although the *quality* of ‘scholarly production’ is not open to manipulation, the *quantity in which it is presented* is.

This basic fact explains why none of their instruments introduced in order to measure and ‘stimulate’ the quality and quantity of scholarly ‘output’, actually have produced *better* scholarly products, as policy makers and politicians in the Netherlands usually believe on basis of quantitative indicators. They have at best produced *more* scholarly products and *more* strategic behavior of scholars, adapting to those instruments. Since *homo academicus* usually has some capacity to *reflect*, nothing else was to be expected. The pernicious inclination of Dutch policy makers to congratulate themselves with their policy instruments and results is therefore not built on fact, but on their favorite fantasies. And it testifies to little inclination to think consistently, because how on earth could a university

system with such a *small factual role of the market mechanism and of other competitive mechanisms* ever make it to ‘world top’?<sup>18</sup>

From the point of view of cost control and of cost reduction *in the short term*, the economic model of the university as developed in the Netherlands, thus, is a major success, no doubt. From the scholarly point of view, however, and taking a longer term into account, the Dutch university model shows completely different and gloomier sides. Following the Dutch example will in the long term turn out to be as rewarding as climbing the Dutch mountains<sup>19</sup>.

### Summary

This article deals with the myth of the Dutch middle way, that is, with the idea that the Dutch government policies with regard to the universities since the 1980’s are a successful mix of Anglosaxon (market-oriented) and German (state-oriented) approaches, capable of solving the problem of the ‘mass university’ also confronted outside the Netherlands. The article dispels with the myth of the ‘Poldermodel’ in the field of higher education by showing that Dutch policies boil down to a financial saving policy of the state, that is only *legitimized* by a *rhetoric* of the market-economy, flexibility and efficiency. It is argued that this policy contains very strong (financial) incentives for lowering academic standards, because the quality of the academic ‘output’ is basically measured in quantitative terms. It is also argued that this policy basically threatens the very principles of academic specialization and of academic freedom by introducing the economies of scale in the academic field. The ‘success’ of the Dutch policies in the field of higher education turns out to be only the success of a saving policy in the *short-term*; at the same time the Dutch policy is undermining the university *as such* in the *long run*, because it tries to replace all incentives specific for the academic system by general financial incentives. It does so by modelling *homo academicus* after *homo economicus* and thus by totally negating the specificity of the modern university, as developed during the last two centuries.

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<sup>18</sup> Significantly, the chairman of the VSNU, R. Meijerink, does not offer *one* factual argument for his ranking of the Dutch universities in the ‘world top’. The same holds for his prediction that students from abroad will flood Dutch universities *en masse* because of its presumed quality, as soon as Dutch professors will offer their courses in English. Actually, the percentage of foreign students at the Dutch universities until present is rather small; and it will probably remain small as long as Dutch is different from English and as long as Dutch tuition fees are relatively high for European standards. On basis of these relative economic disadvantages in relation to the competing universities outside the Dutch borders, an *economist* would rather expect the *reverse* of Meijerink’s predictions.

<sup>19</sup> This metaphor also refers to one of the ‘modern’ Dutch policy goals with regard to research; the stated goal is “to create some mountains in the landscape”.

### Kurzzusammenfassung

Der vorliegende Beitrag beschäftigt sich mit der hochschulpolitischen Ausprägung des Mythos von der niederländischen „goldenen Mitte“. Seit den achtziger Jahren stelle sich die niederländische Hochschulpolitik als Resultat einer vermeintlich erfolgreichen Verknüpfung angelsächsischer (marktorientierter) und deutscher (staatsorientierter) Ansätze dar. Diese Herangehensweise schaffe die Möglichkeit, des auch außerhalb der Niederlande bestehenden Problems der „Massenuniversität“ Herr zu werden. Der Autor erteilt der Ausweitung des „Poldermodell-Mythos“ auf den Bereich höherer Bildung jedoch eine Absage, indem er darzulegen sucht, daß die niederländischen Praktiken auf eine staatliche Sparpolitik in diesem Sektor hinausliefen, die lediglich durch bloßes „Klappern“ mit marktwirtschaftsbezogenen Begriffen und Schlagworte wie „Effizienz“ und „Flexibilität“ legitimiert sei.

Der Autor bringt zum Ausdruck, daß diese Politik starke finanzielle Anreize schaffe, akademische Standards herabzusetzen, da die Qualität des akademischen „output“ im Grunde nach quantitativen Maßstäben bewertet werde. Weiterhin wird erörtert, daß ein solches Vorgehen faktisch die grundlegendsten Prinzipien akademischer Spezialisierung und Freiheit bedrohe, indem es den akademischen Bereich ökonomisiere. In diesem Sinne erweise sich der „Erfolg“ der niederländischen Hochschulpolitik lediglich als Kurzzeiterfolg einer Sparpolitik; gleichzeitig – und auf lange Sicht – höhle dieser Ansatz die Universität jedoch *als solche* aus, da versucht werde, alle spezifisch akademischen Anreize durch generelle, finanzielle Anreize zu ersetzen. Mithin werde der homo academicus dem homo economicus nachgebildet, was zur vollständigen Negation sämtlicher Eigenheiten der modernen Universität führe, wie sie sich während der vergangenen zwei Jahrhunderte entwickelt habe.