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The Evolving Dutch Welfare State

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CHAPTER 5

THE EVOLVING DUTCH WELFARE STATE

FRANCA VAN HOOREN AND BARBARA VIS

INTRODUCTION

IN 1900, the Dutch state spent a meagre 0.39% of gross domestic product (GDP) on social transfers and services related to the health and well-being of its population. By 1976, this had skyrocketed to 24.3% of GDP.¹ By then, the Netherlands had become a true welfare state, meaning ‘[a] concept of government in which the state ... plays a key role in the protection and promotion of the economic and social well-being of citizens’ (Britannica, 2020). Moreover, from being a laggard in terms of social spending in a comparative perspective throughout the first half of the twentieth century, the Netherlands had become an absolute frontrunner by the mid-1970s. In this period, Dutch welfare state spending was at its historical peak. From the mid-1990s onwards, the Netherlands held a more medium position among countries in the Organization for Economic Cooperation and Development (OECD), with spending hovering between 18 and 22% of GDP.

The Dutch welfare state has kept some of its defining features over time, such as a universal old age pension benefit (*Algemene Ouderdomswet*, AOW) and a fairly generous unemployment insurance. However, there has also been much welfare state *reform*—that is, ‘change, in any direction, in the organization and implementation of the amalgam of social policies (benefits and services) that make up a nation’s welfare arrangements and that are to enhance welfare and offer protection’ (Van Kersbergen & Vis, 2014, pp. 2–3). Reforms have consisted, among other things, of retrenchment—that is, rolling back ‘social protection and other welfare state interventions’ (Van Kersbergen & Vis, 2014, p. 3), privatization of risks, marketization of services, and activation of benefit recipients.

¹ OECD data compiled by Our World in Data (n.d.).

For decades, political scientists and sociologists have been keen on studying welfare state development because it ‘epitomizes the dramatic transformations all advanced democratic societies have undergone in the twentieth century’ (Cox, 1993, p. 201). Analytically, Dutch welfare state development and reforms have always posed puzzles (for overviews, see Green-Pedersen, 2001; Vis et al., 2008). Modernization theory (e.g. Flora & Heidenheimer, 1981) failed to explain why the Dutch welfare state developed so late in comparison to countries with similar levels of socio-economic development. The power resources approach (e.g. Esping-Andersen, 1985; Korpi, 1983) could not explain why, despite the absence of social-democratic dominance, the Dutch welfare state rapidly expanded in the 1960s and 1970s into a (very) generous welfare state. Institutional approaches (e.g. Pierson, 1996), expecting resilience, failed to explain the radical and sometimes path-departing welfare state retrenchment and reform of the Dutch welfare state since the 1980s, despite the general popularity of the status quo.

This chapter focuses on how the Dutch welfare state has evolved from its early development in the beginning of the twentieth century to its recent reforms, and what explains this development. Since this has posed puzzles and, so we argue, still is posing puzzles, we use these aspects of the evolving Dutch welfare state to structure our analysis. We start by sketching how the Dutch welfare state obtained its key features and which of these characteristics have been radically changed over time. Next, we zoom in on the insights derived from recent scholarship on the politics of welfare reform and gendered critiques of welfare state research. These, so we will argue, explain some of the puzzles around the timing and shape of Dutch welfare state development and reform. We highlight the importance of confessional forces in party politics contributing to a welfare state firmly built on the Christian ideal of a male breadwinner model; we explore explanations for reform and retrenchment of popular social policies; and we identify a gap in terms of intersectional and postcolonial welfare state analysis. The final section, furthermore, points at digitalization as key topic for future welfare state research.

THE ORIGINS AND DEVELOPMENT OF THE DUTCH WELFARE STATE

A Late Start

The origin of Western welfare states dates back to the final quarter of the nineteenth century. Welfare states were needed in capitalist democracies because of the negative effects of modernization, including industrialization, urbanization, and associated ‘pauperization’ (Béland et al., 2021, p. 3). The rapid societal transformations at the time led to unregulated capitalist labour markets, resulting in poverty and social misery. It became increasingly clear that neither the market nor the family could cover the social risks and that the state thus had to step in. At the same time, the welfare state was also an

instrument of the ruling elite to ‘tie’ the working class to the state, to make sure workers would not revolt (Van Kersbergen & Vis, 2014). A welfare state developed in all Western democracies, but the timing of this development as well as the shape and size of the emerging welfare states differed substantially across countries.

From the perspective of modernization theory (e.g. Flora & Heidenheimer, 1981), given its level of socio-economic development, the Netherlands was late in developing programmes catering to the emerging social risks (Cox, 1993; Van Kersbergen, 2009). Where Germany had insurances against sickness, disability, and work accidents in place by 1889, in the Netherlands a first accident insurance was only instated in 1901, followed by a sickness and invalidity insurance in 1913. In terms of shape, the initial programmes differed from the nationwide, tax-based systems that could be found in Scandinavia. Instead, the Dutch programmes were mandatory, contributory social insurance schemes (Van Oorschot, 2006, p. 58). They were organized at the level of companies or sectors of industry, resulting in a welfare state system that was ‘patchy’ and had a limited degree of collectiveness (Van Oorschot, 2006, p. 59). In terms of the size of the emerging Dutch welfare state, benefit levels of these early programmes were low, oftentimes not even at subsistence level (Van Oorschot, 2006, p. 59). Also, the percentage of the labour force that was covered by the schemes—the so-called coverage ratio—was relatively low.

One explanation for the comparatively late development of the Dutch welfare state centres on the so-called Pacification of 1917. During the Pacification, two of three major issues that dominated Dutch politics at the time were resolved through a trade-off between the elites (see e.g. Van Kersbergen & Vis, 2017): the suffrage issue and the political struggle about the governance of schools (*schoolstrijd*) (see Irwin & Van Holsteyn and Honingh & Stevenson, *this volume*). The Christians received their long-sought equal rights in the form of proportional state subsidies for their schools; the liberals and socialists obtained universal male suffrage and a replacement of the district system with a proportional representation system. The third issue, the ‘social issue’ (*sociale kwestie*), conversely, was left unresolved during the Pacification. The latter has been attributed to the very slow growth of the electorate in the Netherlands (Andeweg, 2017).

Consequently, the confessionals, particularly the Anti-Revolutionary Protestants (ARP), could continue to stall welfare state development. The ARP was popular among a broad coalition of voters, including farmers and the lower middle class. It strongly believed in ‘sovereignty in one’s own circle’ (Van Kersbergen, 2009, pp. 125–126), which placed sharp limits on the degree of state intervention in social relations. For the ARP, the limit for state intervention had already been reached with the early labour protection laws. It developed into a distinctly anti-social-spending party under the leadership of Prime Minister Colijn in the 1930s (Hoogenboom, 2003).

From Laggard to Frontrunner

After the Second World War, the Dutch welfare state expanded rapidly and into a comparatively speaking generous system. According to the power resources theory (e.g.

Esping-Andersen, 1985; Korpi, 1983), such expansion and generosity results from social-democratic dominance. This had indeed been the case in the Scandinavian countries, which developed into generous, universal welfare states. However, social democracy has never been dominant during the development of the Dutch welfare state (Van Kersbergen, 2009). In fact, the political parties supporting the expansion of the welfare state were to some extent *unusual suspects*—for one, different than one may expect, the Dutch Labour Party initially did not favour social security from cradle to grave in the 1950s.² It was a ‘Roman–Red’ coalition (Catholic/social democratic), excluding the anti-interventionist ARP, that started a series of expansionary policies in the 1950s.

During the 1960s, this process was continued and even accelerated by various Christian/Liberal coalitions. Policies included highly generous unemployment and disability benefits for male breadwinners, paying 80% of the last earned wage (WW, introduced in 1949 and expanded in 1964; WAO, introduced in 1967), a universal old age pension benefit (AOW, 1957), a universal long-term care insurance (AWBZ, 1968), a minimum wage (1967), and a fairly generous social assistance benefit (ABW, 1965) as a safety net for those who were not covered by any of the social insurance benefits. In the 1970s, a leftist Labour/Christian government led by Den Uyl linked social benefits to minimum wages, which in turn were linked to the average wage. This reform expanded the welfare state because wage increases automatically led to benefit increases (Becker, 2000). Meanwhile, the generous disability insurance was increasingly used by companies to ‘shed’ unproductive labour. All this was deemed affordable because of the discovery and profitable exploitation of natural gas reserves (Van Kersbergen, 2009, p. 139). This resulted in the aforementioned peak in social spending in the mid-1970s.

By the 1970s, the Dutch welfare state could be characterized as ‘highly passive, transfer-oriented, [and] service-lean, providing ‘highly generous ... income replacement for the typical male breadwinner–female carer household’ (Van Kersbergen, 2009, p. 129). While the Christian parties were the most active ones in promoting this male breadwinner model, it was in fact supported by all parties including the Labour Party (Van Kersbergen, 2009, p. 135). Until 1957, women civil servants were automatically fired when they married, and by 1960, only 16% of married women engaged in paid employment (Van Kersbergen, 2009, p. 136). Childcare services were nearly non-existent, and the absence of such facilities was ‘proof of the achievement of the welfare state’ (Bussemaker, 1998, p. 76).³ Despite being sometimes depicted as the most left-wing government ever, even the Den Uyl government embraced the ideal of the mother as the best carer of young children (Bussemaker, 1998), leaving the breadwinner model firmly in place for a few more decades. By contrast, in the same period social services for the elderly, including old people’s homes, nursing homes, and home care, were

² In 1952, it was the Dutch social-democratic minister of social affairs, J. G. Suurhoff, who assured parliament that ‘social insurance from cradle to grave, as it has been called, is no slogan that yours truly will ever raise’ (authors’ translation; original quote in Van Kersbergen & Vis, 2016, p. 7).

³ The state was only expected to care for women who lacked a male breadwinner, such as single mothers who could unconditionally rely on social assistance (Knijn & Wel, 2001).

quickly expanded under the coverage of the long-term care insurance (AWBZ). These services were organized by non-profit providers but publicly funded. Hence, while the Netherlands was a laggard in international perspective in terms of childcare provision, it was a frontrunner in its financing of elderly care services (Van Hooren & Becker, 2012).

Retrenchment, Activation, and Marketization

The expansion of the Dutch welfare state came to a halt after the oil crises of the 1970s, as it did in many other developed democracies. Still, in the 1980s, the retrenchment of the welfare state was not only driven by budgetary concerns; it was also ideological with ‘big government’ increasingly seen as responsible for ‘big problems’. Nowhere was this more clearly visible than in the rhetoric of Thatcher in the United Kingdom and Reagan in the United States. But also in the Netherlands, the Christian/Liberal (VVD) Lubbers governments aimed to bring down ‘welfare nonsense’. To this end, minimum wages were frozen and replacement rates of social insurances were brought down from 80 to 70%.

Meanwhile, the economic downturn led to an accelerated ‘shedding’ of workers into the disability benefit scheme. By 1990, nearly 1 million people, or 15% of the working age population, were receiving disability benefits (Becker, 2000; Kuipers, 2006). This led Prime Minister Lubbers to declare that ‘the Netherlands is sick’ (Vis & Van Kersbergen, 2007). The character of the Dutch welfare state remained largely intact until the early 1990s, which started with a major reform of the WAO by Lubbers’ Christian Democrat/Labour (PvdA) coalition, including a significant benefit reduction (see e.g. Kuipers, 2006). Subsequently, under the so-called Purple coalitions between 1994 and 2002—consisting of the PvdA, the VVD, and the progressive Democrats 66, the first Dutch government since the First World War without any Christian Democrats—a policy of ‘activation’ of benefit recipients, privatization of risks, and marketization of publicly financed services was adopted.

This policy trajectory would turn out to be long lasting. Reforms entailed both retrenchment and expansion, with retrenchment gaining the upper hand in times of economic downturn. As an example of the privatization of risks, in 1996, the responsibility for paying sickness benefits was privatized to employers, who had to continue to pay the wage of a sick or disabled employee for one year (extended to two years in 2004). Many ‘activation’ reforms aimed to stimulate employment participation and decrease state dependency. Social assistance reforms in the 1990s and 2000s decentralized responsibilities and gave some discretion to local governments, while generally tightening obligations to accept work, including for single parents (Becker, 2000, p. 225). In 2015, the Social Assistance Act was replaced by the Participation Act (*Participatiewet*), which included an obligation for social assistance recipients to do unpaid work as a quid pro quo (Eleveld, 2014) as well as a requirement to learn Dutch. In the 1990s, local governments were also encouraged to provide services that actively supported people in finding work, but budgets available for such services were significantly retrenched after the 2008 financial crisis (Soentken et al., 2017). In 2012, after long

negotiations and confrontations, it was decided to gradually raise the legal retirement age from 65 to 67 (Starke et al., 2013).

As another tool to stimulate employment participation, in the 1990s the idea that childcare could be a means to decrease state dependency gained in popularity (Bussemaker, 1998, p. 86). This initially resulted in a series of subsidies to stimulate companies and local governments to invest in childcare provision. Subsequently, in 2005, a Childcare Act was introduced that fully marketized childcare provision. From then on, parents received income-dependent childcare subsidies with which they could purchase childcare services. While around 6% of children up to the age of three attended a day care centre in 1990, this share grew to 26% in 2006 (Van Hooren & Becker, 2012) and to over 70% by 2021 (Statistics Netherlands, 2022a). Notably, though, in 2021 on average children attended day care for only 1.5 days per week. The Dutch ‘male breadwinner model’ has developed into a ‘one-and-a-half earner model’, with most mothers working part time (Yerkes, 2009).

Marketization is also visible in the new Healthcare Insurance Act of 2006, which created a system of mandatory private health care insurance with competing insurance companies and marketized care provision. Similarly, in 2007 and 2015, the generous system of publicly financed long-term (elderly) care through the long-term care insurance AWBZ was reformed (Da Roit, 2018). While nursing homes continued to fall under a (new) national long-term care insurance (Wlz), home care and support services were decentralized and marketized under a new Social Support Act (WMO), which allowed for-profit care provision and encouraged competition among providers, while also encouraging more care provision by unpaid family members or volunteers.

Alongside activating, privatizing, and marketizing reforms came increasing concerns about potential abuse of welfare benefits and subsidies. These were fuelled by a heavily mediatized case of subsidy fraud by Bulgarians in 2013 and resulted in stringent controls and exceedingly harsh punishments (Frederik, 2021). This, eventually, led to the childcare subsidies scandal (*Toeslagenaffaire*), and the stepping down of the Rutte III government in 2021. The scandal broke when it became apparent that between 2005 and 2019, approximately 30,000 parents had been unfairly accused of childcare benefit fraud and had been hounded remorselessly by the tax office. These parents had been forced to pay back large sums of received benefits, often tens of thousands of euros, which caused large debts, ‘a cascade of problems in all areas of their lives’—including depression, divorce, loss of jobs, and children forced out of home placements—and a profound distrust in the state (Simonse et al., 2023). We return to the implications of the benefit scandal below.

THE GENEROSITY OF THE DUTCH WELFARE STATE IN A COMPARATIVE PERSPECTIVE

To place this historical pattern of Dutch welfare state development in a comparative perspective, we now zoom out to the aggregate level. The so-called Combined Generosity

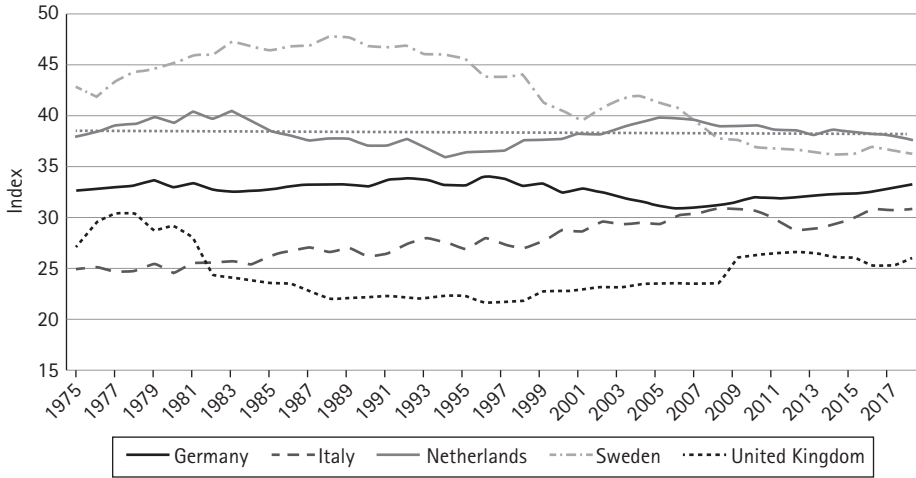


FIGURE 5.1 Development of combined welfare generosity, 1975–2017

Notes: The Combined Generosity Index is the average of the generosity indices for three social insurance programmes: unemployment, sickness, and pensions (see also Scruggs, 2014, 2022). Figure by authors based on Scruggs' (2022) data.

Index (Scruggs, 2022) is a measure to comparatively examine the generosity of welfare states. This index is the average of the generosity indices for three main social insurance programmes—unemployment, sickness (i.e. sick pay), and pensions. To obtain a measure of these programmes' generosity, they have been scored on a number of characteristic indicators, such as net benefit replacement rates (i.e. the percentage of previous wage that a benefit replaces after the deduction of taxes),⁴ benefit duration (i.e. how long a recipient is entitled to a benefit), qualifying conditions (e.g. how long someone needs to contribute to a scheme to be entitled to a benefit), and programme coverage (i.e. the share of the labour force that is insured) (see Scruggs, 2014, for an extensive discussion). Figure 5.1 displays the development of the Combined Generosity Index for several developed democracies between 1975 and 2017. The higher the score of the index, the higher the total welfare generosity.

As expected, based on the specific reforms and changes discussed above, the overall welfare generosity in the Netherlands was reduced between the early 1980s and the mid-1990s. From the mid-1990s onwards, it increased again, which is mainly due to a larger percentage of the labour force being covered by unemployment insurance, sick pay, and accident insurance (from 77% of the labour force to 84%; see Van Kersbergen & Vis, 2014, p. 83). From the mid-2000s onwards, overall welfare generosity declined. This was mainly due to reforms in unemployment insurance, specifically a reduction of the net replacement rate of unemployment insurance (from >90% in the mid-1970s to 72% in 2009), a tightening in the qualifying conditions in the mid-1990s, and a reduction of

⁴ Note that the net replacement rate can be higher than the gross (i.e. statutory) replacement rate because of the tax-free threshold (i.e. the share of income, including income from benefits, that is exempt from taxes).

benefit duration since the mid-2000s. These were all measures that broadly fell under the idea of activation (Cox, 2002). In comparison, the changes in (public) pensions and sick pay have been relatively minor and have hardly influenced the development of overall welfare generosity in the Netherlands. Recall that the privatization of the risk of sickness to employers means that the ‘shape’ of the Dutch welfare state changed while its generosity did not.

Figure 5.1 also shows that in terms of welfare generosity as measured by this index, the Netherlands scores substantially higher than a diverse set of other European countries (Esping-Andersen, 1990), including Italy, the United Kingdom, and Germany. Interestingly, since the mid-2000s, the Netherlands has even been scoring higher than Sweden, which is oftentimes seen as the prototypical generous welfare state. This illustrates that change is a common phenomenon for welfare states (see e.g. Hemerijck, 2013).

THE POLITICS OF RETRENCHMENT AND REFORM

It goes beyond the scope of this chapter to comprehensively discuss the huge literature on welfare state development in political science, sociology, and economics. Instead, we focus on two themes that are especially relevant for the development of the Dutch welfare state and its puzzles: the politics of retrenchment and reform and, in the next section, gendered and intersectional critiques.

In the 1990s and early 2000s, many welfare state scholars focused on explaining the remarkable resilience of the welfare state. Despite two oil crises and the so-called ‘permanent age of austerity’ (Pierson, 2001), and notwithstanding numerous accounts of the welfare state’s ‘growth to limits’ (e.g. Flora, 1986), crisis (e.g. Mishra, 1984), and ultimate collapse (for an overview, see Van Kersbergen & Vis, 2014, p. 14), in the Netherlands as well as beyond, welfare states continued to exist. The explanation for this welfare state resilience is twofold (see e.g. Pierson, 2001). First, changing an institution like the welfare state, once it is in place, is very difficult because of path dependency. Second, because of the popularity of the welfare state status quo (e.g. Häusermann et al., 2022), governments reforming the welfare state run the risk of punishment at the ballot box, which makes reform also difficult politically.

That the Dutch welfare state continued to exist does not mean that it did not change. On the contrary, ‘The welfare state is reform on a grand scale. It is an attempt to change the circumstances individuals and families live under without basically changing society’ (Ringen, 1987 [2006 ed.], p. xlvi, cited in Van Kersbergen & Vis, 2014, p. 4). However, the *political thrust* of the welfare state’s reform ambitions did change over time. During the phase of welfare state expansion, governments could typically claim credit for their reforms; in the period of cost containment and retrenchment, conversely,

governments had to try to avoid the potential blame for the reforms. This is what Pierson (1996) called the *new* politics of the welfare state. By now, there is a substantial body of literature that focuses on blame avoidance, both in welfare state research (for an overview, see Vis, 2016) and in public policy more generally (see e.g. Hood, 2011). This literature provides important insights into the *how* of welfare state reform (Vis & Van Kersbergen, 2007), showing that there are various categorizations of blame avoidance strategies. Pal and Weaver (2003) distinguish three types of strategies: manipulating procedures, payoffs, or perceptions. Manipulating procedures means making use of the institutional procedures in place to minimize blame. Examples include delegating responsibility upwards (e.g. to the European Union, EU), sideways (e.g. to an agency), or downwards (e.g. to the local level). Strategies under the heading of manipulating payoffs influence who gains or benefits from the reform. Examples include concentrating the pain of the reform on those groups that are least likely to mobilize (e.g. younger generations in the case of pension reform) and strategically timing a reform. Strategies that manipulate perceptions aim to influence how voters view the reform. Examples of these include finding a scapegoat (e.g. blaming the EU for a specific cutback, even though the EU's competences in the field of social policy are highly limited) and trying to reframe an initially unpopular reform into an acceptable one.

Even though the verdict is not yet out on the *actual* electoral effect of welfare state retrenchment (for overviews, see Hübscher et al., 2021, table A1; Vis, 2016), there is ample empirical evidence that governments in the Netherlands and beyond do turn to blame avoidance strategies when reforming the welfare state. This may at least partly be because they tend to believe that pursuing unpopular measures may lead to electoral losses (Soontjens, 2021; Wenzelburger, 2014). This may be understandable, given that there are salient examples of major electoral punishment. In the Netherlands, *the* example of this is the Christian Democrats in 1994. A proposal by the then party leader Brinkman to freeze all benefits, including AOW, resulted in a historic electoral defeat and removed the party from office for the first time since the First World War. It would take more than a decade, until 2008, before a government was again willing to risk reforming the AOW, even though a report from 1987 had already proposed to increase the AOW retirement age (Van Kersbergen & Vis, 2016, ch. 7).

There are also open questions and puzzles. There is increasing evidence that accepting blame, or what we may call 'owning' the retrenchment, may be a politically viable strategy (e.g. Elmelund-Præstekær et al., 2014; Miller & Reeves, 2022). Furthermore, contra the idea of a traditional political business cycle (MacRae, 1977), where unpopular ('sour') measures are taken early in the electoral cycle with the 'sweet' following close to election day, Wenzelburger et al. (2020) show that welfare state reforms follow a U-shape trajectory over time. Their analysis of >1,500 legislative changes in pension and unemployment policies between the early 1970s and 2014, in Denmark, Finland, France, Germany, and the United Kingdom, reveals that governments typically start by cutting some while also expanding other welfare state programmes, followed by a period of mainly cutbacks, with expansions when elections are near. To what extent such a pattern is also visible in the legislative changes that have taken place in the Netherlands we do not yet know.

A GENDERED AND INTERSECTIONAL CRITIQUE OF THE DUTCH WELFARE STATE

Starting in the 1980s, an influential gendered critique of welfare state scholarship emerged. Critics pointed out that existing ‘mainstream’ scholarship had focused too narrowly on state–market relationships, thereby ignoring the position of women, the importance of care and social reproduction, and the role of the family as welfare provider (for an overview, see e.g. Ciccio & Sainsbury, 2018). Feminist scholars revealed how welfare states were fundamentally based on and reinforced dominant family norms, initially relegating women to the private sphere where they did not gain access to paid employment or individual welfare entitlements (Lewis, 1992). Indeed, it is only when paying attention to gender that one can fully understand the shape of the Dutch welfare state in the post-war decades and the transformation it has undergone since: from a welfare state firmly built upon a strong male breadwinner model, reinforced by generous social insurance for breadwinners, to a welfare state that aims to promote full employment for men and women, albeit still mostly in the form of a one-and-a-half-earner model (Yerkes, 2009).

One question that has puzzled comparative researchers is why some welfare states, most notably Sweden, moved away from the male breadwinner model much earlier than others, like the Netherlands, which held onto it until well into the 1980s. A conceptualization of distributional struggles in only class terms, as was conventional in power resource analyses of welfare state development, could not answer such a question. In fact, in the 1950s and 1960s leftist parties and trade unions were often strong supporters of social policies that prevented wives from having to work (Bussemaker, 1998).

Some scholars turned, instead, to a study of the impact of feminist mobilization (Pedersen, 1993). However, they did not find a direct association between the strength of feminist mobilization and the ‘women friendliness’ of social policies. This could be explained, first, by the fact that regardless of the strength of feminist mobilization, formal politics were still controlled by men. While the Netherlands had a relatively strong women’s movement in the 1970s (Outshoorn, 2002), its direct impact on policy change was limited in a political context in which the proportion of women in parliament stagnated at around 10%. Second, it should be noted that there is no such thing as ‘women friendliness’ in general. Women’s movements were often internally divided about issues related to women’s work and childcare, some demanding ‘wages for housework’ while others prioritized women’s participation in the labour market (Ferree, 2012).

Rather than the power resources of social democrats or women’s movements, the most convincing explanation for the relatively late changes in Dutch family policy is related to the aforementioned dominance of confessional parties (Morgan, 2006). Countries in which religious authorities were subordinated to secular states, like Sweden and France, enacted family policies supporting women’s employment early on. In the Netherlands, instead, religious forces played a key constraining role. Christian democratic notions of

subsidiarity and traditional family arrangements guided public policy until the 1980s (Morgan, 2006, p. 28). Only in the 1990s, when women's labour market participation had already increased and the influence of religion had diminished, did political parties change their position on provisions like childcare. Still, governments were reluctant to extend direct state involvement, opting instead for subsidies to finance private provision (Morgan, 2006, p. 30).

Gendered critiques have been very influential and have been recognized by and incorporated into 'mainstream' research (Orloff & Palier, 2009). This can be seen, among other things, in abundant attention to care and family policy in recent welfare state research. However, this incorporation of gender has also been criticized because issues of care and reproduction are often only treated instrumentally as significant for economic and human capital development, rather than as important and valuable in themselves (Ciccia & Sainsbury, 2018, p. 98).

Recently, attention has been given to a persistent blind spot in much welfare state research: the intersection of gender with other dimensions of inequality, such as class, race, nationality, and sexuality. One illuminating example of intersecting inequalities in the Dutch welfare state is its treatment of domestic workers. A special employment regulation (*Regeling dienstverlening aan huis*) excludes domestic and care workers who are directly employed by private households from the social and employment protection that covers other workers (Van Walsum, 2011). The existence of this regulation has been justified by the outdated, no longer realistic assumption that domestic workers are women who are 'just working for a few hours per week' and who rely on social protection through their husbands (Van Hooren, 2018). Consequently, hundreds of thousands of women in lower social classes, often with a migration background, continue to be exempted from the protections the Dutch welfare state offers to others.

A second example underlining the urgency of an intersectional lens in welfare state research is the fact that no less than 70% of the victims of the above-described childcare subsidy scandal—where people were unfairly accused of fraud—had a migration or ethnic minority background (Statistics Netherlands, 2022b), with the biggest groups originating from Surinam and the Dutch Antilles, two former Dutch colonies. Their overrepresentation is the result of ethnic profiling by the tax authority. The tax authority has since acknowledged that, in its automated risk classification models, it targeted people without Dutch nationality, with a double nationality (Autoriteit Persoonsgegevens, 2020), and even with a 'non-Western appearance' (NOS, 2022). The underrepresentation of these minority groups in Dutch politics might, in turn, explain why it took years before the unjustified fraud accusations received due political scrutiny.

This brings us to a final gap in existing welfare state research, namely the connection between colonialism, welfare state development, and postcolonial social rights. In a thought-provoking study, Bhambra and Holmwood (2018, p. 51) argue that the development of the British welfare state was dependent on 'a political economy of Imperial and (subsequently) Commonwealth preferences which was designed to enrich the British state while restricting the rights extended to subjects throughout its territories'. In the Netherlands, too, social rights were never extended to citizens residing in the country's

colonies, a fact that still affects contemporary postcolonial citizens living in the Netherlands—for example, because they lack full pension rights (Westra & Van Hooren, 2023). This raises questions about the relationships between social rights, nation, territory, race, and belonging that deserve further scrutiny (Williams, 2021).

DIGITALIZATION OF THE WELFARE STATE AS A TOPIC FOR FUTURE RESEARCH

The previous sections have outlined that more research is needed on the timing of (unpopular) welfare reforms and on how intersecting inequalities shape welfare state politics, policies, and outcomes. While acknowledging that the discussions in this chapter have been unavoidably selective, we use this final section to raise one further important topic: *digitalization*. There is an emerging body of research that shows that the (potential) impact of digitalization—broadly defined as the use of digital technologies or digitized data—on the welfare state is huge (for an overview, see Bussemeyer et al., 2022). For example, digitalization makes some jobs obsolete, leading to a need for retraining programmes. Digitalization also gives rise to new forms of employment relations, such as platform work, which are not adequately covered by existing social insurance systems. If this is not addressed by new or revised welfare state programmes, digitalization may lead to precariousness. In line with the intersectional critique we presented above, this is especially likely for groups that are already disadvantaged.

At the same time, digitalization also offers opportunities for more effective, and speedy, policymaking and implementation in the context of accelerating social change (Van Kersbergen & Vis, 2022). This might hold especially for the Netherlands, which scores comparatively highly in terms of the digitalization of its government (Van Kersbergen & Vis, 2022). But this digitalization also creates risks, as evidenced by the discriminatory effects of algorithmic decision making in welfare fraud investigations (Rachovitsa & Johann, 2022). It is important to understand how these diverse possible effects of digitalization will play out, both in the Netherlands and beyond. Welfare states' ability to respond and adapt to digitalization, and benefit from it, will thus be a pivotal topic for future research.

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