1 MOTIVATION AND BACKGROUND: AN INTRODUCTION

1.1 MOTIVATION

Breathtaking and promising: this is what the newly appointed Dutch Cabinet called the developments in the world and the opportunities for the Netherlands three weeks after the fall of the Berlin Wall (Second Chamber 1989-1990, 14th assembly). The Soviet Union had pulled out of Afghanistan, the Berlin Wall had fallen, and the totalitarian Eastern Bloc had vanished. There was a peace dividend to be harvested, and a new, better world was in the offing.

Moments of euphoria prove to be hazardous benchmarks, as the difference with the situation two decades afterward could hardly be greater. Whether it is globalisation, Europe, China's industrial muscle, Islamic fundamentalism, or Wall Street: it seems the outside world is currently presenting itself to the Netherlands chiefly as a potential disturber of order and prosperity. Part of the public has disengaged. In the 2010 election campaign, it was clear for everyone to see how much people's interest in the world outside the Netherlands had shrunk. Though a Cabinet had resigned over a foreign politics issue – troops in Uruzgan – this was a non-election item. Many voters were interested in issues closer to home. Perhaps this was not so much because they were not interested in foreign affairs, but because they, as former State Secretary for European Affairs Frans Timmermans put it, consciously or unconsciously mainly perceive the outside world as a threat: a threat to prosperity, to stability, and to security (Timmermans 2010).

Besides uncertainty about the outside world, various countries show a growing discrepancy in appreciation of what Thomas Friedman popularised under the heading *The World is Flat* (Friedman 2005). Differences of opinion on processes of globalisation and Europeanisation have increased over the past few years. Those with higher educational attainment levels, who have mastered foreign languages and travel all over the world, are seizing new and exciting development opportunities thanks to globalisation. They are the modern cosmopolitans. At the other end, there are what the sociologist Ulrich Beck called the *Globalisierungsverlierer* (Beck 1997): large groups of people who, rightly or wrongly, consider themselves the ones who are picking up the bill for globalisation in terms of fewer opportunities and greater risks. Bovens and Wille quite plainly call this an opposition between cosmopolitans and nationalists (Bovens and Wille 2009). Antitheses in society which used to be of a socio-economic nature, have been transformed into an economic-cultural divide, separating openness and integration on the one side from closure and demarcation on the other side (Kriesi et al. 2008).

We would not be venturing too far if we suggested that such developments have consequences for what used to be called the 'silent consensus' in the field of foreign policy (Everts 2008). This consensus, in a great many areas, is breaking down. The size and the perspective of development cooperation are a case in point, but issues such as the enlargement of the EU or participation in the International Security Assistance Force (ISAF) mission in Uruzgan are also indicative of crumbling consensus. This is not to say that people's interest in foreign policy as such has suddenly increased dramatically. Such involvement has never been very great and still is not (Everts 2008).

Quite the antithesis of such scepticism and uncertainty is an undisputed reality: virtually no other country in the world is as reliant on its international connections as the Netherlands (see Appendix 1). Each and every study reconfirms that the future prosperity of the Netherlands is entirely dependent on our international orientation (Ter Weel, Van der Horst and Gelauff 2010). So as to improve its competitive advantage and its business establishment climate, the Netherlands' embedding in Europe, reinforcement of the internal market, and expansion of the European knowledge economy are essential, as the Social and Economic Council of the Netherlands (SER) concluded in its last globalisation report (SER 2008a). Our prosperity is dependent on foreign countries for about 70 per cent, a figure that has risen considerably over the last few decades, even if we take into account regression due to the financial crisis (Advisory Council on International Affairs (AIV) 2010; Appendix 1). Added to this is the fact that we have never before been so dependent on other nations for our national security.

Whether the issue is international criminality, weapons of mass destruction, or unregulated immigration flows, the Dutch government cannot guarantee national security without international cooperation and coordination. Cross-border trust, reliability, and familiarity are essential. An international orientation, in other words, is imperative, and, in practice, ought to translate into an eager engagement with the outside world, know-how, and action.

This tension between scepticism against the outside world, on the one hand, and the necessity of engagement, on the other, causes frictions. Goetschel (1998) calls this an 'integration dilemma'. It may induce passiveness where decisiveness is crucial and it may create strains that are sometimes difficult to handle. For the Dutch government, it is far from easy to pursue a familiar and consistent policy course. Stuck between conflicting requirements, the government is showing uncertainty in its foreign politics. It responds waveringly to the dilemma of 'the outside world as an opportunity and a threat'; sometimes, it will defend the consequences of globalisation as a win-win situation, full of new opportunities and perspectives; sometimes, it will knuckle under and blame Brussels, while trying and pretending to be in control. It varies. Over the last few years, the Dutch

government, hedging against voter distrust, has become more cautious in matters of European integration; the very word 'integration' itself, for instance, was replaced by the word 'cooperation' in the coalition agreement of the Balkenende IV Cabinet (2007). Poised between Euro-integration and Euro-scepticism, 'cooperation' suggests a cautious middle course that tries to do justice to diverging currents.

In addition, things are ever more rushed, or so it seems, and hence ever more unpredictable. Even back in 1999, the then Minister of Foreign Affairs Van Aartsen complained that the 'CNN factor' was increasingly threatening to rule Dutch foreign policy. Faced with images of human suffering, viewers – citizens and politicians – were tending to support one cause or another within a matter of hours, acting on impulse and driven by primary emotions (Van Aartsen 1999). Such impulses are reinforced by a longing for authenticity and emotion, which is strongly bonding senders and receivers in the visual mass media. Through Google and YouTube, an unexpected event may circulate the entire world in a matter of hours and force governments to respond and act. 'Non-interference in internal affairs' has become an archaic phrase in this perspective, for what, strictly speaking, are still internal affairs? Computer and media networks, for instance, have changed the nature and the dynamics of international relations. There no longer is a small, professional elite with a leading edge in knowledge. The Dutch diplomat who is called upon to act in the event of a plane crash in Tripoli is simply carrying, just like anyone else, the most recent printout of the Libya page from the public CIA website (Mat, Van Nierop and Schenkel 2010).

To be perfectly clear, reflecting on foreign policy alone is not the answer to issues of globalisation, and even less so to domestic questions of polarisation in society. Foreign policy is just one domain in an only partially explored realm of transition issues relating to globalisation. However, if one scrutinises one's own position in the world, one can set and achieve realistic goals. This is an urgent imperative because future prosperity calls for self-confidence and action, whereas the current display of uncertainty leads to passiveness and procrastination. A country with an international orientation cannot afford to do so.

1.2   BACKGROUND

To be sure, such tensions and uncertainties are not only caused by sharper domestic conflicts between openness and closedness or between cosmopolitanism and nationalism. They are also produced by radically changed circumstances at the global level. The Netherlands is not the only country facing this dilemma. As this report will show, various countries are asking themselves what their foreign policy can accomplish and how new connections can be forged between relevant actors in international relations. The character of international relations, the

balance of power, and the players have been subject to such changes that there is, in fact, an entirely new context in which policymaking is to take place. The market square of international relations is getting jam-packed with rising powers and many non-state actors that had no business there in days gone by (Lane 2006; Coolsaet 2008).

Contemplating foreign policy, therefore, can only be useful within a frame of awareness that the context in which such policies take place no longer resembles the diplomatic relations between states of former times. The recently published *Defence Explorations* (Ministry of Defence 2010) have tried to formulate an answer to the question of future threats by means of scenarios. These scenarios sketch out four perspectives of the future: 1) a world of multipolar power blocs; 2) a world of multilateral cooperation between states and world regions; 3) a non-polar world order of networks; and 4) a fragmented, chaotic society. The likelihood of any one of these four scenarios manifesting itself in any pure form will be limited, but these varieties offer useful insights into purposeful long-term investments in the armed forces.

This study is not concerned with developing such scenarios and their consequences, as foreign policy in itself is too changeable, and a small country is too much bound by organised adaptation to changing circumstances (Hellema 2001). What matters to us is the analysis that underlies these scenarios. This analysis is founded on two diverging developments that are now manifesting themselves more or less concurrently in the world. It is exactly the simultaneity of these diverging tendencies that is the new reality facing foreign policy.

First of all, there is the world in which geopolitical factors (geographical location, territory, population size, raw materials, and potential military power) are decisive for the position of nation states (cf. Criekemans 2006). This world is characterised by a fundamental reshuffle in the traditional global balance of power. In the Cold War, there were two power blocs (bipolar); then there was a brief period of American hegemony (unipolar); and meanwhile we are living in a transitional period, in which rising powers such as China, India, and Brazil are successful in demanding influence, while countries that have had such an influence for a long time are still retaining major bases of power (multipolar). The power and the composition of the rather young G20 speaks volumes in this regard. A striking feature of the rising powers is that the state is playing a much more central role in their foreign policy than we are accustomed to in the Western world. As these states are becoming increasingly important in the world economy, rivalry between states over diminishing supplies of strategic raw materials is growing, and there is a stronger focus on the potential of military power. This is a world in which states or groups of states are still the most important players and in which, *mutatis mutandis*, there is still the prevailing adage that all states are equal, but some states

more so than others (Cohen-Tanugi 2008). We are reminded here of Moïsi's observation that Europe is getting smaller in a world that is getting bigger (Moïsi 2009). The same goes for the Netherlands (Bot 2006).

This is also a world in which there are ceaseless tensions between multipolarity, that is, major power blocs that are competitive and distrustful, and multilaterality, that is, power blocs that are looking for cooperative mechanisms of global governance. Multipolarity manifests itself in matters such as the arms race, protectionism, and the appropriation of raw materials. Multilaterality manifests itself in matters such as the G20, in which states are jointly searching for answers to globalisation questions (Held and McGrew 2002).

Parallel to this situation, secondly, we are witnessing the rise of a network-world of international relations. This is characterised by an explosive increase in the number of non-state actors, topics, and channels of cooperation (Milner and Moravcsik 2009; Peters 2009); such channels may be old and formal organisations, but increasingly they tend to be informal networks.

Such interrelationships are not unique. World history has seen examples of strong interrelationships between states and peoples before. In the past, there were tight economic and political networks with public and private actors in many places (Bisley 2007), but what distinguishes the current interrelationships from previous ones are the scale and the intensiveness with which they are now developing at a fast and furious pace. The contemporary kind of interrelationships comprise more regions in the world, develop at a higher speed, and have more far-reaching consequences for many more policy areas than ever before (cf. Dodds 2007: 64; Simmons and Jonge Oudraat 2001: 4-6). The hierarchical position of the state in such a network society has only limited significance. A lively civil society is an example of a non-state but certainly functional network-world. However, such a network-world may also degenerate into fragmentation and even chaos, with population groups insisting on their identity (and usually showing animosity along ethnic dividing lines), globalisation stagnating, and social insecurity increasing. This is a process involving little order and much unpredictability. A manifestation of such fragmentation is failing states.

Both the 'geopolitical world' and the 'network-world' are based on these existing, diverging elements and tendencies in international relations. What this is mainly showing us is how hybrid these relations have become. On the one hand, relations between states and state actors, ruled by geopolitics, have not ceased to matter. On the other hand, formal and informal networks, ignoring national borders, are rapidly gaining importance. So what we are seeing in this hybrid practice is what has been known in the literature for quite some time as the concept of 'complex interdependency' (Keohane and Nye 1977). This growing variety of actors and the

increasing multiformity of mutual interrelationships also finds expression in a growing diversity of mutual dependencies. We have seen the rise of diverging contacts, relations, and partnerships between a variety of actors; horizontal networks next to vertical ones; private and public-private networks next to public ones; and informal networks next to formal ones. It is characteristic of virtually all these connections that they involve multilateral dependencies and that these dependencies are multiple; that is, actors in complex networks are often dependent on each other in several respects, such as knowledge, finance, services, products, and non-material values.

The literature, in addition, also refers to the disaggregated state. In the disaggregated state, the various constituents of government have acquired a more and more autonomous character. They have developed their own international policies, maintain transgovernmental ties with associates abroad, and participate in formal and informal policy networks that go beyond national borders (Leguey-Feilleux 2009: 62-64). This has increasingly led to issues, relevant at the national political level in other countries, becoming items on domestic agendas and vice versa. What we are seeing, in Slaughter's words, is: "… not a collection of nation states that communicate through presidents, prime ministers, foreign ministers and the United Nations. Nor is it a clique of NGOs. It is governance through a complex web of 'government network works'" (Slaughter 2004). In the disaggregated state, a government that is relentlessly trying to coordinate foreign relations is by definition putting the cart before the horse.

This report takes the hybrid character of international relations as the starting point for its analysis. The simultaneous presence of the state-based, geopolitical world and the network-world involving state and non-state players alike will guide our findings in subsequent chapters. What is important here is that hybridity not only impacts the way in which foreign-policymaking comes about and is implemented but also the way in which we think about foreign policy. As a consequence of this, the end of foreign policy has already been announced more than once (Koch 1991; Talbott 1997; Hain 2001; Gyngell and Wesley 2007; Rasmussen 2010). The end might indeed be at hand. For is there still such a thing as Dutch foreign policy when Dutch ministries and municipalities pursue autonomous foreign policies? When the Netherlands, in its cross-border choices and actions, is so greatly dependent on the international structures in which it is embedded? When the world stage on which the Netherlands is performing, is seeing the entrance of an increasing crowd of state and non-state actors? And when the Netherlands is facing challenges and threats that far transcend our national borders?

We believe there is. New actors on the world stage, the disaggregated state, and close international relations must not only be considered as putting restrictions on Dutch foreign policy but also as offering opportunities for promoting Dutch inter-

ests. Such opportunities are mainly lodged in nation states having sovereign status and continuing to preserve this status in a hybrid world.

With respect to the notion of sovereignty, it is important to distinguish between *being* sovereign and *having* sovereign rights, or between the status of sovereignty and the privileges and duties this involves (Aalberts 2006: 174; Sofaer and Heller 2001; Weinert 2007). Sovereignty is a status that is the privilege of nation states. On the one hand, sovereignty may represent a claim to the democratic legitimacy of a people tied to a territorial state; on the other, it refers to the authority to protect the state and its territory against domestic and foreign enemies (Agnew 2009). Besides recognition by other nation states, this status originates in the will of citizens (Pemberton 2009: 3-10; Bickerton et al. 2007: 9-10). It is for this reason that the sovereign status of states is closely tied up with feelings of national identity, national character, and national destination.

In contrast to the sovereign status itself, the power and the rights that are attendant upon this status are not categorical but gradual. A nation state, for example, may transfer many or few of its sovereignty-related competencies to international organisations as it sees fit. This plays a particularly important role in relations with the EU. So here we face the issue of what the Netherlands, as a nation state, *insists on doing* by itself and what, in all fairness, it still *can do* by itself.

1.3   PROBLEM DEFINITION

The backgrounds, structural shifts, and areas of tension outlined above will serve as starting points for this report. On the one hand, the Netherlands is a small country and, in consequence of geopolitical shifts, is only getting smaller. This restricts its scope of action. On the other hand, a hybrid order is also offering new opportunities. In all globalisation and international interrelationship indexes, the Netherlands finds itself in the top bracket (see Appendix 2); this is offering interesting opportunities for meeting its needs and pursuing its ambitions in network-like structures. It is also a major rationale behind this report to explore what role the Netherlands could and should play in this dynamic global environment. Both our study and its findings and recommendations were guided by the following question:

> *How can the Netherlands develop a foreign politics strategy that suits the changing power relations in the world and the radically changed character of international relations?*

This main question can be broken down into a series of sub-questions that need to be addressed in order to formulate a coherent answer. We have restricted ourselves to three core elements:

1   What are the possibilities for the Netherlands to develop its own strategic
     foreign policy? What are the prerequisites and what are the restrictions?
2   How can our country pursue its own interests and ambitions in the best possi-
     ble way? What are the most appropriate channels for doing so?
3   What consequences must we draw for foreign policy organisation and approach
     in order to accomplish strategic foreign policy?

This is not the first attempt to address such challenges. The Kok 1 Cabinet, for
instance, undertook to re-evaluate Dutch foreign policy in 1994. This re-evalua-
tion aimed to effect policy integration, with the Ministry of Foreign Affairs play-
ing a central role as the coordinating body for all ministries' foreign relations.
It had the ambition to create greater coherence by removing partitions between
the different policy sub-areas and by underlining the main policy goals in policy-
making. This ambition, however, came to very little in the end (Meyer 2006: 111-
117; Hellema 2006: 358-364).

At the same time, the Netherlands Scientific Council for Government Policy
(WRR) produced a report entitled *Stability and Security in Europe: the Changing
Foreign Policy Arena* (WRR 1995). This report advised linking up more closely with
France and Germany, which were held to be the engine of Europe. Shortly after-
wards, however, this engine faltered, and after 9/11 the Western world completely
revised its focus, controlling terrorism and the belt of instability in the Middle
East.

It is proving to be hard to devise a suitable, contemporary approach to foreign
policy. Of course, there have always been attitudes, intentions, historical reflexes,
or generalisations inflated into policy priorities, such as 'stability in the Middle
East' or 'a better functioning EU'. Other than that, however, much of foreign
policy amounts to ad hoc responses to events. Day-to-day policy practice shows
that many government players in this field are also confused: what should they be
dedicating themselves to? Where can they make a difference? What should they
ignore? How can they keep the attention of a critical audience? What is at stake?
'Minister travels to Middle East to help promote peace process', as the headline
goes. Does it matter? Does it make a difference? Is it still relevant in today's
world?

Sometimes foreign policy raises expectations that go far beyond the bounds of the
possible, as in a human rights memorandum containing many dozens of priorities
(Ministry of Foreign Affairs 2007) or the Ministry of Economic Affairs' pursuing
its own prime policy focus in Russia, Kazakhstan, Saudi Arabia, and Algeria,
largely disconnected from other Ministries. Sometimes policy reveals this under-
lying uncertainty, as in the 2005 referendum slogan that ran 'Europe, quite impor-
tant.' Sometimes the jargon illustrates that the new international reality has not

yet been fully internalised, as when a minister mentions 'building bridges' between states when major key positions have long since been taken by NGOs.

The absence of a shared policy goal and strategy makes foreign policy the plaything of internal, personal, or incident-driven coincidences. This will harm authority, reliability, and reputation, both internally and externally. What is needed is the kind of policymaking that focuses its ambitions and priorities on contemporary international issues and that, on the other hand, offers sufficient possibilities for identification at home. The automatic pilot is getting us nowhere, as too many things have changed to be able to fly by the old coordinates. We need to make clear choices, pursue some things, and abandon others, though this may not always be simple in a world in which every day offers up fresh current affairs, excitements, and adhocracy.

1.4   LIMITATIONS AND STRUCTURE OF THIS REPORT

This report is the reflection of study, several journeys, conversations, seminars, case studies, and direct written input by external experts and those involved in the field. It also represents a selection, as a study investigating the position of the Netherlands in the world cannot but find and report on some main outlines.

This is not a study that set out to raise everything for discussion. We have not, for example, dealt at any length with the question of what it would mean if the Netherlands were to pursue a position in the world like that of Switzerland: neutral, apart, and a member of little else than the United Nations (UN). We have chosen to ignore, or perhaps just briefly touch on, such discontinuities of circumstances, interests, logics, and interrelationships in the last five decades. This report, after all, does not mean to be a purely academic exercise. It means to offer an analysis and a deliberation framework leading to policy recommendations, which can be tested for their usefulness and which can serve as input in discussions on a meaningful playing field of possibilities and options.

Both our approach and our choices have their limitations. The report, for instance, only obliquely deals with the Dutch Armed Forces and with development cooperation and is not making a separate case for, say, international cultural policy. On the one hand, this would require a separate study, and, on the other, it might manifest itself as a derivative on the basis of the report's recommendations. Moreover, the WRR produced a report on development cooperation earlier this year (WRR 2010).

This report is about Dutch foreign policy in a general sense rather than about the activities of the Ministry of Foreign Affairs exclusively, even if these are of course included. Nevertheless, it would seem clear that this Ministry in particular feels

highly uncomfortable as the representative par excellence of openness and inter-nationalism in a domestic climate that is wavering and polarising. In addition, the Ministry is experiencing loss of function as most other ministries pursue their own foreign policy, sometimes in harmonious relations with the traditional Ministry of Foreign Affairs, and sometimes entirely without it. This means that the above-mentioned widely felt insecurity about the position and role of the Netherlands is also reflected in very concrete doubts and the Ministry's general feeling of embarrassment and being misunderstood.

We have made an effort to use various concepts from international relations as transparently as possible in this report. However, it is in the nature of the subject matter for terms to be slippery, as they are often closely connected with their users' point of view. Some use the phrase 'foreign policy' or 'foreign politics' where others use 'international policy'. 'Foreign policy' would denote old-fash-ioned state-to-state foreign politics conducted by the Minister of Foreign Affairs. 'International policy' involves any number of countries and can be conducted by a variety of organisations with a more public or a more private character. 'Transna-tionalism', finally, refers to the phenomenon of a multitude of non-state actors playing a role on the world stage. Though they have a non-state character, many agencies and private or semi-private institutions have a major impact on interna-tional state relations, ranging from international accounting regulations to agree-ments on Google search structures or FIFA rules. As a semi-state institution, the EU uses the phrase 'external relations' for its policies with the world outside the Union to contrast them with its internal relations within the EU. In this report, our main subject is foreign policy, that is, the policies of the national government in all its branches relating to actors across the borders.

Chapter 2 presents an analysis of the rapidly changing global environment and particularly the explosively growing international agenda and the way in which Dutch foreign policy has responded to these developments. Here we outline avenues that would enable the government to develop a foreign policy that answers to its own goals and ambitions and that is designed to allow it to respond swiftly and effectively to changes in the world around us. In Chapter 3, we identify opportunities for operating creatively in Europe and with Europe, accepting that Europe is the dominant sphere of activity for foreign policy. In Chapter 4, we explore what strategic foreign policy means in everyday practice and what skills are required to accomplish it. We end this report with a summary of its conclu-sions and recommendations, framing the outlines of strategic foreign policy.