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# INVESTOR'S BUSINESS DAILY®

## Dutch Move From Welfare State To 'Participation Society'

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**Roll Back:** Europe is thought of as a collection of welfare states loved by some and detested by others. That lineup, though, is headed for change: The Dutch are wisely dismantling the system that they can no longer sustain.

The Netherlands has been known for its generous welfare system. Three decades ago, when the U.S. was spending about 22% of its GDP on entitlement programs, the Dutch were spending more than 40%. The Financial Times named the Dutch system a "comprehensive egalitarian social model" built in the 1960s and 1970s.

The University of London's History in Focus says that "with the sole exception of Sweden" — which has quietly been paring back its welfare system for two decades — the Netherlands "was the most generous both in terms of benefits and the conditions under which individuals could claim."

But everything is about to change.

Three months ago, newly coronated Dutch King Willem-Alexander told his country that the "classic welfare state of the second half of the 20th century" was over. It would be replaced by a "participation society" because the "arrangements" the nation was operating under "are unsustainable in their current form."

Among the changes is a requirement that welfare applicants must prove they have actively looked for a job for at least four weeks before they can receive benefits.

"And once they begin to receive benefits they will either have to work or perform volunteer community service," says the Cato Institute's Michael Tanner.

Other savings will be found when youth services, care for the elderly and job retraining are kicked down to the local level, which is better equipped to be more efficient with other people's money.

The king warned that "the necessary reforms" will "take time and demand perseverance." But he assured the nation that they will "lay the basis for creating jobs and restoring confidence."

We don't want a king in this country. But we could use a chief executive who understands the situation as Willem-Alexander apparently does.