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A Dialectic of Freedom: The Dutch Post-War Clash Between Socialism and Neoliberalism

Merijn Oudenampsen

“It is true that to be free, may mean freedom to starve, to make costly mistakes or to run mortal risks.”

Friedrich von Hayek, *The Constitution of Liberty*

“In the Netherlands we have drafted *The Road to Freedom*, in which a beginning is made in pointing out the road that socialism wants to travel, a road that takes us far beyond the limits of what is currently contained in the notion of the welfare state: the vision of a classless society with equal opportunities for personal development.”

Joop Den Uyl, *Inzicht en Uitzicht*

Introduction

In 1944, the Austrian philosopher and economist Friedrich Hayek published *The Road to Serfdom*. It soon became a foundational text of the movement then referred to by its adherents as neoliberalism. In the book, Hayek portrayed central planning and government intervention in the economy as a slippery slope towards the bondage of man: totalitarian society. The intended target of his critique was above all democratic socialism and the dominant influence of the ideas of John Maynard Keynes. In 1951, the Dutch social democrat party (Partij van de Arbeid [PvdA]) published a plan of an ambition unequalled since: *The Road to Freedom*. It aimed at the liberation of man through socialism. Socialism as a movement, the introduction states, is “a current that aims to reform the whole of society, such as it has become under the effect of the capitalist system, into a community of free human beings”.¹ As the title suggests, the plan is a rebuttal to Hayek and his Dutch followers.² The then 33-year-old Den Uyl, as

1. Partij van de Arbeid (PvdA), *De Weg naar Vrijheid: Een Socialistisch Perspectief* (Amsterdam: De Arbeiderspers, 1951), 8.
2. In *The Road to Freedom*, a section is dedicated to critiquing the “neoliberal solution” (exceptional, since the plan does not refer to any other political current).

director of the Wiarda Beckman foundation (think-tank of the social democrat party), was one of its foremost authors. Den Uyl subsequently became the leader of the PvdA from 1966 to 1986, and served as prime minister from 1973 to 1977.

In the Netherlands, the common narrative on neoliberalism begins with Reagan and Thatcher's neoliberal "revolution" in the 1980s, depicted as a reaction to the crisis of Keynesianism.³ Little to nothing has been written of the earlier Dutch history of neoliberalism. As a series of recently published intellectual histories has shown, neoliberalism's intellectual origins can be traced back as far as the 1920s and 1930s, when it emerged as a response to both the crisis of laissez-faire capitalism and the perceived advance of socialism.⁴ Conversely, the degree to which the post-war reorientation of Dutch social democracy was grounded in opposition to neoliberalism has also been neglected. This text aims to show how the Dutch post-war ascendance of democratic socialism and neoliberalism were intertwined with one another. Both currents developed out of a prolonged international clash of ideas concerning the alternatives to laissez-faire. At stake was the question how freedom could best be guaranteed against the totalitarian threat of both Fascism and Stalinism. That conflict took the form of a dialectic of freedom: both sides used opposing and increasingly refined conceptions of freedom, while both maintained that the freedom offered by the opponent was in fact a pathway to oppression. *The Road to Freedom* serves as a Dutch post-war expression of that key intellectual debate.

Neoliberalism is defined as follows: "This politics aims to reinstate complete freedom of competition by liquidating economic concentrations of power [cartels] and the existing government interference with economic life. Government intervention according to this philosophy, is only allowed when it is aimed at realizing full competition." The critique offered of neoliberalism is that such an intervention "would have to be extremely complicated and laborious" and at least as extensive as Keynesian economic planning. See PvdA, *De Weg naar Vrijheid*, 54–55.

3. See M. van Rossem, *Kapitalisme zonder Remmen. Opkomst en Ondergang van het Markt-fundamentalisme* (Amsterdam: Nieuw Amsterdam 2011), H. Achterhuis, *De Utopie van de Vrije Markt* (Amsterdam: Lemniscaat 2010).
4. For the following section I have made ample use of existing intellectual histories of neoliberalism, most notably Jamie Peck, *Constructions of Neoliberal Reason* (Oxford: Oxford University Press, 2010), especially chapter 2, which describes the intertwined intellectual trajectories of Polanyi and Hayek. See also B. Walpen, *Der Plan, das Planen zu Beenden* (Amsterdam: PhD thesis, University of Amsterdam, 2004), and P. Mirowski and D. Plehwe (eds.) *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective* (London: Harvard University Press, 2009).

The origin of the opposition between Den Uyl and Hayek can be retraced to the socialist experiment of Red Vienna. From 1918 to 1934, Vienna was governed by a social democrat coalition that implemented a range of ambitious social, cultural, and democratic reforms.⁵ For socialist thinkers such as the economist Karl Polanyi and the sociologist Karl Mannheim, this experiment was the point of departure for the development of a democratic form of socialist planning. In their eyes, laissez-faire liberalism had paved the way for the emergence of fascism. Central planning combined with a policy of fundamental democratisation was the only way to guarantee freedom. For that to happen, the electorate had to be emancipated and educated, in such a way as to be able to resist the lure of authoritarian leaders.

Red Vienna also provided the backdrop for the influential *Privatseminar* of Ludwig von Mises and his pupil Friedrich Hayek. They argued that socialist planning is inherently doomed to fail, because it is impossible for central planners to oversee supply and demand; only the price mechanism of the free market is capable of that. Due to this fatal shortcoming, every form of central planning – referred to with catch-all terms such as statism, collectivism or interventionism – inevitably leads to authoritarianism and totalitarianism. It provided the basis for Hayek's thesis in *The Road to Serfdom* that (German) socialism was responsible for the rise of fascism.

Polanyi and other Viennese socialists engaged in extensive polemics with Mises and Hayek. It was part of a broader "socialist calculation debate", from which neoliberalism and democratic socialism emerged in the years after WWII.⁶ On the basis of this discussion, Polanyi and Mannheim developed their ideas on decentralised planning, fundamental democratisation, and the forming of critical citizens through education. From this tradition of socialist humanism, Den Uyl derived inspiration for *The Road to Freedom* – more precisely, from Karl Mannheim's *Ideology and Utopia* (1936), *Man and Society in an Age of Reconstruction* (1940) and *Freedom, Power and Democratic Planning* (1950). The latter work was in turn inspired to an important degree by Polanyi's famous critique of laissez-faire in *The Great Transformation* (1944). In Mannheim's work, one can find the key themes that characterised Den Uyl's socialist thinking, as shown in his collection of

5. See: Helmut Gruber, *Red Vienna. Experiment in Working Class Culture, 1919–1934* (Oxford: Oxford University Press, 1991).

6. R. Hull, "The Great Lie: Markets, Freedom and Knowledge," in D. Plehwe, B. Walpen and G. Neunhöffer (eds.), *Neoliberal Hegemony: A Global Critique* (London: Routledge, 2007), 141–56.

essays, *Insight and Foresight*: fundamental democratisation, technological development, ideology and utopia, transformation of man, and the relation between theory and practice.⁷

Dichotomies of freedom

In the years after WWII, neoliberalism found its Dutch adherents predominantly in the conservative liberal party (Volkspartij voor Vrijheid en Democratie [VVD]). On April 25, 1952, Pieter Oud, along with Heineken-director Dirk Stikker founder of the VVD in 1948, made an election speech at the annual party congress, in which he explicitly linked his party with neoliberalism. He observed with relief how “the neoliberalism that we advocate, is appreciated more and more”.⁸ In sharp wording Oud warned about the plan of the PvdA: “The vision of freedom that it conjures up, is not ours. It is socialist freedom. Freedom within the framework of an all-caring state. The freedom of a child under tutelage, in the care of a well-meaning father.” Or, turning to more decisive language: “that socialism and freedom could go together is the most dangerous illusion one can think of.”⁹ In that same period, in long expositions in the liberal party newspaper, the political programme of the VVD – more specifically the appeal to the freedom of man – is explained in terms of the philosophy of Hayek and his associate, the German ordoliberal Röpke.¹⁰ The editor of the party newspaper calls for uncompromising resistance to socialism:

In conclusion, we repeat that with regard to interventionism (*dirigisme*) or freedom it is principally one or the other. . . . Our task is to unmask interventionism, even when it shows itself to us in milder manifestations, or when it employs slogans that veil its real intentions.¹¹

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7. J.M. Den Uyl, *Inzicht en Uitzicht: Opstellen over Economie en Poolitiek* (Amsterdam: Bert Bakker, 1978).
 8. P. Oud, “Socialistische Vrijheid is Gelijk aan die van het Onmondige Kind in de Hoede van een Welmenende Vader,” *Vrijheid en Democratie*, May 3, 1952.
 9. Ibid.
 10. The neoliberal movement is generally depicted as consisting of different strands. The most prominent are the Austrian School (Mises, Machlup, Hayek), the German ordoliberal current (Eucken, Röpke, Müller-Armack, Erhard, Rüstow), and the American Chicago School (Friedman, Stiegler, Knight, Director). Ordoliberalism distinguishes itself by its emphasis on the necessity of a strong state. See Mirowski & Plehwe, *The Road from Mont Pèlerin*.
 11. G.A. de Ridder, “Dirigisme of Vrijheid. Het Gaat Tenslotte om de Vraag: ‘Wat Dunkt U van de Mens?’,” *Vrijheid en Democratie*, February 28, 1953.

“Interventionism or freedom” thus became the slogan, rich in contrast, with which the VVD hoped to stave off the feared arrival of socialism and the welfare state.

The stance of the socialist side was equally implacable. In *The Road to Freedom*, it was argued that “the alternative between a controlled economy and a free economy, between planned policies and the free deployment of societal forces, is no longer a real alternative”, because “the return to the system of liberal freedom, so highly regarded in the nineteenth century, is technically impossible and morally impermissible”.¹² The world was faced with the choice between two types of planning: socialist “planning for freedom” and totalitarian “planning for slavery”.¹³ These are almost literal citations from the work of Mannheim. The struggle for freedom in the West, against totalitarianism, could only be won if the “relations within the Western world are worth defending”.¹⁴ Thus the threat of communism became an argument to further the socialist reform agenda proposed in *The Road to Freedom*.

Both parties advocated a polarisation strategy. Oud pleaded for the formation of an anti-socialist bloc on the Right, in opposition to the policy of the ruling coalition of social democrats and Catholics (Katholieke Volks Partij, KVP). In March 1950, Oud launched the proposal for a “third force”, to prevent the fatherland from “entering the road to socialism”.¹⁵ The basis for this anti-socialist coalition, in theory formed by the VVD and the protestant parties Anti-Revolutionaire Partij (ARP) and Christelijk-Historische Unie (CHU), was the shared idea that the “preservation of freedom is the first task of government”.¹⁶ Oud’s third force, however, was to remain an idea. From 1945 to 1958, coalitions of social democrats and Catholics ruled the land, laying the basis for the Dutch welfare state, a reality the VVD came to grudgingly accept. But typical here is that Oud locates freedom in the economy – the free market. This freedom would need to be joined together with democracy, Oud concluded in his

12. PvdA, *De Weg naar Vrijheid*, 13–14.

13. Hayek’s *The Road to Serfdom* was (mis)translated into Dutch as “The Road to Slavery” (*De Weg naar Slavernij*); this is most likely an allusion and a response to Hayek’s argument.

14. PvdA, *De Weg naar Vrijheid*, 8.

15. See also the liberal historiography of M. Wessels, *De Liberalen. Schets van een Politieke Strooming*. Geschrift 39, Teldersstichting, 1981, 32: “To create a counterforce against this [socialist] influence, Oud launched in March 1950 the idea of a third force, to be formed by VVD, ARP and CHU.”

16. P. Oud, *Socialistische Vrijheid*.

1952 speech. Here we find the strategic aim of neoliberalism: making democracy synonymous with the free market.

That Oud's embrace of neoliberalism was understood as such by his political competitors, becomes clear from the sharp reaction of Romme, the political leader of the KVP: "We believe neoliberalism to also be [together with socialism] an aberration." In contrast to Germany – where the neoliberals after WWII would enter the halls of power under the wings of Economics Minister Ludwig Erhard – the Dutch breakthrough of neoliberalism failed to take hold in the fifties. The most prominent reason seems to be the aversion of the Christian parties to the neoliberal idea of a secular state focused on breaking down corporatist monopolies and implementing free market policies. The fear was that civil society, the traditional focus and power base of Dutch Christian politics, would be seen as an impediment to the free market:

... also neoliberalism constructs society on the two pillars of individual and state. ... In our opinion, only a network of independent public corporations is capable of realising the self-activation of man, while keeping the state within the confines of its proper task.¹⁷

The Christian parties believed that neoliberalism would do away with the structures of "pillarization". From 1917 to 1967, Dutch society is generally described as divided into three or four subgroups, the so-called *zuilen* (pillars) of Protestant, Catholic, Socialist and Liberal denomination, with the existence and nature of the Liberal pillar contested among scholars or sometimes referred to as a universal pillar. These pillars functioned as societal subsystems, with their own political parties, newspapers, schools, trade unions, housing corporations, sports clubs, etc. Though the pillars segregated Dutch society, overarching elite accommodation at the top connected them, providing the metaphorical roof uniting the pillars in a common structure. Given the fragmented nature of the political field, where power depended on forming multi-party coalitions, a political culture of moderation, consensus and pragmatism developed.

For Den Uyl, polarisation wasn't primarily aimed against a still emerging and politically weak Dutch neoliberalism; it was an attempt at undoing pillarization. Den Uyl had pinned his hopes on the *Doorbraak* (breakthrough), the post-war attempt of the social democrats to undo the dominance of religious institutions in Dutch society. With the foundation of the PvdA in February 1946, the aim was to

17. "Romme contra Oud," *Nieuwsblad van het Noorden*, April 29, 1952.

break open the old structures of pillarization, by broadening social democracy's secular profile and convincing Christian voters to join the party's ranks. As Anet Bleich describes in her biography of Den Uyl, he hoped that with the creation of the PvdA, a divide in the political landscape would emerge between progressives and conservatives, enabling a "politics of radical renewal". A coalition between the Left and the Right was condemned to powerlessness, because "between conservative and progressive, between restoration and renewal there is no possible compromise".¹⁸ Despite its secular convictions, the (neo)liberalism of the VVD at that time was seen by Den Uyl as a conservative force, aimed at reverting to the time of *laissez-faire*. The "growth of liberalism" would "mean a strengthening of conservative powers, and a liberal resurgence a reinvigoration of conservatism".¹⁹

But a clear right-wing majority – Oud's third force – was welcomed by Den Uyl. In the Dutch political field, a religious cleavage prevailed over the left-right socio-economic cleavage. Polarisation would lead to the dominance of the left-right opposition, ultimately benefiting the Left: "A breakthrough towards the right, the coming into being of a conservative concentration, would pave the way for a breakthrough of the PvdA, by diverting attention from a hundred and one side affairs to the essentials."²⁰ The pursuit of polarisation and progressive hegemony would remain a constant factor in the political life of Den Uyl, present even in his more moderate interventions. For example, his rightly renowned but poorly understood essay from 1970, "The Small Margins of Democratic Politics" (*De Smalle Marge van Democratische Politiek*), has been one-sidedly read as a call for moderation, directed at the New Left. In the essay however, Den Uyl calls for "achieving progressive dominance", and the attainment of a "majority of progressives". In 1978, Den Uyl still searches for "a majority for a progressive policy" and warns against "coalitions with the middle or even more to the right".²¹

The transformation of man through media and education played a central role in this conflict. In the years after WWII, Den Uyl wanted to make the PvdA's participation in government dependent upon certain

18. A. Bleich, *Joop Den Uyl, 1919–1987: Dromer en Doordouwer* (Amsterdam: Balans, 2008), 125.

19. J.M. Den Uyl, *Inzicht en Uitzicht*, 77. In other words: "It is the fate of liberalism in our time that even when it desires differently, it inevitably strengthens conservatism" (76).

20. *Ibid.*

21. *Ibid.*, 242.

minimal conditions. These consisted amongst others in the creation of a national broadcasting agency, and the ambitious expansion of education and school attendance. Den Uyl envisioned a long-term strategy of emancipating the electorate (especially the Christian workers), leading to what journalist Henk Hofland would later call the “decolonisation of the citizen”. The goal was to break open and democratize the hierarchies of the pillarization system, and expand the progressive electorate through mass education. The VVD rightly argued that *The Road to Freedom* departed from the idea “that first there needs to be a socialist man, a humanity socialist in its thinking and feeling, before a socialist society can be realised.” The VVD agitated against the socialist attempts at educating and emancipating the population, and portrayed these attempts as a slippery slope towards totalitarianism:

This state paternalism is principally oriented toward ending the free human spirit. By gradual and one-sided propagandistic influence, man is robbed of free, independent judgement, and almost without notice, lowered to the state of a weak-willed instrument in the hands of those wanting to bring him eventually to where, if he had independent choice and judgement, he would rather not end up.²²

For the VVD, the restoration of pillarization in the 1950s functioned as a defence mechanism against the progressive pursuit of hegemony. Den Uyl’s and Oud’s urge for polarisation was thus smothered in the repillarization of the fifties and the accompanying politics of pacification. However, the polarisation strategy would remain an important aim in social democrat politics, only to come to fruition in the sixties, when a generation formed by the new education system hit the streets and made its mark. The polarisation strategy of the Dutch Left has traditionally been ascribed by historians to the youth movements of the sixties and seventies, who saw the older generation of social democrat politicians as playing a passive role.²³ The analysis offered here dovetails with newer research indicating that the older generation played a proactive role in crafting the polarisation strategy.²⁴ The socialist and neoliberal ideas on freedom, here present in undiluted form, would continue to determine the conflict between

22. G.A. de Ridder, “Waar het om gaat”, *Vrijheid en Democratie*, April 26, 1952.

23. See James Kennedy, *Building New Babylon: Cultural Change in the Netherlands during the 1960s* (Iowa: University of Iowa, 1995) or Phillip van Praag jr., *Strategie en illusie. Elf jaar intern debat in de PvdA (1966–1977)* (Amsterdam: Het Spinhuis, 1990).

24. Bram Mellink, “Tweedracht Maakt Macht: de PvdA, de Doorbraak en de Ontluikende Polarisatiestrategie (1946–1966),” *BMGN* 126:2 (2011), 30–53.

Left and Right in subsequent decades, albeit almost always in diluted or blended form.

The Road to Serfdom

In his famous introduction to *The Road to Serfdom* Hayek describes the feeling of experiencing a repetition of history, or at least the recurrence of a similar trajectory of ideas. According to Hayek, who was then at the London School of Economics, Great Britain after WWII threatened to enter the same path as Germany in the thirties – a road that would be harder to abandon, the further it was pursued. The only way of leaving that road would be to combat the ideas that had put British society on that course, more specifically: socialism. The tragedy, for Hayek, was that people of good intentions were the ones to usher in the emergence Fascism: “The rise of Fascism and Nazism was not a reaction against the socialist trends of the preceding period, but a necessary outcome of those tendencies.”²⁵ Hayek portrayed Fascism as an inevitable result of government intervention in the economy. The worst of it was that socialists had taken on the mantle of freedom:

There can be no doubt that the promise of greater freedom has become one of the most effective weapons of socialist propaganda and that the belief that socialism would bring freedom is genuine and sincere. But this would only heighten the tragedy if it should prove that what was promised to us as the Road to Freedom was in fact the High Road to Servitude. Unquestionably the promise of more freedom was responsible for luring more and more liberals along the socialist road, for blinding them to the conflict which exists between the basic principles of socialism and liberalism, and for often enabling socialists to usurp the very name of the old party of freedom. Socialism was embraced by the greater part of the intelligentsia as the apparent heir of the liberal tradition: therefore it is not surprising that to them the idea should appear inconceivable of socialism leading to the opposite of liberty.²⁶

Hayek proposed a renewal of liberalism. This renewal departs, on the one hand, from a negative positioning towards the old, fossilized classic-liberal doctrines, leading to passivity. “Probably nothing has done so much harm to the liberal cause as the wooden insistence of some liberals on certain rough rules of thumb, above all the principle of *laissez-faire*.”²⁷ The core of the renewal proposed by Hayek in relation to classic liberal doctrine – why neoliberalism is “neo” – is the idea that the state is responsible for creating and maintaining the

25. F.A. Hayek, *The Road to Serfdom* (London: Routledge 1944), 4.

26. *Ibid.*, 27.

27. *Ibid.*, 18.

conditions for free competition, including a proper juridical framework. It is at first sight a rather contradictory idea, known in the Netherlands as *marktwerking* (literally: working like a market): something that is not a functional free market should be made into a free market by government intervention. Thus Hayek distinguishes between “planning for competition” leading to freedom and “planning against competition” leading to the end of freedom. With the latter, “illiberal” form of planning, he sought to criticize Keynes and especially the ideas of Mannheim concerning democratic planning.²⁸ In fact, Mannheim’s ideas on planning served as Hayek’s principal target in *The Road to Serfdom*. This form of planning would naturally entail a progressive increase in centralisation leading finally to totalitarianism:

planning leads to dictatorship because dictatorship is the most effective instrument of coercion and the enforcement of ideals, and as such essential if central planning on a large scale is to be possible. The clash between planning and democracy arises simply from the fact that the latter is an obstacle to the suppression of freedom which the direction of economic activity requires.²⁹

In the market, by contrast, there is no such thing as power or coercion, since it is a natural phenomenon. For Hayek there is no middle way; mixing the two principles – a degree of competition and a degree of planning – would mean that both would cease to function. To provide the citizen with the freedom to plan his own life, government intervention has to be reduced as much as possible to universally valid principles. This is what Hayek calls *rule of law*. Under this principle, the government is not allowed to intervene with the goal of advancing equality or even worse, turning to economic redistribution. That would mean treating citizens in an unequal manner, resulting in arbitrariness and deprivation of liberty.

On the other hand, the liberal tradition needs to shed its problematic progressive-liberal outgrowth. In his 1976 book, *The Mirage of Social Justice*, Hayek traced this deviation back to John Stuart Mill and his concept of “social and distributive justice”. As Jan Rehmann writes in a sharp analysis of the book:

For Hayek, this so-called "equitable principle" and the entitlement attitude connected to it was "the Trojan Horse through which totalitarianism has entered". The floodgates were opened, as the concept "leads straight to full-fledged socialism".³⁰

28. *Ibid.*, 43. Mannheim is mentioned several times explicitly.

29. *Ibid.*, 74.

30. Jan Rehmann, *Theories of Ideology: The Powers of Alienation and Subjection* (Leiden: Brill, 2013), 275–276.

Hayek's negative stance with regard to the progressive-liberal tradition would later be elaborated in Isaiah Berlin's famous distinction between negative and positive freedom – between freedom *from* (the absence of compulsion and external intervention) and freedom *to* (the availability of the necessary resources, the principle underlying the welfare state). Like Hayek, Berlin saw positive freedom – and by extension progressive-liberalism – as a pathway to totalitarianism.³¹ Writing in the 1980s during the resurgence of Dutch neoliberalism, neoliberals in the VVD such as Kinneging and Bolkestein likewise took aim against progressive liberalism, described as *ontplooiingsliberalisme*, or personal development liberalism. “The pursuit of positive freedom to the detriment of negative freedom”, they wrote, “does not lead to greater freedom, but entails a destruction of both aspects of freedom; what one seeks to achieve with positive freedom will naturally arise out of negative freedom.”³² In this manner, neoliberalism seeks to claim the liberal tradition and screen it off from progressive-liberalism, above all the pursuit of equality and personal development. In liberalism, according to Bolkestein, freedom trumps equality. Therefore, neoliberalism is not a resurgence of liberalism as such; it is a conservative-liberalism, engaged in a battle with progressives for the soul of liberalism.

As Michel Foucault remarked in his well-known lecture series on neoliberalism, the most important dilemma for the neoliberals revolved around the question of how to position this new doctrine in the wider political field. According to Foucault, the strategy was to:

... pinpoint a sort of economic-political invariant that could be found in political regimes as different as Nazism and parliamentary England, the Soviet Union and America of the New Deal. ... The real problem was between a liberal politics and any other form whatsoever of economic interventionism, whether it takes the relatively mild form of Keynesianism or the drastic form of an autarchic plan like that of Germany.³³

Perry Anderson has called this the “binary code” of neoliberalism: either neoliberalism or totalitarianism; there is no in-between.³⁴ The

31. See Zeev Sternhell's discussion of Isaiah Berlin in Sternhell, *The Anti-Enlightenment Tradition* (New Haven, CT: Yale University Press), 2009.

32. A.A.M. Kinneging and U. Rosenthal, *Liberalisme: een Speurtocht naar de Filosofische Grondslagen* (The Hague: Teldersstichting 1988), 55.

33. M. Foucault, *The Birth of Biopolitics: Lectures at the Collège de France 1978–1981* (New York: Palgrave Macmillan, 2008), 111.

34. P. Anderson, “Jenseits des Neoliberalismus. Bilanz und Perspektiven für die Linke”, *MOMA*, 2/3 (1986), 33–42.

neoliberals thus equate trade unions, progressive-liberalism, social democracy, welfare state and Keynesian economics with Fascism and Stalinism. It takes the form of a giant and well-crafted slippery slope argument, a hard dichotomy between neoliberal freedom and anti-liberal serfdom, between the market – natural, spontaneous, free of coercion, individual – and the state – artificial, forced, coercive, collective.³⁵

The Road to Freedom

The Road to Freedom is a 400-page plan, a socialist vision of man and society unequalled in scope. The plan covers every aspect of society: from kindergarten to cultural funding; from healthcare to wealth distribution; from trade tariffs to labour relations. Den Uyl explicitly presented the plan not as a blueprint but as a sketch, an exploration of possibilities. The report can best be seen as an attempt to supply the *Doorbraak* strategy (the breaking up of pillarization) with a concrete vision of a desired future. It fit in with the development of European socialist parties, from workers' parties holding on to the class-determined nature of ideology, to broad progressive popular movements with hegemonic ambitions, referred to by Den Uyl with terms such as "progressive concentration", "progressive dominance", and "progressive majority".³⁶ This implied a broadening of the base and renewal of the content of socialism. It expressed itself in an expansion onto the terrain of progressive liberalism, a space that had been abandoned by Dutch liberals in the post-war period. The old socialist aim from the interwar period expressed in material terms – social security at a decent living standard – had gradually been realised and was now replaced by a more ambitious post-materialist perspective. Den Uyl wrote of "a perspective that contains something more than the forty hours working week, a decent old age pension, a car, a television set, and a fridge for each family."³⁷ The departure point of *The Road to Freedom*, Den Uyl wrote, is the "free development of man as the norm for socialist politics."³⁸ Here – and not 20 years later – we witness the turn towards post-materialism, which would become the staple of progressive movements in the sixties and seventies.

35. F.A. Hayek, *The Constitution of Liberty* (Chicago, IL: University of Chicago Press, 1960), 204.

36. J.M. Den Uyl, *Inzicht en Uitzicht*, 42.

37. *Ibid.*

38. *Ibid.*, 80.

The conception of freedom used in the plan consisted of two elements. Free man, the plan states, is:

... on the one hand, man whose development as a personality is not hampered. Material need, the lack of existential (social) security, injustice, unsafety, can undermine a human being physically and mentally. Circumstances can occur in which his conscience is violated or his freedom of expression is curtailed.³⁹

This conception of freedom owes much to Franklin Roosevelt's "Four Freedoms": freedom of speech, freedom of worship, freedom from want, freedom from fear.⁴⁰ On the other hand, the "positive element of freedom" consists of a focus on self-development and service to the community, meaning self-sacrifice and responsibility.⁴¹ In that sense, Den Uyl's conception of freedom is decidedly communitarian. For Den Uyl, freedom and equality are closely bound up together. Free personal development implies the notion of equality, since everyone should have an equal chance at personal development to be considered free. Conversely, the idea of equality would lose significance if it were realised with loss of substantial freedoms. These were understood by Den Uyl to mean interventions in the personal sphere or forced labour. In a passage where the plan seems to directly engage with the arguments of Hayek, Den Uyl argues that in a society whose government does not intervene in the economy, freedom languishes for many. Enlargement of freedom took place thanks to government: "the law has been the mother of freedom".⁴²

As a utopian socialist horizon, Den Uyl posited "the vision of a classless society with equality of opportunities with regard to the fulfilment of human potential".⁴³ This implied, first, the possibility of self-

39. PvdA, *De Weg naar Vrijheid*, 9.

40. The last two "social" freedoms were described by Hayek as totalitarian. See again Rehmann's analysis of Hayek's 1976 book, *The Mirage of Social Justice*: "He saw this aberration e.g. in the Universal Declaration of Human Rights (1948), which contained not only individual rights, but also the economic human rights to decent jobs, housing, health care, free education and cultural participation (articles 22-27). He perceived the same aberration in President Roosevelt's proclamation of the 'Four Freedoms', which claimed to combine two individual freedoms, freedom of speech and of worship, and two social freedoms, freedom from want and from fear. All of these social demands were for Hayek 'totalitarian in the fullest sense of the word', because they were based on the interpretation of society as a 'deliberately made organization by which everybody is employed'." Rehmann, *Theories of Ideology*, 276-277.

41. PvdA, *De Weg naar Vrijheid*, 9.

42. *Ibid.*, 14.

43. Den Uyl, *Inzicht en Uitzicht*, 80.

realisation for all, made possible by universalising access to education and culture. Second, it implied fundamental democratisation: “the overcoming of that formidable chasm which separates the small governing stratum from the great mass of people when it comes to carrying responsibilities and taking decisions”.⁴⁴ This involved democratisation of the political system, of the governance structures in civil society, and democratisation of private companies, by enlarging the voice of workers, and giving them a share of the companies’ wealth. Education for democracy would focus on the teaching of critical thinking, self-government and democratic citizenship. The material basis for this policy would be achieved through the levelling of incomes and socialisation (taxation) of wealth.

In her extensive biography of Den Uyl, Anet Bleich⁴⁵ makes a typical mistake by describing *The Road to Freedom* as a “pragmatization of socialism” and Den Uyl as a proponent of that pragmatism.⁴⁶ Bleich portrays the plan as representative of the moderation and conservatism of the repillarization in the fifties. The plan, however, largely preceded this decade, and can be better understood as the exact opposite: a radical desire to do away with the entire structure of pillarization. According to Bleich, the growing wealth of the fifties is a sign of the redundancy of socialist planning, since that wealth was realised by “industrialisation, economic growth, full employment and social security laws”.⁴⁷ *The Road to Freedom* is described in her biography as a step away from socialism, a step in the direction of the current technocratic style of the PvdA.

Here we see an important analytical error that seems to pervade the literature, and that served as a legitimation for the break with socialist ideology in the 1990s. The prime example is an essay by the social democrat intellectual Paul Kalma, later director of the social democrat thinktank the Wiarda Beckman Foundation. In his groundbreaking 1988 essay “Socialism on Formaldehyde” (*Het Socialisme op Sterk Water*),⁴⁸ Kalma provided the argumentation for the departure

44. Ibid., 42.

45. Anet Bleich was a prominent member of the New Left and member of the Dutch Communist Party in her student years. Her background in the Dutch Radical Left, which maintained a sharp distinction between reformist and revolutionary politics, could perhaps explain her mischaracterisation of Den Uyl’s politics.

46. Bleich, *Joop Den Uyl*, 152.

47. Ibid.

48. P. Kalma, *Het Socialisme op Sterk Water: Veertien Stellingen* (Deventer: Van Loghum Slaterus, 1988). It is important to add that in a short period of time, Paul Kalma would become the most important critic of the new pragmatic course of the

from socialist ideology under Den Uyl's successor, Wim Kok, leading to the turn towards the Dutch Third Way in the 1990s. Kalma's essay is a plea for a definitive break with socialist ideology, understood as an outdated desire for radical societal change. In its stead, a "minimal socialism" should be developed, without the pretence of "being able to have or develop a general vision of man and society". This is a clear break with the politics of Den Uyl, even though subsequent generations of social democrat politicians would publicly disavow that break and continue to invoke Den Uyl to defend their Third Way policies. This departure would be confirmed by PvdA leader Wim Kok, in a 1989 lecture, when he distanced himself from the "striving towards the 'Grand Aim'." In notable similarity to Margaret Thatcher, Kok stated that there is "no alternative for the societal constellation we have now and therefore it is of no use to pursue it".⁴⁹

Wim Kok thus embraced Hayek's "binary code", as if Soviet communism and not democratic socialism had been the ideology of the PvdA. Six years later, in a now renowned lecture in 1995, during the first of the so-called "purple" cabinets of PvdA and VVD, Kok reiterated this affirmation, citing Kalma approvingly: "A true renewal of the PvdA starts with a definitive farewell to socialist ideology, a definitive severing of ideological bonds with other descendants of the traditional socialist movements."⁵⁰

The grounds given for this farewell rely on a fundamental misunderstanding of how socialism was viewed by Den Uyl – and in the post-war years more generally. In December 1949, shortly before his death, the celebrated economist Joseph Schumpeter gave a lecture to the American Economic Association, titled "The March into Socialism".⁵¹ He described a troubling and almost inevitable tendency toward socialism, defined as the migration of economic policy from the private to the public sphere. Schumpeter identified the following measures as aspects of this creeping tendency: cyclical policy; income redistribution and progressive taxation; price-fixing and anti-cartel laws; public regulation of wages and capital markets; expansion of public consumption organized through public provision; and finally, all types of security legislation. These are without exception

PvdA, in publications such as *Links, Rechts en de Vooruitgang* (2004) and *Makke Schapen* (2012).

49. J. Marijnissen, *Tegenstemmen: Een Antwoord op het Neoliberalisme* (Amsterdam: L.J. Veen, 2010), 35–36.

50. Wim Kok, "We Laten Niemand Los," Den Uyl-lecture December 11, 1995.

51. J. Schumpeter, "The March into Socialism," *American Economic Review*, 40:2 (1950), 446–456.

policies that we would nowadays associate with Keynesianism, but according to Schumpeter they showed that “it is possible so to develop and regulate capitalist institutions as to condition the working of private enterprise in a manner that differs but little from genuinely socialist planning”.⁵² Adding to the confusion, Schumpeter stated that the tendency toward socialism in the US was euphemistically called *liberalism*, the term used to describe the politics of the New Deal.⁵³

To return to Bleich’s comments on the redundancy of socialism: according to Schumpeter, socialist planning is precisely understood as the “industrialisation, economic growth, full employment and social security laws”, that Anet Bleich presents as indication of the redundancy of socialist planning. In other words, it is not a given what socialist planning – or socialism – actually is. The socialism of Den Uyl was not, as Wim Kok saw it, an integrated alternative societal model that existed wholly outside of capitalist society. Nor is it something existing wholly within existing relations: that would mean socialism is already realised. Den Uyl saw it as a progressive tendency within the existing order, aimed at transcending that order in the direction of the actualization of ideals such as freedom and equality. As Den Uyl wrote in 1952:

... with Marx and the older socialists there was a part societal analysis and a part societal critique, but no societal vision. There was no vision of a future society, if we mean by that something more than “land and means of production in the hands of the community”. The place of the societal vision was taken up by the belief in the arrival of “socialism”. This secularised faith, represented an important element in the socialist struggle, and it has since faded away. It has disappeared with the deterministic character of nineteenth-century thought.⁵⁴

Den Uyl adds drily that the idea that the societal vision of socialism was lost after WWII is a misconception. It simply did not exist yet. Socialism as a practical policy is, like neoliberalism, a twentieth-century invention. *The Road to Freedom* is not for naught presented by its authors as a first attempt to answer the question of what a “socialist

52. Ibid., 450–451. In the same paragraph, Schumpeter ironically refers to Hayek and the MPS as the sole opposition to these policies: “I believe that there is a mountain in Switzerland on which congresses of economists have been held which have expressed disapproval of all or most of these things. But these anathemata have not even provoked attack.”

53. Ibid., 448.

54. Den Uyl, *Inzicht en Uitzicht*, 29.

organization of society” actually entails.⁵⁵ “Pragmatization of socialism” is therefore a wrongheaded description of *The Road to Freedom*. Pragmatism better fits the more moderate social democrat aim in the 1930s: social security at a decent living standard. *The Road to Freedom*, by contrast, is an attempt to sketch a new utopian horizon: the vision of classless society and free man. Den Uyl clearly sees socialism as an open and flexible ideology:

It [socialism] has motives and aims that arise out of its historical development, defence of the weak, standing up for the underdog and those that have arrived last, realising equality and practicing freedom. It has a clearly recognizable ethos, but its societal analysis can be changed on the basis of further analysis.⁵⁶

The Stalinist experience in Russia is referenced to argue that socialisation of the means of production cannot be a goal in itself, but only a means – sometimes effective – to work toward the freedom of man. Like Polanyi and Mannheim, Den Uyl would embrace the mixed economy as a socialist ideal.

Wim Kok’s deeper mistake lies in his failure to understand the specific nature of socialism as a political utopia. Den Uyl based his political project (much like Hayek, actually) on a dialectical conception of utopia, such as Mannheim had developed in *Ideology and Utopia*:

A state of mind is utopian when it is incongruous with the state of reality within which it occurs. . . . Only those orientations transcending reality will be referred to by us as utopian which, when they pass over into conduct, tend to shatter, either partially or wholly, the order of things prevailing at the time. . . . One can orient himself to objects that are alien to reality and which transcend actual existence – and nevertheless still be effective in the realization and the maintenance of the existing order of things.⁵⁷

A similar dialectic characterizes the thinking of Den Uyl, expressed in his famous dictum “two things” (now the title of a popular Dutch radio show). But above all, we can find Mannheim’s two-sided conception of utopia in Den Uyl’s essay “Theory and Movement” (*Theorie en Beweging*): “The socialist movement needs to continuously aim at uniting realism and utopia; practical, constructive reform work, and impelling societal visions.” This becomes all the more relevant when socialism enters into the societal mainstream:

55. PvdA, *De Weg naar Vrijheid*, 9.

56. Den Uyl, *Inzicht en Uitzicht*, 92.

57. K. Mannheim, *Ideology and Utopia. An Introduction to the Sociology of Knowledge* (London: Routledge, 1936), 173.

To the degree that societal contradictions subside, the idea of social justice gains acceptance by larger groups, and the political party becomes institutionalized and takes on a more sharply distinguished task in the machinery of democratic society, to that degree, socialism will have to remember its origins in the world of dream and desire, if it is not to suffer the faith of mummification, which so many jealously or doggedly wish upon it.⁵⁸

For Mannheim, utopia is decidedly not a blueprint but a political horizon, serving to orient practice. Utopian thought should coincide with the empirical study of societal dynamics, in order to be able to intervene in and influence the course of history. The shortcoming of Marxism, according to Mannheim, was that it championed an antiquated revolutionary doctrine, based on experiences of the 19th century. The complexity of the transition-phase to a better society had been underestimated. The rejection of reformism and the stress on the violent overthrow of the existing order led to the alienation of broader segments of the population and gave way to counterrevolutions. The consequence of this revolutionary doctrine is that undemocratic results are almost inevitable. The sphere of action of Mannheim's utopia, by contrast, was limited to what could be democratically achieved. Mannheim saw utopian thought even as necessary to handle politics and planning in a democratic and critical way:

From this perspective a visionary design of significant aspects of our democracy is without doubt necessary, even when the proposals here appear to be utopian. Experiments can fail. Improvements are only possible, however, when the person that experiments can formulate his objectives clearly; he can only undertake a new attempt, when there is clarity concerning the goal and the causes of the failures of the first attempt.⁵⁹

This is a rebuttal from the Left to the attack on democratic socialism jointly developed by Karl Popper and Friedrich Hayek. We need ideals and principles to be able to experiment in the first place. Without utopian – because never wholly realizable – ideals such as freedom and equality, democracy cannot be realized. A core element of Popper's classic *The Open Society and its Enemies* is the critique of holistic planning, in which he targeted especially democratic socialism as expressed in Mannheim's *Man and Society in an Age of Reconstruction*.⁶⁰

58. Den Uyl, *Inzicht en Uitzicht*, 42–43.

59. Mannheim, *Freedom, Power and Democratic Planning* (London: Routledge 1951), 31.

60. See M.H. Hacohen, *Karl Popper – The Formative Years, 1902–1945: Politics and Philosophy in Interwar Vienna* (Cambridge: Cambridge University Press, 2000), 483: “Popper structured his critique of holistic planning around Mannheim's *Man and Society in an Age of Reconstruction*.”

According to Popper, the falsification principle ought to be applied to politics and society; only “piecemeal engineering” is allowed, no large-scale changes encompassing the whole of society. The answer of Mannheim in *Freedom, Power and Democratic Planning* is, first of all, that without abstract (non-falsifiable) principles such as freedom, equality and human rights, such an approach is useless, because improvements of society can only be judged on the basis of criteria that cannot be falsified. Second, fundamental democratisation and decentralisation is the retort to Popper’s critique that “holistic planning” would inherently lead to centralisation and totalitarianism.

The Road to Freedom is the Dutch reflection of this key international intellectual debate. Following Mannheim, the plan states that “only when the democratic world is willing to critically revise itself for faults and deficiencies and renew itself constantly, will it be able to hold out against totalitarian ideologies”.⁶¹ The utopian vision of classless society and of the free realisation of human potential is needed to critically assess political practice. Following Mannheim, the plan posits fundamental democratisation as a necessary condition for the realisation of democratic planning. Where Mannheim writes about the necessary transformation of man, the plan mentions the forming of man through education and culture. And following Mannheim, it gives attention to preventing concentrations of power, in the public and the private sector. That deeper intellectual significance of *The Road to Freedom*, however, would rapidly pass into oblivion.

Den Uyl remarked in 1956 that there is a “mysterious law”, stipulating that the passions of political youth movements “are generally taken up by the radicalism of yesterday”.⁶² The baby boom generation that took the country by storm in the sixties and seventies fell back on a superficial and orthodox Marxism, clung to a sharp dichotomy between reformism and revolutionary politics, and pursued a romantic notion of revolution, without a clear idea of its point of departure or its destination. According to the ruling political fashions of the time, leftist students flirted with Stalinism and Maoism. As a result, they had a wholly different idea of socialism than the generation of Den Uyl. At the same time, with Wim Kok, a new generation of sober technocrats

61. PvdA, *De Weg naar Vrijheid*, 8. Relevant is also the reply of Den Uyl to those who criticized the vagueness of *The Road to Freedom*: “In his reply, Den Uyl argued that uncertainty is typical for democratic planning. It could always be otherwise, alternatives had to be possible. ‘Planning means the dissection of development, deciding on the desiderata and weighing the possibilities and all of that as concrete and quantitative as possible.’” Bleich, *Joop Den Uyl*, 153.

62. Den Uyl, *Inzicht en Uitzicht*, 39.

appeared on the political stage, who came to define their identity in large part in opposition to the radicals on the Left. In his 1995 lecture, Wim Kok spoke of the “apprehension and circumspection” he had come to develop against “radicals-with-purist-positions”, an attitude he described as “almost a second nature”.⁶³ Both groups held a rigid, old-fashioned view of socialism: one side with the idea of implementing it to further the revolution, the other with the aim of finally getting rid of it. In that process, the tradition of democratic socialism of Den Uyl, Mannheim and Polanyi was lost from view.

To a certain degree, the baby boom generation was a product of the education reforms that Den Uyl saw as necessary to realize the freedom of man. And to a certain degree, the changes in the seventies were a revolution that ate its own children: not Danton, but Den Uyl. When disillusionment came in the eighties, in the form of the implosion of the Dutch Communist Party (Communistische Partij Nederland [CPN]) and a widespread abandonment of leftist faith of the baby boom generation, the democratic socialist ideal was also contaminated. Once the Cold War battles were decisively won, Popper became a celebrity – even embraced as her “favourite philosopher” by Femke Halsema, then leader of the Green Left (GroenLinks [GL]), a party created out of the remnants of the Dutch CP and other New Left forces in 1990. In this way, the idea of the binary code as propagated by the neoliberals – the equation of democratic socialism and totalitarianism – paradoxically found acceptance.

In the sixties and seventies, the progressive ideals held by (among others) Den Uyl had a dominant influence in Dutch politics, with an effect stretching far beyond the domain of the social democrat party. Even the VVD at that time included a strong progressive-liberal current. Neoliberalism experienced its breakthrough only in the eighties, in the aftermath of the crisis of Keynesianism. That breakthrough took the form of a series of impromptu measures, largely inspired by the revolution in economic thinking accomplished by economists such as Hayek and Friedman. But it was also more moderate, consensual and technocratic than the political revolution that Reagan and Thatcher pushed through. In the nineties, a synthesis of ideas was gradually formed between neoliberalism and social democracy. It became known as the Dutch Third Way, the philosophy that expressed the politics of the “purple” cabinets: the coalitions between PvdA (red) and VVD (blue) that were in power from 1994 to 2002, with Wim Kok as prime minister. The purple cabinets privatized public services such

63. W. Kok, “We Laten Niemand Los,” Den Uyl-lezing, December 11, 1995

as railroads, housing corporations and the post, cut social services, and deregulated financial markets and labour regulations. While membership of the PvdA declined rapidly, a new force on the left appeared. In 1994, the Socialist Party (SP) for the first time entered parliament, winning 2 seats out of 150. It would grow into a serious left-wing competitor of the PvdA, claiming the mantle of social democracy and continuing its historical opposition to neoliberalism. The SP is much like the current PvdA however, in that it presents itself as an anti-utopian, realist force. Its pragmatic ambition to replace the PvdA as the preferred leftist coalition partner for government, and its willingness to implement austerity measures to meet that goal, seem to signal a possible repeat of the PvdA-trajectory.⁶⁴ The radical politics of Den Uyl and his pursuit of a left-wing majority have been abandoned for more moderate aims, as part of a broader European context of shrinking leftist horizons.

64. A. de Jong, "From Sect to Mass Party," *Jacobin Magazine*, 7 October 2014. <https://www.jacobinmag.com/2014/10/from-sect-to-mass-party/>