

Accomplishment of Job Growth with Social Security Maintenance—Theoretical Disputes and Policy Implications from the Dutch Social Reform

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Abstract

Western advanced industrial states have recently been stumbling over a dilemma resulting from both growing unemployment rates and welfare expenditures. Such a dilemma was once known as “Dutch Disease” in the 1980s. Following a series of policy reform, a “Dutch Miracle” has occurred since the 1990s in both job growth and successful redeployment of social security. Meanwhile, policy processes and acquired outcomes in the Netherlands have provoked and stimulated almost a “research industry” in itself, and have sparked a hope that might shed some light on the way to go beyond this current post-industrial dilemma.

This paper provides an analytic-dynamic framework in dissecting structural predicaments and policy responses generated from the so-called post-war Keynesian welfare state. The dominant corporatist explanation is critically scrutinized on the one hand, and managed liberalization, the third way critique, and post-work society thesis are on the other examined. A socio-cultural analysis will be advanced in order to deepen theoretical insights that are cloaked by political-economical language. While remaining trapped in issues surrounding economic globalization, including market priority and the displacement of the functional needs of social security, the lessons of social reform from the Netherlands could be profound and refreshing to contemporary ears.

Key Words: social reform, social security, job growth, flexicurity,
Dutch miracle