

A Radical Choice for Growth

Introduction

With the end of the Cold War, the victory of the free West seemed assured. Liberal democracy consisting of individual freedom and a free market would henceforth be the core principles of Western society. Built on this optimism, the Netherlands' prosperity and security were expanded in the 1990s—benefits we still enjoy today.

But the end of history, as predicted by philosopher Francis Fukuyama from the United States, did not arrive with the fall of the Berlin Wall. China, an unfree country with a totalitarian regime, has rapidly become an economic and military world power. Putin disregards the sovereignty of nations and exhibits troubling expansionist behavior. And our strong ally, the United States, is imposing tariffs over 100%, whilst moreover demonstrating that a democratically elected leader does not always prioritize democratic values. This increasing unpredictability on the world stage and the damaging populism of trade tariffs underscore the need for Europe to chart its own course and strengthen its economic resilience—for instance by actively broadening relationships through new, reliable trade partnerships and agreements.

Over the past decades, the thought that prosperity and security are almost certain has led Europe to delegate too much of what keeps us strong and safe to others. Our security lies in the hands of the United States. We were too dependent on Russia for our energy supply. And for critical raw materials, we rely on China—which, through export subsidies, has for years unfairly competed with our businesses.

Recently, the VVD presented a starting point for a realistic and mature foreign policy. That policy hinges on a radical focus on our economy. Because our capacity to earn money ultimately determines how much we can invest in our own security. Because our independence in essential sectors ultimately determines whether we can stand up to other world powers.

Europe is an economic world power—but one that, so far, is too dependent on the United States and China. No company or government agency can function without software from the United States. Few factories can operate without Chinese critical raw materials or components. This dependence makes the Netherlands and Europe a pawn in the political decisions of other nations. We must not rely on countries or leaders who clearly do not have our best interests at heart. The VVD wants to ensure that Russia can no longer drive up our energy bills, and that China cannot blackmail us by cutting off the supply of critical raw materials, as it already does.

Therefore, it is essential that we choose a growing economy and the production of our own European goods in critical sectors. That growth, that earning power, creates space to invest directly in our defense, but also ensures we can invest more in other priorities without raising taxes. Growth also leaves more money in people's pockets. Economic growth is furthermore the engine of individual freedom: it offers more choices, self-determination, and social mobility. It also stimulates innovation and funds our welfare state. We must fundamentally choose to make entrepreneurship attractive in the Netherlands, to make work pay, and to keep businesses in our country. This also means choosing our core industry—so that, for example, chemical products continue to be made in the Netherlands.

If we want to defeat the autocrats who threaten our freedom, and if we want to be a mature partner to powers who have made their support and loyalty conditional, we will need not just sufficient military strength, but also economic power. A battle is won with a strong army, but a war is won—and power is ultimately enforced—with a strong economy. Economic growth simply makes us stronger and more resilient.

To grow economically and become less dependent on unfree countries, we need to extract more raw materials on our own continent. This is also what makes the left-wing opposition to nuclear energy so incredibly naive and harmful.

Much of politics seems to have lost sight of the importance of growth altogether. Economic growth is seen as dirty or bad. “Degrowth” is the term some try to mainstream—a romantic but naive idea that wants to turn back the clock to a society of scarcity, with little to no perspective for progress.

This idea manifests in several areas. Trade agreements like Mercosur face fierce opposition—often based on myths and misconceptions about the impact on climate or agriculture—while ignoring the geopolitical necessity of such agreements. Agreements that, by including sustainability clauses, can actually contribute to a better world. Especially now, with an unpredictable global economy and rising protectionist measures, treaties like Mercosur can offer vital stability and predictability for entrepreneurs. They tie democratic partners like Brazil and Argentina to Europe instead of China or Russia, ensure access to essential raw materials for our industry and energy transition, and reduce our dependence on Xi and Trump.

Besides global unpredictability, entrepreneurs also face unpredictability from our own government. Too often, politics changes the rules mid-game. Where companies should rely on predictable, transparent, and reliable policy, political majorities often radically disrupt this—without regard for long-term consequences for businesses and thus for our country. If doing business in the Netherlands becomes more expensive than in neighboring countries, and entrepreneurs face worse conditions and burdensome rules, they will leave. This is not theoretical—it’s already happening. Along with jobs and investments, our independence is at risk.

The blind fixation of much of Dutch politics on redistribution must end. The discussion must be about growth. We must stop obsessing over more taxes, more regulations, and more reporting obligations. Entrepreneurs willing to take risks and create jobs are being thwarted, held back, and vilified as profiteers.

Economic growth is taken for granted. But those who refuse to see its importance halt progress and ultimately turn back the clock. We should not gamble with our future and just see where the Netherlands and Europe end up on the world stage.

Growth must once again be central to political decision-making. By doing so, we can afford to stand militarily on our own. By doing so, we can defend ourselves against unexpected trade tariffs. By doing so, innovation happens here—instead of in the United States or China. By doing so, people can prosper.

Growth is good. We must dare to say that again. We should not take our prosperity and security for granted. The difference between 1% and 2% growth over the next decade may seem small, but that one percentage point means Dutch citizens have more to spend, and it means the government can spend tens of billions more without raising taxes. In the end, all Dutch people benefit from growth—either through their jobs or the public services we fund with it.

The Netherlands stands at a crucial economic crossroads in 2025. We are a prosperous country with a strong labor market and open economy. But the world has changed—and with it, the foundations of our prosperity.

We have a world-class economy, with large and innovative companies and hundreds of thousands of highly intelligent and productive people. The previous generation created ASML, Unilever, Urenco, Shell, Boskalis, and Adyen; built the Delta Works and the Maasvlakte; became world leaders in technologies for greenhouse horticulture; and made Rotterdam the largest port in Europe. It is now up to us to ensure the economy receives the attention, space, and support it needs in the coming decades. So that businesses are no longer stifled, but can grow and thrive. That initiative is rewarded. That today's startups become the ASMLs of tomorrow. In short: that entrepreneurship is valued again.

Admittedly, the VVD has also occasionally fallen short in recent years. For instance, we failed to sufficiently curb the increasing regulatory burden on entrepreneurs. But now it's time to look what's ahead of us. For a safe and prosperous country, we need course corrections—and quickly. A year ago, one in five entrepreneurs considered leaving the country. This was undoubtedly in part due to a coalition of parties on the left and the presumed right in 2023, that unexpectedly increased taxes for businesses by €1.5 billion, and due to the expat scheme being suddenly revised by the entire Tweede Kamer, except the VVD. The VVD has managed to reverse both decisions in negotiations for the current government. Of course, we would have preferred to take new, improving steps instead of reversing harmful economic plans. The fact remains: we simply cannot afford such erratic policies. The VVD will continue to do what's necessary to prevent them.

The VVD wants to strengthen our economy by starting with our core industries—the vital industrial sectors that underpin our economy and society. These sectors process raw materials into semi-finished or essential products needed for all kinds of other industries. Our industry wants nothing more than to be ready for the future: to produce sustainably, to remain competitive. Preferably here, in the Netherlands. But it faces major challenges—from energy prices that are much higher than in neighboring countries, and in Europe again higher than globally, to slow procedures for making production more sustainable. Core industries often want to go green but simply cannot yet. The VVD wants to ensure our sustainability efforts don't just lead to more pollution elsewhere. The VVD stands for green growth here.

Something must be done. The Netherlands must do everything possible to retain and even grow our core industries. Not only do thousands of people work in this sector, it also indirectly creates many jobs—especially in small and medium-sized enterprises. When it comes to our defense equipment or energy, we cannot afford to rely entirely on foreign countries. Industrial, energy, and climate policy have become defense policy.

When ASML seemed to choose growth outside the Netherlands, the government—with our Minister of Economic Affairs leading—launched the “Beethoven Plan” to retain the company for the country. The recent announcements of core industries leaving the Netherlands show that time is once again running out. That's why the VVD is now introducing a rescue plan for our core industries.

Our Ingredients for Growth

Earlier this year, the VVD presented its Agenda for the Dutch Workforce and its vision for a mature foreign policy. Today, we present the next agenda: that of a growing economy. This agenda ultimately benefits all Dutch citizens, because growth generates employment and builds a stronger, safer country.

The first part of this agenda delves deeper into the necessity for growth. Subsequently, the VVD's recipe for achieving this growth is laid out, distilling eleven key ingredients. Finally, we focus on the struggling core industry in the Netherlands and we propose measures to ensure a prosperous industrial base—one of our eleven key ingredients for growth.

A growing Dutch economy is inextricably linked to a growing European economy. The Netherlands has great companies and leads globally in many sectors, but we are not large enough to host all strategically important sectors within our borders. We must therefore join forces collectively. A strong internal market—one where investors dare to invest across borders and one with a clear European strategy for raw material and energy independence—is essential.

The vision presented here focuses mainly on the national challenges but does so with the full awareness that European collaboration is crucial to our own growth and progress. The VVD will continue to work vigorously toward that goal as well.

The eleven ingredients for growth by the VVD are:

- ▶ Affordable taxes
- ▶ Deregulation
- ▶ Stable government policy
- ▶ The availability of sufficient talent
- ▶ Working productively
- ▶ High-quality education
- ▶ Access to financing for businesses
- ▶ Space to grow
- ▶ Focus on strategic sectors
- ▶ Long-term vision
- ▶ A healthy foundational industry