



CPB Netherlands Bureau for  
Economic Policy Analysis

# Chartered Choices 2022-2025

Analysis of election manifestos  
Translation Chapter 1: Outlines

- *Overview of  
budgetary  
choices*
- *Analysis of  
economic  
effects*

10 parties

2000 measures



CPB

March 2021

# 1 Outlines of the election manifestos

**This year is the 10th time that CPB is publishing an analysis of election manifestos of political parties, ahead of the House of Representatives general elections in the Netherlands.** Ten political parties accepted CPB's invitation to participate in this year's analysis of the budgetary and economic effects of their party's election manifesto.<sup>1</sup> Nine of them also participated in the previous edition (2017), and the 50PLUS party is participating for the first time. For the 10 parties, a total of nearly 2000 measures were analysed.

**The analysis focuses on medium- and long-term budgetary and economic effects, rather than on welfare across the board.** The analysis is of the macroeconomic impact of policy measures, thus representing only one aspect of a broader welfare assessment. A number of other aspects were analysed by PBL Netherlands Environmental Assessment Agency, in its analysis of election manifestos. When voting for a particular party, many other considerations obviously also play an important role. Therefore, this analysis should not be considered a fully fledged voting advice tool, but rather an aid that enables concrete comparison of the effects of the parties' election manifestos with regard to one particular dimension.

**The value of the analysis is in the comparison between the parties and not in detailed outcomes for any one of them.** This edition of Charted Choices was constructed in an unusual economic situation. The coronavirus crisis has greatly altered the economic baseline and makes short-term economic developments highly uncertain. The focus of this analysis is on the medium and long term, however, and the related uncertainty for this timeframe is not necessarily much greater than usual. As in previous editions, the value of the analysis is in the comparison between the parties, rather than in the detailed outcomes for any single party. Incidental policies, generally, are not included in the analysis; this also applies to the policy measures related to the coronavirus crisis. A more detailed discussion on the value and limitations of the analysis, as well as an explanation of process and methodology, can be found in Chapter 12 (Accountability) of the full Dutch report.

**This document provides a comparison of the main features of the election manifestos.** The descriptions of the impacts always *include the baseline scenario*, unless otherwise indicated, which means that they also include developments under unchanged, currently implemented policies. This is the best way to describe the impact of the policy choices made by the individual parties.

## Party choices

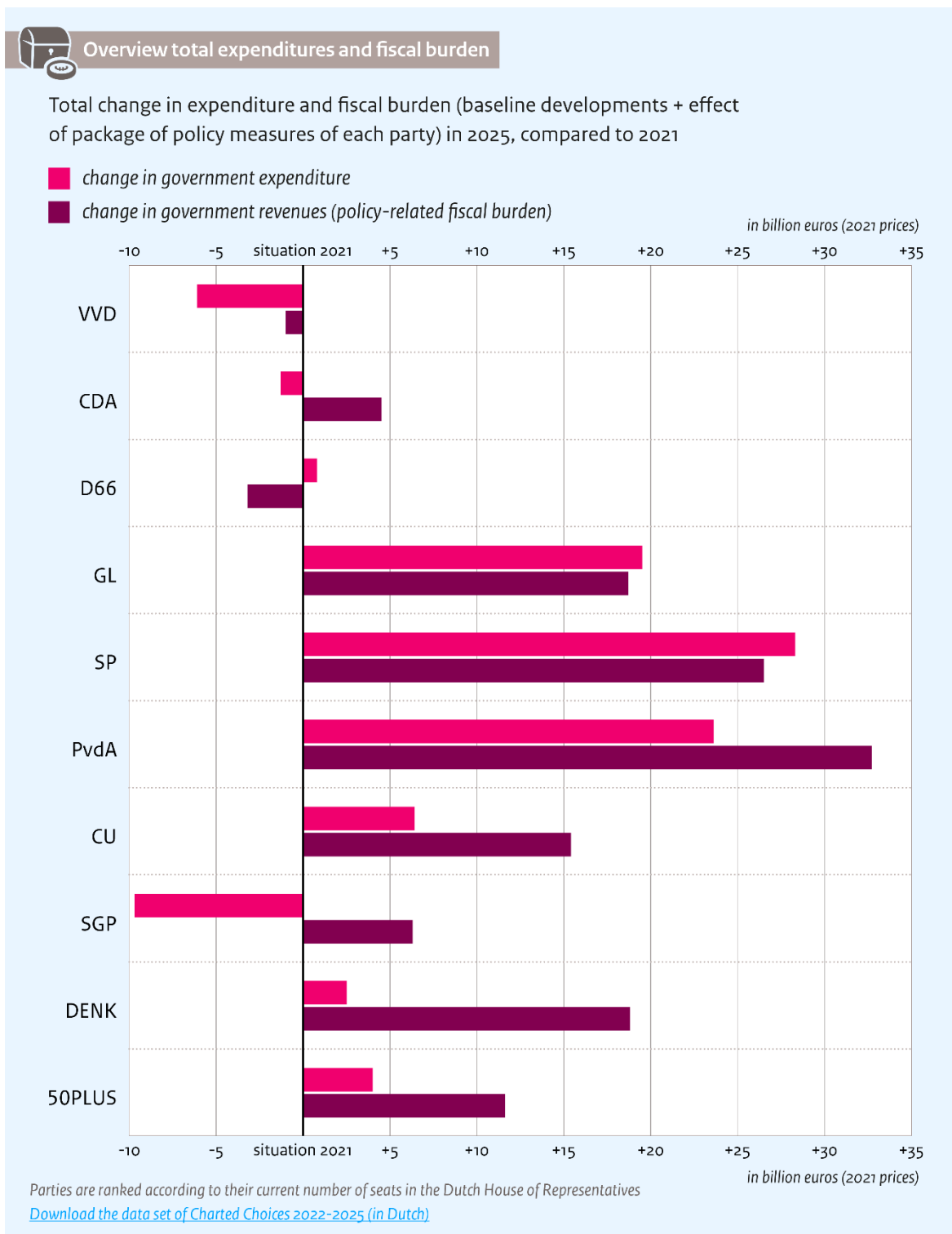
**This edition of Charted Choices reveals that a number of parties are opting for radical system reform, often aimed at transforming allowances schemes.** For example, D66, GroenLinks, PvdA and ChristenUnie are opting for a system of tax credits that can be received under the simultaneous abolition of some or all of certain allowances. SGP introduces a split system and replaces the general tax credits with income-dependent tax credits based on household income. A number of parties combine the provision of (partly of fully) free child care with the abolition of child care allowances (D66, GroenLinks, SP, PvdA) or the direct funding of child care institutions from personal contributions (CDA, ChristenUnie). D66, GroenLinks, SP and PvdA all

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<sup>1</sup> For this analysis, CPB bases its calculations on information provided by the parties themselves and has not checked for consistency with the election manifestos. Comparing all the statements made by a party against the set of measures they supply would be unfeasible. For the sake of transparency, this full Dutch publication includes an appendix with a complete overview of all the measures included in the analysis, so that third parties may check for consistency.

choose to lower health care premiums and make them income-dependent, combined with the abolition of health insurance subsidy. Such system reforms will lead to substantial shifts in financial flows.

Figure 1.1



This also means that the analysis of these types of measures is surrounded by greater uncertainty than usual. Such system reforms also place great demands on implementation. Although the measures analysed in Charted Choices have been assessed on their general feasibility, a fully fledged implementation test would be required before they could be implemented in practice. It cannot be ruled out that implementation will prove to be unfeasible in practice, within the coming government term — even more so if additional policy changes are also involved.

**Almost all parties propose to increase the national minimum wage (nmw), to a certain degree, but these increases vary in extent and manner.** The largest increase in nmw is implemented by SP, GroenLinks and PvdA. They link the minimum wage increase partly to welfare benefit payments and allowances, as do D66, ChristenUnie, DENK and 50PLUS. VVD and, to a lesser extent, CDA also increase the nmw, but without this affecting welfare benefit payments or allowances. SGP is the only party that does not opt for increasing the nmw. Finally, SP completely abolishes the minimum youth wage, and D66, GroenLinks and PvdA lower the age limit of the minimum youth wage from 21 to 18 years.

**All parties increase government expenditures, but the degree to which they do so varies substantially.** Although expenditures under the manifestos of VVD, CDA and SGP will be lower in 2025 than in 2021, it should be borne in mind that expenditures in 2021 are strongly influenced by incidental policies, including around 15 billion euros in financial support.<sup>2</sup> If these incidental policy measures are not taken into account, expenditures increase for all parties. Differences between the parties are substantial: there is a difference of more than 35 billion euros between the party that increases government expenditure the least (SGP) and the one with the highest increase (SP).

**There are also clear differences between expenditure functions due to the parties' clear differences in priorities.** The level of expenditure on social security in 2025 differs by almost 20 billion euros between the party with the highest expenditure for this function (SP, mainly due to higher welfare benefit payments) and the party that intends to spend the least (D66, mainly due to the abolition of allowances, which they will compensate for on the fiscal burden side). There are also large differences in the expenditure levels of other functions: in health care, this difference amounts to 15 billion euros (SP increases the most, among other things through expansion of the standard health care package and higher wages; VVD, D66, the ChristenUnie and SGP the least); for defence, the difference is 10 billion euros (VVD has the highest increase in expenditure, and DENK cuts spending the most); for education, the difference is 8 billion euros (GroenLinks, PvdA and D66 increase the most, for GroenLinks this is partly caused by the introduction of a starting capital for 18-year-olds; VVD and SGP increase the least).

**For most parties, the fiscal burden in 2025 will be higher than in 2021; all parties will increase the fiscal burden on businesses.** The VVD and D66 are the only two parties where the overall fiscal burden will be reduced (for D66, this reduction results from the introduction of a redeemable tax credits and related decrease in social security expenditure). Furthermore, for businesses, all parties will be increasing the fiscal burden. The level of increase differs considerably between parties: VVD and SGP will increase the fiscal burden on businesses by around 3.5 billion euros, while PvdA does so by almost 42 billion euros.

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<sup>2</sup> Another large incidental factor concerns a non-recurring expenditure of about 7 billion euros that is related to ProRail's transition from an LLC (limited liability company) to a ZBO (independent administrative body).

**On balance, all parties are opting to boost the economy in the coming government term, something that usually leads to more economic growth and increased purchasing power, but also to a higher budget deficit.** All parties have expansionary fiscal policies: expenditure developments are not fully compensated for by fiscal burden developments. For D66, GroenLinks and SP, this is clear straight away, while for the other parties this only becomes clear when correcting for the more than 20 billion euros in incidental expenditures that are included in the figures for 2021 but no longer apply in the ensuing years. For most parties, this expansionary picture leads to higher economic growth in the coming government term; only ChristenUnie and SGP cause no change in the growth rate compared to that under the baseline scenario. For all parties, purchasing power increases, on average, although not for all parties for all income groups. The expansion can also be seen in government finances, although the impact of higher growth through higher tax revenues dampens the impact on the EMU balance. Nevertheless, only PvdA, SGP and DENK will have a smaller EMU deficit in 2025 than under the baseline scenario.

**In the long term, these temporary spending effects will disappear, bringing other trade-offs into the picture.** The spending effects of the higher government expenditures are mostly temporary, and the positive impact on government finances is more limited in the long term than over the coming government term. And in the long term, labour demand will adjust to labour supply. Additionally created jobs in the public sector, therefore, will displace jobs in the market sector in the long term and, thus, have no effect on structural employment.

**Most parties transfer the financial burden to future generations.** VVD, ChristenUnie and SGP keep this burden on a level similar to that under the baseline scenario, which already includes a certain transfer to future generations. This transfer is strongest in the case of D66 (higher expenditures, reduction in the fiscal burden) and SP (higher expenditures, reduction in the fiscal burden and a lower retirement age). For future generations, the financial burden is not the only important thing, of course, but so are, for example, climate, environment quality and public services.

**Most parties are choosing to increase income equality, while structural employment is providing a mixed picture.** VVD is the only party where income equality decreases, and for SGP it remains unchanged. In general, parties that increase income equality also reduce the incentive and the need for people to work or work more hours, causing structural employment to go down. But certain parties also intend to take additional other measures that will increase structural employment. On balance, structural employment decreases under SP, ChristenUnie, GroenLinks and 50PLUS, and increases only under VVD.

# Budgetary choices

**Table 1.1 Government expenditures in election manifestos**

	Situation 2021	VVD	CDA	D66	GL	SP	PvdA	CU	SGP	DENK	50PLUS	of which mutation baseline 2022– 2025
	<i>billion euros</i>	<i>total change 2022–2025 in billion euros (policy package + baseline)</i>										<i>billion euros</i>
<b>Government expenditure</b>												
Social security	102.0	3.6	4.6	-4.6	11.0	15.1	9.5	10.1	2.6	11.0	10.7	3.4
Health care	84.8	7.9	9.3	7.7	12.5	22.5	14.0	7.9	7.9	16.2	12.8	7.9
Public administration	80.3	-0.9	-0.7	0.8	-0.6	-0.7	1.5	-1.1	-1.2	-0.4	-0.6	-1.0
Education	41.9	1.3	2.6	8.7	9.7	5.4	9.2	5.7	1.3	5.1	2.0	1.2
Transfer payments to businesses (a)	33.5	-20.9	-20.3	-18.2	-20.8	-22.4	-21.2	-21.4	-21.2	-21.9	-20.7	-20.7
Int. cooperation	15.7	-3.6	-1.9	-0.2	0.0	-0.3	-0.3	-1.0	-1.9	-2.0	-2.8	-2.0
Security	13.7	0.4	0.3	0.2	0.2	0.6	0.3	0.6	-0.4	-0.3	-0.2	-0.6
Accessibility	12.3	3.5	3.4	4.0	4.7	1.9	6.9	4.0	2.4	1.6	2.5	2.4
Defence	11.1	2.6	1.1	0.1	-1.7	-1.9	0.0	0.6	1.1	-7.6	0.0	-0.4
Climate and environment (b)		0.3	0.3	1.9	4.3	6.9	1.8	0.7	0.1	0.0	0.0	
Other (b)		-0.3	0.0	0.6	0.2	1.2	2.0	0.2	-0.5	0.7	0.5	
<b>Total expenditure</b>	<b>395.3</b>	<b>-6.1</b>	<b>-1.3</b>	<b>0.8</b>	<b>19.5</b>	<b>28.3</b>	<b>23.6</b>	<b>6.4</b>	<b>-9.7</b>	<b>2.5</b>	<b>4.0</b>	<b>-9.7</b>

(a) Public spending developments, under the baseline scenario, are strongly influenced by the upward effect of corona-related expenditures in 2021. This is particularly the case for the transfer payments to businesses.

(b) No baseline scenario has been specified for Climate and Other, with only the effects of the policy package being reported.

**The parties make different choices in their expenditure on social security.** These choices are related to system reforms and the national minimum wage level. The system reforms have consequences for both expenditure and fiscal burden, which must be considered in conjunction. Under GroenLinks, SP, PvdA, ChristenUnie, DENK and 50PLUS, net expenditure on social security will increase the most. These parties will increase the national minimum wage as well as the level of most welfare benefit payments. The same parties, together with D66, also increase government expenditure on child care. D66, on balance, cuts spending on social security. It also raises the national minimum wage and partially links welfare benefit levels. In this party's system reform, however, expenditures are more greatly reduced than under that of the other parties.

**The expenditure on curative care increases, for all parties.** Nearly all parties will make changes to policy excess under the Health Insurance Act (Zvw). This affects the government expenditure on health care. Under SP and DENK, the mandatory policy excess is completely abolished, whereas it is halved under PvdA and 50PLUS. Under GroenLinks, the amount in policy excess will become income-dependent. Under CDA, D66 and ChristenUnie, there will be limited changes to the design of the policy excess. Under VVD and SGP, policy excess will largely remain the same. Under VVD, CDA, D66, ChristenUnie, SGP and 50PLUS, an independent body will be put in charge of managing the insurance package, with the objective of limiting the increase in health care costs to the growth that is due to demographics, wages and prices. GroenLinks and PvdA intend to enter into a framework agreement so as to limit health care costs. Under GroenLinks and SP, new public health care systems with regional executors will be introduced.

Figure 1.2

## Development in government expenditure 2022-2025

Change in expenditure 2025, compared to 2021, in billion euros (2021 prices)

change baseline scenario

total change (baseline + policy package)



the baseline scenario of transfer payments to businesses is highly influenced by corona-related expenditures in 2021

The baseline scenario represents the projected development under unchanged policy. Parties are ranked according to their number of seats in the Dutch House of Representatives. The data set can be downloaded from [cpb.nl](https://cpb.nl) or via this link: [databestand Charted Choices 2022-2025 \(Dutch\)](#)



**Almost all parties intend to enter into a governance agreement to increase wages in the health care sector by more than is the case under the baseline scenario.** There are differences in the level of increase and in whether only nurses and care providers are eligible or if the wage increases will apply to the entire health care sector. VVD is the only party under which wages will not increase by more than they do under the baseline scenario. D66, GroenLinks, SP, PvdA, ChristenUnie and DENK intend for all medical specialists to work under an employment contract, whereas VVD and CDA only want this for new practitioners. GroenLinks, SP, PvdA, ChristenUnie and SGP all want the income levels of medical practitioners to be subject to the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT).

**Education expenditure increases under almost all parties.** Under GroenLinks, PvdA and D66, these increases are the highest. SGP and VVD will not make any changes to overall education expenditures. GroenLinks introduces a starting capital for 18-year-olds that can only be used to cover educational expenses during the first five years. Under 50PLUS, CDA, DENK, PvdA and SP, a scholarship system will be introduced for students in higher education. GroenLinks, SP, PvdA, ChristenUnie, DENK and CDA will also make funds available to compensate students who, in the past, fell under the student loan system. D66, GroenLinks, SP, PvdA, ChristenUnie and DENK intend to enter into governance agreements to increase wages in primary education. Under DENK, GroenLinks, D66 and SP, funds will be made available to achieve smaller classes in primary / secondary education. PvdA and D66, among others, will increase budgets earmarked for, for instance, policy measures on learning deficits, tailor-made education, or early school leavers.

**Parties also make different choices in other expenditure categories.** Nine of the parties will decrease the expenditure on public administration. PvdA is the only party under which this will increase because of additional jobs in the public sector and increased spending in municipal and provincial funds. Under all parties, transfer payments to businesses decrease compared to 2021, because by 2025 there will no longer be any corona-related expenditures. Expenditures on international cooperation are also higher than usual in 2021 due to incidental spending. Corrected for this fact, the expenditure level will increase structurally under GroenLinks, D66, PvdA and SP, while under VVD and 50PLUS it will decrease. Under a continuation of the policy on security, the expenditure in this area will decrease. All parties indicate that they will increase the spending on security; nevertheless, under SGP, DENK and 50PLUS, the spending levels will be lower by 2025, compared to 2021. There are large differences between parties when it comes to defence-related expenditures: VVD, CDA, SGP and ChristenUnie will increase defence spending (VVD the most). The other parties intend to decrease defence-related expenditures (DENK the most).

**Nearly all parties increase expenditure on climate and the environment.** GroenLinks and SP have the highest increases in the expenditure on climate and the environment. Under DENK and 50PLUS, expenditure levels in these two areas remain unchanged, on balance. PvdA, ChristenUnie, D66, GroenLinks, CDA and SP are increasing the budget on the Stimulation of Sustainable Energy Transition (SDE++). PvdA, D66, SP and GroenLinks want to buy up livestock farms and agricultural land and turn that into nature areas. SP, PvdA and D66 are freeing up financial resources to close down coal-fired power plants. All parties are increasing accessibility-related expenditures. GroenLinks, PvdA, SP, ChristenUnie, SGP, DENK and 50PLUS are increasing the spending on public transport. Under CDA, D66, GroenLinks, PvdA and ChristenUnie, a certain budget will be earmarked for the introduction of a road pricing scheme. VVD, CDA and D66 are increasing spending in the Infrastructure Fund/Mobility Fund.

**Most parties will increase expenditures in the Other category and reduce natural gas production, similar to under the baseline scenario.** SGP and VVD, in contrast, will decrease those other expenditures. Under SP, the increases will be considerable, in particular due to additional funds being allocated to the reinforcement of houses in the Province of Groningen and to compensate owners there for the earthquake-related damage to their homes. Under DENK, natural gas extraction will increase and additional funds will be allocated to a compensation fund for Groningen.

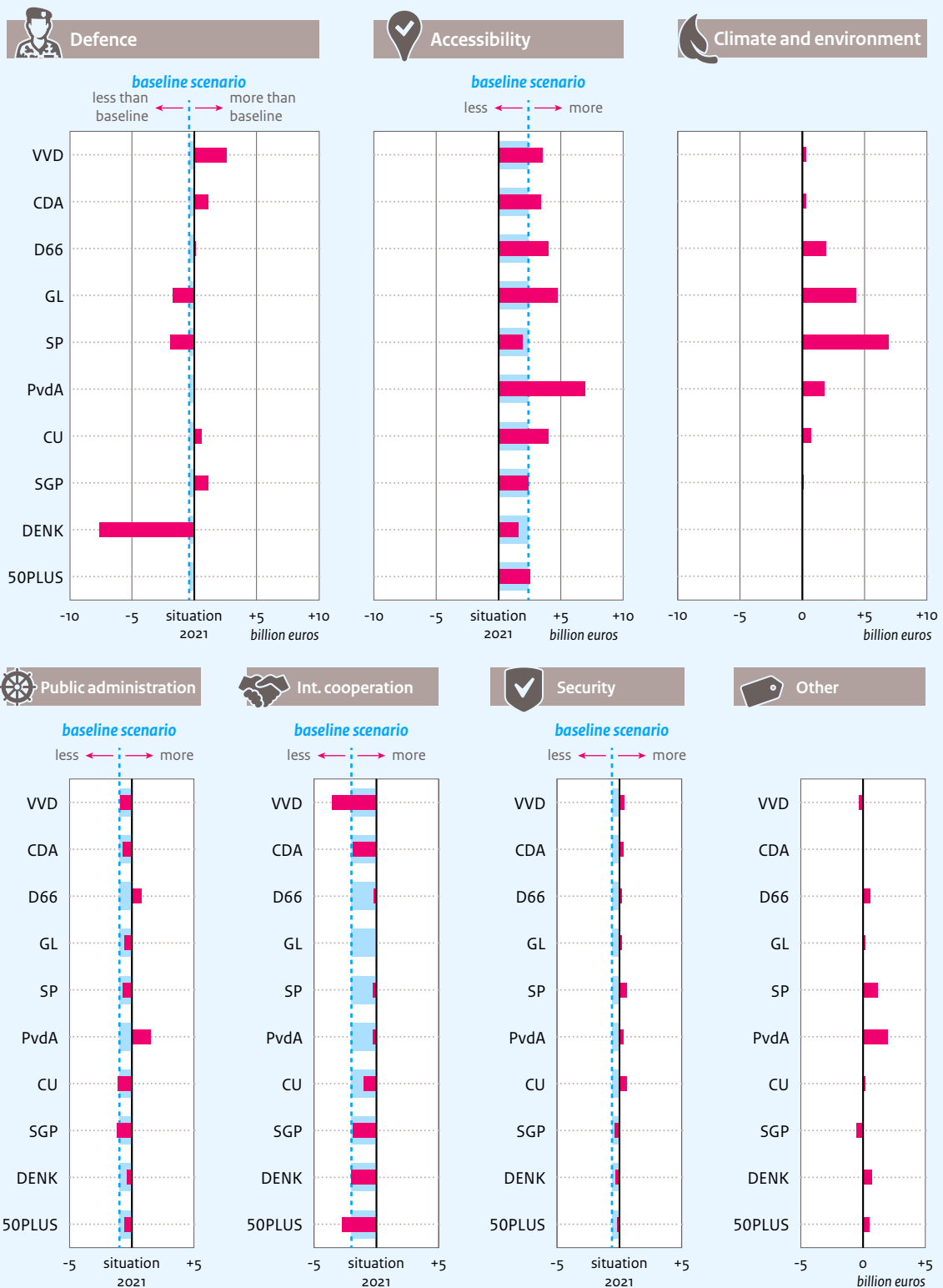
Figure 1.3

## Development in government expenditure 2022-2025

Change in expenditure 2025, compared to 2021, in billion euros (2021 prices)

change baseline scenario

total change (baseline + policy package)



there is no baseline scenario for the categories Climate and environment and Other

The baseline scenario represents the projected development under unchanged policy. Parties are ranked according to their number of seats in the Dutch House of Representatives. The data set can be downloaded from [cpb.nl](http://cpb.nl) or via this link: [databestand Charted Choices 2022-2025 \(Dutch\)](#)

**VVD, CDA and 50PLUS make no changes to the National Growth Fund; the other parties are opting for an alternative solution.** The Growth Fund contains 20 billion euros and its set-up will remain the same, under VVD, CDA and 50PLUS. Under GroenLinks, SP, PvdA, ChristenUnie and DENK, spending will be cut for the full amount and an alternative allocation for this 20 billion is provided: they intend to spend these financial resources on temporary investments and/or transitions in the fields of knowledge, infrastructure, research & development and innovation. Under D66 and SGP, some cuts will be made and those funds will be allocated elsewhere.<sup>3</sup>

**Many parties create employment for specific groups.** Under many parties, employment will be stimulated through policies aimed at people with limited access to the labour market. For example, except for the ChristenUnie and SGP, all parties will expand the number of sheltered employment positions by 20,000. Parties also will introduce quota for target group employment: PvdA 8% and VVD, CDA, GroenLinks, ChristenUnie and DENK 5% each. With a quota scheme, employers will be incentivised to hire people with a disability. Certain parties will create additional jobs in education and public administration for the long-term unemployed, among others. Under PvdA and D66, 100,000 of such jobs will be created over time; under GroenLinks, SP and DENK this will be 20,000 jobs and under ChristenUnie 10,000.

**The number of jobs in the public sector will increase under all packages of policy measures, the largest of which under those of PvdA, D66, SP and GroenLinks.** The choices made on government expenditures determine where those jobs will be created. Under some parties, this concerns the already mentioned sheltered jobs and jobs in public administration and education. Furthermore, parties are opting to create additional jobs in education (D66, GroenLinks, PvdA, DENK, ChristenUnie, SP, CDA and 50PLUS), defence (CDA, SGP, VVD, 50PLUS, ChristenUnie, PvdA, D66 and GroenLinks) and security (VVD, SP, ChristenUnie and CDA). DENK and SP, on the other hand, will reduce the number of defence-related jobs. Employment in health care will increase, in the coming years, which will be expanded even further under SP, PvdA, DENK, 50PLUS, GroenLinks and CDA. These parties will reduce the health insurance policy excess the most, which will have an upward effect on the consumption of care and employment in the care sector.

**Table 1.2 Developments in fiscal burden in election manifestos**

	baseline scenario	VVD	CDA	D66	GL	SP	PvdA	CU	SGP	DENK	50PLUS
	billion euros	total change 2022–2025 in billion euros (policy package + baseline)									
<b>Policy-related development in fiscal burden</b>	6.2	-1.0	4.5	-3.2	18.7	26.5	32.7	15.4	6.3	18.8	11.6
... for households	4.2	-5.2	-1.4	-20.1	4.5	1.0	-10.4	2.3	2.2	1.4	4.1
... for businesses	1.9	3.6	5.4	15.4	12.7	24.0	41.7	11.4	3.4	16.9	7.3
... for other countries	0.1	0.6	0.5	1.4	1.5	1.5	1.5	1.7	0.7	0.5	0.2
... of which income and labour	4.9	-6.4	-0.5	-27.1	-15.5	3.2	-1.2	-2.1	1.6	4.1	3.5
... of which wealth and capital gains	0.7	4.3	3.4	16.0	24.3	18.4	23.2	8.7	0.3	14.6	3.5
... of which environment	0.5	0.4	0.3	6.8	6.1	4.3	8.6	5.7	2.9	2.1	2.5
... of which other	0.2	0.8	1.3	1.1	3.8	0.5	2.2	3.2	1.5	-2.0	2.1

<sup>3</sup> For more information about the National Growth Fund, also see Chapter 13 of the full Dutch report.

**The policy-related development of the fiscal burden on households is often the result of sizeable pluses and minuses.** The introduction of tax credits that can be cashed in as well as income-dependent and lower health care premiums, for example, will lead to substantial reductions in the fiscal burden on households. At the same time, this burden will increase due to the abolition of various income tax credits or the introduction of a four or five bracket income tax system. For 8 of the 10 parties, the policy-related fiscal burden on households will decrease compared to under the baseline scenario; for D66, PvdA, CDA and VVD, fiscal burden are reduced, even including the baseline scenario.

**All parties will increase the policy-related fiscal burden on businesses and other countries.** All parties, except VVD and SGP, will increase the corporation tax by adjusting tax rates and/or bracket ranges. Except for SGP and 50PLUS, all parties are announcing to abolish the job-related investment credit (BIK)<sup>4</sup> or to implement an alternative for the related earmarked funds. In contrast, under most parties, the fiscal burden on businesses will be reduced by a change in the tax on rental earnings. The fiscal burden on other countries will increase under all parties, mostly through the introduction of a digital services tax, (except under 50PLUS) or the introduction of a heavy goods vehicle tax (except under SGP).

**For about half of the parties, the policy-related fiscal burden on income and labour will decrease, while all parties will increase the tax on wealth and capital gains.** Development of the policy-related fiscal burden can also be constructed on the basis of the various tax categories. With respect to income and employment tax, D66, GroenLinks, PvdA and ChristenUnie combine system reforms in wage and income tax with health care premium measures or first bracket tax rates in order to reduce the fiscal burden. VVD and CDA use tax credits and tax bracket rates to arrive at a reduction in the fiscal burden on income and labour. SP, SGP, DENK and 50PLUS also often use combinations of the above-mentioned instruments to reduce the fiscal burden, but their measures do not fully counterbalance the increase in the burden under the baseline scenario. Under 8 of the parties, the increase in the fiscal burden on wealth and capital gains is partly caused by abolition of the BIK and its related funding, and under 7 parties, the increase is caused by an increase in the high corporation tax rate. GroenLinks, PvdA, D66, SP, ChristenUnie and DENK will also raise the fiscal burden by increasing the capital gains tax, while GroenLinks, PvdA, SP and D66 do so by introducing a wealth tax.

**Parties are striving to achieve behavioural changes through policy-related tax increases in the categories of Environment and Other.** In both categories, all of the parties show a policy-related increase in the fiscal burden, except for DENK, who decreases the fiscal burden in the Other category. All parties, except for SGP, will introduce a heavy goods vehicle tax, which increases the policy-related fiscal burden in the environment category. D66, GroenLinks, PvdA, ChristenUnie and CDA are also introducing road pricing. In addition, apart from 50PLUS, all parties are introducing changes to the energy tax or Sustainable Energy Surcharge (ODE). SP, PvdA, SGP, 50PLUS, GroenLinks and D66 introduce a tax on packaging and PvdA, SP, GroenLinks, D66, DENK and ChristenUnie increase the existing carbon tax on industry or introduce a new, additional carbon tax. In the Other category, the policy-related fiscal burden increases due to the introduction of a digital services tax, which is introduced by all parties, except 50PLUS. Furthermore, all parties, except VVD and SP, plan to increase the excise duty on alcohol and/or tobacco. Lowering the VAT rate on fruit and vegetables is the most frequently chosen measure to relieve the fiscal burden in the Other category (D66, GroenLinks, SP, PvdA, ChristenUnie and DENK). DENK is the only party to reduce the burden in the Other category and does so mainly via a general reduction of the lower VAT rate.

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<sup>4</sup> For more information about BIK, also see Chapter 13 of the full Dutch report

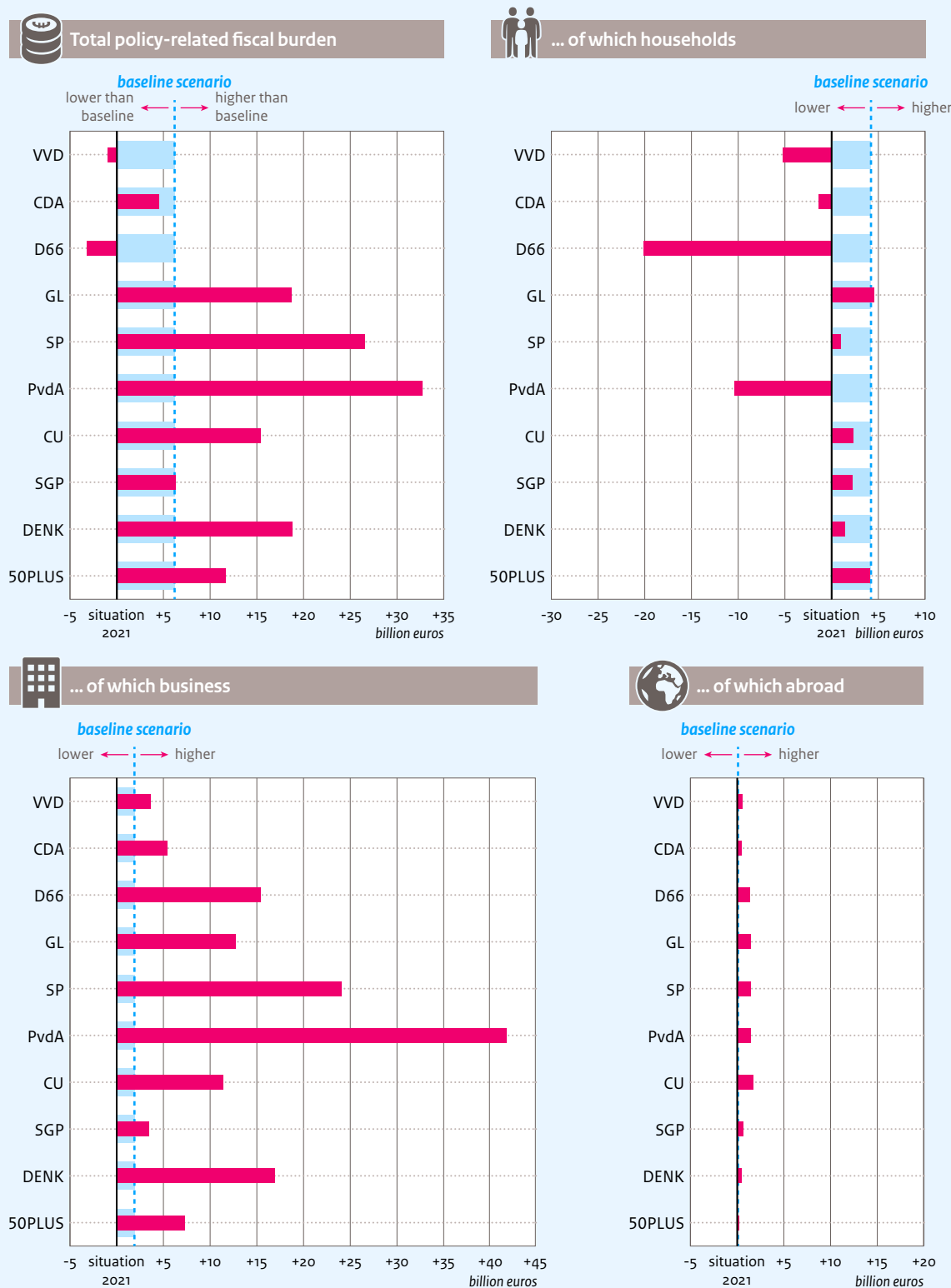
Figure 1.4

## Development of fiscal burden distribution per group

Changes in policy-related fiscal burden 2025, compared to 2021, per group, in billion euros (2021 prices)

change baseline scenario

total change (baseline + policy package)



The baseline scenario represents the projected development under unchanged policy. Parties are ranked according to their number of seats in the Dutch House of Representatives. The data set can be downloaded from [cpb.nl](http://cpb.nl) or via this link: [databestand Charted Choices 2022-2025 \(Dutch\)](#)

Figure 1.5

## Development of fiscal burden distribution per category

Changes in policy-related fiscal burden 2025, compared to 2021, per category, in billion euros (2021 prices)

change baseline scenario

total change (baseline + policy package)



The baseline scenario represents the projected development under unchanged policy. Parties are ranked according to their number of seats in the Dutch House of Representatives. The data set can be downloaded from [cpb.nl](https://cpb.nl) or via this link: [databestand Charted Choices 2022-2025 \(Dutch\)](#)

# The economic effects in the coming government term

**Table 1.3 Macroeconomic impacts 2022–2025**

	baseline scenario	VVD	CDA	D66	GL	SP	PvdA	CU	SGP	DENK	50PLUS
	% per year	average change, in % per year, 2022–2025 (policy package + baseline)									
GDP volume	1.5	1.9	1.7	1.9	1.6	1.7	1.9	1.5	1.5	1.6	1.6
Employment (in million hours)	0.9	1.2	1.1	1.2	1.0	0.8	1.2	1.0	0.9	1.0	0.9
Purchasing power (mutation median, a)	-0.1	0.6	0.4	1.2	0.9	2.0	1.8	0.6	0.0	0.9	0.6
	2025	level in 2025 (policy package + baseline)									
Employment (% , b)	4.5	4.1	4.1	3.5	4.4	3.6	3.5	3.9	4.5	4.5	4.0
EMU balance (% of GDP)	-1.2	-1.9	-1.8	-2.1	-2.0	-2.0	-1.1	-1.3	-1.1	-0.8	-1.3
EMU debt (% of GDP)	59.7	61.7	61.1	59.6	58.4	58.4	55.7	59.7	59.3	58.4	58.7
a) median all households b) in % of the labour force											

**For many parties, the higher level of expenditure will boost economic growth over the coming government term.** Average annual GDP growth varies between 1.5% and 1.9%. Economic growth is mainly stimulated through higher levels consumption by households and the government, the effects of which are of a temporary nature. Parties use various means to increase household spending power, namely by increasing welfare benefit payments or reducing the fiscal burden on households. Labour income also increases under many of the policy packages, because of job increases and higher wages. Wages will primarily rise because of national minimum wage increases, higher wages in health care and education, and higher inflation. Inflation will rise the most under PvdA and SP, particularly due to higher product-related taxes and higher fiscal burden on businesses, which will subsequently be passed on to consumers. Government expenditures contribute to economic growth not only via disposable income, but also directly through higher government consumption and investment levels.

**In the coming years, employment will increase under all parties, mainly due to additional jobs in health care and the public sector.** The number of jobs in the public sector increases under all policy packages, with the largest increases under PvdA, D66 and SP. In the market sector, economic growth will lead to additional labour demand, although employment levels in this sector increase only under VVD, CDA and D66. Under the other parties, higher labour costs and increases in the fiscal burden on businesses will dampen labour demand, which causes employment in the market sector, on balance, to remain the same or increase less than under the baseline scenario. Over time, additional jobs in the public sector will push out jobs in the market sector, causing employment in the latter to decline.

**Under all policy packages, unemployment will decline during the coming government term.** The higher employment rate will result in more people finding a job, in the coming years. The unemployment level will also be determined by the number of job seekers. With a greater labour supply, unemployment initially rises,



as not everyone will find a job immediately and it takes time for the labour market to adjust. This caused a dampening of the decrease in unemployment, for six of the parties. Under SP, ChristenUnie, 50PLUS and SGP, the labour supply will actually decrease, which adds to the decrease in unemployment.

**Table 1.4 Purchasing power, divided into groups**

	baseline scenario	VVD	CDA	D66	GL	SP	PvdA	CU	SGP	DENK	50PLUS
	% per year	average change, in % per year, 2022–2025 (policy package + baseline)									
Median purchasing power development (a)											
All households	-0.1	0.6	0.4	1.2	0.9	2.0	1.8	0.6	0.0	0.9	0.6
Working population	-0.1	0.8	0.5	1.4	1.3	1.2	2.1	0.8	0.2	0.8	0.4
Benefit recipients	-0.3	-0.6	0.3	0.9	0.6	3.7	1.9	1.2	-0.6	1.1	1.1
Pensioners	-0.3	0.2	0.3	0.8	0.5	2.6	1.4	0.0	-0.2	0.9	1.0
according to income groups (b)											
1%–20% (<116% nmw)	-0.2	0.0	0.3	0.9	1.0	3.2	1.6	0.6	0.1	1.1	1.1
21%–40% (116%–184% nmw)	-0.2	0.7	0.4	1.8	2.0	2.9	2.3	1.1	0.1	1.0	0.8
41%–60% (184%–275% nmw)	-0.2	0.7	0.5	1.5	0.8	2.3	2.1	0.7	0.1	0.9	0.5
61%–80% (275%–405% nmw)	0.0	0.7	0.5	0.9	1.2	1.3	1.9	0.4	-0.1	0.7	0.4
81%–100% (>405% nmw)	0.0	0.5	0.3	0.1	-0.1	-0.8	0.6	0.3	-0.1	0.0	0.3
a) A median is the average value of a distribution of figures, ranked from low to high. A median of 1.3% for all households means that half of all households will experience an effect of 1.3% or less, and the other half one of 1.3% or more. b) Gross income from labour or welfare benefits on household level; the gross national minimum wage (nmw) in 2025 will be around 23,200 euros. The income groups are divided into five groups of equal size in ascending order of income level (each group containing 20% of all households).											

**The economic stimulus via households is also reflected in the purchasing power effects, which are having a neutral or positive impact on average, for all parties, although the range in some cases is substantial.** Median purchasing power development varies from unchanged (SGP) to a 2.0% increase (SP). The magnitude of the purchasing power effects depends mainly on the parties' choices regarding the minimum wage level, welfare benefits, allowances, premiums and fiscal burden on households. The median purchasing power effects involve a sometimes substantial range. The more substantial the packages of policy measures, the greater the range of purchasing power effects. This range is relatively wide under GroenLinks, SP, PvdA, ChristenUnie, D66 and SGP, who all intend to implement greater or smaller system changes. The range is relatively narrower under 50PLUS, CDA, VVD and DENK. The range of purchasing power effects does widen when looking at specific groups.

**All parties are increasing the median purchasing power of the working population, with the broadly proposed increase in the national minimum wage making a significant contribution.** This is partly because of the impact on the wage levels that are just above the — increased — national minimum wage level. For further adjustments, D66, GroenLinks, PvdA, ChristenUnie and SGP use various tax system changes. VVD, CDA, SP, DENK and 50PLUS mainly use labour tax credits and/or the rate of the first tax bracket. Parties often partly link the minimum wage increase to welfare benefits and/or allowances, which increases purchasing power for welfare benefit recipients and pensioners. Only under VVD and SGP will there be a reduced purchasing power effect for welfare benefit recipients, and in the case of SGP also for pensioners.

Figure 1.6



Although under almost all parties median purchasing power will improve, the parties make different choices as to which income group should benefit from this improvement. Under the sometimes large system reforms, differences in income can be seen. Under CDA and SGP, purchasing power will develop along similar lines for the various income groups. This is also the case under VVD, except for the lowest income group, which is negatively affected by the freeze on welfare benefit payment levels (except for state pensions (AOW) and WIA benefits). Under SP, 50PLUS and DENK, the increase in purchasing power is largely at the lowest incomes. Under GroenLinks, D66, PvdA and ChristenUnie, a relatively large part of the increase will be for middle incomes, with lower middle incomes benefiting the most.

## Long-term economic effects

**Table 1.5 Long-term indicators**

	Financial burden on future generations	Structural employment	Income equality
	Higher means that future generations will carry a higher financial burden to maintain facilities at their current level	Higher means an increase in the numbers of hours worked	Higher means greater equality
	<i>change compared to the baseline scenario</i>		
VVD	↔	↑	↓
CDA	↑	↔	↑
D66	↑↑	↔	↑↑
GL	↑	↓	↑↑
SP	↑↑	↓↓	↑↑
PvdA	↑	↔	↑↑
CU	↔	↓	↑↑
SGP	↔	↔	↔
DENK	↑	↔	↑↑
50PLUS	↑	↓	↑
Legend	↓↓ = 2.0 or more ↓ = 0.5 to 2.0 ↔ = -0.5 to 0.5 ↑ = -2.0 to -0.5 ↑↑ = -2.0 or less	↓↓ = -3.0 or less ↓ = -3.0 to -0.5 ↔ = -0.5 to 0.5 ↑ = 0.5 to 3.0 ↑↑ = 3.0 or more	↓↓ = 4.0 or more ↓ = 1.0 to 4.0 ↔ = -1.0 to 1.0 ↑ = -4.0 to -1.0 ↑↑ = -4.0 or less
Unit	mutation sustainability balance, in % of GDP	change in %	mutation Gini coefficient in %

**Income equality increases under almost all parties, with only VVD showing a decrease.** Income equality increases the most under SP, PvdA, GroenLinks, D66, DENK and ChristenUnie, and to a lesser extent under 50PLUS and CDA. This improvement in income equality is partly the result of the increase in the national minimum wage level, including a partial impact on welfare benefits and allowances, as well as the reduction in nominal health insurance premiums in the cases of GroenLinks, SP, D66, PvdA and DENK. The system reforms under D66, GroenLinks and ChristenUnie will have a relatively favourable impact on low incomes. Under VVD, the financial burden on working people will be reduced, while allowances and welfare benefit levels (except AOW and WIA) will be frozen — which will increase the difference between benefit income and labour income.

**Structural employment decreases under SP, ChristenUnie, GroenLinks and 50PLUS, and increases only under VVD.** Structural employment decreases the most under SP. *Structural* employment differs from employment during the coming government term. In the long run, labour demand will adjust to the labour supply. The additional jobs created in the public sector, particularly under PvdA, D66 and SP, will displace jobs in the market sector in the long term, and thus have no effect on structural employment. Policy packages under which income equality will increase often reduce the difference between welfare benefit and labour income and thus also reduce the incentive and the need for people to work or work more hours. The VVD, on the other hand, decreases income equality, and increases structural employment. Under all parties, except SGP, employment is stimulated through policies aimed at people with limited access to the labour market, such as by expanding the number of sheltered employment positions and setting quota for specific target group jobs.

**Finally, measures related to retirement age also affect structural employment.** SP is lowering the Dutch state pension (AOW) entitlement age to 65, which means fewer people will be available on the labour market, while SGP is increasing the number of older people in the workforce by increasing the link between the state pension age and life expectancy. Six parties introduce a flexible state pension age; under VVD, CDA, D66, PvdA and DENK, people will be able to retire three to five years later, which on average leads to a later retirement age; under 50PLUS, it will be possible to retire two years earlier or three years later, which on balance leads to an earlier retirement age.

**For most parties, structurally higher government expenditures than revenues will cause increases in the financial burden on future generations.** The spending effects of the higher government expenditure are mainly temporary, which is why their impact is more limited in the long term than in the government term. The budgetary impulse is also structurally different from that in 2025, under most parties. Under half of them, after the end of the government term, the policy-related fiscal burden will increase, partly due to the phase-out of mortgage interest rate deductions (D66, GroenLinks, PvdA, ChristenUnie). Under D66, GroenLinks and ChristenUnie, state pension premiums will gradually be taxed, and under the ChristenUnie homeownership will be taxed under Box 3. Expenditures will also increase, under a number of parties, after the end of the government term. This will be mainly due to the increased spending on free child care (D66, GroenLinks, SP) and public sector jobs (PvdA and D66). Under other parties, the increase in expenditures after the end of the government term will be lower, partly because of greater spending cuts in health care. Incidental expenditures, such as the compensations under the student loan system (GroenLinks, SP, PvdA, ChristenUnie, DENK and CDA) and non-recurring costs related to closures of the coal-fired power plants (SP, PvdA and D66) will not affect structural government expenditure.

**The impact of the structural budgetary impulse on long-term government finances may be either larger or smaller, which is related to the ageing population and/or other delayed impacts.** For example, higher health care expenditures have a relatively large effect; because of the ageing population, more people will be needing health care. Under a number of parties, lower structural employment will increase the financial burden on future generations; if fewer people are working, fewer people will be paying taxes. Especially under SP and D66, the burden on future generations will increase. This will be less the case under PvdA, GroenLinks,

50PLUS, DENK and CDA. The calculation of the financial burden on future generations takes into account the effects of an ageing population, structural employment and policy changes on government finances in the long term, but provides no information about future welfare across the board or climate.

**This edition of Charted Choices also presents the financial burden on future generations with debt projections for 2060<sup>5</sup> and the distribution of the net benefits<sup>6</sup> over different periods.** Under unchanged policy, debt projections for 2060 amount to 47.4% of GDP. With the exception of SGP, all parties and particularly SP and D66 will cause a further increase in the projected debt, due to government expenditures that are structurally higher than the revenues. Parties that increase the financial burden on future generations also increase the government-related net benefit for citizens up to 2060. From 2060 onwards, public finances are technically assumed to be made sustainable, which will require further spending cuts or tax increases that, in turn, will also reduce the net benefit from the government for these parties.

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<sup>5</sup> Assuming an interest rate on government bonds that is based on the interest rate term structure with the Ultimate Forward Rate (UFR), which is set by DNB to determine the value of the pension payment obligations ([link](#)). The nominal interest rate used for Charted Choices is 0.5% in 2060, as determined in the November Projections 2020. This interest rate in the debt projections replaces the uniform discount rate commonly used in calculations regarding the ageing population (see Adema, Y. and I. van Tilburg, 2019, *Caring about tomorrow*, Section 3.1 (in Dutch) ([link](#))) and does not include any uncertainty about government revenues and expenditures.

<sup>6</sup> Net benefit is related to the general government financial balance, although the calculations of the two concepts differ. For example, EMU-relevant international transactions (including expenditures on development cooperation and revenues received from abroad) are not included in the net benefit, and the net benefit includes a calculated return on the government's capital goods supply.

# Additional tables and figures

**Table 1.6 Employment in the public sector and in health care**

	baseline scenario	VVD	CDA	D66	GL	SP	PvdA	CU	SGP	DENK	50PLUS
	% per year	average change, in % per year, 2022–2025 (policy package + baseline)									
Public sector	-0.1	0.7	0.9	2.6	1.7	1.1	3.0	1.0	0.1	1.2	0.5
Health care	2.3	2.3	2.4	2.2	2.6	3.3	3.0	2.3	2.2	2.9	2.9
Total	1.2	1.6	1.7	2.4	2.2	2.3	3.0	1.7	1.2	2.1	1.8

**Table 1.7 Main health care indicators**

	Situation 2021	VVD	CDA	D66	GL	SP	PvdA	CU	SGP	DENK	50PLUS	of which mutation baseline 2022– 2025
	billion euros	total change 2022–2025, in billion euros (policy package + baseline)										billion euros
<b>Curative care (Zvw*)</b>												
Government expenditure (a)	47.1	3.5	4.0	3.5	7.6	16.0	7.5	3.4	3.5	10.8	7.1	3.9
Own payments (b) (in euros, per capita)	3.3 (227)	-0.1 (-8)	-0.5 (-38)	-0.3 (-19)	-0.5 (-35)	-3.3 (-227)	-1.2 (-82)	-0.1 (-7)	0.1 (8)	-3.3 (-227)	-1.3 (-88)	0.1 (8)
<b>Long-term care (Wlz**)</b>												
Government expenditure (a)	25.2	4.1	5.1	4.9	4.1	5.3	4.5	4.0	4.3	4.5	4.5	4.0
<b>Other</b> (incl. Wmo***/Youth)	12.6	0.3	0.2	-0.8	0.8	1.3	2.0	0.5	0.1	1.0	1.2	0.0
<b>Government expenditure on health care (a)</b>	84.8	7.9	9.3	7.7	12.5	22.5	14.0	7.9	7.9	16.2	12.8	7.9

a) Net amounts

b) This concerns own payments, under the mandatory excess for insured curative care. Under the baseline scenario, in 2025, the excess will be 400 euros per person (in 2021 prices). In today's prices, this would be 420 euros. It should be noted that not everyone will use all of the excess amount.

\*Zvw = Dutch Health Insurance Act

\*\*Wlz = Dutch Long-term Care Act

\*\*\*Wmo = Social Support Act 2015

**Table 1.8 Macroeconomic effects 2022–2025**

	mutation baseline scenario	VVD	CDA	D66	GL	SP	PvdA	CU	SGP	DENK	50PLUS
	% per year	average change, in % per year, 2022–2025 (policy package+baseline)									
<b>Spending and production volumes</b>											
Gross domestic product	1.5	1.9	1.7	1.9	1.6	1.7	1.9	1.5	1.5	1.6	1.6
Household consumption	2.4	3.0	2.8	3.4	2.4	3.1	3.2	2.7	2.5	2.6	2.7
Government spending	1.2	1.7	1.7	2.1	2.6	2.8	3.5	1.5	1.1	1.7	1.9
<b>Wages and prices</b>											
CAO wages businesses	1.5	1.1	1.6	1.9	2.1	2.9	2.0	1.8	1.4	1.4	2.0
Inflation (HICP, a)	1.5	1.3	1.7	1.8	1.8	2.0	2.2	1.8	1.5	1.4	1.8
Real labour costs businesses	0.4	0.3	0.3	0.4	-0.1	1.0	0.8	0.5	0.3	0.1	0.7
<b>Labour market</b>											
Employment (hours worked)	0.9	1.2	1.1	1.2	1.0	0.8	1.2	1.0	0.9	1.0	0.9
... of which businesses	1.0	1.3	1.1	1.1	0.9	0.8	1.0	0.9	1.0	0.9	1.0
	2025, in %	2025 level, in % (policy package + baseline)									
Unemployed labour force	4.5	4.1	4.1	3.5	4.4	3.6	3.5	3.9	4.5	4.5	4.0
Labour income share businesses	74.7	74.4	74.2	74.6	74.0	75.8	76.0	75.3	74.5	74.3	75.1
a) Harmonised Index of Consumer Prices (HICP)											

**Table 1.9 Government deficit and government debt in 2025**

	baseline scenario	VVD	CDA	D66	GL	SP	PvdA	CU	SGP	DENK	50PLUS
	% of GDP	2025 level, in % of GDP (policy package + baseline)									
EMU balance	-1.2	-1.9	-1.8	-2.1	-2.0	-2.0	-1.1	-1.3	-1.1	-0.8	-1.3
Structural EMU balance (a)	-0.7	-1.5	-1.4	-1.9	-1.4	-1.7	-1.0	-0.8	-0.5	-0.3	-1.0
EMU debt	59.7	61.7	61.1	59.6	58.4	58.4	55.7	59.7	59.3	58.4	58.7
a) actual EMU balance, corrected for the economic situation and special, non-recurring factors											

Figure 1.7

