

Cheap Talk in politics?

Two case studies from the Dutch political environment

Universidad del CEMA

Joni Koch

Summary: Before elections political figures will always seem honest and keep their promises. Only after elections you can find out whether they are naturally honest or dishonest and whether they really intent to keep their promises.

Key words: Dutch politics, cheap talk, elections, honesty.

Table of contents

Table of contents..... p. 2

Introduction..... p. 3

 General introduction in Dutch politics..... p. 3

 Elections of 2010..... p. 4

 The PVV and Geert Wilders..... p. 4

 After the elections of 2010..... p. 4

This Paper..... p. 5

 Cheap talk in politics..... p. 5

Case study 1; Talk is not cheap..... p. 5

Case study 2; Talk is cheap..... p. 7

Conclusion..... p. 9

References..... p. 10

Introduction

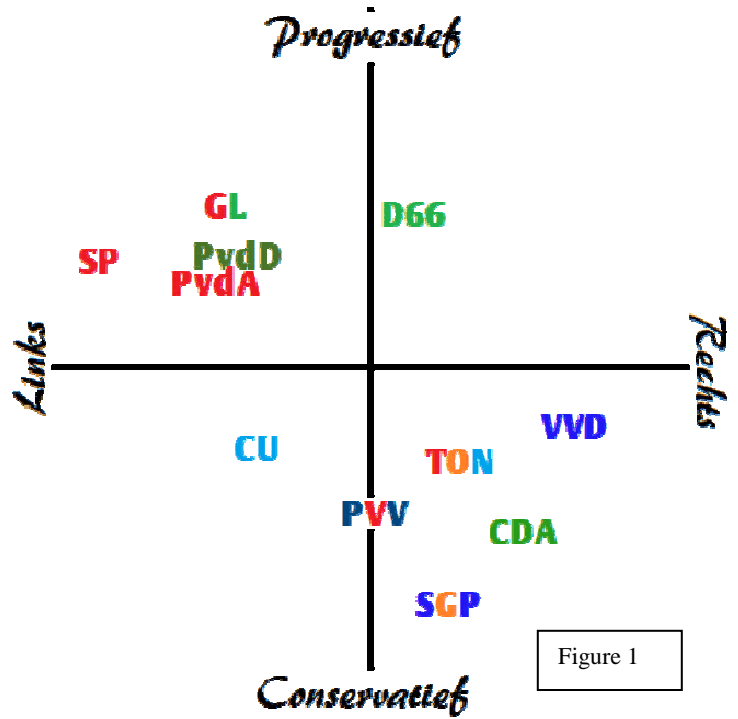
General introduction in Dutch politics

Dutch politics is quite different than politics we can find in other parts of the World. I will start with the basics; in the Netherlands, we have a parliamentary representative democracy, a constitutional monarchy and a decentralized unitary state.

The government is the central board of our country and exists of our king/queen (currently queen Beatrix) and the ministers. Our queen is inviolable and therefore, the ministers are responsible. Together with the state secretaries they form the cabinet, which has executive power and is responsible to the bicameral parliament (also called States-General). The States-General also has the legislative power and is split up in the House of Representatives and the Senate.

The 75 members of the Senate are chosen indirectly by the States-provincial (which are chosen directly by the people every four years). The Senate has less power than the House of Representatives, because it can only approve or reject laws, not change or propose any. The House of Representatives has 150 members, who are chosen directly by the people. Elections are held every four years, or after the fall of a cabinet. The Netherlands has a proportional representation without electoral districts. This means that a party that receives 10% of the votes will be able to represent himself by means of 10% of the seats in the House of Representatives. Due to the proportional representation, small parties can participate quite easily in national decision-making. Nowadays we have 11 different parties to represent all the different ideologies in our country (of which one party is only present in the Senate though). In figure 1¹ you can find the current Dutch political landscape. (Link means left, rechts means right, progressief means progressive and conservatief means conservative).

After the elections the different parties will negotiate and form coalitions in order to form the cabinet. This will preferably be a coalition which yields a majority of seats in the House of Representatives (76 seats or more). When such a coalition is formed, the ministers, members of the different parties in the coalitions, are nominated by the queen. The head of government is the Prime Minister, who is often the leader of the largest party in the coalition. Currently our Prime Minister is Mark Rutte, leader of the VVD (People's Party for Freedom and Democracy).



¹ Retrieved from www.kieskompas.nl. As accessed on 26th of November 2010

Elections of 2010

After our elections in 2010, we got quite a different outcome than usually. It showed a very fragmented society (with respect to politics), where the four largest political parties got 31(VVD), 30(PvdA), 24(PVV) and 21(CDA) seats. Usually, we have three quite large political parties that struggle and fight to become the largest; the left-wing PvdA (labor Party), the right-wing VVD and the centrist CDA (Christian Democratic Appeal). This year, the CDA lost 20 seats in the election and became the fourth largest party. A smaller party emerged and obtained 24 seats in the House of Representative. This party is called the PVV (Party for Freedom) and is led by Geert Wilders.

The PVV and Geert Wilders

Geert Wilders used to be a member of the VVD, but after some small disputes he broke with this party in September 2004. In 2004 and 2005 he sat alone in the House of Representatives (without a political party). After this period, he started his own political party; PVV. His party is quite controversial due to its fierce stand against the Islam. Geert Wilders for example wants to ban the Koran, close mosques and impose a tax on wearing a headscarf. Besides that he also has very fiery anti-Islam rethoric. He for example likened the Koran to Adolf Hitler's Mein Kampf and made a movie about koranic-inspired motivations for terrorism, Islamic universalism and Islam in the Netherlands. Due to his statements and acts he is currently on trial for incitement to racial hatred, he is prohibited to enter the UK and most politicians do not want to work together with him.

Most of his opinions are of a quite extreme right nature, but he has also some extreme left views on for example environment and pensions. This is the reason that you can find the PVV in figure one at the 'centre'. His different views outbalance themselves.

In the elections of 2006 the PVV got 9 seats in the House of Representatives and in the elections of 2010 he was able to increase this number to 24.

After the elections of 2010

Due to this fragmented society, it was very hard to make a solid coalition after the elections of 2010. Most political parties rather not work together with the PVV due to their controversial statements. The VVD and the PvdA were too far apart to make a solid coalition. Therefore, for the second time in Dutch history, a minority coalition was formed, in which the CDA would rule together with the VVD. Jointly, they have only 52 seats in the House of Representatives. In order to make this coalition work they rely on the support of PVV. The PVV has the perfect position here, they are officially in the opposition and can therefore not really make mistakes, but on the other hand the government cannot do anything without their support. In other words, they have the power without the responsibility; the perfect position for an extreme party like the PVV.

This paper

In this paper I will show how cheap talk has a different level of importance with and without elections coming up. I will show this by two examples in Dutch politics in the last year.

First of all, I will explain what cheap talk is. According to Morrow (1994), Cheap talk can be defined as costless signaling, which means that the sender's payoffs in a game do not vary with the signal it sends. Communication can help players select among multiple equilibria of games with complete information. Cheap talk can be effective when coordination of strategies is the objective. For example with the battle of the sexes; if one of the player tells the other where he is going, it is in the interest of both that the talking player tells the truth and that the other player will follow him to this place. In this case, cheap talk leads to a (coordinating) equilibrium. In short, "An equilibrium of this game requires that the players select optimal move given the messages they have received and that they select optimal messages given their expectations about what moves will result from those messages" (Morrow, 1994:252).

Games with cheap talk will also always have babbling equilibria. This is an equilibrium where the signal (the 'talk' before the game) does not influence the moves of the players. In this case, the signal provides no clue about what move that player will select (and therefore neither what the other player's best responsive move is). For example in the battle of the sexes, when the players can send only one message and both players send opposite signals (one sends the signal theatre and the other boxing)

Cheap talk in politics

In politics, we find cheap talk when political parties make promises. Especially the promises before elections are widely considered as cheap talk. Whether a political leader is telling the truth or babbling, can only be discovered after the elections. Some political figures might have the reputation of being honest or lying often, but persons that are quite 'new' in politics, don't have a reputation yet and it is therefore quite unsure whether their statements are honest or babbling.

Case study 1; Talk is not cheap

On the 20th of February 2010 the Dutch government fell because they could not agree on whether or not to prolong the stay of Dutch troops in Uruzgan, a province of Afghanistan. The main opponent to prolonging the mission was the PvdA, in that time one of the coalition members (together with CDA and CU (ChristianUnion)). The underlying reason for the PvdA to oppose prolongation was a promise they made to their voters. But to make things more clear, I will start explaining from the beginning.

In June 2005 the NATO, UN, Afghanistan government and the US asked The Netherlands to join in the so-called ISAF mission (International Security Assistance Force). This mission was

mandated by the UN and implemented by the NATO-countries. The prime objective of the mission was to bring stability and democracy to Afghanistan and the Netherlands would lead a taskforce (TFU) for 2 years. After this request there was some political struggle about whether or not to participate, but in February 2006 the House of Representatives agreed to join the ISAF mission.

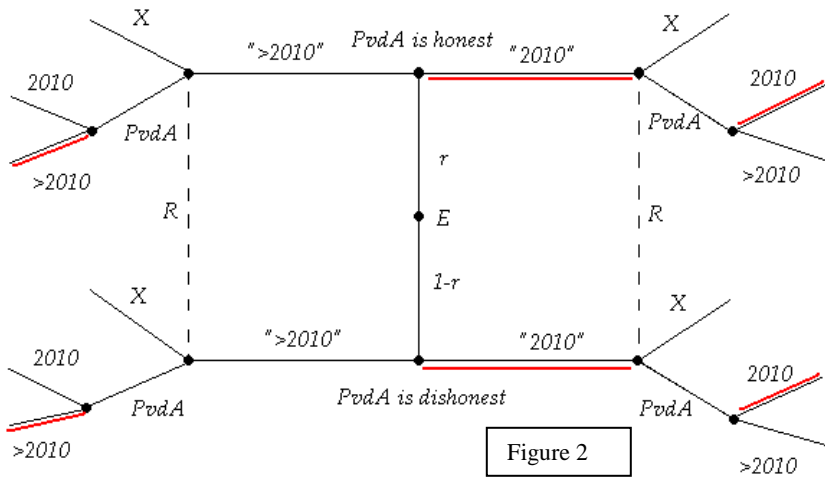
In June 2007 the cabinet investigated whether or not to prolong the mission in Uruzgan. At that time, The Netherlands were appreciated internationally for the work done until that point, but in order to make structural improvement, much still had to be achieved. In the summer of 2007 the NATO asked the Dutch government for a new contribution in Uruzgan, where The Netherlands would again be a 'leading nation'. The government agreed with the request and said that this leading military contribution would *for sure* end at the 1st of August in order to make sure that all Dutch troops could leave Uruzgan before the 1st of December 2010. The NATO was responsible to find a replacement for the Dutch troops as of this date onwards. These agreements were confirmed on December 10th 2007 and on the 20th of December the Dutch government agreed to prolong their stay in Uruzgan.

The Dutch contribution in Uruzgan was getting more international appreciation because they chose for the so-called 3D-approach (diplomacy, defense and development) and had been able to win the faith of the locals. But the security remained worrisome and multiple fights with Taliban-militants took place.

In January 2010 a few ministers were discussing whether or not to extend the mission in Uruzgan once more, but for the ministers of the Dutch labor party PvdA this was unmentionable. They had always been against prolongation of the Uruzgan mission. In 2007 they gave in to extend the mission, but promised their voters that The Netherlands will definitely leave in 2010.

On the 4th of February The Netherlands got an official request of the NATO after positive signals of some Dutch ministers to prolong their stay in Uruzgan for one year in a smaller mission than before. At this point the Dutch government felt a heavy international pressure from among others the NATO and the US to prolong their mission. Moreover, The Netherlands were even facing a risk of losing its seat in the G20-meetings when they would leave Uruzgan. Besides that, many politicians and inhabitants were in favor of prolonging the mission because many saw that The Netherlands were doing a good job, which would probably be in vain if they would step out now. But still the PvdA refused to give in and the government fell.

The reason that the PvdA opposed prolongation was that they could not afford to break the promise they made with their voters in 2007. On the 3rd of March 2010 The Netherlands were going to have their municipal elections in which the PvdA was also participating in almost all municipalities in The Netherlands. If the PvdA would give in at this point (and therefore break its promise to the voters) just a month before the elections of the municipalities, they would probably have lost a lot of votes there.

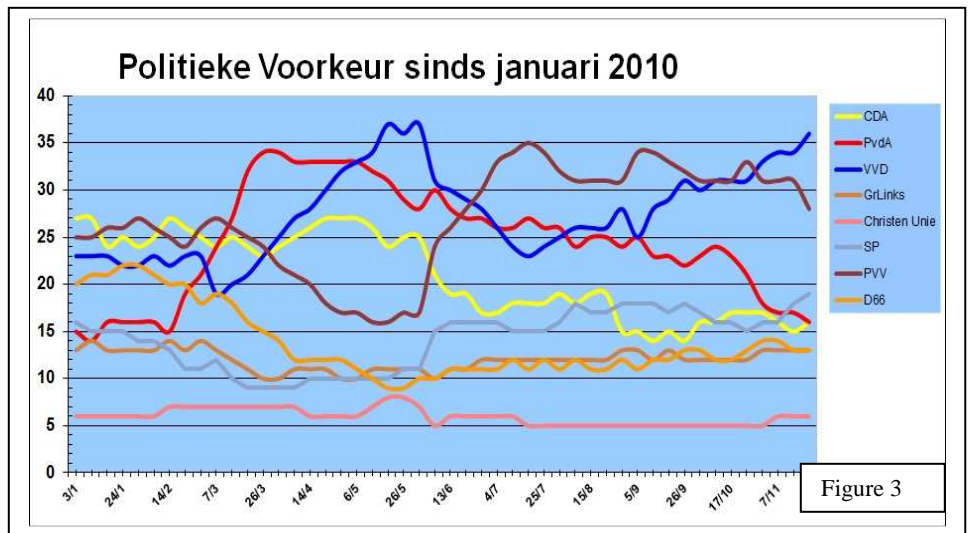


We can analyze this behavior with a model as shown in Figure 2, where the receptors are voters, 2010 symbolizes to leave Uruzgan in 2010, >2010 to prolong the mission, and X other political parties. As you can see in Figure 2 it is always in the best interest of the PvdA to say that they want to leave Uruzgan in 2010, because this is their

opinion and whether they are dishonest or not, this does not change their vision.

After the voter has voted, PvdA will always chose to follow up their promise, because it is in their best interest, since new (municipal) elections are coming up. If they would break their promise, they might lose many votes there. We can therefore not say if PvdA is normally a honest party or a dishonest party because in this case they were politically obliged to be honest.

As you can see in figure 3², the people rewarded the PvdA for their harsh stand because their popularity increased (red line during the last week before the government fell, 14/2 – 7/3). In these local elections, the PvdA became the largest party that is participating in more than one municipal with 15,74%³ of total votes (local parties usually win in municipal elections).



Case study 2; Talk is cheap

Since approximately one and a half years ago, there has been a mayor discussion in The Netherlands about whether or not to raise the pension age (that is currently positioned at 65 for both male and female). Geert Wilders, the leader of the PVV, had quite a big stand in this

² Retrieved from <https://n3.noties.nl/v/get.php?a=peil.nl&f=voorkeur.jpg&cache=0>. As accessed on 26th of November 2010

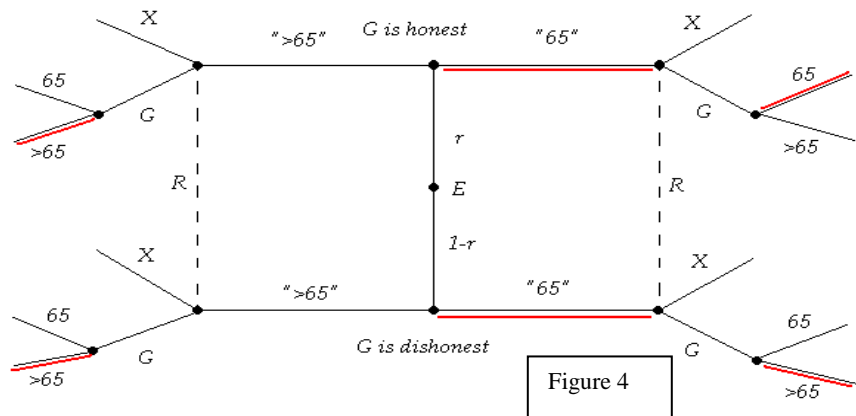
³ Retrieved from http://nl.wikipedia.org/wiki/Nederlandse_gemeenteraadsverkiezingen_2010. As accessed on 26th of November 2010

discussion by saying that he was very much against raising this age. He put this measure in his party program as one of his main points and said that he was not willing to give in on this point.

After the coalition fell in February 2010 he kept this vision, made it one of the most important points in his party program and even used the slogan 'The pension age stays 65, and not a day later' to promote the PVV. Besides that, during speeches he said that he would never give in on this point. Not even if it would help him to get into a coalition. He would then rather go back to the opposition, he ensured his voters. Because he put so much emphasis on keeping the retirement age at 65, Geert Wilders was able to 'steal' some of the voters of other parties that took a more modest view on this subject.

After the election and the immense victory of the PVV (9 to 24 seats), Geert Wilders had enough seats to be considered a serious candidate to collide with and form the cabinet with. But his firm view on the pension age made other parties unable to collide with him, since they all felt strongly different on this point. Geert Wilders knew this and therefore he announced, within 24 hours after the election, that he would be willing to give in on this point in order to be a plausible candidate for a coalition.

We can analyze this behavior with a model as shown in Figure 4, where the receptors are again voters, G is Geert Wilders and his PVV, and X is other political parties. Because Geert Wilders is a quite new politician with a quite new party, the voters do not know yet whether he is honest or not. For Geert Wilders, it will



always be in his interest to tell his voters that he wants to keep the pension age at 65, whether he means it or not, since this makes him able to 'steal' voters from parties that are more modest. If people choose Geert Wilders, he will achieve enough voters to become a plausible coalition candidate. He therefore has to make the decision whether to hold on to his promise or break it. When Geert Wilders is honest, he would rather be sincere to his voters and hold his promise, but when Geert Wilders is dishonest, it will be in his best interest to change his opinion after the elections. This is exactly what happened in last elections. We can therefore assess that Geert Wilders is dishonest, 'cheated' on his voters and engaged in a babbling (whatever he says, provides no clue about what he will actually do after the elections).

He was able to be dishonest (as compared to the PvdA in the previous case study) because there were no elections coming up. That is why, at this point, it would not matter to him if he would lose some voters.

Conclusion

When we are looking at whether political figures keep their promises to their voters, the timing when they have to show if they are honest or not is of big importance. Shortly before election, a political figure will try to keep its promises as much as possible even though this might lead to a worse result for the country as a whole. This was shown in the case study about PvdA and the fall of the Dutch government in 2010. Before elections we can therefore not assess whether a political figure is on average honest or not due to their actions. They will always act in the way that is most favorable for the public.

When elections are far away, like in the case study about Geert Wilders, it is easier for political figures to 'cheat' on their voters and break their promises. Here we can therefore see whether a political figure is naturally honest or dishonest. The fact that they break promises at this time probably does not affect the amount of people voting for them in next elections though. By the time that these will come up, most voters will not remember this broken promise or it might not be of importance anymore.

References

- BBC. (2010). *Profile: Geert Wilders*. Available: <http://www.bbc.co.uk/news/world-europe-11443211>. Last accessed: 26th Nov 2010
- Morrow, J.D. (1994), *Game Theory for Political Scientist*. Princeton: Princeton University Press
- Parlementair documentatiecentrum. (2010). *Tweede kamer*. Available: www.parlement.com. Last accessed 20th Nov 2010.
- (2010). *Eerste kamer*. Available: www.parlement.com. Last accessed 20th Nov 2010.
 - (2010). *Regering*. Available: www.parlement.com. Last accessed 20th Nov 2010.
- Partij voor de Vrijheid. (2010). *De agenda van Hoop en Optimisme*. Available: http://www.pvv.nl/images/stories/Webversie_VerkiezingsProgrammaPVV.pdf. Last accessed: 26th Nov 2010
- Pol, van de J and Gaal, van M. (2010). *Dutch Cabinet falls over refusal to extend stay in Afghanistan*. Available: <http://www.businessweek.com/news/2010-02-20/dutch-government-falls-over-extension-of-afghan-stay-update2-.html>. Last accessed 26th Nov 2010
- PvdA. (2009). *Uruzgan: afspraak is afspraak*. Available: <http://www.pvda.nl/nieuws/nieuws/2009/10/Afspraak+is+afpraak.html>. Last accessed 26th Nov 2010
- The Economist. (2010). *In from the wilderness*. Available: http://www.economist.com/blogs/newsbook/2010/10/dutch_politics. Last accessed 26th Nov 2010
- Wikipedia. (2010). *Politics of the Netherlands*. Wikimedia Foundation, Inc. Available: en.wikipedia.org/wiki/Politics_of_the_Netherlands. Last accessed 26th Nov 2010
- (2010). *Geert Wilders*. Wikimedia Foundation, Inc. Available: http://en.wikipedia.org/wiki/Geert_Wilders. Last accessed 26th Nov 2010