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OPINION

## Capitalism Made the Netherlands Successful – and Yet the Dutch Can't Stand It



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This year, a book, "Pioneers of Capitalism," was published by the renowned academic publisher Princeton University Press. It recounts the history of the Netherlands and the authors Maarten Prak and Jan Luiten von Zanden write that "the Netherlands was one of the forerunners in the emergence of capitalism."

The Netherlands was one of the first and strongest capitalist countries. Its economic progressiveness was one reason why this small country (with a population of just two million at the time) rose to become the world's leading power and trading nation. In the seventeenth century, this little country was "the leading economy in the world. During this period, Dutch ships dominated the world's seas and Dutch merchants spun an intercontinental commercial network in which grain, wine, spices, sugar, tobacco, porcelain, and humans were bought and sold. They developed new ways of doing business, the best known of which is the financing of commercial enterprises through the issuing of shares."

The driving force behind the Netherlands' global expansion was not the state, but the first two joint stock companies in history, the Dutch East India Company (VOC), founded in 1602, and the Dutch West India Company (WIC).

To date, the Netherlands is one of the most economically free countries in the world. In the Index of Economic Freedom 2023, which ranks economic freedom in 176 countries, the Netherlands comes in at No. 8 – far ahead of the U.S. (No. 25) and the U.K. (No. 28), which are often referred to as the

birthplaces of capitalism. The Heritage Foundation, which compiles the Index of Economic Freedom (widely regarded as a “capitalism ranking”), praises above all the strong rule of law in the Netherlands and the healthy state of government finances. However, it awards negative ratings for “government spending” and the Netherlands’ excessive tax burden.

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Although the Index of Economic Freedom ranks the Netherlands as a whole as one of the most economically free countries in the world, capitalism and the market economy have a poorer image here than in almost any other country in the world. A survey on popular perceptions of the market economy and capitalism I commissioned Ipsos MORI to conduct in 34 countries in 2021 and 2022 for my book *In Defense of Capitalism* showed that there are only seven countries in which capitalism is more firmly rejected than in the Netherlands.

And this is by no means only due to the word “capitalism,” which is anathema in the Netherlands. The survey also included several questions that deliberately avoided using the word capitalism and instead described a free-market system – without using the inflammatory word itself. The results were no better. On the contrary: only in two of 34 countries, Russia and Bosnia-Herzegovina, was the image of the market economy even worse than in the Netherlands!

According to the survey, higher earners and those who place themselves on the right of the political spectrum are quite indifferent toward the market economy and capitalism: in many other countries, high earners and those on the right of the political spectrum are usually among the staunchest advocates of capitalism.

All of the data from the Netherlands point in the same direction: the Dutch reject the market economy and capitalism. The statements that received the greatest support in the Netherlands were “Capitalism promotes selfishness and greed” (44%) and “Capitalism leads to growing inequality” (41%). In contrast, the statement “Capitalism is an especially efficient economic system” received the least support (9%).

At the same time, the Netherlands has long been extraordinarily economically successful. At EUR 73,000, GDP per capita in 2022 was higher than in Germany, Great Britain, France, Spain, Italy and most other European countries. And in 2022, the Netherlands was the fourth strongest exporting nation in the world, ahead of Japan and South Korea! This is remarkable, especially considering that the Netherlands has only 17.5 million inhabitants – Germany as the third largest exporting country has five times more inhabitants, No. 1 China has 84 times more inhabitants and the United States, as No. 2, has 20 times more inhabitants than the Netherlands.

From this example, it is clear just how long-lasting the impact of historical and economic traditions can be. Even though the Netherlands has long since ceased to be the world’s leading economic power, there is no country of comparable size that exports as many goods to the world as the Netherlands – and Europe’s largest port is also located in Rotterdam. The Dutch should love capitalism more, because it has, after all, made them so successful.

*Rainer Zitelmann is a historian, sociologist and author of the book "[In Defense of Capitalism.](#)"*