

Belgian Politics in 2000

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Summary

In the course of the year 2000, the cabinet of Prime Minister Verhofstadt focused on some major projects that had been announced in the governmental agreement of July 1999: the reduction of income taxes, the establishment of a Silverfund to counter the costs of the ageing of the population, the modernisation of the civil service and the development of a National Security Plan. The coalition parties, backed by the Volksunie, also made their way with difficulty through yet another step in the reform of the State.

Like in 1999, the aftermath of the dioxin-crisis and the policy on asylum were high on the agenda in 2000 too. In particular the regularisation of the stay of 50.000 illegal residents, was problematic. In two dossiers on mobility, the ban on night flights to Zaventem airport and the reorganisation of the national railway company NMBS-SNCB, a conflict arose between the green and liberal parties, and between Prime Minister Verhofstadt and minister for Mobility Durant in particular. The local and provincial elections of October 8th, 2000 did not have any effect on the functioning of the government.

I. The budgetary policy

A. Budgetary Results for 1999 and control of the 2000-budget

On January 5th, the federal ministers for Budget, Johan Vande Lanotte, and for Finances, Didier Reynders, announced that the deficit of the government had been reduced to 0,9 % of GDP. This was 0,2 %-points lower than the aim Prime Minister Verhofstadt had set in the Autumn of 1999. This positive result was attributable in the first place to the budgetary discipline of the Communities and Regional governments – especially of the Flemish Community. This had resulted in a surplus of 0,5 % of GDP. Moreover, for the first time the governments revenues in 1999 had exceeded the barrier of 50 % of GDP (50,1 %). The fiscal and para-fiscal pressure (taxes and social contributions) reached a record level of 45,5 % of GDP.

As a result of the budgetary discipline, the debt to GDP-ratio had dropped from 117,4 to 114,4 %, which was slightly better than predicted in the Stability programme of 1999-2002.

On March 31st, the government announced the results of the control of the 2000-budget. Budget-minister Vande Lanotte had taken into account a forecast of 2,5 % economic growth, even if the Institute for National Accounts predicted the

economic growth would reach a level of 3,2 %. Only half of a total of € 545 million of extra credits that individual ministers had asked for, were attributed.

B. The preamble of the budget for 2001 : the tax cut, the 'Silverfund' and road-blocks

In reaction to an OECD report in which Belgium was ranked high on a list of countries with the highest tax to GDP-ratio, the government re-launched the idea of a 'general reform' of the personal income taxes, on February 9th. Optimistic forecasts of members of the liberal parties predicted that by the end of the governments term (2003) each individual would pay 10 % less taxes. This idea of a linear cut of taxes, however, was opposed by the green and socialist coalition partners.

On August 29th, Finances-Minister Reynders handed over his amended plan for fiscal reforms to the Council of Ministers. The plan aimed at easing the tax burden with € 3,35 billion by 2006, at boosting the workforce and at reducing the burden on employers. The highest income tax rates (55 % and 52 %) were abolished, as was the fiscal discrimination of married couples. The total cost of this last decision equalled € 1,5 billion. The governing parties and the social partners reacted positively to the reform plans.

In the meanwhile (May 10th) vice-Prime Minister Vande Lanotte, had launched an ambitious plan to set up a so-called 'Silverfund' for a total of € 116,5 billion. The creation of the Silverfund was intended to meet higher pension charges and higher costs of health care from the year 2010 to 2030. In these two decades, the number of pensioners is expected to rise with 40 % (or 800.000 units). The revenues of the Silverfund would come from non-fiscal revenues, the surpluses of the social security-budget and budgetary surpluses. Due to negative reactions of the liberal parties, and of the PRL in particular, it would take until December 1st for the idea of a Silverfund to be accepted by the Council of Ministers.

At the beginning of the Autumn, the sudden increase in the price of gasoline risked to have a negative effect on the economic growth. From September 12th until September 15th, a conflict between the government and unions of truckers threatened to harm the economy even further. The unions of truckers demanded a temporary abolishment of the excises on diesel as well as other compensations for the elevated prices of energy. While the government awaited the results of the meeting of the OPEC-countries (September 10th) to take further initiatives, the unions of truckers organised a manifestation through the streets of Brussels. Some 2000 truckers participated in the manifestation. The tension escalated when some one hundred truckers blocked strategic crossroads in the capital. While the leaders of the unions were negotiating with the ministers Mrs. Durant (for Transport) and Reynders (for Finances), the blockades expanded the following days throughout the whole of Flanders and the Walloon region. After his return from a trip abroad, Prime Minister Verhofstadt took the initiative, and a compromise was settled. The agreement provided in a package of fiscal and social support measures for a total of € 99,1 million. Consequently, all road blocks were ended in the morning

of September 15th. The union of employers (VBO-FEB) had calculated that the costs of the roadblocks had been an estimated € 248 million a day.

C. The Declaration of the federal policy and the 2001-budget

On October 17th, Prime Minister Verhofstadt addressed the members of the House of Representatives for his annual 'Declaration of federal policy'. In the last week before this 'State of the Union', the government had negotiated the budget for 2001, the tax reform plans, a mobility-plan, the Silverfund, ICT-projects and a further step in the reform of the State. After lengthy negotiations, with a marathon-meeting of 30 hours from Saturday 14th-Monday 16th October, the government agreed upon the following :

The budgetary goals for the period 2001-2005 were set according to a prudent estimation of the economic growth. It aimed for an increase in the budgetary surplus (of all governments) from 0,2 percent of GDP in 2001 to 0,7 percent in 2005. Thanks to the surpluses on the budgets of the social security system (+0,2 %), of the regional and community governments (+0,3 %) and of the local governments (+0,2 %), there would be – for the first time since 1952 – a financing surplus on the budget of all governments. The overall debt to GDP-ratio was expected to decrease from 110,6 % to 105,8 %.

The prudent way in which the budget was set up, even left room for extra revenues equalling € 744 million. Additionally, the government expected the financing deficit at federal level of (€ 1,648 billion) would be compensated by the forthcoming sale of UMTS mobile phone licences, which was expected to be as high as € 1,487 billion. The remaining part would be spent to higher charges of the unification of police forces (€ 227,7 million), to the railway company NMBS-SNCB (€ 24,8 million), to development co-operation (€ 54,5 million), to the hosting of asylum-seekers (€ 133,8 million) and to a number of 'social corrections' (€ 138,8 million). The budget was embedded in a so-called 'Stability Pact' for the period 2001-2005. The main goal of this Pact were a further expansion of the 'active welfare state': by creating 50.000 extra jobs, by tax reform plans both for individuals and for companies, by concluding a central social agreement for 2001-2002, and by setting up an ambitious ICT-programme to the benefit of all inhabitants.

II. Policy on asylum

A. The campaign for regularisation of illegal residents

Monday January 10th was the start of period of three weeks in which illegal residents of the country could register for the regularisation of their stay. According to the law of December 22nd, 1999 regularisation could only be considered for those who could proof that they already lived in Belgium before October 1st, 1999 and that they met certain other criteria (e.g. not having received an answer to the request for asylum in four years time, or else having illegally resided in Belgium for more than 6 years).

In total 32.662 dossiers were opened, dealing with 50.600 people (among which 23.000 children); 69 % of them already had lodged an application for asylum, which means that the remaining 31 % (or 15.700 persons) had lived in the country in complete illegality.

A special Permanent Commission of Appeal for Refugees, set up on May 8th, would deal with the dossiers. The Permanent Commission was composed of eight Chambers, five French-speaking and three Dutch-speaking. Each Chamber was presided by a magistrate, who was nominated on the basis of his or her affiliation to one of the governing parties.

On June 5th, Interior Minister Duquesne proudly declared the signing of the first advises of the Permanent Commission (4 in total). But soon it appeared that the Permanent Commission made very slow progress in the handling of the dossiers. By October 11th, only 5.691 of the original 32.662 dossiers had been opened by the administration of the Permanent Commission, 2.221 of which had been sent to the Chambers for verification. A mere 420 dossiers had been finalised by that time. After multiple conflicts between the administration of the Permanent Commission and members of the Chambers, both the general administrator and the vice-president of the Permanent Commission resigned on November 3rd, 2000. Although these resignations calmed down the situation, the Permanent Commission would continue to meet problems throughout 2001.

B. A stricter policy on asylum

In 2000 the government once again was faced with a continuous inflow of asylum seekers. By December 31st, 42.193 demands for asylum had been registered (compared to 33.561 in 1999). The opening of extra centres for asylum seekers caused negative reactions of the local population. By the Autumn, the government had to adapt its policy of asylum.

During the weekend of January 15-16th the news was spread that the government had the intention to open two centres for asylum seekers in the neighbourhood of the city of Antwerp. This caused hostile reactions of the local population. One of the two centres opened its doors on February 16th, in spite of VLD-chairman Karel De Gucht's attempts to rectify the governments decision. De Gucht demanded that in future additional asylum centres would exclusively be opened in the French-speaking part of the country. He pointed out that the Flemish community hosted 62 % of the total population of asylum seekers, and Wallonia 'merely' 32 %. By the end of the year 2000, the announcement that the federal government had bought two holidays resorts that would be converted into centres for asylum seekers, lead once again to extremely hostile reactions of the local population.

Following the discovery of 58 dead Chinese asylum seekers in the back of a lorry in Dover (UK) on June 19th, Prime Minister Verhofstadt said the fight against smuggling of illegal immigrants would be a top-priority on the agenda of the Belgian presidency of the European Union. Belgium was involved in the aforementioned Dover-incident, as country of transit.

In his 'State of the Union' of October 17th, Verhofstadt announced a change in the Belgian policy on asylum. The capacity and the number of refugee centres was to be doubled as soon as possible to a total of 20.000 places. Secondly, the 'no cash'-system would become a general measure. Up until then, local Commissions for Societal Benefits could decide whether or not to participate in this system on a voluntary basis. According to the 'no cash'-system, asylum seekers no longer receive financial, but only material support, while their application for asylum is under investigation or while their appeal to a negative decision is running.

The debate on concrete measures and the concrete reforms that had to be implemented, resulted in conflicts between the coalition parties. In particular Prime Minister Verhofstadt's idea to draw up a list of 'safe countries' whose inhabitants could never be granted asylum, was severely criticised by the green and French-speaking parties. On the contrary, the SP and the VLD supported the plan. However, it was not retained in the end.

After lengthy discussions in the night of November 7th-8th, the cabinet reached an agreement on a new plan on asylum. A new Federal Administration on Asylum (FAA), dependent upon the minister of Foreign Affairs, was set up. Unlike its predecessors, it thus would not share any autonomy. Asylum seekers who entered the country would have to register in one of the ten 'registering offices' at the state borders, before they were sent to one of the three regional Asylum-bureaus. Only in the bureaus was it possible to lodge an application for asylum. The government also insisted on a strict application of the Convention of Dublin (1990), stating that asylum seekers had to lodge their application for asylum in the first Member State they entered. Initiatives would be taken to promote a voluntary return to the countries of origin, e.g. by the installation of special skilled training programmes in the asylum centres. In the first ten months of 2000 a total of 8.220 asylum-seekers that had been rejected had returned to their country of origin, 58 % of them had done so voluntarily.

In the advent of the introduction of the 'no-cash'-settlement on January 10th, 2001, hundreds of asylum-seekers tried to register at the Foreigners Office in Brussels in the last weeks of December 2000. As a result, the ministry of Home Affairs decided to bring forward the date of the introduction of the 'no-cash' regulation with one week (from January 3rd onwards).

C. The liberalisation of the policy on nationality

The so-called 'fast-Belgian law' of March 1st, 2000 opened up the possibilities to grant the Belgian nationality by a simple declaration at the local register offices. From now on naturalisation could be granted after a period of three years of residence in the country, instead of the usual five years. The law became active on May 1st, and according to figures that were released in March 2001, 24.878 people had made use of this procedure via simple declaration from May to November 2000 (compared to a mere 5.273 throughout the whole of 1999).

III. Policy on Justice and the reform of the police forces

A. The implementation of the Octopus-agreement

The process of reform of the police forces (law of December 7th, 1998), that had been stopped in May 1999 due to the forthcoming elections, was restarted on January 31st, 2000. On that day, Interior minister Duquesne and the unions of policemen picked up the threads of their negotiations. Both sides had the intention to finalize the talks before the start of the Euro 2000 football championships (June, 8th). The negotiations were difficult, and on numerous occasions the policemen marched through the streets of Brussels to stress their grievances, mobilising up to 4000 people (May, 18th).

On the political level as well, the negotiations were difficult. On February 17th, the two christen-democratic parties in opposition, CVP and PSC, decided to withdraw from the negotiations. Both parties insisted that they supported the general ideas of the Octopus-agreement, but they blamed the government to leave the police-officers in uncertainty about their future. Even if the governmental parties condemned the attitude of CVP and PSC, and defining it merely as a political manoeuvre in the advent of the forthcoming local elections of October 8th, still not much was left of the original mood in which the Octopus-agreement had been signed. The Volksunie had left the negotiations already at the end of 1999.

On March 24th, a final agreement was reached between the government, the unions of policemen and local authorities on the spread of the 589 municipalities over 196 police-zones. The number of police-zones was 22 zones smaller than envisaged by the former government of Dehaene.

A breakthrough in the negotiations was reached on April 21st, when the government and three unions of the policemen concluded a first, partial agreement on social issues of the merger (the so-called Good Friday -agreement). On June 30th, in the midst of the European Championships Football, a final round of negotiations began. This resulted on July 2nd in a final agreement, the concrete measures of which would cost € 198,3 million. Later on Interior Minister Duquesne confirmed that none of this costs would be redirected to the budgets of the local authorities, as the government had put aside € 458,6 million to support the local authorities in implementing the new structure.

B. The National Security and Detention-Plan (NSP)

On January 10th, minister for Justice Marc Verwilghen presented a National Security and Detention-Plan (NSP). The Plan was part of the governmental agreement of July 1999, and had been discussed by the inner cabinet in December 1999. The 'draft' as Verwilghen called his own plan, contained 140 projects to reduce crime rate and to increase the number of solved crimes.

By mid-February, there was a lot of criticism to the plan, especially from the coalition partner PS. The leader of the latter party, Elio Di Rupo, even called in the help of Prime Minister Verhofstadt to prevent Verwilghen of defending the plan to the parliamentary Committee on Justice. Di Rupo said the NSP had not been

discussed in the Council of Ministers, "and therefore did not represent the point of view of the majority-parties". Later on, Di Rupo furiously attacked the plan, some parts of which he called "surrealistic", "shocking" or "flirting with xenophobia". The NSP was criticised by the green coalition parties as well.

As a result of this opposition, a joint meeting of the inner cabinet with minister Verwilghen was convened in Ghent, on April 29th, in order to settle for a compromise. The 'global agreement' which was reached at this meeting, was adopted by the Council of Ministers on May 31st. It consisted of 92 projects to increase security and aimed at realising an improved functioning of the judicial apparatus. In total € 9,72 million was freed for the realisation of the NSP.

Policy on Drugs – The part of the NSP that was devoted on the federal governments policy on drugs, was separated from the original plan. Magda Aelvoet, Minister for Public Health was asked to draw a policy plan on this issue. On November 10th, several newspapers reported that according to the note of minister Aelvoet, "the possession, import, transport of buying of a maximum of 15 grams of cannabis for personal use and the cultivation of a maximum of five cannabis plants for personal use" would no longer be considered to be an offence. This idea created new tensions in the government, as the two liberal parties and the SP refused to liberalize legislation on the possession of drugs. It would last until January 18th, 2001 before an agreement was reached in the cabinet.

'Fast-track' procedure – On January 11th, the parliamentary Committee on Justice of the House of Representatives opened a discussion on the proposal of law aimed at "the installation of a procedure of immediate appearance in criminal cases" and its implications for the changes in the organisation of the judiciary. It was the goal of Minister of Justice Verwilghen to have the bill on the so-called 'fast-track' procedure passed before the start of the European Football Championships on June 8th. This would make it possible to punish hooliganism in a very efficient way. The 'fast-track' procedure renders the possibility to the public prosecutor to bring a case to court very rapidly. Following this procedure, the court has to take a decision within seven days after the warrant of arrest has been issued.

As the 'fast-track' procedure was a claim of the liberal parties, it had to be compensated with the promise of a more extensive use of alternative sanctions (instead of imprisonment). Only by linking the two dossiers to one another, the original scepticism of the greens and socialist parties could be overcome. During the Euro2000-event, in which the 'fast-track' procedure was applied 39 times, it became clear that the regulation needed a thorough re-examination.

High Council for Justice – As had legally been stipulated, the High Council for Justice started its activities on August 2nd. The High Council would keep an eye on the processes of nomination and promotion of magistrates, and would serve as an instance to which citizens could address complaints in judicial affairs. The fact that the High Council was only operational on August 2nd, had an effect on the re-division of the judicial *kantons*. This re-division was postponed with twelve months, and would become effective in September 2001.

IV. Internal Affairs

A. Institutional regulations and political 'renewal'

Change of the constitution – By Act of May 16th, 2000, the parliament decided to cancel the competency of the Court of Cassation to judge over ministers and members of the regional and community governments (Article 147). This change of Article 147 followed after an earlier change of the regulation on ministerial immunity that had been made in the aftermath of the Agusta/Dassault-bribery case.

Parliamentary Committees on 'Political Renewal' – On January 17th, 2000 two parliamentary committees on 'Political Renewal', one in the Senate and one in the House of Representatives, were installed. Both committees are composed of 15 members, and will meet jointly. In his opening address to the Committees, Prime Minister Verhofstadt said that the political world had to invest in new forms of citizens' participation, in order "to retain and expand its legitimacy". Verhofstadt wished the Committees would make an inventory of the pros and cons of all possible initiatives, on the basis of which political decision-making would follow in a second step. Seven themes of interest were defined by the Committees: direct democracy; representative democracy; politics and society; citizenship and politics; deontology of political office-holders; the efficiency of democracy; the safeguarding of democracy and the functioning of parliament. The Committees were assisted by a scientific Committee of eight experts.

Changes in the electoral law – Within the framework of the negotiations on 'political renewal', two proposals of law were passed by the House (June, 15th) and the Senate (December 6th), reducing by half the importance of the list-vote in determining the elected parliamentary candidates, and abolishing the system of successors. Both laws would be applied a first time at the provincial and local elections of October 8th, 2000.

B. The reform of the administration and the 'Copernicus-plan'

In a joint press conference on February 16th, Prime Minister Verhofstadt and Minister for Civil Service, Luc Van Den Bossche (SP), presented a plan for the modernisation of the federal Civil Service. The so-called 'Copernicusplan' was based on a report of two study groups, composed of ministerial collaborators and external advisors. The inner cabinet started its discussion on the Copernicus-plan on March 1st, and a general agreement was concluded on April 28th.

The Copernicusplan foresaw the transformation of the traditional administrative departments in several so-called Federal Government Services (FGSs): four horizontal FGSs, ten vertical and eight programmatic FGSs. The government rapidly agreed upon the four horizontal FGSs, which dealt with General Co-ordination; Budget and Control; Personnel and Organisation and co-ordination of ICT-applications. It took much more time to decide upon both the number and the exact division of competencies of the vertical FGSs. Finally, on July 20th the cabinet

agreed upon the installation of the following vertical FGSs : Home Affairs; Foreign Affairs; Justice; Defence; Finances; Social Security; Employment and Social negotiations; Health, Economy Small and Medium Enterprises, the Self-employed and Energy; the Safety of and supervision of the Food-chain and the Environment; and Mobility and Traffic. Besides these permanent FGSs, eight programmatic FGSs were set up as well. These were temporary in nature, and dealt with Scientific Research; Equal Opportunities; Telecommunications; the simplification of administrative procedures; Sustainable Development; the control of assets; Consumer protection; and Social Integration, the fight against poverty and social economy. The Council of Ministers confirmed the final structure of the renewed federal Civil Service in its meeting of December 1st, 2000.

In the new structure, there would no longer be place for the personal ministerial offices or so-called 'ministerial cabinets'. Or at least, not in the size they used to have. Each minister would still have the right to be assisted by "a small personal secretariat". For each of the FGSs, a Policy Council would be set up, whose task it would be to advise the minister on specific policy issues. Ideally, a Policy Council would be composed of, among others, the chair of the Board of directors, the director of the personal secretariat of the minister, the head of the Policy Unit and some external experts.

All management positions of the FGSs would fit into a six-years mandatory system, and candidates would be selected and nominated by a federal selection agency (Selor). From now on, the top-positions in the FGSs could be pursued by external candidates as well.

According to the government these modifications in the public administration were backed by an overwhelming majority of the population. In order to consult the population, the cabinet had organised a postal 'referendum' in the month of June. The 'referendum' was composed of eleven questions, and was addressed to every citizen of 16 years or older. The population was questioned on whether or not they agreed to the abolishment of personal Ministerial offices, to the promotion of civil servants on the basis of personal competence, etc. There was a lot of criticism vis-à-vis the referendum, especially when the cost of the referendum was taken into account (€ 1,98 million).

The outcome of the referendum was no surprise neither : only 4 % of the participants was opposed to the modernisation of the civil service. Of the 8,2 million ballots that had been distributed, 750.000 had been sent back (a response rate of 9,2 %).

V. Reform of the state

A. *The Hermes Pact of April 5th, 2000*

In the aftermath of the federal governmental agreement of July 1999 an Intergovernmental and Interparliamentary Conference for Institutional Renewal had been installed on October 20th, 1999. Prime Minister Verhofstadt had defined its tasks as to "make progress on sustainable federalism and renewed contacts between the

Flemish, French-speaking and German-speaking populations", and to improve the structures and institutions of the Belgian State. The atmosphere between French-speaking and Flemish representatives in this so-called 'Conference on the Reform of the State', continued to be very tense. So for instance during the meeting of January 12, 2000, when the possible transfer of the competencies of the federal department of Foreign Trade to the regional policy level was being discussed. This caused much heated controversy on the future of the Belgian Foreign Trade Board and the position of its chairman, crown prince Philip. The meeting of March 22nd stranded on a deadlock on the issue whether or not the transfer of competencies on agriculture to the regional level could be linked to the dossier of the poor financial situation of the French Community government. Several key-players urged Prime Minister Verhofstadt to intervene to solve the crisis. The pressure rose when Geert Bourgeois, party leader of the Volksunie threatened that his party would leave the Conference if no significant progress had been made by Easter. Meanwhile the Federation of Belgian Companies (VBO-FBE) rejected the plans to transfer the competencies on foreign trade to the regional level.

Lengthy and by and then stormy debates in the inner cabinet in the night of April 4th-5th, resulted in the conclusion of the so-called Hermes-agreement. The Agreement stipulated that the competencies on Agriculture and Fisheries were transferred to the regional governments, with the exception of four items, that would remain a competence of the federal government: the standardisation of the quality of ingredients and vegetable products; the standardisation of the health and well-being of animals; the pensions of farmers and the functioning of the Belgian Intervention and Refund Board (who is in charge of the distribution of the subsidies of the European Union). Price-policy as well remained a competency on federal level.

As concerns the representation in European institutions, it was decided that the points of view of the regional governments in future will be voiced by the federal secretary of state for Foreign Affairs. The latter will be assisted by both a Flemish and a Walloon assessor at European Councils. As regards the chapter on Foreign Trade, the Hermes Agreement was less detailed. It foresaw that the regional governments would become involved in the financially operative services (e.g. the Delcredere Board) and as concerned interstate-loans. The Belgian Foreign Trade Board would be replaced by an "Agency", composed "of representatives of the regional governments, the private sector and of the federal government". Its main purpose was to organise "joint missions once an initiative has been taken by one or several of the regions, or when requested by the federal government". The conversion of the agreement into laws was not plain sailing. It lasted until July 5th for the six coalition parties plus the Volksunie to approve of the – slightly amended – Hermes Agreement.

B. Financial needs of the French Community

In the first half of 2000, the financial needs of the French Community Government became more and more visible. Especially as concerns the department of Education, the needs were extremely tangible. The linkage of the federal donation for

education to the economic growth was generally regarded as the best solution for the financial needs of the French Community. But this urged a revision of the delicate Financing Law of 1989. Moreover, it appeared that the French-speaking parties did not want to show any signs of weakness in the advent of the forthcoming negotiations with the Flemish political parties. They feared that the Flemish parties would demand the transfer of the competencies on agriculture and foreign trade to the regional policy level in exchange for the linkage of the federal expenses for education to the economic growth.

After four marches of French-speaking teachers through the streets of Walloon towns in February, a joint statement of March 20th, by the Flemish minister of Education (Marleen Vanderpoorten) and her two colleagues of the French Community (Pierre Hazette and Jean-Marc Nollet) urged all governments concerned to spend more money on education to safeguard its quality.

At first, the reactions to the initiative of the three ministers were only negative. But from June onwards, however, the mood changed, especially at the French-speaking side. Consequently, discrete contacts over the summer break, between VLD and PRL looked for a compromise to re-negotiate the Financing Law of 1989.

In his State of the Union of October 17th, Prime Minister Verhofstadt 'officially' announced the opening of the re-negotiation of the Financing Law. The revision had to grant both fiscal autonomy and financial responsibility to the communities, so that they would be responsible over a larger budget. Also, the mechanisms of solidarity between the regions would become "transparent, calculable and reversible", Verhofstadt said. Both at the 'Fête de la Wallonie' (on September 16th) as on the 'national day' of the French Community (September 27th), the revision of the Financing law was a hot topic in the speeches of the respective minister-presidents Van Cauwenberghe (PS) and Hasquin (PRL). For Van Cauwenbergh, the notion of solidarity ought to be the guiding principle of the revision. He stressed the importance of the principle of "one pupil = one pupil" for the financing of education and for the calculation of the national solidarity based on the fiscal revenues pro inhabitant. The Flemish demands were voiced by minister-president Dewael in an address to the Flemish Parliament of October 10th. The Flemish claimed the total revenues of the regional taxes, as well as the possibility to raise or lower personal income taxes with 10 % and a possibility to grant a reduction of corporation taxes.

C. The Lambermont Agreement

These were the starting-points of the different actors that participated in the negotiations on the revision of the Financing law. On October 11th, Prime Minister Verhofstadt invited the federal vice-Prime Ministers Michel (PRL), Vande Lanotte (SP) and the minister-presidents of the various regional and community governments for a first exchange of views. Through the invitation of the co-presidents of the Conference on the Reform of the State, the Volksunie (via Patrick Vankrunkelsven) as well participated in the negotiations. These negotiations almost continuously took place from the evening of October 14th until Tuesday morning

October 17th, in the official residence of the Prime Minister (located in the Lambermont-street).

The eventual compromise, in the press labelled as the Lambermont-agreement, had two panels : the first panel was purely financial while the second panel envisaged a transfer of competencies. On the financial level, the agreement provided for the revision of the Special Financing Law of January 16th, 1989. The revision was meant to enlarge the fiscal autonomy of the regional governments and to revise the donations of the federal government to the communities. As concerned the total transfer of all regional taxes to the regional policy level, three principles had to be safeguarded : the federal government officially had to guarantee a budgetary neutrality; delocalisation for fiscal reasons had to be prevented and the re-financing of the regions and communities ought not to lead to a lower level of revenues for the regions and communities. The fiscal autonomy of the regions was extended to the attributed personal income taxes.

Following the agreement, the Flemish and French Community lost their ability to impose taxes on televisions and radios, but would receive a larger donation by the federal government. In total, the extra donation was worth € 1,1 billion, unequally spread over 10 years (the emphasis laying on the first four years, when € 867,6 million of extra funds would be divided). The extra donation would be divided between the French and the Flemish community via a complex distribution code : 65 % of the extra donation were to be spent according to the total number of pupils (more beneficial to the French Community), the remaining 35 % according to the revenues of the personal income taxes in each of the communities (more beneficial to the Flemish community). The 65/35-distribution code would change annually (60/40, 55/45, ...) so that in 2011 the extra donation will be divided solely on the basis of the revenues of personal income taxes in each of the communities. Without further specification, the agreement envisaged the conclusion of a special arrangement for the refinancing of the German-speaking community.

As concerns the second panel, the Lambermont agreement foresaw the possibility of a transfer of the competencies on development and co-operation from the federal to the regional policy level from 2004 onwards. But the major achievement of the agreement was the transfer of the Provincial and Municipal Laws to the regional level. This already had been agreed following the Sint-Michaels agreement of September 1992, but had not been realised. A tricky issue was – as usual – the rights of the French-speaking community in the Brussels periphery to use their mother tongue in their contacts with the local authorities (which are located on Flemish soil, and thus normally have to be in Flemish). The transfer of the competencies on the Municipal Laws faced criticism from both sides : the francophone FDF blamed its cartelparty PRL for "having abandoned" the French-speaking community in the Brussels periphery, while the Flemish parties in Brussels feared for the Flemish presence in the francophone-dominated local councils of the Region of Brussels Capital. The parliamentary parties of the Flemish parties in the Brussels Regional Council therefore demanded binding guarantees for Flemish representation in the local governments of the Brussels municipalities (this would be settled in 2001).

During the parliamentary debate on the agreement in the Flemish parliament (October 17th), the Flemish minister-president Patrick Dewael declared that to his opinion, the Lambermont agreement was not going to be the final step in the process of federalising the Belgian state. He admitted that not all of the Flemish demands had been conceded, a view that was shared by several spokespersons of other Flemish parties. In the course of 2001 various parts of the agreement would be re-negotiated.

D. The Conference on Brussels – Number of students in basic and secondary schools

Parallel to the Conference on the Reform of the State, a so-called 'mini-conference' ran on the issue how to secure the functioning of the bi-lingual institutions in Brussels, and how to prevent that the parliamentary party of the Vlaams Blok would ever be able to block the functioning of the Brussels institutions. In 1999 the only result of the Brussels Conference had merely been an exchange of points of view between the Flemish and the francophone parties (see *Belgian politics in 1999*). Nor did the 'mini-conference' make a lot of progress in the year 2000. An idea of its chairman François-Xavier de Donnée to enlarge the number of seats in the Brussels Regional Council through the co-optation of extra-members appointed by the Flemish parliament and the Council of the French Community, did not receive a lot of enthusiasm. De Donnée's plan was a clear example of an attempt to prevent that the Vlaams Blok would be able to block the functioning of the Brussels institutions in future. This threat was not illusive, due to the small number of Flemish representatives in the Brussels Regional Council. On May 18th, the meetings of the 'mini-conference' were suspended on the initiative of its president, in the advent of the local elections of October 8th. The suspension lasted until March 2001.

VI. The local and provincial elections of October 8th, 2000¹

On October 8th, 2000 elections were held to assign 13.077 local councillors in 589 local councils. Simultaneously, 738 provincial councillors were to be elected in ten provincial councils. For the first time the inhabitants of the other 14 EU-countries were allowed to vote for the local councils, following the Treaty of Amsterdam. Only 87.858 (17,6 %) of these 498.315 inhabitants registered as a voter. They were not allowed to vote for the provincial councils.

The election campaign was a very moderate one. It seems as if the Law on Electoral Expenses not only limited the campaign costs, but took away the soul of campaigning as well. With the notable exception of the making of the electoral lists in Antwerp, hardly any other list-making was contested. Apart from Prime Minister Verhofstadt and vice-Prime Minister Luc Van Den Bossche, all other ministers of

¹ For a detailed analysis of the elections, see FRAEYS, W., 'Où en sont les partis politiques, au lendemain du 8 octobre 2000?', *Res Publica*, 2000, n° 4, 575-587; and the article by H. Reynaert and T. Valcke in this issue.

the federal as well as of the regional and community governments were candidate, notwithstanding the incompatibility of both mandates.

Even though it is difficult to compare the results of the local elections to the results of parliamentary elections, due to the existence of numerous local lists that can hardly be categorised as close to one or the other party, the result of the elections was very positive for Agalev and Vlaams Blok. To a great extent, this was simply due to the fact that both parties had turned up in a larger number of municipalities than before. The success of the Vlaams Blok was especially outspoken in urban areas. So for instance in Antwerp, where the Vlaams Blok obtained 33 % of the votes (a rise of 5 % compared to the 1994-elections) and remained the biggest party. Because of the 'cordon sanitaire', a self-imposed ban on co-operation with the Vlaams Blok, once again all other parties in the Antwerp council were needed to form an alternative majority. As a consequence, the coalition formation talks were very tense and difficult, and lasted until mid-December.

The elections for the provincial councils are a better indicator for gains and losses of the national parties. The CVP and SP partly recovered from their electoral losses in the parliamentary elections of June 1999, while VLD remained status-quo and – perhaps surprisingly – there was a small decline in the support of Agalev and Vlaams Blok. The cartel of VU and ID21 lost a considerable part of its electorate.

VII. Employment- and social policy

A. Employment

Employment rate. In the course of 2000 the unemployment figures tended to decrease steadily. At the end of 2000, 354.992 unemployed people were registered : a decline of 34.083 persons or 8,8 % when compared to the figures of 1999. The total employment rate had improved with 1,3 percent points and exceeded the 60 %-barrier (60,6 %). The employment-rate in the Flemish region (63,9 %) was significantly higher than in the Walloon (56 %) and Brussels region (55,4 %).

In order to meet the 70 %-employment rate that had been set out at the EU Summit of Lisbon in Spring 2000, the government's policy envisaged both to stimulate elderly people to refrain from early retirement, and to give young adults the possibility of a first working experience via so-called 'starting-jobs' (see *Belgian politics in 1999*). These first policy-initiatives came after an alarming report of the High Council for Employment confirming that 15 % (or 260.000 people) of the age cohort of 50-64 had retired in the first half of 2000. The High Council said a change in mentality of both employers and employees was necessary to reverse the situation, as well as a stimulation of re-integration-programmes and a fiscal discouragement of early retirement. Consequently, the law of August 12th, 2000 was meant to encourage civil servants to stay working. Civil servants would receive some extra cash for every year they remained in office after their 60th birthday. While at the same time, the possibility for teachers and some other categories of civil servants to retire at 55 years of age was fiscally discouraged.

B. Social policy

Employment plan – On September 6th, minister for Employment Laurette Onkelinx (PS) presented the draft of a new Plan for Employment, for which she hoped the federal government would free a total of € 619,7 million of its budget. Via financial incentives and the reduction of the tax burden on employers, the plan of Onkelinx envisaged the introduction of the 35-hour week. The existing system of career-interruption would be transformed into a system in which every employee would have the right to a 12-months salaried (€ 496/month) career-interruption. By her own account, the Plan of Onkelinx would create 80.000 extra jobs.

At the negotiations which lead to the Declaration of federal policy, the Council of Ministers decided to free € 40,9 million in the 2001-budget to finance initiatives of the social partners to reduce working hours, create possibilities for career-interruption and a smoother ending of one's career. It was decided too that the amount of money the government would free for likewise projects would raise gradually from € 198,3 million in 2002 to € 681,7 million by the year 2006.

Central Agreement for 2001-2002 – On October 18th, representatives of the trade unions and of the unions of employers started negotiations on the conclusion of a so-called Central Agreement for 2001-2002. The Agreement, which involved 2,3 million employees in the private sector, was concluded on December 5th. A limit was imposed on the raise of the total cost of wages : maximum 6,4 % for the two-years period. By January 1st, 2002 all employees would benefit from the possibility of a salaried right to interrupt their career. The remaining 204.000 employees that worked in a system of 39 hour week, would switch to a system of 38 hour week. Other measures dealt with the system of early retirement, the fiscal encouragement of company mobility plans and investments in permanent education programmes. Ten days after the federal government had approved of the Agreement, it was solemnly signed by the parties involved, on December 22nd.

Social Profit sector – At the end of 1999, negotiations on the conclusion of a separate central agreement for the social profit sector had been opened. Lots of parties were involved : on the one hand the federal, the regional and the community governments and on the other hand the trade unions and unions of employers of the social profit sector. First, an agreement was settled with the federal government, on March 2nd. The agreement introduced so-called 'landing-jobs', i.e. the possibility of a gradual reduction of working hours without loss of income. It was introduced solely for some categories of nursing personnel of + 45 years of age. The cost of the total package of measures was € 349,5 million. It consisted out of an uniformity of wages, the transformation of precarious temporary contracts (the so-called 'third labour circuit') into regular labour contracts, the introduction of 'landing-jobs' and the right to a one-year career-interruption.

Unlike the easy way in which an agreement on federal level was concluded, the negotiations with the Flemish government were not plain sailing. In the end, an agreement was concluded for a total of € 210,7 million. The Flemish agreement

settled and introduced a similar package of measures as on federal level, be it that the 'landing jobs' on Flemish level were not exclusively meant for the nursing sector, but were a right in the social-cultural sector as well. Agreements between the social partners of the social profit sector and the Walloon government (May 16th), the French Community Government (June 14th) and the Brussels Regional Government (June 23rd) were less ambitious.

Social elections – For the third time in Belgian history, social elections were organised from May 8th until May 21st. Over one million employees (1.203.047) in 3.185 companies with more than 100 employees participated in the election of 22.297 representatives in company boards. Initially, there was a lot of confusion on the exact result of the elections. As a consequence the official results were released only on November 22nd. The christen-democratic trade union ACV-CSC won in number of votes (52 %), but lost in terms of its share in the number of seats (56 %). The result of the socialist trade union ABVV-FGTB was quite the opposite: a win in terms of seats (35 %), but a loss in the number of votes (36,9 %). The liberal union ACLVB-CGSLB won both in terms of votes (8,9 %) and in number of seats (6,1 %).

Social security – In Spring 2000, the government ordered a special study group to work out uniformity between the social security systems of employees and of self-employed. In its report, the study group proposed a package of measures to improve the social security situation of the self-employed. The total cost of the package was € 285,1 million, which to a large extent would be financed by a raise in the contributions of the self-employed.

VIII. Policy on transport and mobility

A. A conflict in the government on the night flights to Zaventem Airport

On January 3rd, two newspapers reported that minister for mobility Durant (Ecolo) had signed a ministerial decree on December 31st, 1999 in which she imposed strict regulations on the maximum amount of noise that was allowed to be produced by night flights in the environment of the airport of Zaventem. The decree stated that by 2003 the amount of noise that was produced between 11 pm and 7 am had to be reduced with 20 %. All commercial flights would be forbidden between 1 am and 5 am. DHL, the world-wide carrier that used Zaventem as its European hub reacted with disbelief and said the decree would lead to the collective dismissal of 6.000 people.

The ban on night flights caused confusion and agitation in the government. It appeared that Durant had acted without the consent of the other members of the Council of Ministers. According to Durant this was merely due to the Christmas-break. When the issue appeared on the agenda of the first (and turbulent) Council of Ministers after the Christmas-break, the main critique uttered by the liberal and socialist ministers was that Durant had not informed any other minister in advance. At the end of the discussion a technical taskforce was set up, under the command of the Prime Minister. The taskforce would "study all aspects of the airport" and

was supposed to make a report in order "to develop a general and balanced policy in which all relevant economic, ecological and social aspects would be united", within three weeks time.

After lengthy and difficult negotiations within the technical taskforce, the inner cabinet and – in the end – even the Council of Ministers as a whole, a compromise was settled on February 11th. The number of people that have to stand noises of over 55 dB (currently some 33.000 people), ought to be halved by mid 2003. The remaining 16.000 people would benefit from government aid (from 25 to 75 % of the costs) to isolate their houses and apartments. By the same time, the most noisy types of planes (B747, B727 and DC10-30) would gradually be banned at night. It was expected that these measures would lead to a reduction of the noise of at least 30 % between 11 pm and 6 am (Ministerial Decree of October 26, 2000). On top of these decisions, the cabinet decided also that the access to the airport by railways needed to be improved, and that the capacity of the airport would be expanded, via a ban on military and business flights.

B. Railways

In the governmental agreement of July 1999 the cabinet Verhofstadt had promised to raise the number of passengers of the national railway company NMBS-SNCB, to give a new dynamism to the company itself, to analyse its programme of investment and to start with the construction of a Regional Express Net around Brussels. Fifteen months later, Prime Minister Verhofstadt declared in his State of the Union (October 17th) that the modernisation of the railway company needed to be integrated in a general policy on Mobility. Therefore the government installed a Federal Institute for Mobility. The annual donation by the federal government to the NMBS-SNCB was raised with € 24,8 million. In this respect the total sum of the Mobility Plan 2001-2010 would be € 8,056 billion (instead of the original € 6,718 billion). In the second half of the year 2000 the actions of the government were focused on a possible change of the legal status of the company, and the possible dismissal of Etienne Schouppe, CEO of the NMBS-SNCB and strongly affiliated with the CVP. On December 22nd, Prime Minister Verhofstadt presented his own report to the Council of Ministers. According to this plan, the NMBS-SNCB would be divided into three 'business units': one for the transport of passengers, one for the transport of goods and one for the maintenance of the infrastructure. Early 2001 Verhofstadt took the whole dossier in his own hands.

IX. The end of the dioxin-crisis – the start of the B.S.E.-crisis

A. Dioxin-crisis

The special parliamentary committee "charged with the investigation of the production of Belgian meat, dairy-products and eggs and the inquiry into the political responsibilities for the so-called dioxin-crisis" (set up by the House of Representatives on July 16th, 1999) continued its activities in the first half of the year 2000. In January, the former ministers Pinxten (CVP) and Colla (SP) were

questioned, as well as former Prime Minister Dehaene. Dehaene was very critical of the role of the European Commission in the handling of the dioxin-crisis, blaming the Commission for imposing ad hoc-rules which were more strict than those applied in other parts of the European Union. When the committee questioned the spin-doctor of Verhofstadt, Noël Slangen, on the role of Verhofstadt in the revelation of the contamination, Slangen refused to answer questions of MP Gerolf Annemans (Vlaams Blok). Slangen read a declaration in which he said "[he] did not want to answer to questions of a member of a non-democratic party that in all other countries would be forbidden". Annemans left the room and instituted legal proceedings against Slangen.

Early in the morning of March 3rd, the committee agreed upon its final report. Apart from possible criminal and/or civil responsibilities, the committee noticed that "several witnesses and services had shown structural or personal shortcomings". Moreover, the committee was of the opinion that the internal communication had been too hierarchical and too formal. The former ministers Colla and Pinxten were considered to be politically responsible for the shortcomings in their departments, while the European Commission was blamed for having "amplified the chaotic development of the crisis". The report of the committee contained 50 recommendations to improve the supervision of the quality of food. Among others, it plead for the installation of a Federal Agency for the Quality of the Food-chain (Law of February 4th, 2001).

The discussion on the report in the plenary session of the House of Representatives took place on March 15th-16th. While the parliamentary parties of the coalition parties voted in favour of the report, those of the CVP and the Vlaams Blok voted against the report, while the MPs of Volksunie and PSC abstained from voting.

On December 28th, 2000, at the very end of his mandate, the special governmental commissioner for the dioxin-crisis, Freddy Willockx communicated that the government had spent € 446,2 million in handling the dioxin-crisis. The total cost of the crisis, i.e. taking into account the repercussions on the economic growth, was estimated at € 743,7 million.

B. The B.S.E.-crisis

Like many other European countries, Belgium fell victim of the spreading B.S.E.-disease (the so-called "mad cow"-disease). Following the decision taken by the ministers for agriculture of the EU Member states (December 4th, 2000) all stocks of animal meal had to be destroyed. From then onwards, all animals older than 30 months of age had to be tested on B.S.E. under penalty of destruction. The cost of these measures was an estimated € 257,8 million to € 302,4 million. The largest part (€ 198,2 million) of this sum was a burden on the budget of the regional governments. And while the federal government freed some € 12,6 million for direct aid on December 22nd, the B.S.E.-crisis deteriorated in 2001.

X. Foreign and defence policy

A. Foreign Policy

European Union – On the EU-Summit of Nice (December 7th-11th), Prime Minister Verhofstadt stepped forward as the defender of the European idea. For a while he considered to veto the 'Treaty of Nice', but in the end he accepted the compromise, which he called 'the minimum minimorum'. At the home front, Verhofstadt had to face criticism because he had accepted that the parity between Belgium and the Netherlands was broken; after the enlargement of the EU, the Dutch will have 13 votes, while the number of Belgian votes would stick to 12. The number of Belgian MEPs will accordingly be reduced from 25 to 22.

Congo-Kinshasa and Central-Africa – Following his policy-declaration at the start of his career as Minister for Foreign Affairs, vice-Prime Minister Louis Michel played an active role on the diplomatic scene in Central Africa. Together with State Secretary for Development and co-operation, Eddy Boutmans, Michel met the Congolese president Laurent Désiré Kabila on January 25th. The meeting took place in New York, in the margin of the UN-debate on the future of Africa. It was the first time in ten years time that a meeting was organised between Belgian and Congolese officials at such a high level. The discussion focused on the role that Belgium could play in the politics of Central Africa. The meeting was followed by a visit of Michel to the countries of Congo, Zimbabwe, Angola and Uganda (March 12-20th). The last time a Belgian minister had visited Kinshasa was back in 1989, so for obvious reasons, the meeting with president Kabila was the most important event of Michels trip.

Three months later, on June 30th, and on behalf of the Belgian government Louis Michel participated at the celebration of the 40th anniversary of Congo's independence. However, while this visit took place, a diplomatic incident between the two countries was about to emerge. Apparently a Brussels magistrate had already on April 11th ordered an international warrant against the Congolese minister of Foreign Affairs Abdoulaye Yerodia on the charges of cruelties against mankind. Yerodia would have summoned the Congolese population to kill Tutsis out of revenge of the support by the Rwandan Tutsi-regime of the rebellion against president Kabila. The fact that the warrant was valid only from July 3rd onwards, i.e. the day after Michels return from Congo, while it had been issued on April 11th, nourished speculations that Louis Michel had intervened in advance with the judicial authorities. On July 12th, minister of Justice Marc Verwilghen denied these allegations, when he stated that there had not been "any direct contacts" between the judicial authorities, the Justice department and the department for Foreign Affairs. Via diplomatic consultations during the summer-break, the incident was closed. However still, the Belgian government was accused of violation of international law and of infringement of diplomatic immunity by the Congolese authorities before the International Court of The Hague (October 17th, 2000). As a

consequence, the contacts between the Belgian and the Congolese state remained 'cool' throughout the rest of the year 2000.

In the meantime, a special parliamentary committee had been installed by the House of Representatives to investigate the share of responsibility of the then Belgian government in the assassination of the Congolese Prime Minister Patrice Lumumba (January 17th, 1961). Because the four experts who assisted the committee needed a lot of time to search through various unclassified archives, the mandate of the committee was prolonged until May 2nd, 2001.

Rwanda – On April 7th, a Belgian delegation participated at the commemoration of the sixth anniversary of the start of the Rwandan genocide of april 1994. The delegation consisted of Prime Minister Verhofstadt, Minister for Foreign Affairs Louis Michel, Minister for Defence André Flahaut and some forty relatives of the ten Belgian paratroopers that were slaughtered in the 1994-incidents. Prime Minister Verhofstadt unveiled a statue in honour of the victims of the massacre, and asked the Rwandan people for forgiveness, "on behalf of [his] country and [his] people". He said: "I admit, here in front of you, the mistakes of my country, of its political and its military authorities". He added that the Belgian government was to blame for not "fulfilling its primordial duty, which is to protect its own citizens".

Austria – In a concerted action with the French government, Belgium took the lead in the protest against the participation of the extreme right party FPÖ in the Austrian government. Prime Minister Verhofstadt invited the Portuguese presidency of the EU to call a meeting of all EU ministers for Foreign Affairs on the issue. On 31 January, the 14 member states of the European Union decided the following, in case the FPÖ would join the Austrian government: the EU member states would abstain temporarily from bilateral contacts with the Austrian government, they would no longer back any Austrian candidacies for international or European positions and they would allow only for 'technical contacts' between the embassies. The day after the conclusion of the Austrian governmental agreement between ÖVP and FPÖ (February 2nd, 2000), Louis Michel publicly raised the issue whether Austria could remain a member of the European Union. Several ministers of the various governments and leaders of all political parties participated in a march against Extreme Right, Fascism and Haider, which was attended by some 15 to 20.000 people. On February 28th all military co-operation with Austria was suspended, and the Flemish minister for Foreign Trade cancelled his visit to Vienna, which was scheduled for March 2nd.

Yet at the end of March, some Flemish politicians changed their opinion on the Austrian case. The immediate cause was the refusal of federal minister Louis Michel to join the traditional 'family-picture' at the Summit of Lisbon (March 23rd), out of dissension with the presence of the Austrian Prime Minister Schlüssel. In an open letter to Michel, Flemish minister-president Dewael warned for "an escalation in our relations with Austria". Dewael said the resentment of the Flemish population to sanctioning the Austrians rose, and added that Belgian and Flemish

companies and the tourist sector experienced a setback due to the sanctions. Michel accordingly mitigated his attitude. After the consultation of three 'experts', the EU-sanctions on Austria were lifted on September 12th.

Chile – Following the decision by the British minister for Home Affairs, Jack Straw, to release the former Chilean dictator Augusto Pinochet, the Belgian state interfered once again in the dossier. The Belgian government went to appeal, and a Belgian police physician was sent to the United Kingdom to assist at the examination of Pinochet by a college of British doctors. Notwithstanding the confirmation of medical experts who had been sent out by the authorities of Belgium and three other countries, that Pinochet was physically able to attend a trial, the British government released Pinochet on March 2nd. This second time, Louis Michel decided not to give notice of appeal, out of respect of the decision of the British court.

B. Defence policy

After several weeks of negotiations, the inner cabinet concluded an agreement on the reform of the Belgian armed forces on March 3rd. The priorities of the 'Strategic plan for the modernisation of the Belgian Army 2000-2015' were to transform the armed forces into a small, mobile and well-equipped force which could rapidly be brought into action. The Strategic plan was accepted by the Council of Ministers on May 12th. For the whole period 2000-2015 the annual budget for Defence was frozen at € 2,499 billion. Still, the expenses for investments would raise with € 161,1 million to a total of € 557,7 million, while the costs of personnel would be reduced by € 223 million (to a total of € 1,160 billion). The latter reduction in personnel costs would be accomplished both via a reduction in the number of military men (from 44.500 to 39.500) and via a rejuvenation of the corps. As a result of the plan, three major investment programmes were stopped : the replacement of F 16-combat planes, the replacement of Leopard tanks and the construction of four minesweepers. The latter decision was a surprise, as the government had already spent € 29,7 million on this project and the Antwerp shipbuilder SKB had already invested € 7,43 million. Yet the government decided to buy seven A-400-M cargo's of Airbus in replacement of eleven of its C130 transport planes (cost : € 1,100 billion).

At the meeting of the EU ministers for Defence of November 20th, the Belgian government engaged in providing a brigade of 3000 soldiers, twelve F16-combat planes, eleven C130 cargo planes, two Airbus A130's and nine ships for the European Fast Intervention Army. This European Army will be effective from 2003 onwards, and will be fully operative within 60 days after the start of a crisis.

XI. Other events and developments

Changes in the government – Due to a game of musical chairs, orchestrated by the party leaders Elio Di Rupo (PS) and Daniel Ducarme (PRL-FDF), and to the results of the local elections of October 8th, 2000, a circulation of governmental personnel

took place at all policy levels. At the federal level, Rudy Demotte resigned as minister for Economic Affairs to take ministerial responsibility in the French Community government (April 7th), while Charles Piqué (April 7th) and Anne André-Leonard (October 17th) resigned as governmental commissioners. Piqué, who was promoted to the rank of minister (for Economic Affairs) was succeeded by Yvan Ylieff, while Alain Zenner succeeded to André-Léonard. Pierre Chevalier, Secretary of State for Foreign Trade was forced to resign after allegations of fraud (October 17th) and was replaced by Annemie Neyts, who in turn was replaced by Guy Van Hengel as minister in the Brussels Regional government.

Royal Family – On May 31st, Prince Laurent was sworn in as Senator by right. He joined his brother, Prince Philip and his sister Princess Astrid, who were senators by right since June 1994 and November 1996 respectively. In his maiden speech to the members of the Senate, the prince tackled the issues of ecology and sustainable development.

On March 2nd, the Council of Ministers decided to raise the annual donation to Prince Philip to € 788.301, with a surplus of € 247.893 for the year 2000. Princess Astrid will receive an annual donation of € 272.683.

Sabena – On April 26th, an agreement was signed by the federal minister for Public Enterprises, Rik Daems, and Hannes Goetz, president of the SAirGroup, through which the Swiss company bought a larger package of shares of Sabena, the Belgian airway company. Since 1995, the SAirGroup already had 49,5 % of the shares of Sabena. In 2001, the total share of the SAirGroup in Sabena would be lifted to 85 %.

XII. Evolutions in the political parties

Volksunie – On January 15th, the leader of the Volksunie parliamentary party in the House, Geert Bourgeois, was elected as party leader of the Volksunie. The result of the election came as a surprise, for as Bourgeois was the challenger of the outgoing party leader Patrick Vankrunkelsven. The latter thus was the first outgoing party leader to be defeated in a re-election campaign. 9.150 of the total of 15.505 members of the Volksunie participated at the postal ballot (a participation rate of 59,0 %). Bourgeois obtained 4.682 votes (54,0 %), while Vankrunkelsven was backed by 3.997 party members (46,0 %). The close result was a reflection of a deep division in the party, between two tendencies. On the one hand, the tendency of Bourgeois aimed for a hard-liner profile as concerns the defence of Flemish interests in communautarian issues, and was not favorable to further co-operation between VU and ID21. On the other hand, the tendency lead by Vankrunkelsven and Flemish minister Bert Anciaux, tried to establish a broader platform for an open societal project. The latter tendency favoured the co-operation between VU and ID21, and acknowledged the identity of ID21 as a separate entity.

In the Autumn once again, the division between the two tendencies was clearly visible on the occasion of the making of the electoral lists for the local elections of October 8th. At the conclave of the party council (October 20-22, 2000) in De Panne,

the vote on a text of party leader Bourgeois reflected perfectly the division in the party : 17 people supported the text, while 17 were opposed to it and 2 people abstained from voting. In what seemed to be a final attempt at safeguarding the survival of the party, a 'committee of three sages' was installed in an attempt to reconcile both camps. Much to the surprise of all commentators, they succeeded in doing so. On November 16th, the partybureau unanimously accepted a 'Declaration of Principles'. However, early 2001 the conflict re-emerged, and this time even sharper than ever.

CVP – On August 22nd, former State Secretary for Development and Co-operation, Réginald Moreels, quit the CVP. He said he could not reconcile his opinion with the way in which the CVP organised its opposition and he was unhappy with the CVP's shift to the right.

On October 20th, party leader Stefaan De Clerck presented his 'Route to renewal of the christen-democracy in Flanders'. Following De Clerck's plan, the rigid party structures of the CVP needed to be converted into "open beehives", which were meant to be "contemporary meetingplaces for young people". The direction over the party-apparatus was given in the hands of professionals, who would be under supervision of a strategic committee, that was in charge of the process of renewal. This strategic committee would consist of the party leader, five politicians and five independent members. The party council of the CVP unanimously accepted De Clerck's plan on November 21st.

SP – Like his CVP-colleague, Patrick Janssens, party lader of the SP, announced his project for renewal of the Socialist Party shortly after the local elections (October 22nd). The objective of the project of Janssens was to transform the party by 2002. The new party would be based on new structures and on a new charter (focusing on the fight against social inequality). The possibility of a change of name was not excluded. In a report he sent to the members of the parliamentary parties, Janssens made a critical analysis of the functioning of the SP. He said the party suffered from a dusty image and lacked a clear profile as well as an attractive project. In his opinion the party was not open enough to criticism to the government, nor did the parliamentary parties share enough room for initiatives of their own, and was the decision-making process insufficient and non-transparent. The project for renewal of the party that Janssens proposed was built along two axes : constructing a political project focusing on equal opportunities for all, while converting the party functioning into an open partystructure, in which internal interests would make way for external goals.

VLD – The party rules of the VLD were changed on some minor points during the party conference of February 25-27th. Still, two proposals were rejected by the congress. The first one aimed at strengthening the grip of the party leaders in the making of the local electoral lists, while the second proposal was intended to raise the threshold for candidates for the party leadership contests.

Vlaams Blok – Without denying its contents, the Vlaams Blok got rid of its highly contested and xenophobe 70-points programme. In an interview with the journal *De Standaard* (March 11th), party leader Frank Vanhecke declared the 70-points programme “was not essential” to the charter of the party. He said the concrete measures that are proposed in the 70-point programme were not unchangeable. Filip Dewinter, the author of the plan, was working on a new publication in which the updated points of view of the party would be expressed.

On October 27th a lawsuit started against three organisations that were closely linked to the Vlaams Blok. They were charged with the promotion of ‘discrimination and segregation’. The lawsuit was initiated by the Centre for Equal Opportunities and Fight against racism, and by the Ligue for Human Rights. It was the first time judicial actions were undertaken against (closely linked organisations) of the Vlaams Blok. The verdict was expected for mid 2001.

PSC – For the PSC as well, the central theme of the year 2000 was ‘Renewal of the party’. Early 2000, deputy party leader Jean-Jacques Viseur, who was put in charge of the project of renewal by former party leader Maystadt, caused turmoil in the party after he had pleaded for the transformation of the PSC into a progressive party. As a result of the turmoil, the job of Viseur was taken over by party leader Joëlle Milquet. After the local elections of October 2000, Milquet announced thorough modifications to the party structure, its manifesto and possibly even its name by the Summer of 2001. A programmatic party conference at the end of 2002 would then be organised to convert the principles into concrete points of actions. Meanwhile (October 13th), former minister of defence Jean-Pol Poncelet had resigned as deputy party leader out of dissension with the way in which Milquet directed the party.

PRL – On March 16th, an article in *Le Soir* announced that party leader Daniel Ducarme had the intention to mobilise the party members for a conversion of the PRL into ‘movement of unity and reconciliation’, based on the principles of humanism and democracy. According to the article Ducarme proposed a change of the name of the PRL into *Parti Démocrate*. The article caused big upheaval in the party. In the end, the idea was rejected, in particular due to the intervention of Louis Michel. Notwithstanding he was on a trip through Africa, Michel intervened firmly and furiously. Ducarme remained party leader, but only in exchange of abandoning his ideas on a ‘Parti Démocrate’.

PS – At a party conference of December 2nd, the Party Socialiste revised the rules of the party. The most important changes concerned the direct election of the local PS-presidents, the acceptance of a new category of ‘associated members’ and the prohibition for MPs to combine a parliamentary mandate with more than one other salaried position at executive level. Pioneering work was the statement that all organisations of the party needed to be composed of for at least 33,3 % by women. As regards the making of electoral lists, a total parity between male and female candidates needed to be respected.

FDF – Olivier Maingain was re-elected as party leader on May 27th. He obtained 918 votes, while his challenger, deputy party leader Jean-Pierre Cornelissen received 384 votes. By their own account, still some 5.000 people adhered to the *FDF*.

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