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Belgian Politics in 1982 : Less Democracy for a Better Economy*

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Belgian politicians, journalists and observers are not normally known for their readiness to share their experiences in or with the political environment with the general public. 1982 may be seen as a rather exceptional year in these terms. An ex-Minister of Finance (1) and a prominent political journalist (2) published their impressions of and their reflections on what goes on 'behind the political decision-making process' in Belgium. In spite of their different positions and points of view from which they describe political life, both authors reach a number of common conclusions. These concern what may generally be described as the 'deterioration of parliamentary democracy'. More especially this concerns the power of the particracy ; the influence of the socio-economic pressure groups which are represented in the particularly extensive Belgian system of concertation (3) and more often than not escape from demo-

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* A part of the information given in this paper is taken from the article written by M. DEWEERDT, « Overzicht van het Belgisch politiek gebeuren in 1982 » and also published in this edition of *Res Publica*.

(1) R. VANDEPUTTE, *Een machteloos minister, Antwerpen,* 1982, 175 pages.
R. VANDEPUTTE, *Un ministre sans pouvoir,* Brussel, 1982, 122 pages.

(2) H. DE RIDDER, *De keien van de Wetstraat,* Leuven, 1983, 275 pages.

(3) SP Member of Parliament L. Van Velthoven, by means of a parliamentary question, has made an inventory of the advisory and consultative bodies. There are a total of about 600 such bodies, with a total of 9 000 members. Not all of the bodies which have been set up are functional : 25 % are totally inactive or only partly active, while 15 % have not been convened for several years. One of the bodies belonging to this last category is the National Committee for Economic Expansion, set up in 1960 and which has not met since November 1976. When it was set up, this committee was considered to be the keystone of the consultative institutions built up after the Second World War. The Advisory Board for Employment Opportunities has not met since 1976 (as though there were no problem of employment opportunities).

L. VAN VELTHOVEN, *Regering beschikt over bijna 9.000 adviseurs, verdeeld over meer dan 600 adviescommissies,* 1982, 8 pages.

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cratic control mechanisms; the importance which politicians attach to their re-election, as a result of which the general good has to give way to the specific interests of their electoral groups ; the significance which politicians attach to their appearances in the media, especially on television, through which they make statements which render calm negotiations impossible and consequently also hinder the making of compromises, which nevertheless are essential for the functioning of a consociational democracy; and finally the imperfect (and partly outdated by social evolution) working of the Parliament.

The main thrust of this last criticism concerns the rundown of Parliament as a political institution in favour of other political power centres and the slowness with which parliamentary work is executed (4). The bicameral system in Belgium requires draft laws to be discussed first in committee and then in open session in one or other of the two Chambers, only to follow the same procedure again afterwards in the other Chamber. The government in power argues that this time-consuming procedure precludes rapid and efficient action on socio-economic life, which is constantly in a state of rapid change (5). Some of these conclusions and criticisms are certainly not new. Parliamentary democracy has had its critics right from its very first days. The critical voices do seem to be more numerous and louder in periods of economic crisis, though.

The Christian Democrat-Liberal-led coalition government (CVP, PSC, PVV, PRL; 17th December 1981 - ?), formed by W. Martens (CVP) after the parliamentary elections of 8th November 1981, announced in its policy declaration that it would ask Parliament for « special powers » with the « sole aim of restoring the economic and financial environment as a condition for halting the industrial disinvestment, the destruction of employment, and of giving new hope to the population of our country» (6). The Prime Minister and the government policy agreement negotiators judged that in view of the dire financial and economic situation of the country, the measures they had planned could not be dealt with via the normal parliamentary procedures : the special powers would have to

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(4) R. VANDEPUTTE, *op. cit.*, pp. 107-174.
H. DE RIDDER, *op. cit.*, pp. 35-84.

(5) R. VANDEPUTTE describes this procedure as follows : « ... the parliamentary proceedings, whereby the same articles are subjected to close scrutiny up to four times, i.e. in the committee stage and in open session of both the House of Representatives and the Senate, (are) a veritable *calvary* for the Minister involved », *op. cit.*, p. 154. To this judgement it should be added that R. Vandeputte, Minister of Finance in the M. Eyskens I government (6th April 1981 - 2nd September 1981), was an extra-parliamentarian.

(6) Kamer van Volksvertegenwoordigers, *Parlementaire Handelingen*, 18th December 1981, p. 67.

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allow the government to take decisions without the approval of Parliament in order that the government plan should « be allowed to begin immediately and in its entirety » (7) (8). In other words, less democracy for a better economy.

1. The Special Powers Act.

The Martens V government had already made it abundantly clear in its policy declaration as to the fields upon which the special powers would be applied. The proposed social, economic and financial recovery policy, according to the government, implied first of all the restoration of the competitive power of Belgian firms by the reduction of their production costs. In order to achieve this, the government considered that a temporary change in the existing wage and salary index-linking modalities was indispensible. The second priority was the reduction of the budget deficit. In accordance with the recommendations of the EEC Commission of 22nd July 1981, the government set itself the objective of presenting a 1982 budget with a current deficit of no more than 200,000 million BF ; this was to be achieved by limiting government expenditure « on all levels and in all sectors » and by a thorough reform of the tax system, without, however, increasing the burden of direct or indirect taxation (9) (10).

The draft legislation « for the granting of certain special powers to the King » (until 31st December 1982) was passed in both the House of Representatives and in the Senate by a majority vote (with the RAD-

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(7) *Ibid.*, p. 67.

(8) Declared Prime Minister W. Martens to *Time Magazine*, referring to the special powers : « This is the tenth time in Belgian history that the government has been given special powers by the King. Many of the other occasions were times of war, and I consider this period to be war in terms of the economic problems we face » (W. DROZDIAK and S. BURTON, « Belgium. Curing the 'Sick Man' », in *Time Magazine*, 15th March 1982). With this W. Martens repeated almost word for word the statement made by the King with reference to the resignation of the Martens IV government (22nd October 1980 - 1st April 1981). See M. DEWEERDT and J. SMITS, « Belgian Politics in 1981 : Continuity and Change in the Crisis », in *Res Publica*, 1982, no. 2, p. 261.

(9) *Ibid.*, pp. 84-85.

(10) With this, Prime Minister W. Martens referred back to the most important points of the emergency programme he had presented to the cabinet meeting of 29th March 1981. This programme included provisions for the suspension of all indexation until 31st December 1981, and the introduction of a new system of indexation as from 1st January 1982. This emergency programme was then vetoed by the socialist partners of the government coalition, whereupon W. Martens tendered his government's resignation. A few days later his party colleague, M. Eyskens, took over from Martens as Prime Minister. See M. DEWEERDT and J. SMITS, *loc. cit.*, p. 264.

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UDRT Members of Parliament abstaining) (11). The opposition disputed the constitutionality of the draft legislation. Flemish and Walloon socialists showed strong resistance to the government's policy, and this was not to remain limited to a purely parliamentary opposition. The majority parties defended the draft law on the grounds of the urgent need to address the dire socio-economic and financial problems. Finally, under pressure from the opposition and following advice from the Council of State, the text of the draft legislation was formulated more precisely on a number of points during the open debate in the House of Representatives.

The government has implemented a total of 192 statutory orders on the basis of the special powers Act of 2nd February 1982. The government has thus clearly made use of Parliament's partial surrender of its legislative powers. Irrespective of judgements which may be made on use of the special powers and their potential results, the decisions taken by the government stand out in stark contrast to the limited resoluteness of the previous governments. It is also quite probable that no other government has acted in quite such a comprehensive manner as this centre-right coalition has done on the socio-economic front, despite the fact that the liberal parties in the coalition had used the slogan « less state intervention » in their electoral campaign programme. Indeed, few escaped untouched by government decrees. Employers, wage and salary earners, the self-employed, municipalities, universities and other educational institutions, hospitals, semi-official bodies and public utility institutions were all affected in one way or another by the special powers decrees. Indeed, it may be noted that the government was somewhat overenthusiastic in its actions in a number of cases, as 22 of the 192 statutory orders were nothing other than corrections to decrees which had been implemented just a few weeks earlier (12).

During the course of Spring 1982 the government made 3 series of special powers decrees. The government put a first series of thirteen statutory orders into action as early as 3rd February, just one day after

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(11) This is by no means the first time that a government has both requested and received special powers from Parliament. Since 1914 Parliament has passed 15 special powers Acts and 3 extraordinary power Acts. (The special powers Acts were : the laws of 4th August 1914, 16th July 1926, 30th December 1932, 17th May 1933, 31st July 1934 (prolonged and modified by the laws of 7th December 1934, 15th and 30th March 1935), 1st May 1939, 7th September 1939, 20th March 1945, 12th March 1957, 14th July 1959, 14th February 1961, 31st March 1967, 4th August 1978, 5th August 1978, 8th August 1980. The extraordinary powers Acts were : the laws of 7th September 1939, 14th December 1944 and 20th March 1945).

See : A. MAST and J. DUJARDIN, *Overzicht van het Belgisch grondwettelijk recht*, Gent, 1983, pp. 227-228.

(12) H. DE RIDDER, « Zorg om democratie », in *De Standaard*, 15th February 1983.

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the law granting the special powers had been approved by the Senate. These decrees were aimed principally at stimulating economic activity by reducing the tax burden (including a reduction in the rate of VAT) applicable in the construction sector, an incentive premium to encourage young people setting themselves up as self-employed, better regulation of part-time working and a more flexible recruitment procedure for small and medium-sized firms).

The government announced the second series of decrees passed under the special powers legislation on 21st February, the day before the devaluation of the Belgian Franc. This second « batch » contained mainly measures designed to reduce costs for trade and industry. The most important of these was the decision to suspend the linking of all but the lowest wages and salaries to the retail price index until the end of May. After this date, and up to the end of the year, wages and salaries were to be increased by only a fixed amount; from 1st January 1983, they would be restored to their index-linked status, but without retroactive effect. The income which the wage and salary earners were thus obliged to forfeit was intended to keep down labour costs for the firms over this period and thus temper the expected increase in the rate of inflation after the devaluation. Since the self-employed were not caught up in this measure, they were asked to make a « solidarity contribution ». Furthermore, and as an accompanying measure to the devaluation, the government decided to impose a price freeze until 31st May 1982, followed by a selective price freeze thereafter.

The third « batch » of decrees passed under the special powers legislation, implemented during the course of March, contained approximately 120,000 million BF worth of savings and new incomes. The vast majority of this total lay in the savings, with a little less than 100,000 million BF, while the new incomes represented approximately 25,000 million BF. In the social security sector alone, the government had planned 24,000 million BF worth of economies. In order to restore the financial equilibrium of the social security system, the government decided to raise the level of a number of categories of social security contributions and to reduce some of the benefits and indemnities paid out. The education sector was another area in which substantial savings were announced. Savings to be made by this sector were approximately 16,000 million BF, of which around 7,500 million BF was to come from the general wage and salary moderation and the balance via economies and reductions of operating grants for the educational institutions.

Government activity was somewhat reduced after these three series of special powers decrees. This flagging in government activity was certainly

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not unconnected with the municipal council elections which were due to be held in the autumn. The government was careful not to take any further far-reaching measures before the elections, especially since the opposition parties had already made it very plain that they considered the municipal council elections to be a test for national policy.

The special powers were used again after the 10th October local elections. The decrees passed under the special powers legislation in the autumn were the first executory measures in connection with the draft budget for 1983 drawn up before the summer recess. In the context of the government's objective of halving the public sector financial deficit over a period of 4 years, such that by 1985 the net deficit still left to finance would amount to approximately 7 % of Gross National Product, the government found itself obliged to take a number of new economy measures and to create new sources of income, mainly in the social security sector. As part of the social security reforms the government used its special powers to decide to apply a number of the previously taken economy measures in 1983 also (sometimes in a slightly adapted form) and to carry through some new economy cuts, including those made in the family allowance sector. The government also settled the matter of wage and salary moderation for 1983 and 1984 through use of the special powers legislation. Wage and salary earners will not be permitted any increases whatsoever in these years apart from the moderated index adjustments and the wage scale increases. The self-employed, members of the professions and company directors will be obliged, as they were in 1982, to pay a « solidarity contribution » in 1983 and 1984. Other notable measures in the latest special powers decrees taken in 1983 were the creation of three employment areas and the obligation for the public transport authorities and the local authorities (municipal, urban and provincial) to balance their budgets by 1988.

In early December the government made it clearly known that it would be asking Parliament for new special powers, although it added that these were for use in connection with a number of well-defined matters, such as the budget, social security, local government authorities, the semi-official bodies and the national industry sectors. Among government leaders there was little dispute over the prolongation of « limited » special powers. However, within the majority parties there was not so much unanimity over this issue. The leader of the CVP group in the Senate, B. Gijs, had spoken out unequivocally against new special powers at the beginning of the parliamentary year in early October. The Chairman of the House of Representatives, J. Defraigne (PRL), declared on the same occasion that he was opposed to the prolongation of the special powers in order that « le pouvoir exécutif reprenne la place qui est traditionnellement la

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sienne » (« executive power should return to its traditional place »). Naturally enough, the opposition parties pronounced themselves to be against new special powers. However, by late 1982 it became clear that the renewal of the special powers legislation, whether or not limited to specific areas of application, would not run into any more serious difficulties within the majority parties.

The use of the special powers legislation in 1982 has further strengthened the impression that Parliament and the Members of Parliament have moved away from the mainstream of political decision-making process, despite the repeated calls during the last few years for a revaluation of Parliament and the reorganization of its working. The Members of Parliament themselves, however, are not entirely free from blame over the rundown of Parliament. The limited amount of interest shown by the « people's representatives » in most parliamentary debates is merely one, albeit not unimportant, indicator in this matter. Among others, the long-announced « historical » debate on the energy policy was a striking example of parliamentary absenteeism. The division over the draft legislation in connection with the granting of provisional lines of credit for the first quarter of 1983 is another example. This draft law had to be presented four times in the House of Representatives for a vote to be taken, due to the fact that on the occasion of the first three divisions there were not sufficient Members of Parliament present to make up a valid voting quorum (13).

2. **The economic and financial developments** (14).

The progress of economic developments in Belgium in 1982 does not show any great differences overall from the evolution in the remainder of the European Economic Community countries. The slight economic recovery which, according to the most important economic indicators, manifested itself during the first three quarters of 1981 came more or less to a standstill in late 1981 and the early part of 1982. A slight recovery reappeared in February, after the devaluation of the Belgian Franc, as a result of increased export demand and an increase in domestic consumption ahead of the expected price increases on the home market. This recovery did not last long, either. The economic situation weakened again during

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(13) J. CLAEYS, « Parlementaires, aidez-vous et le ciel vous aidera ! », in *Le Soir*, 18th December 1982.

(14) This summary of economic and financial developments is based on the 1982 Annual Report of the National Bank of Belgium.
Nationale Bank van België, *Verslagen 1982*, 293 pages.

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the second half of 1982, mainly due to the strong decline in export demand.

The gross domestic product (GDP) fell by 0.3 % in 1982 and by 1.1 % in 1981. The gross national product (GNP) also fell by 0.7 % in 1982, compared with a fall of 1.2 % in 1981. Of all the economic sectors the construction sector was the worst hit be declining activity. Production in the processing industries developed more favourably, with an increase of 1.1 %, while Belgium's main trading partners all suffered a reduction in production in this same sector (of 1.7 % in West Germany, 1.4 % in France, 0.7 % in the United Kingdom and 8.1 % in the USA).

The number of employment opportunities available also fell as a result of this weakening in the economic situation. Between the end of June 1981 and the end of June 1982 the number of jobs available in industry, the construction sector and the service industries fell by approximately 65,000. This fall was less than in the previous period, during which the number of jobs available fell by 85,000. The only sector to show any increase in jobs available was the service industries sector, which is less dependent upon fluctuations in the economic cycle.

The loss of jobs in the private sector was not compensated for by the government, i.e. via increased employment in the public sector, although it had done so in the first few years after the initial oil crisis. The overall level of employment in the public sector remained stable during the June 1981 - June 1982 period. The result of the fall in employment levels in the private sector and the status quo in the public sector was a further increase in overall levels of unemployment, further increased by the growth of the labour force, which increased by 20,000 between June 1981 and June 1982, thus increasing the numbers seeking employment. By the end of June 1982 there were 512,000 people unemployed, of which 433,000 were entitled to unemployment benefits, and by the end of December 1982 this had grown to 608,000 unemployed, representing 14.1 % of the labour force, of which 484,000 were entitled to unemployment benefits. Belgian unemployment figures, expressed as a percentage of the labour force, is markedly greater than those of the United Kingdom, the Netherlands, West Germany and France.

At the same time, the increase in male unemployment since 1981 has been strikingly faster than that of female unemployment. The increase in unemployment during the period from 1976-1980 was caused firstly by the growth of the female labour force and secondly by the loss of available jobs. From 1981 the importance of reductions in employment opportunities, of which both men and women are the victims, played a greater role in the increase in numbers unemployed. By mid-1982 approxi-

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mately 45 % of those unemployed were male, compared with only 36 % two years earlier.

The first results of the measures taken under the special powers legislation concerned with implementing income moderation and redistribution of income from the individual sector towards the business sector could be observed in the national accounts. For the first time since 1978, the share of individuals' disposable incomes in the gross national product fell in 1982, while business incomes rose from 6.5 % to 7.9 % of GNP. The gross trading profits of Belgian firms improved on average by a good 20 %, after a fall of approximately 6 % in 1981. Nevertheless, the increase in capital resources available to the firms in 1982 did not result in an investment recovery.

The government measures taken in connection with the reform of public finances led to a (very) slight decrease in the net public sector financing deficit, which amounted to 16.5 % of GNP in 1981 and fell to 16.1 % in 1982. This decrease did, however, put an end to the steady deterioration in the situation, which had accelerated in 1980 and 1981. Despite this trend, which differs from that observed in the remainder of the EEC countries, the Belgian public sector financial deficit remains considerably larger than the average size of those of the other EEC countries.

A slowing down in the increase of public sector expenditure could also be observed, from 58.3 % of GNP in 1980 and 63.2 % in 1981 to 64.9 % in 1982.

However, the Martens government did not succeed in limiting the 1982 budget deficit to 200,000 million BF as recommended by the EEC Commission. In early March current expenditure was estimated at 1,397,800 million BF, while current income was estimated at 1,145,100 million BF, thus giving an expected deficit of 252,700 million BF despite the economy measures contained in the third special powers batch. The nett financing requirement amounted to 424,000 million BF, and the gross financing requirement (nett requirement + debt repayments) was 580,000 million BF (15).

3. Monetary developments.

The most important occurrence on the monetary level in 1982 was naturally enough the devaluation of the Belgian Franc on 22nd February,

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(15) Minister of Finance, W. De Clercq (PVV) admitted in the House of Representatives budget committee, on 26th October, that the nett financing requirement would ultimately amount to 560,000 million BF.

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which was the second since 1945. The devaluation can hardly be termed a surprise, save for the moment at which it was carried out. Indeed, a public debate had been going on for some time over the advantages and disadvantages of a devaluation of the Belgian currency. Such a move was urged primarily among employers as a means of improving the international competitive position of Belgian firms, favouring exports and reducing the deficit in the balance of trade and payments (16). However, the National Bank was not a strong supporter of a devaluation. In its 1981 annual report it opted for a deflationary and long-term moderation model (17).

It is quite possible that a devaluation had already been discussed during the formation consultations which led to the centre-right Martens V coalition government. Indications of this can be found in the governments policy declaration, in which, in contrast to earlier statements, the government did not declare its intention of defending the exchange rate of the Belgian Franc at any price. One of the CVP negotiators involved in the formation consultations stated shortly after the formation of the Martens government that « the government's programme (therefore) could be supplemented by a monetary intervention ». Nevertheless, the actual moment of the devaluation came as a surprise.

Just a few days before the devaluation took place, the newly nominated Governor of the National Bank, J. Godeaux, declared to the daily newspaper *L'Echo de la Bourse* (18th February) that he rejected the idea of a devaluation of the Belgian Franc.

From a reconstruction of the events during those few days, it appears that the National Bank and its Governor were not involved in the decision. The concrete basis for the decision was a study carried out by a few members of the Prime Minister's departmental staff which indicated the necessity of a devaluation. During his visit to the United States (16th-19th February) W. Martens and his principal private secretary consulted with the IMF, which had for a long time been a supporter of devaluation. The decision was then taken by a restricted government summit meeting (18).

When the government implemented the second series of decrees passed under the special powers legislation during the weekend of 20th-21st

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(16) In a study published by the Kredietbank (one of the largest Belgian banks), which appeared in early February 1982, the argument for a devaluation of 6-10 % of the Belgian Franc was advanced.

(17) Nationale Bank van België, *Verslagen 1981*, pp. XXXVIII-XLII.

(18) This was composed of : Prime Minister W. Martens (CVP), Minister of Finance W. De Clercq (PVV), Minister of Justice and Institutional Reforms and Vice-Premier J. Gol (PRL), Minister of Internal Affairs and Vice-Premier Ch.-F. Nothomb (PSC), Minister of Economic Affairs M. Eyskens (CVP), Minister of Foreign Affairs L. Tindemans (CVP) and Budget Minister P. Maystadt (PSC).

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February, a special meeting of the EEC Council of Ministers was convened. It appears that Minister of Finance, W. De Clercq (PVV) proposed a 12 % devaluation of the Franc at this Council of Ministers meeting. This proposal was, however, rejected by both France and West Germany. The Grand Duchy of Luxembourg, which forms a monetary union with Belgium, was not particularly happy about the Belgian proposition, since its own economic situation did not need a devaluation. After a long series of negotiations, the EEC ministers agreed on the morning of Monday 22nd February to a devaluation of the Belgian Franc and the Luxembourg Franc by 8.5 % and a 3 % devaluation of the Danish Krone. Simultaneously with the devaluation, the government took a number of accompanying measures, such as the freeing of wages and salaries from their link with the index and the temporary price freeze (see above).

4. The social partners and social consultation.

A social consultation system had been built up after World War Two, based on a fundamental agreement in which the characteristics may be traced back to the document which served for a long time as the basic document of Belgian industrial relations, i.e. « the draft agreement concerning social solidarity » (1944). Alongside the forms and the procedures for settling socio-economic conflicts, this basic agreement also defined the range of labour problems which could be dealt with by means of this consultation procedure. Essentially, it contained the guarantee that substantial wage rises and income guaranteeing measures would be granted to the workers in exchange for the pacifying function of the labour organizations in the event of the systems of industrial organization and authority relationships developed by the employers being called into question by the workers groups. At the same time, the unions recognized that the economic problems were exclusively the employers' area of authority (19).

This basic agreement, as the most important consensus document over the approach to problems and conflict solving in the socio-economic area, did not undergo any fundamental changes during the course of the years and continued to operate reasonably. All the more so because both employers and employees had a large degree of autonomy in their negotiations and were able to avoid situations of acute conflict by a pragmatic approach to the problems. However, the government gradually became

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(19) J. BUNDERVOET, *Het doorstromingsprobleem in de hedendaagse vakbeweging. Kritische literatuurstudie en verkenningen in de Belgische vakbonden,* Leuven, 1973, pp. 337-340.

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a third and important partner in this process of social consultation. This development is explained not only by the growing state intervention in socio-economic life, but also by the fact that the public sector became an ever larger employer.

Together with the first signs of the economic crisis there appeared also the first indications of crisis in the social consultation mechanism. The remedies which had so often proved successful in the past (including the organization of special employment conferences) in maintaining the socio-economic consensus intact began to fail, in spite of the repeated calls to conclude a new social pact. Indeed, the basic agreement mechanism had seized up as a result of the economic crisis. The limited amount of economic growth gradually made it more difficult to keep on taking income raising measures, while the employers were also unable to continue guaranteeing full employment prospects too.

During 1982 the employers and employees were still unable to draw up the boundaries of a new socio-economic consensus. The unions find it especially difficult to draw up a new trade union strategy. This cannot be exclusively attributed to the changed economic conditions (sluggish economic growth, unemployment and the challenge of the third industrial revolution) but also to internal problems with which the workers' organizations have to contend (20). Thus the communitarian tensions and the pressure towards regional autonomy have their effect upon the process of defining the position which these unitarian structured organizations should adopt. Thus the unions have not escaped the trend towards regionalization which has manifested itself in all sections of the Belgian State during the last decades, however adverse the national leaders find the effects of this on workers' solidarity. The economic crisis has accelerated this process of regionalization and the sharpening of differences in opinion between Flemings and Walloons concerning the aims and resources of the trade union strategy. As a consequence of this evolution it appears to be growing ever more difficult for the national leadership of the workers' organizations to define policies in the event of actions which will be subscribed to, supported and followed in one and the same manner in both parts of the country.

The crisis has, moreover, increased the differences between the rich and poor economic sectors, between sectors which are still experiencing considerable growth (such as the banking, insurance and electricity sectors) and problem sectors (such as the steel, textile, shipbuilding and coal-mining sectors) where in addition to the general moderation in wage

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(20) V. PEETERS, « Vakbonden in een ander pak ! ? », in *De Gids op Maatschappelijk Gebied*, 1982, nr. 4, pp. 305-314.

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levels there is often an urgent need for supplementary moderating or economy measures (not only wage-related but employment numbers-related also). A further factor which complicates the decision-making process within the unions is the increasingly heterogeneous character of the workers' group. The workers' group has long ceased to be composed of simply labourers and clerical staff. These two categories have been joined by the technicians, civil servants (employed by national, local and other authorities), teaching staff, university graduates and middle management personnel, each with their own professional federations, interests and sensitivities. The economic crisis has also increased the gulf within the trade unions between the militants on the one hand, which believes that the leadership allows itself to be manoeuvred too easily into a defensive (negotiating) position and restrains their readiness to take action, and the individual members on the other hand, who are disappointed because the unions can no longer procure them any financial advantages. Then there are the unemployed and those people who are caught up in one temporary employment system or another, who consider that they are not given sufficient opportunities within the union movement. Furthermore, within the trade union movement there are ever more questions being asked concerning the effectiveness of the traditional means of action, strikes and demonstrations, and the opportunity of new means of action. At the same time, the trades union movement is, in this period of economic crisis, without a central trades union issue on which the whole workers' group could take a common line and which could fulfil the same type of symbolic function as did that of the eight-hour day.

The special powers policy of the Martens V government and the trades union reactions to it illustrate a number of the developments in the social consultation process and the trades union position outlined above. The special powers legislation has changed the form of social consultation into more of a consultation by the government of the employers' and workers' organizations instead of a process of concertation between the three parties. Instead of becoming the third partner, the government has evolved into the party which defines the contents of the material to be discussed and, failing a consensus between the employers and the workers, takes the final decision itself. Employers and workers thus negotiate within the limits of the socio-economic policy options defined by the government. This became quite clear when the government presented the measures from the second batch of special powers decrees to the social partners. This second batch contained a number of measures designed to hold down the firms' production costs, including the change in the existing index-linking mechanism for wages and salaries (see above). The government presented three potential formulae to the social partners in this connection,

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all of which were designed to reduce the growth of overall labour costs by 3 %. The three « representative » trades unions, the Christian ACV-CSC, the socialist ABVV-FGTB and the liberal ACLVB-CGSLB, and also the employers' organization, the VBO-FEB, all turned down the index proposals. Subsequently, the government decided, together with the devaluation, to suspend the existing system of index linking of wages and salaries to the retail price index and then to follow this with the replacement of the normal indexation by a fixed amount (this had been one of the three proposals put forward by the government). The social partners were thereby faced with a fait accompli.

The government's attempts to conclude an *employment pact* also misfired. The christian democrat-liberal government intended this pact to compensate for the economy and moderation measures imposed on wage and salary earners, and at the same time hoped that it would maintain, or at least not lose, the support of the Christian trade union, the ACV-CSC. The government's proposals meant that the global level of employment would be maintained at the 31st March 1982 level at least until 31st March 1985, through a redistribution of the work available, the encouragement of part-time working, the limiting of joint assessment of income for married couples and by measures against the black economy. The intention of the employment pact seemed to be not a reduction in unemployment but rather a stabilization. Just as it did when presenting the indexation reform proposals, the government stipulated the economic imperatives within which the employment pact was to be carried out. Stabilization of the unemployment level could only be achieved as long as the competitive position of Belgian firms compared with their principal trading partners did not suffer through a different development of labour costs. However, the proposed employment pact was turned down by the trades unions. Thus there came about a government employment programme which was intended as a pact : an « undertaking by the government to maintain the level of employment at the 31st March 1982 level ».

During the negotiations in the autumn concerning a new interprofessional agreement the government once more defined the limitations of the material to be discussed. Central to this was the discussion concerning incomes policy and the reduction in the working week. The government's objective was a maximum increase in wage levels of no more than 7.2 % (the average of the expected increases in wage levels among Belgium's seven principal trading partners). The proposal put forward by the government contained an optional reduction in the working week of 5 %, compensatory recruitment to the extent of 3 % and a 3 % forfeit of income growth during 1983.

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Firms which failed to achieve the 3 % recruitment target would have to pay the product of the income moderation measures partly or wholly to the social security authorities, in this case to an employment fund which was to be set up. Alongside this the government proposals also contained a number of stipulations concerning the index.

However, it was not possible to reach any central agreement on the basis of these government proposals. Opposition to them did not come initially from the trades unions, as was the case over the reform of the index and the employment pact, but mainly from the employers' side. The employers' organization, the VBO-FEB, considered the principle of recruitment in exchange for wage and salary moderation to be unacceptable. The government then transferred the social consultation process from the national level to the sectorial level, and then later to the company level. In so doing, the government recommended that the negotiations at these levels should be carried out on the basis of its « national » proposal. In order to apply some pressure on both the employers and the workers, the government decided that in the absence of an agreement certain sanctions would be imposed on the firms (including no extra tax relief for employers' social security contributions, no tax relief for investments to create additional employment and no permission to change the length of the working week). The process of consultation thus became, according to a representative of the employers' organization, the VBO-FEB, « a planned and supervised freedom of negotiation ».

The trades union reactions to the government's special powers policy and to the progress of the social consultation procedure illustrate the differing trade union formats of the two large trades unions, the ABVV-FGTB and the ACV-CSC, and the tensions which exist between both organizations.

The fact that the government was able to carry out its socio-economic policy options without too much resistance from the trades unions may be attributed to the lack of harmony between the ACV-CSC and the ABVV-FGTB. The government was never once confronted with a united trades union front. It is true that the socialist ABVV-FGTB did make its opposition clear from the outset to what it described as « a policy of social regression », and allowed no doubt that the socialist opposition in Parliament would be supplemented by an extra-parliamentary opposition, although it did not completely exhaust its arsenal of means available to it for action. The Christian union, the ACV-CSC, found itself in a more difficult position than the ABVV-FGTB. Indeed, a number of the representatives of the christian workers' movement are members of the govern-

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ment (21). Initially the ACV-CSC adopted a waiting position, saying that it would « judge the government by its deeds », but in the autumn opposition also grew in the Christian trade union, principally due to the fact that the government's employment policy was not showing the expected results.

The differing positions of the ABVV-FGTB and the ACV-CSC had already manifested themselves during the first contacts between the government and the trades unions, in early January. The ABVV-FGTB rejected the government's socio-economic programme completely. Before the approval of the special powers legislation in Parliament the ABVV-FGTB decided to organize a general interprofessional 24 hour strike in early February. There were fears in some circles that the socialist trade union intended to use this as a warming up round for a subsequent general strike, referring to the example of the 1960-1961 strike when the socialist party was in opposition too and the then christian democrat-liberal government tried to carry through a number of drastic financial and social reforms by means of a composite « Unitary Law ».

However, it did not come to this, since it very quickly became clear to the ABVV-FGTB leadership that the ACV-CSC would not be willing to cooperate in such an opposition action (22). In fact, the Christian and Liberal trades unions finally decided not to take part in the ABVV-FGTB 24 hour strike, despite the ABVV-FGTB attempts to answer the announced government measures with a common trades union front. However, the national position of the ACV-CSC was not uniformly adopted by the Flemish and Walloon wings of the Christian trade union. The Walloon wing of the ACV-CSC left the decision of whether or not to take part in the strike in the hands of the regional divisions, i.e. it did not prevent any members of the Walloon branches of the Christian trade union from taking part in the ABVV-FGTB actions if they so wished. Moreover, the 24 hour strike showed all the characteristics of the traditional strike pattern in Belgium : practically total in Wallonia, while limited in scope in Flanders, and more widespread in the public service sector than in the private sector. The government and the majority parties considered that it was a political strike.

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(21) The CVP and PSC ministers in the national government and also belonging to the workers' wing (ACW-MOC) are : Minister of Social Security and Institutional Reforms J.L. Dehaene, Minister of Education D. Coens, Minister of Employment and Labour M. Hansenne, and Minister of Budgetary and Scientific Policy P. Maystadt.

(22) The refusal of the ACV-CSC to participate in the strike against the composite Unitary Law (December 1960 - January 1961) was the chief cause for the failure of this strike.

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At the end of February (after the devaluation and after the second batch of special powers legislation decrees had been announced) there was once more unrest in Wallonia, mainly in the Charleroi and Liège basin, where strikes and demonstrations were organized jointly by the trades union front against the government measures (23). On 25th February the Walloon wings of the ACV-CSC and the ABVV-FGTB decided to hold a joint series of regular strikes, beginning in early March. The economy measures embodied in the government's third batch of special powers decrees, especially those involving social security, provided a new opportunity for the ABVV-FGTB to call upon the ACV-CSC « to organize a national joint action ». The ABVV-FGTB left the choice of the means of action, strike or demonstration, open, but once again the ACV-CSC refused to go along with the socialist trade union's proposal. This refusal to cooperate by the ACV-CSC did not prevent the ABVV-FGTB from once again organizing a 24 hour strike in late March. However, due to the pressure from the Walloon wing gradually becoming too great, the ACV-CSC too could no longer remain passive, and so it decided to organize a national demonstration on 27th March, and thus in this manner to warn the government « where the limits of 'income sacrifice' lie and on what lines the future recovery strategy » should be based (24).

The social unrest gradually decreased towards the end of March. In spite of the ABVV-FGTB's long-drawn out actions, mainly in Wallonia with their high and low points, the government actually implemented its announced measures. Once they realized that it had not succeeded in slowing down the work of the government and that at the same time it could not count upon the cooperation of the Christian trade union for a general mobilisation, the ABVV-FGTB's actions gradually subsided.

During the months of April and May the social partners negotiated with the government over the employment pact. Mainly from the side of the Christian trade union there was pressure for such a pact as a quid pro quo from the government for the workers' income moderation. It therefore came as a surprise when the ACV-CSC ultimately decided not to sign the proposed pact. The ACV-CSC's official position was that « the proposed pact did not contain sufficient mutual undertakings ». However, it is reported that the Flemish and Walloon contingents of the Christian trade union were unable to agree over the government proposal and thus it was decided not to sign the text but to consider it as a

(23) The government's decision with respect to the Walloon steel industry was one of the factors which influenced these actions (see below).

(24) M. STANDAERT, « Een waarschuwing », in *Het Volk*, 29th February 1983. 'Het Volk' is a daily newspaper of the Christian labour movement.

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« declaration of intent » on the part of the government. It was a source of much less surprise that the ABVV-FGTB was not prepared to sign the pact, though. The ABVV-FGTB even stayed away from the negotiations for a period of time because the discussions « are yielding no results and the government is imposing its decisions ». The ABVV-FGTB renewed its call to the ACV-CSC during the negotiations for a common action programme against the government measures. However, the proposal was once more refused by the ACV-CSC, including its Walloon wing this time. The Walloon federations of the Christian trade union did, however, wish the ABVV-FGTB and the ACV-CSC to jointly define the action to be taken in the event of the failure of negotiations with the government over the employment pact.

During the autumn, though, the first signs of a growing reconciliation between the Christian and the socialist trades unions could be observed. This was caused by the failure of the negotiations between the social partners over the central wage agreement (see above). The ACV-CSC, which until then had adopted an extremely cautious and noncommittal approach, decided after the breakdown of the negotiations to organize a series of regular strikes at the provincial level, preferably in cooperation with the ABVV-FGTB. However, the socialist trade union, which had seen its own actions come to nothing in the spring because of the dismissive approach of the ACV-CSC, did not immediately declare itself to be willing to go along with the ACV-CSC's planned actions. The reason for this was that the ABVV-FGTB wished not only to put pressure on the employers with the strikes but also to put pressure on the government too, in order to have the optional reduction in the working week and compensatory recruitment contained in the government proposal for the central wage agreement transformed into an obligation. The ACV-CSC, which had carefully avoided criticism of the government in its earlier positions, emphasized that the series of regular strikes were aimed purely against the employers, « in order to teach the employers a lesson », according to ACV-CSC Chairman J. Houthuys, and were not prepared to consider an action against the government. The ABVV-FGTB nevertheless decided to take part in the regular strikes (25). Both trades unions thus organized joint actions, although there was no question of a common front.

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(25) An agreement was reached between the ABVV-FGTB and the ACV-CSC over the programme of action. The ACV-CSC first planned three provincial strikes to take place on Tuesdays : on 23rd November in the provinces of West Flanders, Hainaut and Namur on 30th November in the provinces of East Flanders, Antwerp and Brabant, and on 7th December in the provinces of Liège, Luxembourg and Limbourg. The ABVV-FGTB had originally planned as part of its campaign of action a « day of familiarization » in the firms on 23rd November and strike actions on 30th November and 7th December. A joint action programme emerged in mid-November after contacts between the leaderships of both trades unions. After an information and

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1982 will certainly not be recorded as a year of success in the annals of the labour movement. On the contrary, the trades unions were obliged « to surrender » a number of their earlier gains. Firstly there was the change in the automatic system of index-linking of wages and salaries. The maintenance of this system, together with the reduction in the length of the working week, had been the great trades union issue of the last few years. The trades unions' demand for the index mechanism to be restored met with the government's refusal. Social security was a second area where the trades unions made sacrifices. The reform measures taken to restore the financial equilibrium of the social security system meant that a number of social allowances were considerably reduced. Trades union circles found it hard to accept the measures concerning health insurance, the unemployment sector and the family allowances sector especially. Moreover, at the end of 1982 the government decided to extend a number of the 'temporary' measures concerning social security into 1983. Furthermore, the trades unions were confronted with the global reform of the social security system, announced for 1983. The trades unions strongly opposed the liberal proposals on this matter (slimming down the social security sector, privatization of some social sectors and the introduction of a so-called negative income tax) and want the reforms limited to an internal restructuration, thus keeping as close as possible to the traditional concept of the system. The exceptions which the government granted to the application of the labour Act were likewise looked upon with suspicion in trades union circles (26). Among the trades unions there

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familiarization campaign in the firms (on 23rd November), strikes were held in the provinces of Antwerp, East Flanders, Brabant and Namur on 30th November, and then in the remaining 5 provinces on 7th December. Support for the strikes was very uneven. The strikes were very well supported in the public sector, especially in the public transport area, while in the private sector there was much less support. As was the case in previous strikes, support was considerably stronger in Wallonia than in Flanders. On the railways there were actions by the personnel throughout the whole year against the economies imposed in this sector by the government. A national strike, announced for 25th March was able to be prevented at the last moment, but this was no longer the case on 30th September. In November two more morning strikes took place and there were also various different urban and regional transport actions (buses and trams) against the economy measures.

It should also be mentioned that the ABVV-FGTB elected A. Vanden Broucke as its Chairman on 20th December, to succeed G. Debunne, who was retiring after having led the socialist trade union for 15 years. G. Debunne had earlier (on 23rd April) been elected as Chairman of the European trades union federation. The ABVV-FGTB also carried out a modification to its statutes, through which it became composed of three inter-regional sections, a Flemish section, a Walloon section, and a separate section for the Brussels-Halle-Vilvoorde district.

(26) These exceptions were granted in the context of the experiments for the application of the shorter working week in the firms. This is the application of the so-called Palasthy Plan. This plan, named after the Catholic University of Louvain (French-language section) professor, T. Palasthy, who hails originally from Hungary, aims at increasing the efficiency of industrial capital resources by allowing the machines to work more and people to work less hours through a generalisation of the shift system.

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is a fear that these exceptions are the beginning of yet more changes to the labour organization.

There was also displeasure within the unions because of the government's employment policy. In 1982 the government had planned to create work for 15,000 unemployed people with the setting up of the *Alternative Work Circuit*. The Alternative Work Circuit is a plan propagated by the Christian workers' movement, and which is aimed at the employment in the non-commercial sector of the long-term unemployed, the so-called structural unemployed. By the end of 1982 the government was still a long way from achieving its objective : only slightly more than 4,000 unemployed people had been found jobs in the Alternative Work Circuit. The objectives for employing the young unemployed, through the system of training periods, had also not been achieved. The government did indeed decide that the firms and public services had to take on more trainees (to an amount of 3 % instead of 2 % of the total payroll of the firm, of which 1 % were to be half-time (27). By the end of 1982 33,000 young people had been taken on as trainees while in strict application of the law there should have been another 30,000. Another new development was the setting up by the government of the Interdepartmental Budget Fund in order to finance jobs in the non-commercial sector which would normally, under the existing legislation, be eligible for subsidies but for which the authorized Minister or Secretary of State did not have sufficient funds to finance in the normal manner within the normal budget. As is the Alternative Work Circuit, this fund is aimed at the employment of the long-term unemployed. Just as the Alternative Work Circuit did, the Interdepartmental Budget Fund appeared to get off to an extremely slow start.

The Federation of Belgian Industries (VBO-FEB) was more positive towards the government's policy. The devaluation of the Belgian Franc, the suspension of the automatic index-linking, the reduction in corporate taxation, energy prices and some social security contributions for the employers all combined to restore some of the competitive power of Belgian firms. These measures achieved the transfer of approximately

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(27) The system of traineeships for young people had already been introduced in 1976 in order to encourage the employment of young unemployed people, in view of the great proportion of them among the total unemployment figures. The trainees are taken on for a period of 6 months, after which they can be recruited on a permanent basis. The original period of traineeship may also be extended for a further 6 months. The trainees make up a supplementary employment category : they are not part of the ordinary employment system. The training programmes must contain an element of practical training in order to increase the young people's chances of being employed subsequently.

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100,000 million BF of income from the individual workers via the government through to the firms.

The price freeze, the reduction in private consumption and the 1983 draft budget were considered to be negative points in the employers' circles. The employers also repeatedly made it known that there could be no question of restoring the old indexation mechanism in 1983. The government went along with this demand from the employers. A noteworthy occurrence was the call by the Chairman of the VBO-FEB to the firms to take initiatives which would promote employment opportunities. Despite the verbal undertaking of some fifty large firms, employment opportunities in the private sector continued to fall during 1982.

5. Walloon steel and the regionalization of the national industrial sectors.

As they did during 1981, the difficulties in the Walloon steel industry continued to weigh heavily on political events in 1982. Indeed, it very soon became clear that the 22,000 million BF of government subsidies provided to the Walloon steel company Cockerill-Sambre for the financing of the cash drains between 1981 and 1985 (the year after which according to the EEC Commission no further state subsidies could be granted to the steel industry) would already be completely used up by the end of 1982. In our view, what is more important than all the statements, facts and comments concerning the developments in the Walloon steel industry is the effect which this problem has on the discussions in connection with the regionalization of the Belgian State and the possibilities of an economic federalism.

The merger of the two great lossmaking Walloon steel companies, Cockerill (in Liège) and Hainaut-Sambre (in Charleroi), which was carried through in 1981, was not inspired by economic motives but rather by political motives. The then Minister of Economic Affairs, W. Claes (SP), had previously, on the basis of a study carried out by the American firm of consultants, McKinsey, declared himself to be a supporter of a filialisation of the two large steel companies. However, he was confronted with a fait accompli by which a remarkable coalition arose between the heads of the steel industries of Liège and Charleroi, the trades unions of both basins and the then Chairman of the Walloon socialists, A. Cools, who drew up the merger plans for Cockerill-Sambre (28).

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(28) H. DE RIDDER, *op. cit.*, pp. 209-221.

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A merger would reinforce the negotiating position of this coalition with respect to the government. As is consistent with the economic tradition of this country, which dictates that the national government should intervene financially in economic crisis sectors (cf. the coalmining industry in the fifties and sixties), the government would have to bear the costs of the restructuration plans and the losses of the Walloon steel companies.

The restructuration plan, drawn up by the Christian democrat-socialist M. Eyskens I government on 15th May 1981, provided for the State to take a shareholding of 81 % in the merged steel company Cockerill-Sambre, the conversion of 25,000 million BF of cash drains by the State into 15,000 million BF worth of capital and 10,000 million BF worth of debentures, the financing of the cash drains for the period from 1981-1985, a reduction of 5,000 in numbers employed, a reduction in the total wage bill, the conclusion of an industrial agreement with the trades unions and a reduction in production capacity to 8.5 million tonnes.

This same Eyskens I government which had drawn up the steel plan was to fall later over the steel dossier when it was unable to reach an agreement with the banks over the financing of the plan (29).

The Martens V government was subsequently able to reach an agreement with a consortium of Belgian banks, which was rounded off with a protocol (22nd March). But, even before the protocol had been signed, the EEC, which supervised the implementation of the steel plan, had expressed its doubts on certain of the plan's proposals. According to a new study carried out by the American firm of consultants, McKinsey, on behalf of the EEC Commission, Cockerill-Sambre would still be losing money by 1985 and consequently the financial requirements of the company would be substantially higher than provided for in the 1981 plan. Furthermore, the study recommended a further reduction in Cockerill-Sambre's production capacity to 5.7 million tonnes, which implied among other things the closure of the Seraing production unit in Liège. When the results of this study were announced they caused great displeasure among the trades unions of both steel areas and was at the same time the start of a sharp conflict between Liège and Charleroi. The Liège and Charleroi steelworkers had joined in strikes and demonstrations together in late February and early March because the EEC Commission was opposed to a number of supplementary investments in Liège.

In early September it became known that the 22,000 million BF package intended to cover the cash drains for the period from 1981-1985

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(29) See M. DEWEERDT and J. SMITS, *loc. cit.*, p. 266.

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would be practically all used up by the end of 1982, and that Cockerill-Sambre thus needed a fresh injection of funds. Initially the government refused to agree to any further financial aid. The government first tried to obtain permission from the EEC Commission for the release of the financial aid provided for in the steel plan to cover trading losses. The government received this permission on 16th December. On the penultimate day of the year, the government once more took a number of important decisions in relation to steel. The Frenchman, J. Gandois, who until June 1982 was the top man in the Rhône-Poulenc chemicals group, was charged by the government with the task of drawing up a new, the umpteenth, industrial scheme for Cockerill-Sambre which would have to restore the viability of Cockerill-Sambre by 1985 and then subsequently bring it into profitability.

The Walloon steel dossier undisputedly accelerated the discussion concerning the regionalization of the 5 national industrial sectors. The State reforms implemented in 1980 had recognized 5 economic sectors, steel, coalmining, textiles, shipbuilding and glass containers, as being sectors with which only the national government (and thus not the regions) is competent to deal (30). Protest has gradually gathered momentum in Flanders against the financial aid to the Walloon steel industry (which

(30) A government working group calculated the regional distribution of the credits for the 5 national economic sectors (subsidies up to 1985). This distribution is as follows (in millions of BF) :

Sectors	*Flanders*	*Wallonia*	*National*
Steel	40,534	105,627	146,161
Shipbuilding	39,426	—	39,426
Textiles	22,452	5,613	28,065
Coalmining	66,009	3,207	69,216
	168,421	114,447	282,868
	59.54 %	40.45 %	100 %

These figures show that Flanders and Wallonia each receive a share of the credits available which is in proportion to their respective population figures.

Employment figures for these sectors have evolved as follows from 1970 to 1981 :

— steel : from 59,686 to 44,152
— textiles : from 213,834 to 111,519
— coalmining : from 39,217 to 21,174
— shipbuiding : from 9,923 to 7,690.

The textile sector has thus lost 3 times as many jobs as in the steel, coalmining and shipbuiding sectors together. The textile sector is (or was) almost entirely located in Flanders.

No figures are available for credits to and employment in the glass containers sector. In fact only 1 company is involved here.

A. WOUTERS, « Vlaanderen (60 %) en Wallonië (40 %) krijgen elk hun inbreng terug », in *De Standaard*, 7th December 1982.

Kamer van Volksvertegenwoordigers, *Vragen en Antwoorden. Gewone Zitting 1981-1982*, 9th March 1982, p. 501.

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the Flemish press compared to a bottomless pit) and the argument for regionalization of the 5 « national economic » sectors is being more and more put forward. The supporters of such a regionalization advance the argument that an economic recovery policy is only possible if the regions are given the necessary authority and means. The difference in socio-economic opinions which exists between Flanders and Wallonia can thereby be translated into their own policies and at the same time an end can be brought to the present-day compensation policy between both parts of the country.

The proposal for the regionalization of the 5 economic sectors has its supporters in Wallonia as well as in Flanders. Its supporters on both sides of the language frontier are, however, not in agreement over the manner in which the financing of this regionalization should be carried out ; the Flemish position is that it should be self-financing via taxation, while the Walloon position is that there should be national grants made.

It was somewhat surprizing that the government declared itself in early March to be prepared « to investigate whether a consensus can be reached on the opportunity of the regionalization of the 5 national economic sectors and, if possible, on the financing of such a reform ». A government working party was at the same time given the task of preparing a preliminary study of the problems which might be encountered in such a potential regionalization. The government tried, with this decision, to push this heavily communitarian laden dossier into the background. However, it was unable to prevent the problem from being raised and from inevitably cropping up again on the political agenda in the near future.

6. The financial situation of the municipalities and the municipal council elections.

Just as does the national government, the local authorities in Belgium have to contend with serious financial problems ; 519 of the 596 Belgian municipalities have a budget deficit. The large cities such as Liège, Brussels and Antwerp in particular are weighed down under a heavy burden of debt. The draft budgets for the municipalities for 1982 showed a deficit of 35,154 million Francs, and the total debts of the municipalities are estimated at more than 500,000 million Francs. The cause of the problem lies, according to the municipalities, not primarily in their own camp but rather in that of the national government. Since 1973 the State has paid out more than 130,000 million Francs less to the municipalities than they were entitled to under the law. Other causes of the financial diffi-

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culties are, according to the municipalities, the supplementary charges imposed upon them by the national government, the financial consequences of the merging of the municipalities and the late payment of amounts owed by the State.

Minister of Internal Affairs, Ch.-F. Nothomb (PSC), drew up a recovery programme for the municipalities at the end of February. The majority of the stipulations of this programme were aimed at a fairer financial distribution of the municipal costs between municipalities and State, and a faster transfer of state funds to the municipalities. Later on in the year the government used the special powers legislation (decree of 2nd December) to impose upon the municipalities the obligation to balance their budgets by 1988. The personnel employed by the municipalities held a strike in protest against this decree on 6th and 7th December, especially in the large municipalities and in Wallonia. Before the special powers decree was implemented, the Asssociation of Belgian Towns and Municipalities had called upon the municipalities to join in an administrative and payments strike action (a rare action in the history of the local authorities), in order to urge the national government to change its announced reform measures and to make it discharge its obligations to the municipalities. The national reform programme was not, however, followed by the inevitable municipal reform measures. In view of the fact that the municipal council elections, to be held on 10th October, would change the composition of some of the municipal councils, the existing majority factions of the municipal councils left this unpopular task for their new council committees.

These municipal elections were watched with greater interest than normally would be the case, because the national opposition parties were attempting to give these elections a national colour too. They called upon the electorate to show their disapproval of government policy through these elections. The opposition parties clearly failed to succeed in this design. Most observers were agreed that the electorate voted primarily on the municipal issues. The great loser in 1982 when compared with the municipal elections of 1976 was the CVP : a 5 % loss in votes and the loss of one third of the absolute majorities which it had gained in 1976. The Walloon « sister » party of the CVP, the PSC, also lost ground although its losses were small. The greatest victors were the green parties, Agalev in Flanders and Ecolo in Wallonia. In the 8th November 1981 parliamentary elections the green parties had won their first seats in Parliament, and now in the municipal elections they made their appearance in a whole series of municipal councils. In some municipal councils the green parties were included into the ruling majorities, including in Liège, the largest Walloon city, where the ecologists came to hold the balance

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of power and formed the ruling majority with the leftist parties. In comparison with 1976, the liberal parties, the PVV in Flanders and the PRL in Wallonia, made small losses. A status quo situation was observed for the socialist parties, the SP in Flanders and the PS in Wallonia. The leftist unity lists, a combination of small left-wing parties with the communist party and also in some municipalities with the socialist party, had very little success overall. All the federalist parties recorded losses, albeit to varying degrees. The Flemish Nationalist party, the VU, suffered only a small loss. Despite the decline in its votes, the VU still succeeded in being included in a greater number of ruling majorities than in 1976, and thus strengthened its local power base.

In Wallonia the RW was practically wiped off the political map, while the FDF in Brussels did not experience the debacle announced by the Flemish press, despite an overall loss of votes. In some municipalities within the Greater Brussels area this party made considerable losses, but in others it gained substantial amounts of ground, while in the remainder it maintained the status quo.

Although the opposition parties' attempts to make these municipal elections into a test of government policy were, as previously stated, a failure, they did have (typically Belgian) national consequences. This was assured by the election results in the Flemish linguistic frontier municipality which allows facilities for French-speakers, the Voer. The list which called for the return of the Voer municipality to the Walloon province of Liège, « Retour à Liège », won 10 out of the 15 seats on the municipal council, and nominated the leader of the pro-Liège action group Action Fouronnaise, J. Happart, as Burgomaster of the Voer. Flanders and Wallonia were diametrically opposed to each other over this question, right the way up to government level : in Flanders the nomination of J. Happart was unanimously rejected, while in Wallonia it was unanimously supported. The nomination of J. Happart was to come to a full head in early 1983 and was to rock the government badly.

7. The evolution within the political parties.

For some of the parties their internal life, at least during the first months of the year, was marked by the consequences of the parliamentary elections of 8th November 1981. In view of the fact that the chairmen of three of the four government coalition parties were members of the government, these parties also had to elect new chairmen. In general it may be stated that the party executives, or the particracy, placed less of a burden on government work than was the case with the previous governments.

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The custom of cabinet ministers always asking the approval of their party before declaring themselves to be in agreement with a particular decision, which was principally a custom among socialist ministers, was dropped. The new party chairmen all stated when they were elected that they did not intend to take over the customs of the particracy and that they would grant the government a greater degree of freedom in its business. A fact which undoubtedly contributed to this development was that the new party chairmen were less experienced politicians than their predecessors.

The Flemish Christian democrats, the CVP, which had suffered its worst defeat in the elections of 8th November 1981 since World War Two, set up a working group to investigate the causes of this defeat. The conclusion reached by this working party was that the electorate found the CVP more and more to be an almost unapproachable power and policy apparatus, and that it found the social vision, the basic principles and the programme of the CVP difficult to reconcile with the political positions adopted by the party. Furthermore, a survey, in which one fifth of party members took part, indicated that they saw the lack of a firm approach by the CVP ministers towards the socialists in the previous governments as the chief cause for the election defeat. Other prime causes were, according to them, the ineffective government policy, not enough clearly Flemish policy, the approach to nuclear missiles, a lack of dialogue between the base of the party and its leadership, and divisions within the party.

The period of reflection resulted in the 13th-14th March congress in Brussels. In the closing resolutions of the congress it was said that the CVP, as an open party, must endeavour « to remain the partner in dialogue of all the tendencies within the christian inspired population group and should at the same time remain open to other tendencies ». Unity and solidarity, according to the resolutions, must be the chief characteristics of the CVP as the people's party. F. Swaelen was elected to the position of Chairman of the party at the time of this congress. As a candidate for the chairmanship he had previously presented the document « *De Christelijke Volkspartij, een nieuw begin* » (The Christian Democratic Party, a new start). This, too, placed the accent on unity, solidarity and a return to basics. During his chairmanship the CVP achieved a degree of internal peace, and large tensions, such as those during the chairmanship of L. Tindemans, were avoided. The Christian workers' party, which ACW circles (the workers' wing of the CVP) had considered forming after the 1981 elections, never got off the ground. The Christian workers' movement did, however, remain divided over the issue of its attitude towards the CVP.

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The French-speaking Christian democrats also elected a new Chairman, G. Deprez, who had occupied the position on a temporary basis for several months after the resignation of P. Vanden Boeynants as Party Chairman. In his efforts to put an end to the existence of organized « families » (standen) in the PSC, which he had announced in late 1981, G. Deprez achieved some successes (31). Even before the election of Deprez to the Chairmanship, the PSC Members of Parliament who belonged to the Centre Politique des Indépendants et Cadres Chrétiens (The Political Center of Christian Self-Employed and Middle Management), the CEPIC, the right wing of the PSC, resigned from this organization. Together with a number of neutral PSC Members of Parliament, they formed the « Rassemblement du Centre Social Chrétien » (Centre Social Christian Rally), which aspired to the dismantling of the structured families and the planned reform of the party, which would have to become a real centre party. The left wing of the PSC still refused to release its structures.

The shock waves of the November 1981 election results produced their after-effects in the FDF too. An important event was the statement by Chairlady A. Spaak that the rapprochement with the RW had been a failure. The fact that this party found itself in crisis can be traced back partly to the fact that several local officials left the party and a Member of Parliament from the Brussels fringe area went over to the PRL.

The Flemish liberal party, the PVV, elected G. Verhofstadt, the outgoing Chairman of the PVV Youth wing, as its new Chairman. The new Chairman's proposal in connection with the reform of the finances of the social security sector by the introduction of a negative income tax, was given a hostile reception not only by the Christian democratic coalition partner but also to a certain degree within his own and other parties. The PVV further activated the discussion concerning the breaking of the BRT monopoly, an element of the government's policy statement. The PVV plan for this provided for a double TV broadcasting organization. One network in the public broadcasting system would be granted to the BRT, while the other would be for authorized broadcasting bodies. Alongside this, the PVV believes that there is still room for a cable transmitting system, in which private independent groups could distribute their own productions and in which advertizing would be allowed.

The French-speaking liberal party, the PRL, elected L. Michel as its new Chairman to succeed J. Gol.

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(31) For the relationships between the 'standen' within the CVP and the PSC, see J. SMITS « De standenvertegenwoordiging in de Christelijke Volkspartij en de Parti Social Chrétien,, in *Res Publica,* 1981, nr. 1, pp. 73-127.

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The Chairman of the French-speaking socialist party, G. Spitaels, continued working towards the construction of a progressive majority in Wallonia. This manifested itself at the municipal elections, at which in several Walloon municipalities the PS opened its lists to communist, RW, RPW, Christian democrat and independent candidates. On the basis of the working document *« Face à la crise. Rénover et agir »* (Faced with the crisis. Renew and act), which was largely drawn up by the PS Chairman, the French-speaking socialists held an ideological congress in Brussels on 27th and 28th March (the previous one dated from 1974. The original, rather pragmatic text was modified in a more radical sense. Thus the congress declared itself to be for the introduction of a wealth tax, a register of private fortunes, the nationalization of the holding companies and the energy sector and the extension of regional authority.

The Flemish socialist party, too, continued, from the opposition side, the approach (called « operation breakthrough ») towards rapprochement with other, mainly Christian, left wing groups and organizations. A number of « Breakthrough » lists achieved noteworthy success in the municipal elections.

The 24th Belgian Communist Party (KPB) congress was one of the most turbulent in its post-war history. Since the 1979 congress the KPB had had to contend with frictions between the so-called Euro-communists and the Stalinist tendency. In the resolutions of the congress, the party confirmed the moderate Euro-communist line taken in 1979, defined as the « specific Belgian road towards socialism ». Several supporters of radical Euro-communism and radical Stalinism were not re-elected to the newly elected Central Committee of the party. At a second statutory congress a small majority declared itself in favour of the federalization of the party. In the revised party statutes there is also no more reference to « Marxist-Leninism », which now forms « part of world history ».

After its breakthrough in the parliamentary elections of 1981, the Flemish green party, Agalev, also had to contend with internal tensions. A nationwide survey concluded that the party had grown away from the « Anders Gaan Leven » (Go and Live in an Alternative Way) movement from which it had arisen. It was decided that in future the relationship between them both should be seen as one of « differentiation in unity », and that the names Anders Gaan Leven and Agalev should be maintained for the movement and the political party respectively. At the end of May, the co-founder of Agalev, the Jesuit L. Versteylen, resigned from the party in order to fall into line with the church guideline that a priest may not participate in political life.

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8. Foreign policy and defence policy.

For a long time after World War Two Belgian foreign and defence policy was the exclusive domain of a highly restricted speech-making elite : the Crown, the Minister of Foreign Affairs and a few politicians, diplomats and industrialists (32). This policy, or aspects of it, very rarely grew to become political points of contention. There was a general consensus among the political parties concerning Belgium's membership of the UNO, the NATO and the EEC, and policy with regard to the Belgian Congo and later Zaire (33).

There has been a gradual change in the situation of limited interest for and unanimity over Belgian foreign and defence policy. Since the seventies public opinion and the political parties have been growing more sensitive to the foreign aspects of government policies. This period has seen the formation of many pressure groups whose activities are involved with matters of international politics and the government's foreign policy (34). Belgian Members of Parliament no longer limit themselves in debates about Belgium's foreign policy to merely making remarks in connection with the language problems within the Ministry of Foreign Affairs, a department which has long had a large majority of French-speakers, but now make critical evaluations of the objectives of this policy and point out its shortcomings. As far as this latter point is concerned, it is considered that Belgian foreign policy has for too long been biased in its approach to the former Belgian colony of Zaire. Not only the exclusive concentration on Zaire, but also the undemocratic aspects of the Mobutu regime have come under an increasing amount of fire from pressure groups and a number of (mainly Flemish and socialist) Members of Parliament. These criticisms have resulted in the government side shifting the accent in its Zaire policy, so that Belgium now grants aid to the people of Zaire rather than to the Zaire government (35).

Another example of a theme of Belgian defence policy which has developed into a political issue is the location of new nuclear weapons

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(32) J. DEBOUTTE and A. VAN STADEN, « A study of foreign policy-making in Belgium and the Netherlands. High Politics in the Low Countries », in W. WALLACE, ed. *Foreign Policy making in Western Europe. A Comparative Approach,* Westmead, 1979, pp. 56-82.

(33) W. DEWACHTER, « Elitaire consensus en veranderingen. Problemen en ontwikkelingen in het Belgisch politiek systeem », in *Civis Mundi,* 1972, nr. 8, pp. 230-236.

(34) B. RASKIN, « Drukgroepen voor internationale politiek in Vlaanderen : een dossier », in *Tijdschrift voor Diplomatie,* 1975, no. 1, pp. 3-47.

(35) J.C. WILLAME, « Les relations belgo-zaïroises », in *Res Publica,* 1980, no. 3, pp. 433-451.

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in Belgium at the request of NATO. In 1979 this question of nuclear missiles even brought the then government into difficulties — the first such occurrence since World War Two over a theme involving international policies — because it refused to take the initiative for a parliamentary debate on the NATO draft resolution concerning the decision to produce and locate Cruise and Pershing II missiles in Western Europe (36). The mass demonstration in Brussels on 25th October 1981 against nuclear weapons demonstrated that Belgian citizens too can be mobilized for problems involving security.

Relations with Zaire and to a lesser degree the missiles issue were also in the foreground during 1982. Alongside these issues, interest also spread to events in Central America and the Belgian position in this matter and to the Belgian chairmanship of the EEC Council of Ministers.

Belgium's relations with Zaire were upset by the court case against the thirteen members of the Zaire parliament who were accused of forming a political party (against the Zairese constitution). The House of Representatives in Belgium held a five minute halt in its business on 18th June as a mark of solidarity with the thirteen (37). On the same day, Prime Minister W. Martens, in answer to questions from the opposition, announced that the Secretary of State for Development Cooperation, Mayence-Goosens (PRL), was cancelling a planned visit to Zaire for

(36) P. VAN DE MEERSSCHE, « Bilan Belgisch buitenlands beleid 1979 », in *Res Publica,* 1980, no. 3, pp. 453-470.

(37) In late March SP Member of Parliament L. Van Velthoven had introduced a draft resolution to the House of Representatives for a gradual withdrawal of Belgian military aid to Zaire and for its final ending by the end of 1984. L. Van Velthoven contended among other things that Belgian military aid to Zaire is not a humanitarian operation, as suggested by the government, but rather more of a pacification exercise in the Shaba province, where foreign, and therefore Belgian, economic interests are large. A parliamentary question put by VU Member of Parliament J. Gabriëls revealed that in 1981 Belgian military aid to Zaire amounted to 363 million BF and that 106 military advisers were occupied there. Military aid to Zaire since 1972 has been as shown in the following table :

Year	*Personnel*	*Costs (in millions of BF)*
1972	110	144.9
1973	180	146.3
1974	127	157.9
1975	99	183.4
1976	70	152.7
1977	57	113.7
1978	71	158.5
1979	80	297.9
1980	104	340.2
1981	106	363

Source : *Het Belang van Limburg,* 29th March 1982.

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« personal reasons » (38). All political observers made the connection between these « personal reasons » and the start of the court case against the Zairean Members of Parliament. A new controversy arose after the judgement on 1st July, whereby the thirteen Zairese Members of Parliament were sentenced to 15 years of forced labour, this time in connection with the visit of President Mobutu to Belgium, announced for 15th July. It was reported that Mobutu and Communications Minister H. De Croo (PVV) had drawn up a draft programme in March, in Geneva, for an official visit (39). On 2nd and 7th July W. Martens, under pressure from both majority and opposition Members of Parliament, announced that there could be no question of an official visit, only of a « working visit ». On 7th July a senior official left for Kinshasa in order to discuss the details of the visit, but Mobutu did not see him. Two days later the daily newspaper *De Standaard* revealed that on 7th July King Baudouin had, in the name of the government, sent a letter to Mobutu in which he expressed in courteous terms the Belgian concern about the conviction of the Members of Parliament. A few days later, to the visible relief of the Belgian government, Mobutu, on 13th July, decided to postpone his visit. The visit never did take place during 1982, although the Minister for Foreign Relations, L. Tindemans, did meet the Zairese President in Switzerland on 27th July, although no information was released about this meeting.

Minister for Foreign Relations, L. Tindemans, announced repeatedly in 1982 that the government was working on a policy document for a « global Africa policy », within the context of which relations with Zaire would be redefined. However, by the end of 1982 there was still no news of this document.

Thus in 1982 it cannot be said that harmony over the Belgian position with relation to Zaire was restored ; on the contrary. The development of events in connection with the Belgo-Zairese relations and the political discussions concerning them illustrate the hesitation and caution which have characterized the Belgian position with regard to Zaire for a number of years. On one hand the search for a compromise between the important Belgian economic interests in Zaire, which it is wished to maintain and protect, and on the other hand the growing criticism in Belgium of the dictatorial and corrupt Mobutu regime, have resulted in the Belgian

(38) Secretary of State for Development Cooperation Mayenne-Goosens did, however, visit Zaire in November.

(39) The very fact that it was not Minister for Foreign Relations, L. Tindemans, but Communications Minister H. De Croo, who drew up a proposed programme for the visit with the Zairese President, is in itself worthy of note. It is known that H. De Croo has good personal relations with Mobutu and is a supporter of a closer working relationship between Belgium and Zaire.

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government principally adopting a wait and see position and leaving the initiative to the great powers, France and the United States of America, to coordinate the Mobutu plan for the restoration of the weak Zairese economy (40).

In the summer the government evaluated the development of the disarmament discussions in Geneva. The government has linked these results of these negotiations to the question of the location of long range missiles on Belgian territory. This position, defined by the Martens III Christian democratic-socialist-liberal government (18th May 1980 - 22nd October 1980) on 19th September 1980 was reconfirmed in the policy statement of the Martens V Christian democratic-liberal government.

After the visit of Prime Minister W. Martens and Minister for Foreign Relations L. Tindemans to the USA, the siting of nuclear missiles again became a matter of political interest. It was reported that the ministers had told President Reagan that they were in agreement with the siting of 48 Cruise missiles on Belgian territory and that a decision confirming this would be taken by the end of December 1982. However, W. Martens and L. Tindemans denied this. Nevertheless, they did state that the government was going ahead with the planning and preparation for the siting of these missiles « so that any potential deployment would not have to be delayed through our fault should the negotiations between the Russians and the Americans in Geneva fall through ».

A further stir arose in connection with the nuclear missiles when NATO Secretary General Luns announced in early March that Belgium was actively engaged in preparing the sites for the siting of the missiles. Defence Minister A. Vreven (PVV) was compelled to react to this. According to Vreven, preparations for the (potential) siting were in a first phase, i.e. that of the theoretical study of the suitable siting locations and the government would not take any new decision before 30th June, when it would evaluate the results of the Geneva negotiations. Little has been made known of this government evaluation. In any event it has not yet led to a change in the position of the government. The CVP appears to want to delay a decision concerning the siting of the nuclear missiles. In early June, CVP Chairman F. Swaelen declared that « insufficient information is available for a definitive decision to be made ». The CVP position is certainly not unrelated to the sensitivity of public opinion to this problem and the success of actions organized by the Christian action and peace organizations against the siting of nuclear missiles. The liberals are less reserved : they are avowed supporters of the siting of the missiles, and consider that by delaying the definitive decision it will

(40) J.C. WILLAME, *loc. cit.*, pp. 450-451.

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become ever more difficult to convince public opinion to accept it. The opposition reproaches the government for not informing them sufficiently about the government's position and decisions in this matter. Indeed, it can hardly be denied that the decision making process concerning the location of the nuclear missiles has not been very visible or very clear.

At the beginning of 1982 Belgium took over the chairmanship of the European Council of Ministers from Great Britain. The Belgian programme of priorities proposed to the European Parliament by Minister for Foreign Relations L. Tindemans, a convinced supporter of European integration, contained the following items : the reinforcement of the spirit of unity between the member states of the European Community, the fight against economic nationalism, the finding of a solution to the problem of the European budget, the member states' contributions (in particular that of Great Britain), the common agricultural policy and the European Monetary Union and above all the fight against the economic crisis. At the conclusion of his speech to the European Parliament, L. Tindemans expressed the hope of « breaking through the present day defeatism and stagnation with this Parliament, in order to realistically and pragmatically reach a new and fruitful European dynamism » (41). L. Tindemans had to conclude six months later that « during the period of the Belgian chairmanship of the Council of Ministers the European Community certainly did not move backwards » (42). Thus, despite its good intentions and initiatives, the Belgian chairmanship was unable to transform the stagnation in the process of European integration into a new dynamism.

Ideological differences in matters concerning the fight against the economic crisis and the effects of international events, such as Poland, the Falklands war, Lebanon and European-American relations, contributed to a reinforcement of the national tendencies in the member states and to the inability to adopt common positions on issues. Little came of the idea of a common fight against the economic crisis, which had been the priority objective of the Belgian chairmanship. The proposal to form a « Jumbo Council » (a council in which the Ministers of Finance, Economic and Industrial Affairs would jointly work out proposals for an anti-crisis policy) remained stuck in the preparatory stage ; attempts to further extend and reinforce the European Monetary System came up against objections from West Germany. A temporary solution was, however, found for British contributions to the EEC budget, thus avoiding further blocking action. The fixing of the agricultural prices by a majority vote and not

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(41) Ministerie van Buitenlandse Zaken, *Rede uitgesproken door L. Tindemans op 21 januari 1982 voor het Europees Parlement te Straatsburg.*

(42) F. DE MOOR, « Leo Tindemans : het gevecht met de feiten. Een half jaar EG-voorzitterschap », in *Knack,* 30th June 1982.

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by unanimous agreement was given a negative reception by Great Britain, Denmark and Greece, while the supporters of European integration welcomed the return to the original majority procedure. Little progress was made in the negotiations for the entry of candidate member states Spain and Portugal into the Community, mainly due to the objections of France, which fears that its own agricultural interests will suffer when Spain and Portugal become EEC members. However, an agreement was reached at the last minute between the chairmen of the European Parliament, the European Council of Ministers and the European Commission which should put an end to the conflicts among the European institutions at the annual fixing of the European budget.

Although the results of six months of Belgian chairmanship may be somewhat few and far between when compared to the avowed objectives, it was still seen by observers to have been positive overall. The Belgian chairmanship, coming as it did after that of Great Britain and before that of Denmark, countries which are not among the pacemakers of the European integration movement, turned out to be a welcome relief.

There was also interest in the Belgian position with regard to the events in Central America, especially as concerned Guatemala, where two Belgian missionaries were kidnapped, and El Salvador, where the government, led by the Christian democrat N. Duarte, decided to hold elections. The pronouncement made by Prime Minister W. Martens during his visit to see the American President, « I endorse what the President has said », after the statement by Reagan that Belgium supported US policy with regard to El Salvador, caused a certain amount of unrest in Belgium. On his return to Belgium, W. Martens stated that he had not agreed completely with American policy regarding El Salvador, and attributed the incident to the fact that he had kept to a previously drafted text and was thus unable to react to the precise statement made by Reagan. Moreover, the Belgian government decided not to send an observer to El Salvador during the elections.

Conclusions.

Belgian political events in 1982 were coloured to a considerable degree by the special powers legislation which Parliament had granted to the Martens V Christian democrat-liberal coalition government formed at the end of 1981, and which empowered this government to implement legislation without the approval of the Members of Parliament. Just as it was the case during the crisis years before and after World War Two, a departure was made from the normal parliamentary procedures in order

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to reinforce the position of the government during the execution of the policy of economic reform drawn up by the coalition parties.

In its policy statement the centre-right Martens V coalition announced fundamental changes in economic policy in order to cope with the country's dire financial and economic situation. Its policy of economic reform was aimed at restoring the competitive position of Belgian firms to the level of that of Belgium's principal trading partners through a reduction of the production costs of the firms, and at reducing the government's budget deficit. The government succeeded in this first objective mainly through the devaluation of the Belgian Franc and the change in the system of linking wages and salaries to the consumer price index. The attempts to reform public finances appear to have been less successful. Because of this, the government considered an extension of « limited » special powers to be necessary in 1983.

The reactions of the two large trades unions to this socio-economic policy were dissimilar. The socialist trade union, supporting and reinforcing the parliamentary socialist opposition, attempted to hinder the Christian democratic-liberal coalition special powers policy during the early part of the year, through strikes and demonstrations, but failed to do so due to the unwillingness of the Christian trade union to cooperate in this action. Disappointment grew too within the Christian trade union during the autumn, due to the limited results obtained by the government's employment policy.

The attention of the political parties was essentially concentrated on the municipal council elections which were held in October. The most noteworthy results of these elections were the losses made by the Christian democratic parties and the gains achieved by the greens.

Community problems rather disappeared into the background due to the accent which the government placed on the policy of economic reform. Nevertheless, the problem of State aid for the Walloon steel industry, which is meeting with ever growing resistance in Flanders, and the discussion which has arisen as a consequence of this over the regionalization of the 5 « national economic sectors », would appear to be the most difficult dossier for the Martens V government in the immediate future.

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Abbreviations.

ABVV-FGTB	Algemeen Belgisch Vakverbond van België — Fédération générale du Travail de Belgique : General Belgian Union
ACLVB-CGSLB	Algemene Centrale der Liberale Vakbonden van België — Centrale générale des Syndicats libéraux de Belgique : General Federation of Belgian Liberal Trade Unions
ACV-CSC	Algemeen Christelijk Vakverbond van België — Confédération des Syndicats chértiens de Belgique : General Christian Union
ACW-MOC	Algemeen Christelijk Werkersverbond — Mouvement ouvrier chrétien : General Christian Workers Association
Agalev	Anders gaan leven : Green party (Flemish)
BRT	Belgische Radio en Televisie : Belgian Radio and Television Broadcasting Company (Dutchspeaking)
CEPIC	Centre politique des Indépendants et Cadres chrétiens : Political Center of Christian Self-employed and Middle Management
CVP	Christelijke Volkspartij : Christian Democratic Party (Flemish)
Ecolo	Green Party (French-speaking)
FDF	Front démocratique des Bruxellois francophones : Brussels French-speaking Democratic Front
KPB-PCB	Kommunistische Partij van België — Parti communiste de Belgique : Belgian Communist Party
PRL	Parti réformateur libéral : Liberal Reform Party (Liberals, French-speaking)
PS	Parti socialiste: Socialist Party (French-speaking)
PSC	Parti social chrétien : Christian Democratic Party (French-speaking)
PVV	Partij voor Vrijheid en Vooruitgang : Party for Freedom and Progress (Liberals, Flemish)
RAD-UDRT	Respect voor Arbeid en Democratie — Union démocrate pour le Respect du Travail : Respect for Labour and Democracy (anti-tax party)
RPW	Rassemblement populaire wallon : Popular Walloon Rally
RW	Rassemblement wallon : Walloon Rally
SP	Socialistische Partij : Socialist Party (Flemish)
VBO-FEB	Verbond van Belgische Ondernemingen — Fédération des Entreprises de Belgique : Federation of Belgian Industries
VU	Volksunie : The People's Union (Flemish nationalists)

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