

Belgian Politics in 2002

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Verhofstadt's cabinet's final year in office has proved to be a difficult one at times. Discord was noticeable between the greens and the other coalition partners. On immigrants' suffrage the Flemish liberals (VLD) and the other partners were poles apart.

The slowing economic growth forced the cabinet to a frugal budgetary policy and impeded new initiatives. Corporate taxes were amended and eco-taxation was finally introduced. The implementation of the Lambermont agreement continued and the electoral system and bicameralism were revised. The party system marked a rapprochement of socialists and Spirit (i.e. the former Volksunie) in Flanders and greens in Wallonia, the transfer of a number of Spirit MPs to the liberal party, and the francophone Christian democrats' change of name.

I. Verhofstadt's second start and the cabinet's Note of Priorities

By the end of 2001 Verhofstadt's cabinet appeared to have run out of steam. The slowing economy in the wake of 9/11 restricted public funds and forced the cabinet to cancel new initiatives. Engrossed in the European presidency Verhofstadt was unable to prevent open discord among the coalition partners over suffrage for immigrants or sentence reduction for 'pentiti'. Rumours of a cabinet reshuffle or even snap elections were particularly persistent. To counter the impression that without Christian democrats a cabinet couldn't serve out the whole term Verhofstadt launched a Note of Priorities for the cabinet's remaining 18 months. Socialists and greens, however, judged it unbalanced. Ecolo Federal Secretary Defeyt called Verhofstadt 'too Flemish – too VLD'. His outburst would delay deliberations within the cabinet for another day as Verhofstadt insisted on a written apology. Only after the Ecolo leadership issued a statement confirming their confidence in the Prime Minister, deliberations resumed.

On January 18th the Note of Priorities was adopted by the cabinet. It encompassed 21 measures, that by and large can be traced back to the policy agreement. Included are a twofold budgetary control to ensure a balanced budget, additional corporate tax cuts amounting to € 250 million, an improved social statute for the self-employed, an extended financial responsibility for participants in the health sector, and additional measures to increase the employment rate among women, the semi- and unskilled, as well as older workers. In Parliament, the coalition

partners expressed divergent concerns but confirmed their confidence in the cabinet. Verhofstadt's *second start* was eclipsed, however, by the preceding discord.

II. Nepal and Aelvoet's resignation

On August 21st FN Herstal acknowledged an order of 5.500 Minimi machine guns, worth € 15.4 million. The company's initial refusal to disclose the prospective buyer was heavily criticised by Flemish opposition parties. That it was subsequently identified to be Nepal did little to stem the outcry. The law prohibits the export of arms to countries where armed conflict or frequent violations of human rights occur. Foreign Minister Michel's characterisation of Nepal as a recent yet fragile democracy facing Maoist terrorism was considered unconvincing, in particular after a similar order was refused by Germany. The issue proved most damaging to the greens in government. Initially, Minister Aelvoet admitted not to have been present (or on the phone) during the cabinet meeting in question. Her position became untenable, however, after she was contradicted by her colleagues. Tavernier assumed her portfolio of consumer affairs, health care, and the environment on August 28th. Criticism persisted, however, within the green parties, in particular after the elections in Nepal were postponed and the cabinet sacked.

In Parliament, Prime Minister Verhofstadt insisted that the entire cabinet stood by its decision of July 11th – although he conceded to send a human rights' observer to Kathmandu and to incorporate the European Code of Conduct into law. On November 22nd the diplomatic mission to Nepal concluded that little had changed regarding human rights, yet identified important deficiencies in the Nepalese army in armament and logistics to face the increasing Maoist terrorist activities in the region. The initial agreement to further restrict export to countries whose military spending exceeded expenditure on social services, was subsequently relaxed on request of the francophone parties to meet the region's economic concerns. Export to non-suspect countries was eased and Parliament would be informed every six months only.

III. Fiscal and Budgetary Policy

A. Budgetary Results for 2001 and Control of the 2002-Budget

In 2001 the government (i.e. the federal, community, regional, and local governments as well as the public bodies involved in social security) realised a € 967.5 million surplus. The federal government's € 2.363 million deficit was offset by the surplus generated by the Flemish community and by the social security sector. By the end of 2001 the public debt amounted to € 257.2 billion, i.e. 108.5 % of GDP. This slight reduction from 109.6 % in 2000 is due to the small growth rate.

For 2002 the expected growth rate was lowered from 1.3 to 0.9 %. The lost revenues were to be compensated by a reduction of contributions to the European Union and the regions. Other measures decided on the budget conclave included a reduction of the departmental means of operation by 1.5 % in all departments, the

departments of Justice and Development Cooperation excepted. Moreover, departments would monthly receive only 1/15th of the estimated means of operation : the remainder would be reserved until it was clear the budget would not be surpassed. In 2001 a secondary control of the budget was held, yet no additional measures were deemed necessary. Setbacks in unemployment and the reform of the police forces were offset by a decrease of the interest charges and by reducing contributions paid to the European Union.

B. The 2003-Budget and the Declaration of Federal Policy

On October 7th the cabinet rounded off the budgetary deliberations. Public revenues were estimated at € 44.95 billion, expenditure at € 44.59 billion. In spite of the European Commission's decision to disregard short-term economic fluctuations in assessing budget deficits, Verhofstadt reaffirmed the cabinet's commitment to a balanced budget and assumed a cautious growth rate of 2.1 % of GDP. A federal deficit of € 0.99 billion was offset by a surplus on the regional, communal, and local level. The allocation for 2003 to the communities and regions was decreased by € 332 million as a result of adjustments to the national income growth expectancies. The sums that the communities and regions had received in excess between 1999 en 2001 did not have to be returned. The health budget amounted to € 15.343 billion, i.e. an increase by 6.47 %.

Additional revenues amounting to € 1.5 billion were sought to pave the way for new initiatives. Included were an increase of the advance corporate tax payment (€ 260 million), a raise of the excise on tobacco products (€ 192 million), a more effective tax collection (€ 120 million), reduced or postponed contributions to the postal services, to Parliament, and to the state agency responsible for government estate (€ 155 million), and the sale of the Quatre-Bras building (€ 19 million). New initiatives reduced social contributions for lower incomes, raised pensions, some child benefits and other allowances. The justice department was allocated an additional 5 % and Development Cooperation an additional 9 %. The extra dividend that the government received from the sale of Belgacom's participation in Ben was assigned to the Ageing Fund – a donation that was to be repeated in 2003.

In the *declaration of federal policy*, Verhofstadt painted a bleak picture of the economic situation with the threat of war in Iraq. More than twenty measures were mentioned from reforming corporate taxes to road safety and gay marriage. Enabling legislation accompanying the 2003-budget included over 500 articles on the social and fiscal statute of artists, the self-employed's spouses, and guardianship of non-accompanied immigrant minors. The Council of State remarked that not all of them were related to the 2003-budget. Some articles would only take effect in 2004.

C. Personal Income Taxes, Corporate Taxes and Eco-Taxation

Personal income taxes – In the course of the Palm Sunday deliberations (March 24th-25th) the cabinet decided to postpone the elevation of tax brackets (i.e. the amounts that tax rates are applied to) until October 1st. Furthermore, the maximum commuter distance that is tax deductible at 0.15 cent/km was doubled from 50 to 100 kilometre. From January 1st 2003 environment-friendly and energy-saving investments in residences are partly tax deductible, up to a maximum of € 590. On December 19th the High Council for Finance recommended a firm distinction between job-related expenses and fiscal stimuli. The latter encompassed three categories : stimuli regarding real estate and long-term savings, stimuli regarding social expenses and personal services e.g. day care, and stimuli related to the environment. The first category would be taxed at 35 % for a maximum of € 2.000. The second and third category would be taxed at 40 % for a maximum of € 1.810 and € 1.500 respectively. Minister Reynders disaffirmed that a bill to this effect would be introduced prior to the 2003 elections.

Corporate Taxes – In the 2001 declaration of federal policy Verhofstadt had announced lower tax rates. To offset lost revenues compensating measures worth € 1.17 billion were deemed necessary. In the course of the Palm Sunday deliberations the cabinet agreed to lower the tax rate from 39 to 33 % – the crisis tax not included. Tax rates for smaller enterprises earning less than € 322.500 were lowered from 28 to 24.25 % for profits less than € 25.000, from 36 to 31 % for profits up to € 90.000, and from 41 to 34.5 % for profits more than € 90.000. In addition, profits up to € 37.500 that are re-invested in permanent assets were exempted. To balance the cabinet modified both the rules for depreciation (€ 478 million) and the rules of application for taxed revenues (€ 322 million), and introduced an advanced payment of 10 % on profits made on liquidation or on the acquisition of one's own shares (€ 124 million). The socialists and greens questioned the budgetary neutrality of the operation. The Inspectorate of Finances estimated the cost at € 445 million per annum. The Flemish government was more preoccupied with the cancellation of the regional environmental tax's deductibility. In 2001 the textile industry and industrial laundries had paid up to € 7.595 million in sewage charges. After consultation the Flemish government decided to lower its taxes on sewage water temporarily. The bill was adopted in Parliament on December 10th and 23rd.

Eco-Taxation – On July 19th 2001 the cabinet had introduced eco-bonuses in the form of excise and VAT reductions on beverages in environment-friendly packaging, as well as eco-taxes on beverages in disposable packaging. In response to the European Commission's criticism the bill was adjusted in the course of the Palm Sunday deliberations. The variable tax rates included in the original proposal were replaced by a fixed tax of 11.6262 cent per litre. Beverages in returnable or recyclable packaging are exempted and would benefit from lower excise and VAT

rates. The bill was adopted on December 11th and 23rd. The greens had demanded to link the vote to the corporate tax reform in order to prevent a deficient implementation similar to what happened in 1993. Nevertheless, the date the law would take effect was postponed to March 20th 2003.

IV. Home Policy

A. Institutional Regulations and Political 'Renewal'

The Constitution – On February 21st the principle of equality was extended to gender equality and article 11b was made to guarantee equal access to elected and public office. As per the Octopus agreement, concluded in the wake of the Dutroux incident, military tribunals were limited to times of war. Up to then they existed in times of peace as well. In addition, tribunals were established to monitor criminal sentences, including the conditions of probational release. In this capacity they would replace the committees established in 1998.

The Council of State – To solve the considerable arrears the Council of State was granted the possibility to fine wrongful appeals to administrative decisions. In addition, the time limit for urgent advice on legislation was relaxed from three to five days. Recommendations would be limited to the jurisdiction, legal ground, and procedural requirements. The opposition's criticism prevented the Council of State's advisory tasks to be reduced even further.

The electoral law and bicameralism – At the outset of 2002, of the cabinet's pledge to «modernise the electoral system» only the reduction of the impact of a vote at the head of the list and the removal of candidate-successors had been carried out. Other aspects of the issue had been referred to the Committee on Political Renewal. In spite of this, Verhofstadt announced province-wide constituencies in Antwerp, West- and East-Flanders, as well as an electoral threshold of 5 %. The provinces of Limburg, Namur and Luxemburg already constituted a single constituency. The initial resistance from the francophone socialists to a single constituency in Liège and Hainaut dissipated when the ten-yearly population figures did not warrant a change of seats between the provinces. Criticism on the scission of the Brussels-Halle-Vilvoorde constituency persisted, however.

Although the initial schedule envisaged adoption of the electoral law by Easter, only on April 26th an agreement was reached among the coalition partners. The initial plan to enable a small number of candidates to stand in all constituencies in Flanders or Wallonia was repealed – the francophone socialists preferred not to face Louis Michel's competition. Candidates would be able to stand for both the Chamber and the Senate instead, though in the 2003 elections only. The constituency of Brussels-Halle-Vilvoorde was not divided. Flemish parties could present a common list in Louvain and Brussels, while a similar arrangement for francophone parties in Nivelles and Bruxelles was thwarted by socialist Deputy Prime Minister Onkelinx. First, the number of seats for the Flemish and

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francophone parties in Brussels-Halle-Vilvoorde are to be determined. Second, these Flemish seats will be added to the seats in Louvain to determine the number of seats for each party. The francophone seats will not be added to the seats in Nivelles, although alliances between local parties in both constituencies will be possible. The Council of State advised against the common lists in Brussels and Louvain although not in Nivelles. Not only would it entail a supplementary condition for eligibility that is unconstitutional, the arrangement was deemed contrary to the constitutional rules on the distribution of seats over the constituencies and the principle of equality as well. As a result of the opposition's delaying tactics the electoral law wasn't adopted until September. Three majority members dissented, i.e. Lano, Peeters and Dufour – Pinxten abstained. On February 26th 2003, however, the Court of Arbitration would annul the settlement for Brussels-Halle-Vilvoorde.

In addition, Parliament adopted the principle of gender equality for electoral lists – the number of candidates of both sexes may not differ by more than one while the two candidates highest on the list must be of a different gender. The procedure to vote for Belgians abroad was simplified considerably: as well as by proxy they would be allowed to vote by mail or in person at the embassy. In 2003 113.214 would vote abroad, compared to 18 in 1999. Other projects were postponed until after the 2003 elections. They included a revision of the procedure to amend the Constitution, the attribution to the Brussels-Capital region of the autonomy to shape its institutions, and the reduction of the Senate to 70 members equally representing the Flemish and francophone parliaments. The Senate would then only intervene in issues related to the constitution, to communal legislation, and treaties pertaining to both the federal and communal/regional authorities. The Chamber would include an additional 50 members – elected in community-wide constituencies. Not unlike in Norway, a special reflection committee within the Chamber would offer a second reading on proposed legislation.

B. The Reform of the State

In compliance with the Lambermont agreement concluded in 2001 the defederalisation of the policies of agriculture, exports, and the organisation of local authorities took effect on January 1st. Consequently a considerable number of civil servants were transferred to the regions. For instance, 2.633 civil servants of the Department of Self-Employed and Agriculture left for the Federal Agency for Food Chain Security, the Walloon and Flemish regions. In addition, the composition of the Belgian Bureau's for Intervention and Restitution board of directors would be altered to guarantee representation of the regions. The Flemish and Walloon government would appoint two members each out of a total of ten. The Brussels' government would appoint one. The bureau is responsible for the disbursement of European agricultural subsidies and compensations.

In a similar vein the Agency for Foreign Trade would replace the Belgian Foreign Trade Office. More than 2/3 of the office's staff would be transferred to the regions. Dissension arose over the removal of the consensus requirement for joint

diplomatic missions. In Flanders, in particular, it was feared the Walloon and Brussels' regions would be able to authorise missions, whereas 62 % of the burden would be borne by the Flemish region. On November 29th the regions agreed to reintroduce the consensus requirement. In a note addressed to a special study group Minister Boutmans opposed a similar defederalisation of development aid policy. The communities and regions would only be entitled to take additional initiatives. Earlier the Senate committee and a number of NGOs had come to a similar conclusion. By December 31st the special study group had completed its activities, although a final report had not yet been compiled.

In a book commemorating the 700th anniversary of the Battle of the Spurs Prime Minister of the Flemish government Dewael favoured the defederalisation of the policies of mobility (including the railway corporation and Zaventem airport), socio-economics, health care, and family income supplements. The francophone parties rejected the possibility of new negotiations after the 2003 elections outright.

C. The Reform of the Civil Service

In accordance with the Copernicus Plan the last 5 federal public services were established, replacing the Home and Foreign Departments, as well as the Departments of Finance, of Employment, Labour and Social Dialogue, and of Economy, Self-Employed and Energy. Chairpersons were appointed: out of a total of thirteen chairs two were recruited from the private sector, six from the civil service and five had been federal principal private secretaries. In addition, six planning public services were established in the fields of active property management, sustainable development, telecommunications, consumer interests, research policy, social integration, poverty prevention and social economy.

The requirement of sufficient knowledge of both official languages was replaced by a requirement of a 'functional' knowledge for 250 bilingual civil servants performing managerial tasks. This functional knowledge refers to the ability to read and speak both languages in order to facilitate communication and cooperation with the manager's co-workers. The francophone community obtained an amendment that juries would be composed by the federal government and not by Selor (i.e. the government agency charged with selection). It feared an insufficient number of francophone applicants would pass the test.

D. Communal Problems

The Nabholz-Haidegger report – On July 31st 2001 Belgium had signed the Council of Europe's framework treaty on the protection of national minorities. At the time the cabinet specified that the treaty would not detract from linguistic legislation. Who constitutes a national minority would be defined by an interministerial conference. On March 8th the Venice Committee, i.e. a number of legal experts counselling the Parliamentary Assembly, advised that the francophone community could not be considered a national minority within Belgium, but that the francophone population within Flanders and the Dutch- and German-speaking populations within

Wallonia are. The Council's committee on legal affairs and human rights recommended Belgium to ratify the treaty forthwith.

The recommendations were ill-received in Flanders. The Flemish government refused ratification as long as the Nabholz report would be adopted by the Parliamentary Assembly. Intensive lobbying obtained the referral of the resolution to the committee. The committee on legal affairs and human rights upheld its decision on September 2nd, however. The Nabholz report was adopted by the Parliamentary Assembly on September 26th. Two amendments were accepted: that ratification would not alter the Belgian constitutional order nor its territorial borders, and that anyone living in a different linguistic region would benefit from being able to speak and understand the local language. The Flemish parties were irritated by the francophone triumphant reactions and claimed that the Manzella amendments would prevent any geographical or substantial extension of the facilities for the francophone population. Michel conceded that ratification would be postponed until after the 2003 elections.

The Peeters circular letter – The circular letter that made a French translation of official documents in the Flemish municipalities with facilities conditional on an 'express and repeated request' continued to cause commotion in 2002. The letter proved the main issue in an ongoing conflict between the municipality of Wezembeek-Oppem and the Flemish region. In 2001 the Flemish government had issued a warning to delete the revenues obtained from a tax on household refuse that was sent out in Dutch and French based on a person's linguistic group membership. Awaiting the Council of State's ruling in a similar case the government agreed not to send a special emissary to Wezembeek-Oppem. Only on March 8th did Minister Van Grembergen and mayor Van Hoobrouck reach an agreement: new notifications would be sent out in Dutch. A letter of clarification would accompany it that mentioned the possibility to obtain a translation in French. A repeat of the conflict over the language on the envelope was narrowly avoided. In December the municipalities of Wezembeek-Oppem and Kraainem decided to cancel similar taxes on household refuse for 2003.

A francophone advisory council in Flanders – In December 2001 the Council of State annulled the decision by the French community council in Brussels to establish an advisory council for the francophone population in the Brussels' suburbs. When 20 councillors would be replaced by representatives of the francophone customers of the French community council living in the (Flemish) suburbs, the Flemish government appealed to the Council of State to annul this new decision as well.

Advertising for tobacco products – On July 13th the Senate adopted in committee a proposal to exempt the Spa Formula One grand prix from the ban on tobacco advertising in 2003 and 2004. The committee also passed a resolution to force the tobacco industry to fund information campaigns on the consequences of smoking. After abstaining in committee the Flemish Christian democrats rejected the bill in the plenary. As a result the bill failed – it was supported by the francophone parties

(the greens and three Christian democrats excepted), one Flemish socialist, and nine liberals. On October 28th the FIA removed the Spa grand prix from the 2003 schedule. Ultimate attempts by the francophone parties to preserve it were to no avail. An opening offered by the francophone green party was undone only a few days later. A bill proposal to postpone the ban on tobacco advertising on international events until 2006 was adopted by the Senate on November 21st by a narrow margin. It was rejected by the Chamber on December 10th, however. The opposition had succeeded in linking the issue to the bill on eco-taxation, i.e. a topic high on the greens' priority list. This did not prevent the greens from rejecting the proposal, however. It was whispered that the relaxation of arms exports regulations adopted on the same day were a compensation for the francophone parties.

Radio frequencies – On October 22nd the community governments reached an agreement on the distribution of 845 radio frequencies. The issue had lingered on since 1990. Following a ruling by the Court of Arbitration the Flemish and French community governments had assigned frequencies independently. In Brussels and all along the linguistic border frequencies interfered leading to numerous lawsuits.

Linguistic courtesy agreement – On July 18th the Brussels' regional government prolonged the linguistic courtesy agreement concluded in 1998. According to it bilingual civil servants in the region have two years to pass a language exam. This time limit was relaxed to another two years in 2000. The agreement came to an end in August entailing the resignation of all civil servants who hadn't passed the exam. Therefore another two years were added to the time limit if the person had attended a language course or obtained 40 % on the exam. The arrangement also applied to staff hired after September 1st.

V. Policy on Asylum and Foreign Residents

A. Immigrants' Suffrage and Fast Track Naturalisation

Since November 6th 2001 the Senate had been debating a proposal to extend suffrage in local elections to 123.542 immigrants who resided in Belgium for at least five years. Of the coalition partners only the Flemish liberals opposed it. Throughout January 2002 Michel repeatedly cautioned that the francophone liberals – while in favour of local suffrage for immigrants – would not support an alternative majority on the issue. Coveliers, the Flemish liberals' parliamentary party leader in the Chamber threatened to table a motion of no-confidence in case it would come to a vote in the Senate. Both the Flemish socialists and greens denied there was a cabinet crisis as the policy agreement was silent on the topic, yet urged Parliament to proceed. On March 12th the Senate rejected the proposal in committee, both liberal parties, the Flemish Christian democrats and the far-right Vlaams Blok opposing the bill. Up to then the position of the francophone liberals had been in doubt as the party had supported immigrants' suffrage in the Walloon Parliament a week before. The Flemish Christian democrats demanded a tightening of

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the naturalisation procedures. In plenum the Senate confirmed its rejection. The Flemish liberals' parliamentary party leader in the Senate, Leduc's remarks on immigrants' unwillingness to study or work created a stir.

On January 16th the Chamber commenced the assessment of the fast track naturalisation procedures. From May 1st 2000 to August 1st 2002 186.236 foreign residents had obtained the Belgian nationality, i.e. double the number of the two previous years. The Flemish liberals and the opposition urged for a verification of immigrants' willingness to integrate and for an extension of the time limit that the public prosecutor and the national security service have to offer advice. A ministerial circular letter provided an extension of eight weeks. The francophone socialists and greens did not favour a tightening of the procedures. Research estimated that the public prosecution required four months to investigate complex applications. The public prosecution urged to reintroduce a language exam and the possibility to remove the Belgian nationality in case it was obtained by deceit, bribery, or a marriage of convenience.

B. The Reception of Asylum-seekers and the Settlement of Applications for Regularisation

In 2002 the number of applications for asylum continued to decrease to 18.805. In 2001 there had been 24.549. 1.164 were acknowledged refugees, i.e. 21 % of all applications considered. Throughout 2002 the processing of the applications for regularisation of illegal foreign residents continued to be delayed. By December 1.136 out of a total of 37.093 applications were still being considered. Of these cases 739 were the object of judicial investigations. 5.893 applications had been rejected and 3.974 considered void.

To discourage the concentration of asylum seekers in the major cities Minister Vande Lanotte ordered dwellings rented to foreign residents for prohibitive sums to be confiscated and to cease federal payment of medical treatment of foreign residents by social services not belonging to the assigned municipality. Two additional measures were revoked following the Council of State's negative advice. As a result, federal financial support of local social services wasn't cancelled in case the asylum seeker did not reside in the assigned municipality. Nor was the rent subtracted from the benefits a refugee received in case he or she did not reside in the assigned municipality. In a circular letter local social services were threatened to lose federal subsidies worth € 750 per month per asylum seeker in the case they failed to take all possible measures to accommodate asylum seekers in the municipality. Local social services reacted furiously and one chairman «jokingly» sent out letters to 180 local inhabitants to inform them that their homes would be expropriated to house asylum seekers. Following the Council of State's negative advice, the obligation for local social services to demonstrate a sufficient supply of accommodations and to give evidence of the asylum seeker's subsequent refusal was committed to law, thus rendering the advice void.

C. The Arabic-European League and the Integration Policy Debate

On November 26th disorders erupted among foreign residents in Borgerhout (Antwerp) following the murder of a 27 year old man of Moroccan origin by a 66 year old Belgian. In spite of appeals to composure by the local authorities and representatives of the Moroccan community the disorders continued for a few days and 160 troublemakers were arrested. The Arabic-European League and its leader Dyab Abou Jahjah allegedly played a major part in the disorders. The League had come to the public's attention after organising a pro-Palestinian demonstration in Antwerp that got out of hand and forming citizen patrols to monitor racist behaviour on behalf of the Antwerp police forces. Following the disorders in Borgerhout there was an outcry to curb the AEL's activities 'by any means necessary' according to some politicians. In Parliament, Prime Minister Verhofstadt denounced the AEL's criminal intentions and its threat to the peaceful coexistence of the native and immigrant population. On November 29th Jahjah was arrested and jailed for four days.

The disorders stirred up the debate on integration policy. In interviews both Voorhamme, the chairman of the Antwerp local socialist party, and Ducarme, the francophone liberal party president, considered the integration of immigrants to have failed. Projects to establish an inquiry committee to assess integration policy or to conclude a pact with the immigrant population failed to reach consensus. On December 2nd Verhofstadt held out the prospect of a permanent dialogue in cooperation with the Centre for Equal Opportunities and Opposition to Racism.

VI. Policy on Justice and the Reform of the Police Forces

A. The Implementation of the National Security and Detention Plan (NSP)

In implementation of the 2000 National Security and Detention Plan a witness protection program was introduced. In cases related to organised crime, human rights violations, or felonies that allow tapping telephone lines the identity of witnesses can be concealed in part or entirely. No suspect can be convicted, however, on the basis of anonymous testimonies alone. In these cases essential witnesses that may be endangered by their testimony may receive a new identity and/or a safe address. In other cases only ordinary protection measures may be applied, e.g. an unlisted telephone number or physical protection by police officers. In addition, a legal ground was established for special investigation methods, e.g. stake-outs, infiltration, tapping phone lines, and entrapment. On January 21st the francophone socialists decided to abandon their opposition to a regulation for 'pentiti'. Verwilghen's project was tabled as private member's bill, yet expired when parliament was dissolved in April.

Difficulties abound as a result of the revision of youth protection laws. As the number of rooms in detention centres was insufficient, a number of juvenile delinquents were released. To stem the public outcry and the discord among the federal and community governments Verhofstadt established a detention centre

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in the former army barracks of Everberg that could host 10 to 50 youngsters from March 1st on. No trouble or expense was spared to prepare the centre in time. Nevertheless, the first inmate was transferred to another detention centre after a few hours as a result of the French Community Minister Maréchal's objection that the centre was not ready and no educators were present. Meanwhile the reform of the youth protection laws that ought to accompany the centre's establishment was stalemated in Parliament. The francophone socialist and green parties considered it too repressive. It would include a relaxation of the conditions that allowed for a referral of juvenile delinquents of 16 years and older to a Correctional or even an Assize court, an extension of the sentences delinquents of 12 to 16 years could face (restitution arbitration, community service, or fines), and more severe sentences for majors that incite minors to commit criminal offences. None of the measures had been tabled by the time Parliament was dissolved, however.

B. Miscellanea

Policy on drugs – On May 3rd the cabinet agreed to establish a legal ground for its policy of tolerance of soft-drugs. Possession of drugs continued to be an offence, but possession of a quantity for personal use that didn't amount to abuse or nuisance would not be prosecuted. A newspaper ad was deemed necessary to clarify that possession by minors wouldn't be tolerated. By the end of 2002 the bill was still being considered in the Chamber.

Supplementary judges and the linguistic laws – The conflict of interests that the Flemish community had invoked against the increase of the number of supplementary judges and magistrates in Brussels to eliminate judicial backlog was rejected by the Senate on March 28th. The Flemish community had considered it to be a violation of linguistic requirements in the region. At the same time Parliament relaxed the language requirements for magistrates to a 'functional knowledge' of both languages.

Crime rates – In the *declaration of federal policy* on October 9th Verhofstadt boasted that crime rates had decreased by 8 % in 2001. The opposition disputed the figure and demonstrated important discrepancies with the crime rates published by the Central Statistical Office. The parliamentary committee charged with monitoring the police forces admitted that data included in the national data bank were incomplete and unreliable.

Other – The law enabling swift conviction for minor offences, e.g. hooliganism, was annulled by the Court of Arbitration on March 28th. The law's range of application was considered to broad and ill-defined. Moreover, the defendant's rights were curtailed in a manner that was deemed unacceptable.

On July 7th a new disciplinary code for magistrates was adopted. The code that was introduced in the wake of the Dutroux crisis had subsequently proven to be impracticable. In addition, the period of limitation for especially serious criminal

offences was extended to 30 years to enable prosecution of the raid committed by the Nivelles gang in 1982. On September 17th the Franchimont committee presented its report on the criminal code that would replace the one dating from 1808. It was not considered in Parliament before its dissolution, however.

C. *The Reform of the Police Forces*

In accordance with the 1998 reforms the local branch of the integrated police force became operational on January 1st. The federal branch had been established on January 1st 2001. At issue, however, was foremost the cost of the reform and the contribution of the municipalities. Nearly 28.000 local police officers serve in 196 districts covering one or more municipalities. The 'acceptable additional costs' of the reform were initially estimated at € 225 million and would be borne by the federal government. An agreement on the parameters to determine the municipalities' contributions was reached on June 11th only after the cabinet added another € 25 million. In addition, revenues from traffic violation fines would benefit the municipalities. Economic and financial offences would be handled by the federal police forces. Yet a few weeks later the union of cities and municipalities of Wallonia demanded another € 45 million. After bilateral negotiations with 137 police districts the cabinet raised the amount available for the municipalities with another € 70 million in two steps. As a result the total cost of the reform amounted to € 500 million in 2003.

On January 28th an agreement concluded the negotiations regarding the statute for police officers. Nightshifts were limited from 22h to 6h and two consecutive times indexation of compensations and bonuses would be passed over. The Christian democratic and liberal unions rejected the agreement and demonstrated on March 5th in Brussels.

Private security firms would be allowed to monitor parking meters, report damages to public property, or escort groups to major events. Thus, police forces could concentrate on their core business. After being adopted by the Chamber, the project couldn't be considered by the Senate before its dissolution, however.

VII. Employment and Social Policy

A. *Employment*

Unemployment rates – In 2002 the unemployment rate continued to increase, reaching 389.121 unemployed entitled to an allowance, i.e. 38.155 or 10.9 % more than in 2001. The number of non-employed persons registered for employment increased by 41.171 (or 8.7 %) to a total of 512.238. In Flanders, there were 195.198 (+15.632), 235.304 (+18.615) in Wallonia and 81.736 (+ 6.924) in Brussels. In 2002 the proportion of the population between the age of 15 and 64 that was employed continued to decrease to 59.6 %. In Parliament, Minister Onkelinx distanced herself from the EU Lisbon-objectives that requires an employment ratio of 70 % by 2010 – 60 % for women and 50 % for 55-64 year olds.

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In its annual report the European Commission commended Belgium for its efforts in fighting long-term unemployment and discrimination, in encouraging life-long learning, and in balancing job and family life. The Commission criticised the enduring disparities in the labour markets of the three regions.

Employment plans – On May 22nd minister Onkelinx announced that the simplification of 24 employment plans would be postponed until 2004. Following months of negotiations the cabinet, the unions, and the employers' organisations agreed to replace 24 employment plans by one core system of tax reduction and two fixed deductions. From January 1st an employer may enjoy a reduction of social security contributions of € 1.525 euro per annum upon hiring an employee. In case the person hired is young, had been long-term unemployed, or is the firm's first employee a reduction of € 4.000 per annum is added. An extra reduction of € 1.600 per annum is granted when the person hired is older than 58 and when there is a collective settlement to reduce working hours. In 2004 the reductions would amount to € 3.35 billion in total.

Time credit – In January the Flemish government's decision to grant employees a financial incentive for taking a career pause or reducing their working hours was adjourned as a result of a conflict of interests with the Walloon government. This opposition was prompted by the Walloon wing of the socialist union. Walloon Prime Minister Van Cauwenberghe specified he accepted the possibility of additional regional incentives but objected to linking them to sectoral collective agreements. On February 21st the interministerial Conference on Employment agreed that the federal government would adopt the incentives for a 1/5 career pause, thus making them applicable to the Brussels' and Walloon regions as well. This would entail an increase of the time credit benefits to € 50, i.e. a total of € 17 million per annum. Further, regional incentives could be embedded in collective agreements. On June 18th the time credit system was extended to the autonomous public enterprises.

B. Social Consultation

In the 2001 *declaration of federal policy* Verhofstadt had promised a sweeping alteration of the right to strike. Both employers' and employees' organisations opposed the compulsory involvement of social mediators and labour courts. In a gentlemen's agreement, both demanded the cabinet to withdraw the bill. An additional clarification was deemed necessary when the unions stated that «spontaneous actions» would still be possible. The clarification specified that the right to strike is to be ruled by the convention of the International Labour Organisation.

On February 6th the Central Economic Council stated that labour costs had increased in 1999-2000 by 7.2 %, i.e. a considerable raise compared to the agreed norm of 5.9 %, as well as to raises in France, Germany, and the Netherlands (4.8 %). This increase was mostly limited to the sectors of real estate, services, transport and

communication. After the publication of its final report social consultations broke down on November 29th. The unions insisted on a norm of 6 %, but agreed that most raises would take effect in 2004 only. The employers' organisations didn't want raises to exceed 5.3 %. Disagreement persisted on measures to increase flexibility, to extend the time credit system, to tighten up regulations on early retirement, and to equalise the statutes of blue- and white-collar workers. The cabinet opted to mediate. It was clear it was reluctant to enforce such a norm. On December 12th a minimal agreement was reached : the norm for wages was set at 5.4 %. The proportion that could be paid in meal vouchers was increased by € 1.5 to € 6 and the allowance in case of economic redundancy by 5 % to 65 % of the wages earned. Other issues were 'frozen' indefinitely.

C. Social Security

The 2002 and 2003 health insurance budget – The health insurance sector concluded 2002 with a € 245.3 million surplus. Since 1995 the expenditure had always been exceeded. Doctors and insurance funds agreed on a number of austerity measures to compensate for a raise for GPs and an early indexation for particular specialists in July rather than October. In April an agreement with the cabinet increased fees for keeping medical records – that have been extended to all patients – and for consultations at night and in the weekends as well. Earlier, doctors on duty had already received an availability fee of € 125 per 24 hours.

In 2003 the health insurance expenditure was estimated at € 15.34 billion, i.e. an increase by 6.47 % rather than the legal norm of 2.5 %. Austerity measures worth € 108 million were aimed at the pharmaceutical industry. In case profits in the sector did not exceed € 440 million the measures would be repealed. On November 25th doctors and insurance funds agreed to reserve € 4.75 billion for GPs, i.e. a raise by 6.3 %. The agreement on tariffs also included an increase of fees on March 1st and October 1st 2003 for GPs and specialists that perform few technical services. Most patients' franchise would go up € 1 on October 1st 2003.

Financial co-responsibility – After the Perl Committee's failure Ministers Vandembroucke and Aelvoet introduced a plan to revise health care regulations on January 29th. Doctors and hospitals would be financially co-responsible : doctors prescribing too many drugs or technical tests – particularly in the fields of clinical biology, radiology, and kinesiology – would be warned and possibly fined. A fine would also be imposed on hospitals charging more than the national average for particular surgeries as well. The 'one product, one price' principle would rule the financing of clinical biology, radiology, and haemodialysis. On February 21st 5.000 physical therapists and students demonstrated against the cabinet's plan to fix the number of physical therapists from 2005 on, to support therapists that quit, and to reduce the number of refundable consultations from 60 to 18.

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Maximum bill – The maximum bill on health care that was introduced for families of modest means in 2001 and extended to all in 2002 was given a legal ground on June 5th. The maximum bill is the maximum amount a family has to pay on health care during one year. If costs exceed this amount the family will be reimbursed.

Doctors' union elections – In June 55 % out of 40.090 doctors participated in the second doctors' union elections. The Belgian Association of Doctors' Syndicates (BVA) received a majority of 87 % among specialists or a decrease by 2 %, while the Cartel of GPs in both Flanders and Wallonia received 69 % of the vote among GPs (i.e. an increase by 10 %). The distribution of seats remained unaltered, however : 7 to 5.

Other – A round table conference on the social statute of the self-employed came to an end without tangible results. Starting point had been the Cantillon study group's report. It stated that the self-employed enjoyed minimal pensions 20 to 25 % lower than employees. A large part of the self-employed, however, paid little in the way of social contributions and received a pension that equals their salary for tax purposes. Additional pensions would have to depend on the compulsory personal capitalisation of contributions over the years. Instead, Parliament adopted the introduction of a tax-deductible social pension plan for the self-employed on December 24th, in addition to the regular additional pensions plan and similar to the plan for the liberal professions.

Social statutes were also introduced for the self-employed's spouses, for baby sitters, and artists. The former's insurance would only include disablement, the latter's disablement, health care, unemployment, child benefits, and pension. The self-employed's spouses could voluntarily contribute for a more inclusive insurance plan until 2005. After that date contributions would be compulsory.

VIII. Policy on Mobility

A. Railways

Parliamentary endorsement of the cooperation agreement on the railroads' investment plan for 2001-2012 was further delayed. The Council of State had opposed regional co-funding of railroad investments. Majority members in the Flemish Parliament, however, proved not as willing to disregard these objections as the majority in the Chamber. The Senate had postponed deliberation until after adoption by the Flemish Parliament. In response to a letter by Flemish Prime Minister Dewael Verhofstadt specified that pre-funding nor co-funding would result in a conflict of jurisdictions as long as only joint projects are concerned and the correct proportion of participation is observed. Reassured the Flemish Parliament adopted the cooperation agreement on March 13th. The Senate followed suit on March 21st.

On March 22nd the railroads' board of directors was reduced from 18 to 10 members, excluding the union representatives. Six of them would be part of a

strategic committee advising the board of directors. Four candidates stood for the position of CEO, among them the incumbent Schouppe. On April 24th the president of a Luxemburg airline Luxair, Christian Heinzmann was appointed. Schouppe would lead daughter company ABX until he was forced to resign in February 2003. Heinzmann's appointment met with considerable resistance among the opposition parties and the unions. In reaction, Heinzmann resigned on May 1st. In his letter of resignation he referred to the opposition and intimidation he had faced from managers and union representatives – up to the highest levels. Later it was revealed that this letter had been written in consultation with Minister Durant. In an early draft Heinzmann had only criticised the procedure of appointment and the lack of participation in the appointment of co-workers. In Parliament Durant denied to have manipulated the procedure of appointment, though she shouldered her share of the blame. Many felt that she weathered through the crisis only because of Verhofstadt's involvement in the issue.

By May 17th 129 candidates had applied for the position of CEO. The liberals and Flemish socialists favoured Karel Vinck, the chairman of Umicore's board of directors – although he hadn't applied. Vinck demanded chairmanship of the strategic committee, that the maximum age requirement of 65 would be relaxed (he would turn 65 in September 2003), and that the requirement of a second signature on all acts and decisions would be waived. The cabinet agreed to these demands and Vinck was appointed on July 4th. The railroads obtained the cabinet's assurance that the federal government would assume the railroads' debts as soon as the public debt would not exceed 95 to 100 % of GDP. An internal audit estimated the railroads' loss in 2002 at € 443 million – the debt would accumulate to € 10 billion in 2006.

B. The Sabena Bankruptcy

Sabena that had been property of the Belgian government (50.5 %) and Swiss SAirGroup (49.5 %), had gone bankrupt on November 7th 2001. In December SN Air Holding had been established to fund a new airline. It acquired the DAT shares on the conditions that SIC would waive all accounts receivable from DAT and that a more favourable settlement could be reached with the DAT airplanes' leasing companies. After lengthy negotiations SIC creditors agreed to waive 35 % of the claims and to exchange the remainder for DAT shares. In addition, the lease was decreased. On January 22nd SN Air Holding acquired 78 % of the DAT shares for € 180 million. A transitional loan worth € 125 million was reimbursed to the federal government on February 7th and a similar amount was granted by the Federal Investment Bank as a subordinated loan. The name DAT eventually changed into SN Brussels Airlines.

On February 28th the negotiations on a possible merger with Virgin broke down. Both companies would continue to cooperate until March 2003. Sobelair, a Sabena daughter company, was sold off to Belgian World Airlines. For SN Technics a prospective buyer was still sought by the end of 2002. The parliamentary inquiry committee that would investigate the Sabena bankruptcy was installed on January

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15th. Its activities would be prolonged twice to January 31st 2003. It held hearings with experts and persons concerned, including Verhofstadt and his principal private secretary Luc Coene.

C. Night Flights over Zaventem

The Council of State rejected DHL and BIAC's (the Zaventem airport proprietor) appeal to suspend Minister Dua's tightening of the airport's environmental regulations. It imposed a maximum noise level of 90 decibel and limited the number of flights to 68 per night and 25.000 per year. An agreement concluded by the federal government and the governments of the Flemish and Brussels regions further specified these regulations. From April 2003 the loudest plane, the Boeing 727, would be banned at night. In addition, the night flights would not use the so-called Chabert itinerary over Brussels, but would be concentrated over Machelen, Vilvoorde, Grimbergen and Meise. This would reduce the number of people affected from 19.900 to 10.500. People living in a region where night flights produce 45 decibel or more would be compensated to improve their homes' insulation. The cost of € 152 million would be borne by a charge per traveller or package leaving Zaventem. Not only the inhabitants' of municipalities north of Brussels, but the local councils' and Flemish-Brabant MPs' reactions were hostile. Consequently the consultation committee suspended the agreement on November 29th. The Flemish government equally postponed the determination of noise levels until the Brussels regional government could be consulted. The issue would continue to stir up communal feelings throughout 2003.

D. Road Safety

In implementation of the Durant note presented in October 2001 23 measures were introduced to increase road safety. Most importantly, four levels of transgression would be established : regular and severe violations of the first, second, and third degree. Minimum and maximum fines were raised by 10 % – culminating in a € 2.750 fine for severe violations of the third degree. To cause a fatal accident would be punishable by 5 years' imprisonment. Other measures included an increase of the number of controls on highways by 10 %, an extension of the violations that are recordable by means of automated cameras, a swifter management of speeding violations, shooting traffic lights, and driving under influence. The bill was adopted by the Chamber on December 18th and the Senate on January 23rd 2003. A number of liberal MPs continued to oppose 'anti-social and unrealistic' fines, however.

From January 1st 2003 all new lorries would have to be equipped with a blind spot rear-view mirror. The regulation would apply to all lorries by mid 2003.

IX. Foreign and Defence Policy

A. Foreign Policy

Congo and Central Africa – Representatives of 13 Congolese opposition parties and a number of NGOs prepared the inter-Congolese dialogues in Brussels from January 14th to 17th in implementation of the 1999 Lusaka peace agreement. The aim was to prevent that the non-armed opposition would be divided in itself. Tshisekedi's UDPS party refused to attend nevertheless. The inter-Congolese dialogues started on February 26th in South Africa and resulted in agreements on the withdrawal of Rwandan and Ugandan forces from the country, a cease fire, and a transitional government. Belgium promised to resume foreign aid in case of a significant breakthrough in the peace process. By the end of 2002 the agreement remained unsigned, however, while violence raged in East Congo.

In Parliament Foreign Minister Michel apologised to the Congolese people and the families of Patrice Lumumba and his co-workers Mpolo and Okito who were murdered in 1961. The parliamentary inquiry committee charged with the investigation had concluded that members of Eyskens' cabinet at that time and 'other Belgians' were morally responsible for the circumstances leading to the death of Congo's first Prime Minister. A fund was established worth € 3.75 million to support democratisation in Congo. It would receive an allowance of € 500.000 per year.

The activities of the Senate special committee that was installed on June 15th 2001 to investigate the UN report on the legal and illegal exploitation of natural resources in the Great Lakes' region were prolonged well into 2003. A new UN report incriminated 29 companies and 54 persons – a quarter of which were Belgian. One of the accused, George Forrest, allegedly enjoyed strong political support.

The genocide law – On February 14th the International Court of Justice in the Hague revoked Yerodia's warrant of arrest. It was ruled to violate Yerodia's functional immunity that he enjoyed as foreign minister according to international law. On April 16th a Brussels' Court of Appeal had similarly ruled the accusations inadmissible as it had similar accusations against Israeli Prime Minister Sharon. An interministerial committee advised to observe the international rules of immunity and the international criminal court's precedence. Legal proceedings could only be instituted by the public prosecution and only on felonies committed in Belgium, by a person of Belgian nationality or living in Belgium, or committed on a person of Belgian nationality or living in Belgium. In 2002 the cabinet couldn't agree to amend the genocide law.

Iraq – In response to the US military build-up preparing action against Saddam Hussein's regime in Iraq Verhofstadt stated that all countries in possession of weapons of mass destruction must observe the disarmament agreements and to accept UN inspectors immediately and unconditionally. Nevertheless military

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action was to be ruled out until all diplomatic means had been exhausted and a UN resolution authorising military action had been adopted. On November 10th 1.500 to 5.000 antiglobalists demonstrated against a war in Iraq. One week later 6.500 to 10.000 attended a demonstration organised by the Anti War in Iraq Platform uniting 135 NGOs, unions and peace movements. NATO secretary general Robinson qualified the support of the US military action by NATO allies a 'moral obligation'.

B. Defence Policy

In implementation of the modernisation Strategic Plan 2000-2015 the land forces, navy, air force, and medical forces would be united under one general staff from January 1st 2002. Lieutenant-General Van Daele was appointed Chief of Staff in succession of Admiral Herteleer. The strategic and investment plan would be amended to allow the army to face the threats of terrorism and weapons of mass destruction in the wake of 9/11. No additional funds were reserved, however. The order in the Netherlands of a transport vessel worth € 225 million was cancelled. On September 12th *Le Soir* disclosed that a cabinet member had admitted the presence of 10 nuclear warheads at the airfield of Kleine-Brogel. Allegedly a journalist witnessed Foreign Minister Michel confiding as much to an Ecolo senator.

X. Other Events and Developments

The royal family – On December 19th the engagement of prince Laurent and Claire Coombs was announced. The marriage would be held on April 12th 2003.

Prince Filip received an honorary degree from the University of Leuven to mark his efforts for world peace, cooperation among the communities in Belgium, national and international solidarity, and the importance of the family in modern society. A number of faculty members criticised that the university thus took up position in favour of the monarchy and hadn't meant to honour the crown prince on his personal merits.

The Senate committee investigating the annual donations to the royal family failed to obtain agreement. In response to a private member's bill the cabinet decided that Astrid and Laurent would receive a donation for the duration of their natural lives, but that in the future only crown princes and princesses would be entitled to a donation.

Euthanasia – On May 16th the Chamber adopted the bills on euthanasia and palliative care – approved by the Senate earlier. Three Flemish and two francophone liberals joined the opposition in the vote. Amendments to exclude non-terminal patients or patients suffering incurably from psychological disorders were rejected.

Euthanasia is not a felony when the legal regulations are observed. It is allowed only if the person is of age, of legal capacity, and conscious at the time of the

request. The patient has to suffer from a persistent, unendurable and incurable physical or psychological disorder. The request for euthanasia has to be voluntary, deliberate, and repeated. The doctor must inform the patient of the remaining medical and therapeutic treatments open to him or her and consult with another doctor, the nursing staff, and relatives. The consultation of another doctor or psychiatrist is compulsory if the patient is not terminally ill. A federal monitoring and assessment committee will test each case against the legal regulations and if necessary inform the public prosecution. Euthanasia is considered death by natural causes by insurance companies. No doctor can be compelled to perform the act.

Anti-discriminatory legislation – Mahoux's private member's bill to prevent discrimination was adopted on December 12th after amendment by the Chamber. The bill forbids discrimination on the basis of gender, race, ethnic origin, sexual preference, civil status, wealth, age, belief, handicap, or state of health. The Centre for Equal Opportunities and Opposition to Racism will monitor the bill's implementation.

Nuclear energy – The cabinet's policy agreement stated that nuclear plants would close after 40 years of service as long as the energy supply was guaranteed. On December 6th the gradual closure was adopted in Parliament. The operation would commence in 2015 and take until 2025. Critics stated that no viable alternative was available with nuclear plants supplying 55 % of the nation's electricity.

Federal Agency for Food Chain Security – On January 25th it became known that a batch of provender at Hanekop in Roeselare was contaminated by PCBs and that 14.000 chickens may have ended up on the market. The federal agency for food chain security was criticised for taking 10 days to inform the company concerned and even more to inform the sector. Minister Aelvoet announced an internal investigation when it leaked out that a number of samples taken at Hanekop had not yet been examined. As a result the agency's director Beernaert resigned and an inspector was suspended. The report attributed the failure to vague instructions, unclear engagements, and rigid procedures. Piet Vanthemsche was appointed director on June 20th.

Judicial investigations – On December 5th the Prime Minister's communication advisor Noël Slangen was referred to a correctional court for forgery in a case of public contracts in the early 1990s. Earlier he was discredited because he allegedly intervened when his firm was outbid for a public contract by the office of external communications.

The Court of Cassation dismissed the accusations of bribery against former Justice Minister Wathélet in the Augusta-Dassault scandal. In the same case former SP secretary general Carla Galle was convicted to a fine and temporarily deprived of civil rights.

On March 17th former Minister Alain Van der Biest committed suicide. In his farewell letter he re-emphasised his innocence of the murder of PS president André Cools in 1991. Because of procedural errors the trial wouldn't commence in 2002. On January 3rd a journalist was able to interview Marc Dutroux in his cell in Arlon. He posed as VLD MP Jean-Marie Dedecker's chauffeur who accompanied him. Afterwards Dedecker apologised that it had never been the intention to broadcast the interview. He was suspended as a member of the VLD executive committee for three months as well as from all party activities – the parliamentary party meetings excluded. In October the Council of State annulled the sanction imposed on sergeant major René Michaux – one of ten gendarmes blamed by the Dutroux committee and the only one who was actually degraded.

XI. Developments in the Political Parties

The SP.A-Spirit Cartel – Spirit standard bearer Bert Anciaux surprised his party by favouring an alliance with SP.A in an interview. Earlier it was agreed upon within the party that no conclusions would be drawn until the end of June¹. After a nocturnal meeting the party executive decided to maintain an independent profile on May 20th. Thereupon three MPs announced their transfer to the liberal VLD (Vankrunkelsven, Van Quickenborne, and Hermans) – Borginon would follow one week later. As the polls denied Spirit the 5 % needed to clear the electoral threshold the prospect of an independent party became more untenable. On June 29th the party executive approved a cartel with SP.A. The decision was endorsed by the party council by 82 %. Just a few hours earlier Anciaux had surprised his fellow partisans again by resigning from the Flemish government in response to his protégé's, Sven Gatz, transfer to the VLD. Consequently Els Van Weert succeeded resigning Annemie Van de Casteele as party president and MPs Bart Staes and Ferdy Willems left for Agalev. André-Emiel Bogaert became an independent. SP.A president Janssens did not want to postpone the negotiations for a cartel and promised Spirit a noticeable slot on the list in all districts. The cartel was approved by the Spirit membership on October 26th and by the SP.A membership on November 23rd. The enthusiasm within the SP.A was less genuine, however : one study claimed one in three partisans would not vote for a cartel in part because of Spirit's Flemish roots, in part because of the number of seats that had been promised. The conference also concluded the campaign to keep the party manifesto in thorough repair. The party president would serve a term of four years rather than two. President and vice-president can't be of the same gender and the age limit of 65 years would be disregarded.

¹ For a more detailed overview of the collapse of the Volksunie and the emergence of the N-VA and Spirit, see : J. NOPPE and B. Wauters, *Het uiteenvallen van de Volksunie en de opkomst van de N-VA en Spirit : een chronologisch en morfologisch overzicht (juni 1999-juli 2002)*, *Res Publica*, 2002, 2-3, pp. 397-471.

The enlargement of the VLD – The New Christian-Democracy (NCD) that united a number of dissatisfied Christian democrats sought a rapprochement to the VLD. In February five open workshops were held to lay the foundations for a broad popular party. The process was accelerated in response to growing tensions within the VLD and on April 27th and 29th the NCD and VLD executives adopted a declaration of commitment. The enlargement of the VLD by NCD and four Spirit MPs was effectuated at the November Conference. A declaration to supplement the party manifesto opposed immigrants' suffrage and favoured tightening the fast track naturalisation law, repealing compulsory voting, and lowering the age limit to vote to 16. In defiance of president De Gucht the conference adopted a resolution that favoured a confederal form of government.

Dissatisfied with VLD's slide to the left, MEP Ward Beysen founded Liberal Appeal on March 23rd. Unable to amend VLD policies and to repeal the 'de facto legalisation of drugs' or the fast track naturalisations Beysen announced to expand the movement to a membership party.

CD&V – On September 20th and 21st a CD&V conference renewed its socio-economic policies in order to face the challenges of an increasing ageing population, the knowledge economy, a threatened mobility, and sustainable development. Stefaan De Clerck was re-elected party president. As a single candidate he received 91 % of the postal vote. In response to criticism on his accumulation of offices, De Clerck would be replaced as mayor of Courtrai until the 2003 elections.

N-VA – N-VA's first party conference on May 4th and 5th reaffirmed its position in favour of Flemish independence. Geert Bourgeois who led the party ad interim was elected party president. As a single candidate he received 96 % of the vote. The N-VA claimed to have 10.469 members by September.

PS and Ecolo – On Labour Day PS president Elio Di Rupo pleaded for a left-wing alliance at the 2003 elections. That one Ecolo federal secretary supported him resulted in an important reshuffle in the party executive : Evelyne Huytebroeck and Marc Hordies replaced Brigitte Ernst and Jacques Bauduin as federal secretaries. The new executive – including incumbent Philippe Defeyt – obtained 96.7 % of the vote. A cartel was rejected but on September 28th PS and Ecolo signed a common programme 'left-wing convergences'. It held a plea for equal opportunities in life, guaranteed social protection, sustainable development, transparent and participatory democracy, and public management of processes of economic globalisation.

On March 10th the Ecolo general assembly adopted a resolution to praise participation in government by a razor-thin majority of 52.3 %. Other resolutions were equally critical of Ecolo ministers and made further participation conditional on the swift settlement of a number of issues.

MR – The establishment of the Mouvement Réformateur (MR) on March 24th marked a further step in the integration of PRL, FDF, and MCC. Nevertheless each

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component retained its autonomy. Daniel Ducarme was elected MR president; Louis Michel became 'chef de file gouvernementale' i.e. an office created to emphasise his prominence among the francophone liberal ministers.

PSC/CDH – On May 18th the PSC party conference concluded the process of renewal by changing its name to 'Centre démocrate humaniste'. CDH would become a modern centre party open to the non-religious. Doubts persisted, however, on the party's chances of survival. Talks on a possible cooperation with MR were interrupted by Michel in November 2001.

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The picture on the front page of the Yearbook shows the Belgian and Spanish dignitaries on December 31, 2001, at the Royal Palace in Brussels; attending the European Council Presidency change over ceremony on the eve of the introduction of the euro.

© Picture: European Commission Audiovisual Library