



# The blue, the red, and the green come to the aid of Belgian federalism

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**The** year 1999 started out looking like it was going to be the “*annus horribilis*” of Belgian federalism.

In March of 1999, the Flemish Community Parliament adopted (with the almost unanimous support of both government and opposition parties) five resolutions that would have had the effect of completely overturning the current structures of the Belgian Federation.

In response, all the Francophone political parties formed a united front against what they saw as an attempt to move toward “confederalism” in Belgium. They adopted a declaration designed to stymie efforts to change the constitution.

A new Parliament was to be elected in June of 1999 and the Francophone parties sought via their declaration to limit the capacity of that new Parliament to change Belgian political institutions fundamentally.

On the eve of the June 1999 election Francophone and Flemish parties alike wondered how representatives of the two main communities would get along after the vote. Would there be a major political crisis?

In effect the Francophone parties were threatening to block the formation of a new federal government because they opposed constitutional changes. If they did that would they run the risk of effectively weakening the very institutions they were seeking to defend?

This risk posed an even greater danger given that at the Regional and Community level new executives would take power without any delays.

## ***The Belgian version of the “rainbow coalition”***

The elections themselves created a shock-wave on the Belgian political scene. For the first time in forty years the Christian parties were defeated and replaced by a three-way coalition of the free-market right, the socialist left and the ecologists.

This new force called itself the “rainbow” group because it combined the political colours of blue, red and green. In effect, it was an alliance of six political groups, because since the seventies each Belgian political party has been divided into Francophone and Flemish wings. (The absence of truly federal parties is without question both a distinguishing characteristic and one of the main weaknesses of Belgian federalism.)

This new coalition turned what looked like a perilous period for Belgian federalism into a time of constructive change.

On July 7, 1999 the diverse parties reached an agreement on governing the country that was presented as a sort of truce between the Flemish and the Francophones.

This ushered in a new political climate, with the new governments of the Communities and the Regions declaring their willingness to cooperate with each other across linguistic lines—a change from the hostile attitude of their predecessors.

How did this post-electoral “detente” between the two main language groups in Belgium come to pass?

Part of the explanation lies in the political crisis that broke out in the middle of the campaign when dioxins were found in some food products.

And a good part of it has to do with the jockeying for position among the rising new political forces as they saw the chance to gain a piece of federal power.

Indeed these new political players were no doubt euphoric at the chance of finally dethroning what had been, to that point, the main power fulcrums of Belgian politics: the Social Christians, both Flemish and Francophone.

On the other hand, one can't underestimate the Belgian capacity for compromise.

In essence, the country's democracy is built on a tradition of consensus and not confrontation. In the post election period both sides seemed to realize that they had a choice of living together in a single country—or totally renegotiating their relationship.

## ***Improving the federal structure***

Of particular interest in the governmental agreement of July 1999 is the part that deals with government institutions. There is only a little more than a page devoted to “renewing democratic institutions” in the thirty-one page agreement. But, however short, it is a very important passage.

The section begins by stating: “The structure of the Belgian federal state must be improved in order to eliminate tensions and assure

harmonious relations between regions and communities”.

To achieve this goal the agreement proposes the creation of an “Intergovernmental and Inter-Parliamentary Conference for Institutional Renewal”. This new entity is charged with analysing “the existing mechanisms by which the state functions and devising means to improve the functioning of federal institutions”.

The Conference was formed of representatives of the Federal Parliament, the Regions and the Communities and directed by a joint Francophone-Flemish presidency.

Its mission was twofold:

First, it had to develop practical propositions that could be agreed to unanimously. Then, it was to search for areas of agreement on the problems identified in a pre-election report adopted by the Belgian upper house, the Senate.

Among the specific questions it was to tackle:

- communal and provincial organization;
- how one might extend the power of the Regions and Communities;
- the issue of direct contact between regional and community governments and the European Union.

The Conference’s mission was to rework existing institutions rather than continue the process of reforming the federation by adding to the four reforms of 1970, 1980, 1988–89 and 1993.

### ***The tough fiscal issues***

One of the main motives for dealing with institutional questions via this special commission was to spare the new federal coalition government the burden of this touchy dossier.

Still, the new coalition in the federal Parliament was forced to deal with the question of financing federal entities, in particular with regard to the Communities’ responsibility for

education—a responsibility that has posed very great difficulties for the Francophones since the beginning of the 1990s.

A significant agreement on education financing was reached in October 2000. The Communities got additional resources and succeeded in getting their funding indexed to the rate of economic growth. At the same time, the agreement strengthened regional financial autonomy.

Prior to this agreement the regions didn’t have the power to raise or lower the income tax on individuals. The agreement specified a range within which they could raise or lower tax rates (from 3,25% starting in 2001 to 6.75% starting in 2004) without being cited for practising unfair fiscal competition.

The question of the sharing of wealth between regions is one of the most delicate in Belgian federalism. In recent times the Flemish North has experienced strong prosperity while the Francophone South has struggled with a difficult economic situation.

A new law which is to come into effect in January 2002 will establish a new equilibrium between the Communities. It will provide for measures to refinance the Communities (in large measure to preserve the Francophone system of education). In exchange Flanders will get an increased measure of fiscal autonomy.

### ***A resilient federalism***

Belgian federalism has been torn between Flemish pressure for greater autonomy of the constituent units and Francophone fears that moves in that direction would threaten the very existence of the federation.

The negotiations undertaken both within the framework of the special

Conference and within the Federal government itself confirm that federalism in Belgium has the capacity to evolve.

The recent federal agreement states that one of the tasks of the “conference for institutional renewal” is to “formulate propositions to the big problems to come...starting from the principle of interpersonal solidarity.”

This idea is echoed in the section of the agreement devoted to social security, according to which “the government will modernize social security to meet new needs. It seeks to guarantee the means necessary to maintain a system of mutual assurance and solidarity”.

Reaffirming this principle is of fundamental importance in the context of a Francophone-Flemish dispute on the question of financial transfers from the North to the South.

The Flemish have been demanding more power in the area of health care and family benefits.

The Francophones see this as a challenge to the principle of “interpersonal solidarity” between all citizens of the Belgian federation, regardless of their region or community—a principle which is supposed to be the goal of the system of social security.

And yet, nobody doubts that the Flemish demands for more autonomy that date back to 1999 will be on the agenda of future federal governments.

So, in the final analysis, the survival of the Belgian federation, in a Europe where the degree of integration challenges the very notion of the nation-state, would appear to depend on its leaders’ ability to keep in balance two equally essential elements:

- the practice of “subsidiarity” with regard to the prerogatives of the constituent units, and
- a basic principle of solidarity between all the citizens of the federation, regardless of language or region. ☺