


EU-27 WATCH



No. 9
July 2010

ISSN 1610-6458

www.EU-27Watch.org

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On the project

Due to the new treaty provisions of the Lisbon Treaty and the economic crises the enlarged EU of 27 member states is on the search for a new modus operandi while also continuing membership talks with candidate countries. The EU-27 Watch project is mapping out discourses on these and more issues in European policies all over Europe. Research institutes from all 27 member states and the four candidate countries give overviews on the discourses in their respective countries.

The reports focus on a **reporting period from December 2009 until May 2010**. This survey was conducted on the basis of a questionnaire that has been elaborated in March and April 2010. Most of the 31 reports were delivered in May 2010. This issue and all previous issues are available on the EU-27 Watch website: www.EU-27Watch.org.

The EU-27 Watch No. 9 receives significant funding from the **Otto Wolff-Foundation, Cologne**, in the framework of the *"Dialog Europa der Otto Wolff-Stiftung"*, and financial support from the **European Commission**. The European Commission is not responsible for any use that may be made of the information contained therein.

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Belgium**Economic policy: more coordination, more solidarity**

Régis Dandoy*

Greek crisis: an almost unconditional solidarity

Belgium largely agreed to contribute to the European effort to financially sustain Greece, and very few political parties expressed their opposition. The Belgian aid will take the form of coordinated bilateral loans and will constitute 3.58 percent of the global effort. The Minister of Finances, Didier Reynders, assessed the Belgian contribution to 1,074 billion Euros.¹ But although Belgium's solidarity with the Greek people and government was not much discussed,² there is a concern that this contribution would have a significant impact on the Belgian public debt (which is estimated to be about 109 percent of Gross Domestic Product in 2013). The fear, shared by many political parties, is that Belgium itself would be in the same situation as Greece, because of the important public debt and the current political and institutional crisis. The federal government and particularly the Minister of Budget, Guy Vanhengel, restored confidence claiming that the Greek and Belgian public debts and economies are very different, as economic growth is larger in Belgium and its unemployment rate is smaller than Greece's.³

Much criticism was voiced in Belgium against the decision-making process at the EU level. For example, the former Prime Minister and current Member European Parliament, Guy Verhofstadt, criticised the slow decision-making process and European cacophony, as well as the overly long discussions on the way to solving this problem.⁴ This position is shared by many other actors, who complained about the delayed reaction from EU institutions that deteriorated the situation in Greece, and many Members of Parliament, among others from the majority, Hendrik Bogaert (Christian Democratic and Flemish – CD&V) and Jean-Jacques Flahaux (Reformist Movement – MR), accused Germany for being responsible for this delay.⁵ Belgium is, in fact, divided towards the German position in this regard. Many politicians criticised the doubts expressed by Angela Merkel – among them the Prime Minister, Yves Leterme, who publicly denounced the lack of responsibility displayed by Germany.⁶

A reinforced economic governance

There has not been much discussion on the eventual reform of the EU's economic policies and institutions, partly because the main political actors focused their attention on the political and institutional crisis at the federal level. Nonetheless, some political actors drew conclusions from the Greek case and stressed the need to review some of the processes. Even without making any substantive proposal, the Minister of Finance, Didier Reynders, thinks that the monetary pillar (that is linked to the policy of the European Central Bank) and the budgetary and economic pillar (still based on intergovernmental coordination) should both be better integrated. He is also in favour of the installation of a new subsidiary of the European Investment Bank, which could intervene in matters regarding the financial problems of member states.⁷ According to Guy Verhofstadt, a new mechanism is needed at the European level, combining three elements: the creation of a European Monetary Fund, which would be controlled by the European Commission, the creation of a Euro Bond Market, and the development of a real economic pillar and strategy in the Eurozone. In addition, the European Commission should be given a real leadership and orientation capacity regarding the economic governance.⁸

Europe 2020: the lack of a social Europe

The main criticism that was addressed to the Europe 2020 Strategy is the lack of a real social pillar. Poverty should indeed become one of the main targets, but a social Europe should encompass other dimensions, such as strong social security, an inclusive labour market, a decent minimum salary and access to quality services.⁹ In addition, the current poverty indicator should be completely revised and enlarged. As Belgium will hold the rotating presidency of the EU starting on 1 July 2010, poverty will be one of its transversal priorities by creating an authentic partnership with the field actors. Guy Verhofstadt also criticises the Europe 2020 Strategy that, in his eyes, is merely a new packaging of

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the “old” Lisbon Strategy. He predicts that this initiative of open coordination, based on good practices and peer pressure, will not lead to more success than previous initiatives.¹⁰

In the framework of the Europe 2020 Strategy, a Belgian version of this strategy was set up: the so-called BE 2020. An agreement was reached by the federal, regional and community governments on the priorities that Belgium will put forward as its contribution to the European ambitions: a competitive industrial policy; an innovative digital society; climate, energy and mobility; employment and formation; social cohesion; and the fight against poverty.¹¹ A support committee of the Lisbon Strategy was set up for the monitoring and execution of these priorities in the framework of the Europe 2020 and BE 2020 strategies. More accurate objectives will be jointly defined by the different governments by the end of June 2010.

¹ De Morgen: België bereid bij te dragen aan Europese lening Griekenland, 16 March 2010.

² The eurosceptic movements “No Euro for the Greeks” that appeared in several countries were denounced by all Belgian parties.

³ Finance and Budget Committee, Federal Parliament, doc. CRABV 52 COM 794, 23 February 2010; De Standaard: De Gucht waarschuwt voor loze beloftes, 16 May 2010.

⁴ Guy Verhostadt: Is de crisis rond de euro voorbij?, De Standaard, 9 April 2010; De Standaard: Verhostadt wil dat Europese leiders stoppen met kakelen, 16 May 2010.

⁵ Finance and Budget Committee: Parliamentary discussion on the law project allowing Belgium to make loans to Greece, doc. 52 2576/002, 5 May 2010; Plenary Session, doc. CRABV 52 PLEN 153, 5 May 2010.

⁶ De Standaard: Leterme maant Merkel tot discretie over euro aan, 16 May 2010.

⁷ De Morgen: België bereid bij te dragen aan Europese lening Griekenland, 16 March 2010.

⁸ Guy Verhostadt: Is de crisis rond de euro voorbij?, De Standaard, 9 April 2010.

⁹ Committee on health, environment and social affairs: Les priorités de la présidence belge de l'Union européenne, report, doc. 52 2378/012.

¹⁰ Guy Verhostadt: Is de crisi rond de euro voorbij?, De Standaard, 9 April 2010.

¹¹ Prime Minister office: BE2020 – Un agenda commun: de la crise à la croissance, press release, 19 March 2010.

Questionnaire for EU-27 Watch, No. 9

Reporting period December 2009 until May 2010 – Deadline for country reports 21 May

All questions refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion. Please name sources wherever possible!

1. Implementation of the Lisbon Treaty

On the 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions.

- How is the work of the new President of the European Council, Herman Van Rompuy, assessed in your country? Which changes to the role of the rotating council presidency are expected?
- How is the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, assessed in your country? Please take into particular consideration both her role within the European Commission and her relationship to the Council of the European Union.
- On 25 March 2010 a "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" was presented. How is this concept perceived in your country? Which alternatives are discussed?
- On 31 March 2010 the European Commission presented a proposal defining the rules and procedures for the European Citizens' Initiative (ECI). What are the expectations for the ECI in your country? What are the various positions concerning the rules and procedures?

2. Enlargement and European Neighbourhood Policy

The European Commission has given its opinion on Iceland's application for EU-membership and a decision from the Council is expected before the end of June. Croatia seems to have settled its border dispute with Slovenia. Against this background:

- Which countries does your country expect to become members of the European Union in the next enlargement round? What are the opinions in your country on the membership of these countries?
- How are the membership perspectives of those countries discussed, which are not expected to become a member in the next enlargement round?

The Eastern Partnership and the Union for the Mediterranean were the last major projects dealing with the European neighbourhood:

- How are these projects assessed in your country?

3. European economic policy and the financial and economic crisis

The European Council agreed on 25/26 March on the key elements of the Europe 2020 strategy, the successor of the Lisbon strategy. While not being on the formal agenda the economic and financial situation in Greece was discussed. The European Council agreed on a finance package combining bilateral loans from the eurozone and financing through the International Monetary Fund.

- How is the finance package for Greece assessed in your country? Are there any opinions on the process, how the agreement on the package was reached?
- Which lessons should be drawn from the Greek case for a reform of the Stability and Growth Pact?
- How is the idea of "a strong coordination of economic policies in Europe" perceived in your country? What concepts of an European economic governance are discussed in your country and which role do they assign to the Euro group?
- How is the Europe 2020 strategy discussed in your country? What are the priorities for the Europe 2020 strategy from your country's perspective?

4. Climate and energy policy

The climate conference in Copenhagen took note of the Copenhagen Accord but did not reach a binding agreement. The next conference of the parties (COP 16 & CMP 6) will take place at the end of November 2010.

- How is the Copenhagen conference assessed in your country? Please take into consideration the negotiation strategy of European Union and the results of the conference.
- Does the European Union need to change its own energy and climate policy in order to give a new impulse to the international negotiations?
- Is a global agreement within the UNFCCC the best strategy to fight climate change? If not, which alternative strategy should the European Union follow?
- What is your country's position on financing mitigation and adaptation efforts in developing countries?

5. Current issues and discourses in your country

Which other topics and discourses are highly salient in your country but not covered by this questionnaire?