



Policy Brief

Think Tank Popolari

February 2011

Similar Differences and Missing Mechanisms



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The slogan 'Grow a Beard for Belgium' is making headlines. One of Belgium's best-known actors, Benoit Poelvoorde, is leading this initiative, urging his fellow citizens not to shave again until the country finally forms a government. Hundreds grow a bit hairier each day as Belgium continues to operate without a government, which has been the case since the elections in June last year. Coalition talks between the seven parties that won seats in the elections have repeatedly failed. Until a coalition is formed, a caretaker government is in place, and the king appoints a mediator to help the parties come to an agreement, but these mediators keep filing resignation letters¹ out of frustration.



Benoit Poelvoorde - leader of the 'Grow a beard for Belgium' initiative

Forming a government is no easy task in a complex, multilingual and multicultural country such as Belgium.² Following independence from the Netherlands in 1830, Belgium became a unique decentralized nation-state based on the French model, with French as the official language despite a large Dutch speaking population. Belgium began a gradual process of federalization in the 1970s and a constitutional reform in 1993 officially changed Belgium from a unitary to a federal state. Today the country is composed of three political regions: the northern Dutch-speaking region of Flanders, the southern French-speaking Wallonia, and the wider, bilingual Brussels Region. In addition, there is a German population in Belgium that does not have their own territorial unit, but their collective rights are regulated by another set of non-territorial units controlling educational and linguistic matters.

¹ Johan Vande Lanotte, the mediator appointed to reconcile the French and Dutch speaking political parties involved in coalition talks has quit for a second time in a month, furthering the political standstill reports the online news source, EurActiv.com, in an article published on Jan. 27th, 2011, titled "Belgium mediator quits for second time, deepening crisis". This time, Vande Lanotte's resignation was accepted by King Albert II. He had been trying since late October to bring the two parties to the negotiating table, but it was not possible to get the 7 political parties to cooperate, with the Flemish parties wanting to transfer more powers to the country's regions and the French parties very much opposed to this. News of Lanotte's resignation even affected the markets, sending Belgian stocks plummeting further

² More information about Belgium's multicultural, legislative and political make-up can be found on Belgium's Official Information and Services website: www.belgium.be/en

The majority of responsibilities - such as transportation, public health, environment, housing, and economic and industrial policies - have gradually been transferred partially or fully to the regions, while the federal government handles broad issues such as foreign policy, social security, and defense.

The main issue preventing government formation in Belgium is that Flemish representatives would like to see even more responsibilities delegated to the regions³, particularly in the areas of labor market, social security and finances, while the French-speaking parties claim these demands go too far, and would lead to a de-facto splitting of the country. The Flemish parties have responded by accusing them of resisting any meaningful institutional change, therefore talks are going nowhere. In addition, there is a long-lasting territorial issue related to the wider Brussels region⁴. As politicians struggle to find solutions, last week their country broke the world record, previously held by Iraq, for the longest period of time without a government.



In Bruxelles, road signs are written in the two languages, similar as two alphabets are used for signs in Bosnia. However, in both countries these signs suffer regularly from the wrath of nationalists.

Meanwhile a group of EU and Bosnian officials, as well as other friends of Bosnia, met in Brussels in order to discuss the next steps BiH needs to undertake on its EU accession path - the number one priority being the formation of the state government, which has been pending for almost five months already. As Populari researchers traveled to Belgium to participate in this round table event, they could not help finding the circumstances rather amusing: Doesn't it seem a bit hypocritical to discuss

³ 30,000 Belgians pressed politicians to form a government in a demonstration started by students on the internet labeled "Shame" reports the New York Times on Jan. 23rd, 2011 in an article titled: "Belgians Press Politicians to Form Government". This was the first clear sign of popular frustration at the political crisis with the heart of the issue being the fact that Flemish nationalists are pushing for a new constitutional settlement to give the regions more power over issues such as health and economy and French parties opposing this view. Financial markets are slowly becoming affected as well, leading the public to become fed up with the paralysis that has lasted for the past 4 months. Unfortunately, a new election could bring nothing but the same people and the same issues.

⁴ In elections to the Brussels regional parliament, bilingual slates are forbidden by law and candidates must declare their membership of one of the language communities, French, Flemish or German-speaking. 15% of Brussels population is Flemish, while a whopping 40% are French. Based on the voting figures, French-speaking politicians claim that Brussels is primarily a French speaking city. However, the Vlaams Blok, a far right Flemish political party, wants dissolution of the Belgian state, which they term a historical error. It seeks the unification of Flanders with the Netherlands and for Brussels to become the Flemish city it once was, within Flanders, not within the "Walloonian collective". They also claim that large numbers of Brussels residents have family links with Flanders and that only the prosperity of Flanders can save Brussels financially. This French-Flemish tug of war with Brussels has been on-going for decades, with the Vlaams Blok trying to gain French support by promising them rights regarding their culture, language use and education. ("Flemish far right sets its sights on Brussels" – Le Monde diplomatique)

the necessity of forming the Bosnian government in the capital of a country that has been without a government for twice as long as Bosnia ?

At first glance, Belgium has a lot in common with Bosnia. The concept of both states is federalist, and they both have very few areas of competence at the State level. Bosnia and Herzegovina is divided into regions called entities – Republika Srpska (RS) and the Federation of Bosnia and Herzegovina (FBiH), and additionally Brčko, an autonomous district under the sovereignty of Bosnia, whose territory is jointly owned by the two entities. Given these similarities, why does Belgium's crisis elicit at best some amusement, while the time that Bosnia takes to form a government is cited as evidence that it is a non-functioning, practically 'failed state'⁵? What's the catch? Why is four months without a government a problem in Bosnia, whereas Belgium's eight months without a government does not prevent the country from functioning and even successfully managing the EU presidency⁶ in the second half of 2010?



Regions of Belgium (left) and Entities of BiH (right)

While the modern statehood of all other Yugoslav successor states represented an evolution of previous socialist republic institutions, Bosnia, after being shattered by a brutal war, was institutionally built from scratch. The 1995 Dayton Peace Agreement defined the current constitutional framework of Bosnia⁷. The Constitution prescribes only a short list of competences that the State has, while all others are in the jurisdiction of the Entities- the RS and FBiH. Similarly to

⁵ The Failed States Index 2010, compiled by *Foreign Policy* and *The Fund for Peace*, put Bosnia & Herzegovina in 60th place, last. The 12 indicators are: Demographic Pressures, Refugees/IDPs, Group Grievance, Human Flight, Uneven Development, Economic Decline, Delegitimization of the State, Public Services, Human Rights, Security Apparatus, Factionalized Elites, and External Intervention. This was in a list that included Rwanda, Angola and Azerbaijan.

⁶ Despite internal political paralysis, the Belgian Presidency was at the helm of significant achievements: strides toward a single patent, cross-border healthcare, and approval of the 2011 budget. Belgian's came under the framework of the new Lisbon Treaty, effective as of December 2009, replaced some of the powers of the president's office with the creation of a permanent European Council President and a HR for Foreign Affairs, which made their achievements more noteworthy. That meant the Belgians played more of a facilitating role via "trialogue" negotiations between the Commission, Parliament and Council of Ministers to get legislation through. An exercise they proved to be particularly skilful at. The only failure was the standstill on negotiations over Turkey's inclusion in the union. ("Despite crises, Belgium's EU Presidency made strides" – EurActiv, Jan. 6, 2011.)

⁷ Annex 4 of the Dayton Peace Agreement is the Constitution of Bosnia & Herzegovina

the Flemish region in Belgium, Republika Srpska is asking for more autonomy and more competences, while the Bosniak (Muslim) parties from the FBiH are, at least nominally in favor of strengthening the central government. These disputes, among other complexities, have prevented Bosnian parties from forming a coalition necessary for the formation of the state government since October last year. Similar to Belgium's German population representatives who aspire to have their own region, the main Bosnian Croat political parties are unhappy with the status of their ethnic group in the country, demanding new territorial arrangements that would provide them with their own Entity. The crucial difference, however, is that the Germans in Belgium present less than 1% of the overall population, and do not have any political representation on the state level, thus do not have the same leverage as the Bosnian Croats.

Furthermore, in contrast with Belgium, Bosnia is an asymmetrical federation, with one of its Entities – the FBiH – being yet again a decentralized federation composed of ten cantons. Because of its structure, the formation of the FBiH government depends on the formation of the cantonal governments, and at the moment not all of them have yet been formed.

Despite the lack of new governments, neither Bosnia nor Belgium collapsed in recent months. In fact, little has changed for the daily lives of ordinary citizens, as trash still gets picked up, schools remain open, and pensions are still paid in both countries. However, the mechanisms that ensure such matters, are handled very differently in the two countries.



Public services in Brussels (left) and in Sarajevo (right)

Unlike Bosnia, Belgium has 3 election cycles: federal elections, elections for municipal and provincial councils, and regional and (language) community elections. This means that Belgium is currently forming only a federal government, and the caretaker government in place operates even without the 2011 budget⁸ because there is a mechanism for a temporary budget in such a situation. Besides, the regional and municipal governments are functioning normally, and are able to adopt their annual budgets out of which, amongst other things, the majority of public services are financed. Bosnia, on the other hand, is in the process of forming three different levels of government at the same time. Currently, state institutions function only thanks to the Decision on Temporary Financing,⁹ which

⁸ The political crisis has made it difficult to make fundamental decisions, including financial ones, which has left the government unable to adopt a budget for 2011. The country has therefore been running on the basis of "provisional twelfths" where payments may be made monthly up to a limit of one twelfth of the appropriations entered in the budget of the previous financial year. Each month government departments continue operating on the basis of 2010 amounts.

⁹ The Cabinet of Ministers adopted the decision on Dec. 28th, 2010 and it was published in "Sluzbeni Glasnik" in January 2011.

provides temporary finances until the 31st of March 2011. The cantons in FBiH entity that are still without governments have adopted similar temporary budgets, but the FBiH Entity did not - so it had to be imposed by the OHR¹⁰ in order for entity institutions to keep on functioning. As laws on budget in Bosnia do not prescribe mechanisms to deal with the no-government situation after the end of March, the OHR will probably have to step in again.

And this is not the only reason why governmentless Bosnia is portrayed as a country on the brink of an abyss, while Belgium with care taker governments is still associated with good chocolate. The difference is simple and rather logical - It is about the missing mechanisms. For example, the majority of the countries in the world will conduct a population census in 2011 but unfortunately, the same cannot be said for BiH. The census was a heated issue for the political representatives of the three ethnic groups during the 2006-2010 mandate, during which they argued over whether or not to include questions on ethnicity, religion and language. Bosnia has not had a population census since 1991, and still does not even have a Census Law. In Belgium, over the past 160 years, 16 censuses have been conducted approximately every 10 years. The mechanism to conduct the 2011 census is in place, and the fact that the country doesn't have a government will not affect the process.

Eurostat, the official statistical office of the European Union, does not require questions about language, ethnicity or religion to be asked. In the case of Belgium, the national census was used until the 1960s as a political tool, to define linguistic regions and to determine borders between the French and Flemish-speaking communities. As a result, a law passed by consensus in 1961 removed linguistic data from the national census to avoid such political consequences, and a linguistic borderline was drawn between the regions. This approach should teach the Bosnian authorities how multi-cultural countries pay particular attention to prevent having statistics that can easily be politically misused.

Unless Bosnia adopts a Census Law, it will not be able to conduct the census, and will lack important statistical data which will make it extremely difficult, if not impossible, to fill in the EU Commission's extensive questionnaire for candidacy status.

The Belgian case should also remind leaders in BiH that the EU does not demand a centralized government. Rather, the EU can work with a decentralized state, as long as competencies are clearly defined and mechanisms of cooperation and information exchange are in place. Following the constitutional reforms of the early 1990s in which more authority was delegated to the regional and community levels, Belgian authorities sorted out their Council of Europe Union coordination and representation in a 1994 cooperation agreement. Belgium representatives at the EU Council session, except in exceptional cases, cannot take a position unless previously agreed upon at the national level meeting. In order to ensure equal representation, the cooperation agreement developed a rotating system of representatives at the EU level.

However, there are certain issues that all EU Member states have to transfer to the supranational EU level – one of them being the regulation of state aid control. The objective of state aid control is, as

¹⁰ The Decision established the amount of temporary financing of the Federation of Bosnia and Herzegovina pending the enactment of the budget of the Federation of Bosnia and Herzegovina for 2011 for the period January-March 2011 in the amount of 320,696,946 KM.

laid down in the founding Treaties of the European Communities, to ensure that government interventions do not distort competition and trade inside the EU. State aid is under the jurisdiction of the Directorate General for Competition¹¹, and in the case of Belgium, neither Flanders nor Wallonia have competences in this area. In order for BiH to be able – once it joins the EU – to transfer competences to the Union, it has to have them functioning on the national level.



Belgium's caretaker government did not stop the country from presiding over the EU for the 15th time (photo:freefoto.com)

In conclusion, four months without a government in Bosnia with so many outstanding issues certainly makes a larger impact than eight months without a government in Belgium.

While Belgium is one of the founding members of the EU, BiH still has to apply for candidacy status¹². The political representatives of all 3 ethnic groups in BiH in principle agree that EU accession is the path Bosnia should follow, yet they continue to put aside this consensus, and focus on their differences. Ideological debates can wait until BiH becomes the 'Belgium of the Balkans' in terms of quality of citizens' lives, but right now BiH needs to make progress in fulfilling all technical conditions that are required by the EU of all (potential) candidate countries. During the accession negotiations, once they start, Bosnia will have to establish systems managing pragmatic priorities, such as census, state aid and all other matters that enable the state executive charged to run day-to-day business. Once established, these mechanisms - as the Belgium example shows - will continue to be functional even if the country is in a political crisis due to ideological differences of ethnic group political representatives.

Although changes that these mechanisms will create during the accession negotiations may not be immediately noticeable in the daily lives of citizens, in the long run their impact will be immense. While indeed suffering from anomalies, the case of Belgium shows that Bosnia is not so exceptional after all. However, it lacks tools that would enable its complexities to function regardless of political climate of a certain time. In Belgium there are mechanisms to keep things moving, while in Bosnia they are yet to be created.

¹¹ To benefit consumers, businesses and the European economy as a whole, the European Commission, directly enforces EU competition rules to make EU markets work better, by ensuring that all companies compete equally and fairly on their merits (Articles 101-109 of the Treaty on the Functioning of the EU (TFEU)).

¹² Information on the Directorate for Enlargement, the candidacy process and how it works can be found on: http://ec.europa.eu/enlargement/countries/index_en.htm

