Europe censures inadequate manure policy

The European Court of Justice has censured Flanders and Wallonia because they failed, until 1999, to apply the European nitrate directive of 1991. The European Commission went to the court in 1999 because successive governments were dawdling for too long over the introduction of a tougher manure policy. Agriculture-intensive Flanders, in particular, was not decimating enough vulnerable areas within which stricter manuring standards applied. The European Commission also made no secret of the fact that it also considers the current manure policy to be inadequate. Flemish Environment Minister Kris Peeters (CD&V) promises improvement in a third Manure Action Plan. He wants to increase the number of vulnerable areas from 47 to 60% on the basis of a close-knit measuring system and will defend that plan before the European authorities. His predecessor, the current chairperson of Groen!, Vera Dua, thinks that the whole of Flanders should be declared a vulnerable area, as is the case in the Netherlands and Denmark. That is also the view taken by the SPA, which is in office with Peeters’ party (FF).

SYBILLE DECOO • DE MORGEN • 23 SEPTEMBER

The Commission has been saying for years that the whole of Flanders should become a vulnerable area. It is now hoping for a constructive dialogue with the Flemish authorities, ‘otherwise, the judicial procedure will be pursued’, it says. In the event of a second censure, Flanders risks a fine with possible retroactive effect or a sizeable penalty imposed on a daily basis in the event of non-compliance. The Farmers’ Union points out that the ruling does not take account of the falling trend in nitrate contamination since 1999. However, the measurements still show too high a nitrate contamination in groundwater, streams and rivers. The Farmers’ Union regards the fact that eleven of the fifteen ‘old’ EU Member States have been censured or are involved in judicial proceedings with the European Commission, as proof that the nitrate directive ‘is virtually impracticable within the lead time laid down’. The farming organisation argues in favour of an approach that ‘motivates’ farmers to do something about the problem. The Association for a Better Environment (BBL), however, pointed to the major responsibility of the farming organisations in this denunciation. ‘The ruling is a sizeable reproach for all governments that have systematically ignored the European rules over the last fourteen years. Under pressure form the farming organisations, they did not have the courage to put their house in order. Now they are being presented with the bill.’

Frank Vandecaveye | editor in chief
Career end and social security: a first government memo

These measures are generally being called ‘vague’ and in the press the question most often raised is where the government will find the money to pay for these incentive measures.

WIM VANDE VELDEN • DE TIJD • 22 SEPTEMBER

There will be a stability pact for social security, Prime Minister Guy Verhofstadt (VLD) said after the marathon meeting. It can no longer be tolerated, he said, that some 70% of the income for social security consists of social contributions on labour. The financing basis is gradually to be widened from 2006, so that the weight of social security falls less on the shoulders of those who are working. How exactly the financing basis is to be widened has not yet been worked out.

The idea is to fix a part of the revenue from the advance levy on income derived from securities for social security. The exact amounts to be channelled on will have to be established when the 2006 budget is prepared. Other structural interventions, such as an increase in VAT, a robot duty on added value or a general social contribution, are not mentioned in the orientation memorandum but remain possible.

In addition to the widening of the financing basis of social security, the government has agreed to finance healthcare expenditure more from general budget funds and less from the social security system. Currently healthcare accounts for around a third of expenditure in the social security system.

The mechanism is simply conceived. If the expenses for healthcare are higher than the income from social security contributions, the shortfall has to be made up from the general budget.

Pré: Verhofstadt poursuit sa pression sur les salaires

Prime Minister Verhofstadt’s policy statement of 11 October is still three weeks away. According to political commentators, these are the most crucial weeks of this legislature and the continuation of the ‘Verhofstadt II’ government depends on what happens in this period. This explains why nerves are strained. A [fresh] incident between the Flemish VLD and the PS threw a spanner in the works on 20 September. De Tijd (20 September) reported on its front page that Prime Minister Verhofstadt had defended a memo in which he proposes making sweeping cuts in family allowances.

VLD chairman Somers and the Prime Minister immediately denied that this was a VLD proposal. According to the VLD the press leak was organised by the PS in order to divert attention from corruption scandals in which PS aldermen in Charleroi are involved. According to De Standaard, with the public sinking of proposals that are not proposals, the PS is opting for an all-out offensive against the Liberals. The attacks spoiled the atmosphere for the marathon career-end negotiations, which twice had to be postponed on 20 September. In the negotiations, apart from the issue of career-end arrangements, there are a further three issues up for discussion, which will be interlinked: the budget, the alternative financing of the social security system and the index-linked nature of social security benefits.

Het Nieuwsblad (22 September) claimed the next day to know why the PS was hitting out at the Liberals so fiercely. PS chairman Elio Di Rupo wanted to dump his liberal partner MR and form a new Christian-democrat/Socialist coalition. And therefore he was aiming for early elections, the paper believed. Currently Di Rupo is also having to deal with a number of cases of fraud in which PS officials are involved and suspects the MR of having manoeuvred behind the scenes to bring these into the open. The next day Di Rupo and his liberal coalition partners denied the rumour of a coalition change.
Flanders feel more and more threatened by immigrants in their environment. This was revealed by the study commissioned by the Flemish Government’s Planning and Statistics Office (APS). The study, carried out by Jaak Billiet and Bart Meulemans of the Catholic University of Leuven, sounded out attitudes and behaviour among Flemings and interviewed around 1,500 people between the ages of 18 and 85.

Flemings have been feeling more and more threatened by foreigners since 1998. An important explanation for this is the fact that the far right-wing Vlaams Belang has stamped its mark. This is the fact that the far right-wing party, more threatened by foreigners since 1998, has become more and more influential. The study carried out by Jaak Billiet and Bart Meulemans of the Catholic University of Leuven, sounded out attitudes and behaviour among Flemings and interviewed around 1,500 people between the ages of 18 and 85.

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It also emerges that Flemings have a particularly ambiguous attitude towards the disabled. All told disabled people make up some 15% of the population. Half of Flemings claim to have had contact with disabled persons in their family or in their circle of friends. But if a Fleming has to choose his own neighbour, he would rather not have a mentally handicapped person living next door. Flemings are tolerant as long as their personal environment is not influenced, concludes Jan Verbelen of the Flemish Fund for the Social Integration of the Disabled. The social acceptance of the disabled still leaves a lot to be desired. Equally ambiguous is their attitude towards transport. Almost all Flemings feel it is important to have a bigger and better public transport system, but when it comes down to it, they prefer to use their car. Almost 70% drive to work in their car. The Flemish Transport Minister Kathleen Van Brempt (SP.A) has already announced that she will be drastically increasing the transport services on offer. By 2010 she wants to see one in five Flemings using public transport to get to work.

www.aps.vlaanderen.be
Balanced health insurance budget

That is good news for the federal government, which is faced with a difficult budget preparation process.

According to Social Affairs Minister Rudy Demotte (PS), medical insurance has managed to avoid falling into the red in 2005. Demotte bases his calculations on extrapolations of expenditure of the RIZIV, the National Institute for Sickness and Disability Insurance, for the first five months. That is good news for the federal government, which is faced with a difficult budget preparation process. At the beginning of the year Demotte was given mandates to put an end to the galloping healthcare costs by the end of the year. In 2004 healthcare dipped into the red to the tune of no less than EUR 513 million. Since EUR 375 million of that amount was attributable to the overrunning of the budget for medicines, Demotte started by tackling the consumption of medicines. In June he increased the amount that has to be paid by the patient for non-essential medicines where a generic alternative also existed. Doctors were also urged to tighten their belts. The result is a rise of only 3.75% in the budget this year or a budget that is almost balanced. By way of comparison, in 2000 expenditure rose by 6.5% and from that year it increased steadily until 2004, when growth already amounted to 9.02%. (FF).

DE STANDAARD • 20 SEPTEMBER

The prediction indicates that healthcare will have cost EUR 17.399 billion by the end of this year. That is up 3.75% on last year’s budget. It is also approximately EUR 639,000 more than the budget objective. The 3.75% growth is also lower than the permitted norm of 4.5%. By way of comparison, in 2004 the healthcare budget grew by 9% and health insurance was looking at a severe shortfall.

Taking account of these data, EUR 18.298 billion would be needed for healthcare next year, whilst according to the strict norm calculation (4.5% permitted growth, inflation of 1.9%) EUR 18,373 billion is available, i.e. EUR 75 million more. It is a stroke of good luck for the government, which is preparing its 2006 budget and discussing the financing of the social security system. According to Ivan Van Der Meeren of the Socialist Mutual Health Insurance Funds, the better control of the healthcare budget is also to a large degree attributable to measures dating from 2003 and 2004 which are only now having their full effect. These measures included the freezing of the index for GPs, a higher amount paid by patients for antibiotics, campaigns for more rational prescription behaviour and extra taxes for the pharmaceutical industry.

WWW.RUDYDEMOTTE.BE

HIV virus is getting weaker, says Antwerp ITG research

It would be rash to conclude from these findings that the virus is also becoming more innocuous.

Research by the Institute for Tropical Medicine (ITG) in Antwerp has revealed that the HIV-1 virus that causes AIDS has weakened over the last fifteen years. A study of 24 HIV samples, half of which from the period 1986-1989 and the other half from the period 2002-2003, showed that the viruses from 2002-2003 multiplied less quickly. However, the researchers warn that it would be rash to conclude from these findings that the virus is also becoming more innocuous. They stress that the discovery may in no way be taken as an argument for reducing efforts in the field of prevention and awareness raising. The HIV virus often quickly manages to become resistant to the medicines used to combat the disease. The use of cocktails of potent drugs has admittedly led to HIV-positive patients seeing their life expectancy increase by ten years, but the virus continues to spread. At the moment there are some 40 million people infected with HIV worldwide (FF).

GAZET VAN ANTWERPEN • 20 SEPTEMBER

Kevin Ariën, who is attached to the ITG, studied 24 samples from the AIDS clinic in Antwerp. The comparison of samples from 1986-1989 and 2002-2003 shows that 75% of the new viruses are weaker than the old ones. They appear not to multiply so well and are more sensitive to medicines. But according to Ariën ‘the study is still on too small a scale for it to be possible to conclude that the virus is becoming more innocuous. Therefore we are currently working on a follow-up study of some 30 samples. The results of that should be known by the end of this year.’

Although worldwide AIDS research has succeeded in keeping the virus under control, the virus nonetheless repeatedly proves itself capable of becoming immune to existing drugs. More than 50% of patients have a resistant form of AIDS. In April this year doctors in New York discovered a new aggressive variant, which is reportedly resistant to almost all existing retro-viral drugs and which develops from HIV to AIDS far more quickly. But it is precisely these various mutations that have allegedly led to a weakening of the virus. Ariën: ‘The virus has to adapt all the time as a result of its transmission from one person to another. It’s actually all about interaction between virus and carrier. The virus adapts itself to the person and the carrier’s genes adapt to the virus.’

WWW.ITG.BE
Belgian investors have rediscovered their taste for shares. Since July the banks have received 30 to 50% more stock exchange orders from private investors than in the same period last year. The low interest rate on deposit accounts (1.25 to 1.75%) and the good performance of the Belgian stock market. The Bel20 has risen by 12% since January - perhaps explain the increasing pulling power of individual shares. The average dividend yield of the Bel20 was 3.19% gross or 2.39% net this year. The Flemish Government's Arkimedes fund has gratefully been able to take advantage of this rising interest. The fund had to collect EUR 110 million in venture capital via the stock market, made up of EUR 75 million in shares and EUR 35 million in bonds. Half of the amount was already invested on the first day of subscription. On 20 September the subscription period was closed earlier than planned. The company taking the initiative, the Participatie Maatschappij Vlaanderen (PMV), wants to have the initiative. 'There are various places in Flemish SMEs on the basis of a business plan which have been invested. Some 50,000 Poles at work in the construction industry who do not have a work permit and are not paid according to the Belgian wage and employment conditions. Contractors who employ illegitimate workers can work at cut rates. A great many contractors are therefore seriously tempted to combat this unfair competition using the same weapons. The Confederation therefore argues in favour of more checks (FF).

Han Declercq. According to the Construction Confederation, a hundred thousand illegal Poles are reportedly at work in our country, half as cleaning women and half in the building trade. But Declercq stresses that making statements about it is dangerous, since nobody knows exactly how many people are involved. Employment in the construction sector is feeling the effects. 'Although there are hardly any new jobs being created, there’s work enough. Just think of the lack of social housing, the abominable state of the houses in which asylum seekers end up, or the dilapidated state of entire inner city districts, such as in Ghent,' says Declercq. The Construction Confederation is therefore again advocating more checks and more penalties for illegitimate work. 'What is the point of democratic laws if they are being trampled on?' In addition to that, the charges on overtime should be reduced. 'If overtime were not taxed so highly, there would be less illegitimate work and the government would get the money back as a matter of course.' Finally, the Construction Confederation is also asking for building works to be made more fiscally attractive. 'If private individuals could include more building activities on their tax return, they would ask the contractor more readily for an invoice and the black economy would be curbed automatically,' according to Declercq.

ARKimedes Fund appeals to investors

FF EDITOR

The number of building permits granted for houses and apartments rose by 11.57% in the first half of 2005. There is thus clearly more work in the construction sector, and yet the number of employed construction workers only rose by 0.82% to 154,545. This was revealed in figures published by the Construction Confederation. The employers' organisation suspects that there has been a huge increase in illegitimate work. There are reportedly some 50,000 Poles at work in the construction industry who do not have a work permit and are not paid according to the Belgian wage and employment conditions. Contractors who employ illegitimate workers can work at cut rates. A great many contractors are therefore seriously tempted to combat this unfair competition using the same weapons. The Confederation therefore argues in favour of more checks (FF).

Illegitimate work unsettles construction sector

The report in Le Soir resulted in a 2.78% rise in the price of the Dexia share on 21 September. According to De Tijd (22 September) Fortis came up with the plan out of purely defensive considerations. Fortis wants to create a large Belgian bank in order to arm itself against a foreign takeover. The European banking sector is currently on the eve of a major consolidation wave, according to many insiders, and Fortis does not feel secure. So the best strategy is to become so big that a takeover would be extremely difficult. After all, the Fortis shareholding is very fragmented and chairman Maurice Lippens has repeatedly made it known that a stable shareholder would be welcome. De Tijd also believes that it is inconceivable that the Competition Board would allow such a large concentration. Together, Dextra and Fortis have a market share of 60%.
Rob Kuijpers stands down at SN Airholding

KUIJPERS IS RESIGNING AS EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS OF BOTH SNBA AND VIRGIN EXPRESS AND IS ALSO STANDING DOWN AS CHAIRMAN OF THE GROUP’S MANAGEMENT BOARD WHICH PREPARED THE INTEGRATION OF VIRGIN AND SNBA.

Rob Kuijpers, the executive chairman of SN Brussels Airlines and Virgin Express, is standing down. Kuijpers had major differences of opinion with a number of heavyweights on the board of directors (including chairman Etienne Davignon) on the future of the two airlines. His business plan was reportedly rejected a few weeks ago by the board of directors of SN Airholding. The shareholders’ decision to give his general manager Peter Davies prior notice was the reason for Kuijpers immediately resigning, in the view of De Standaard (20 September). In 2002, out of the debris of Sabena, the Kuijpers-Davies duo began to build an airline, SNBA, which became profitable in a few years. A temporary management team of five senior managers will temporarily replace the Kuijpers and Davies team. This year SNBA and Virgin Express became sister companies under the same holding company SN Airholding, in which Virgin boss Richard Branson holds a 29.9% stake (FF).

GUIDO MEEUSSEN • DE TIJD
20 SEPTEMBER

Peter Davies was reportedly a candidate for the job of general manager for the two companies, a new position. But he evidently did not have enough support. Davies was brought in by Kuijpers in 2002. Shortly before that both had been working for the courier company DHL. A temporary management team will take over the day-to-day management of SN Brussels and Virgin Express pending the arrival of a new general manager. That management team consists of Michel Meyfroidt, managing director of SN Airholding, Neil Burrows, general manager of Virgin Express; Rudi Nerinckx, the new personnel manager of SNBA, Philip Saunders, commercial manager and Eric Follet, SNBA’s network manager. Kuijpers is resigning as executive chairman of the board of directors of both SNBA and Virgin Express and is also standing down as chairman of the group’s management board which prepared the integration of Virgin and SNBA. The board of directors ‘respects’ the decision taken by Kuijpers, ‘under whose expert leadership’ SNBA has successfully developed and for which it is ‘very grateful’. WWW.FLYSN.COM

Misunderstanding or foreign policy for domestic use

Luc Vanden Brande, Flemish CD&V member of parliament and until 1999 Minister-President of the Flemish Government has brought the wrath of the VLD upon himself. In a European committee of recommendation, he refused to support the candidacy of fellow Belgian Marc Verwilghen (VLD) - currently federal Energy Minister - for the post of human rights commissioner. Verwilghen received the support of the Netherlands and Luxembourg, but not Belgium. Of the three other candidates on the short list, Vanden Brande opted for the Pole Nowicki. And it was precisely that vote that could have made the difference, for Verwilghen received five votes and Nowicki six. According to the VLD, Vanden Brande thereby flouted the unwritten rule that a fellow countryman running for a senior international position should be supported. On 4 October the Council of Europe will decide who becomes commissioner. According to many commentators, the VLD is trying to provide Verwilghen with an elegant exit to an international post, because the party would rather have a different VLD minister in the government. Vanden Brande himself has said that he refuses to cooperate with such a scenario (FF).

INGE GHIJS • DE STANDAARD • 13 SEPTEMBER

‘A typical example of foreign policy intended for domestic use,’ says the Ghent professor Rik Coolsaet. ‘It’s clear that here only the opposition is playing. In Belgium foreign policy is often a continuation of domestic policy, and in this case things are no different. Once candidates are on a short list, you can assume that they have more or less the same qualities. Less qualified people simply don’t make it onto such a short list.’

Rik Coolsaet points to the procedure as the explanation as to why Belgian politicians seldom fail to support the candidacy of a fellow countryman. ‘A sharing out of important posts is usually done by governments. The government decides and the opposition doesn’t get a look in. Only in this kind of situation, in which the Council of Europe decides, can the opposition play its role of opposition’. Former NATO Secretary-General Willy Claes (SP.A) also says that fellow countrymen seldom fail to support each other’s candidacies. ‘At any rate, I can’t think of any other similar incident. Support for your fellow countrymen is an unwritten law. I also gather that Luc Van den Brande was of the view that Marc Verwilghen had made a very good impression. I therefore certainly do not dismiss the possibility that domestic reasons played a role. It is clear that the VLD is currently trying to make room for ministerial candidates and that Marc Verwilghen’s possible departure from the government would be to the party’s benefit in that sense. I can imagine that it would be very tempting for the opposition to try to ambush that. This is counterbalanced by the fact that Van den Brande would not be contacted beforehand by the government. If that is so, then that is a tactical error on the part of the government.’
ARCHITECTURE

The Monaco of the Flemish coast

The city of Knokke-Heist is undoubtedly the most fashionable seaside resort on the Flemish coast. The city council wants to showcase that still further with the building of a new prestigious casino, an icon designed to make Knokke stand out on the coastline. But the city council wants the building to be self-supporting. Therefore in addition to the gaming rooms and auditoriums, the casino also houses a hotel and a number of luxury apartments. With this assignment, the city council organised an international architectural competition, in which four teams of architects took part: the London firm Zaha Hadid Architects, the Paris firm Jakob+Mac Farlane, the Dutch duo Neutelings and Riedijk and finally the winning team led by American architect Steven Holl.

The winning design, by the American architect Steven Holl. The four designs are currently on display in the Scharpoord Cultural Centre in Knokke. The winning design, by the American Steven Holl, is causing a commotion among the residents living in the vicinity of the current casino. Holl wants to have Léon Stynen’s old casino dating from the 1920s restored, but will be building an enormous 108-metre tower on top of it. Holl claims that he was inspired by ‘The enchanted world’, a mural by Magritte in the old casino (FF). JVB-Knack • 21 september

The local residents, who fear they will lose their views and have the sun blocked out, have joined forces in a petition, which has so far been signed by some five hundred people. ‘The wind turbine park on de Raan was thwarted because it disrupted the view too much. How will anyone ever be able to defend this?’ wonders Albert Geeraert of the neighbourhood committee. The city council concedes that it has not yet spoken to the local residents. ‘We’re waiting until we have finished with our candidate investors and are still looking into what is possible from a financial and town-planning viewpoint. But as soon as that has happened, the grievances of the local residents will be our number-one priority,’ says first alderman Maxim Willems of Gemeenteraden, the party of mayor Leopold Lippens, which holds the absolute majority in Knokke. ‘I understand that some local residents are worried about the future, and do not think first and foremost about what is good for Knokke-Heist. They don’t need to worry, because the value of their properties will easily increase tenfold’.

That is quite possible. Architect Holl builds appreciably higher than the current height of buildings. According to the principle of equality, room would thus be freed up for new high-rise blocks in the area of the casino and Knokke-Heist would turn into ‘a new Monaco’, fear the local residents. It is now a question of waiting for the new BPA or provincial RUP (Spatial Implementation Plan) to see whether matters actually follow that course. A few months ago, meanwhile, the Compagnie du Zoute, the real estate investment company owned by mayor Count Leopold Lippens, bought the hotel La Réserve, which adjoins the casino site. An ominous sign, according to the local residents.

www.ccknokke-heat.be

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<th>The budgetary cost of the greying of the population as a % of GDP</th>
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<th>2010</th>
<th>2030</th>
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<td>27.5%</td>
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Source: Knack

Banks: balance sheet

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<th>Banks: market value</th>
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