

Recent history

The countries share many elements of common history, having experienced repeated periods of cross-border conflict, co-operation and government during their history. The most modern example of this is the **Benelux** Economic Union, founded in 1958, which has acted alongside the European project to bring these countries' economies, along with that of the Netherlands, closer together. Both countries were seriously affected by the European wars of the first half of the twentieth century. This shaped their political systems after 1945, which put strong emphasis on **consensus**. Politics in both countries has been dominated over the past half century by the twin forces of Christian and Social democracy. In recent years, this has been supplemented by the rise of Green Parties and the resurgence of radical nationalism in Belgium. In Luxembourg, the Christian Social Party has been the dominant political group since World War II and has played a role in all governments.

Belgium: key facts



❖ Capital	Brussels
❖ Population	11 million (2014)
❖ % of total EU population	2%
❖ Official languages	Dutch, French and German
❖ Year of EU accession	1958 (founding member)
❖ Currency	Euro since 1999
❖ Schengen Area member	Yes, since 1995
❖ Seats in European Parliament	21

Belgium is a federal state, with three separate administrative regions: southern, French-speaking Wallonia; northern, Dutch-speaking Flanders, and Brussels, where both languages are considered official. This cultural and linguistic division has led to prolonged tension often fanned by the ultra-nationalist Vlaams Blok party, which was deemed racist by the Belgian High Court in 2004. The party re-established itself the same year as the Vlaams Belang (Flemish Interest) party. Several governments have collapsed due to the seemingly irreconcilable differences between the northern and southern regions. In 2007, an inconclusive general election led to prolonged negotiations to form a **coalition** government and the resulting weak government collapsed in 2008. Divisions in Belgium lingered and the government of centre-right Prime Minister Yves Leterme collapsed again in April 2010 over constitutional disagreements between the Flemish and French parties. Subsequent elections in June 2010 failed to produce a clear winner: the New Flemish Alliance (a Flemish separatist party) won the most seats, but not enough to hold a majority. After a record-breaking 541 days without a government, French-speaking Socialist Elio Di Rupo was sworn in as Prime Minister in 2011. Belgium's political instability was particularly worrying for the EU because it coincided with the country taking over the rotating 6-month Presidency of the EU Council of Ministers between July and December 2010.

In Luxembourg, conversely, stability and long-serving governments are the norm. However, in 2008 a minor crisis occurred when Grand Duke Henri refused to sign into law a bill which approved euthanasia. The crisis was resolved with a constitutional amendment that removed the requirement for the monarch to approve all laws, making the monarch's role primarily ceremonial.

Luxembourg: key facts

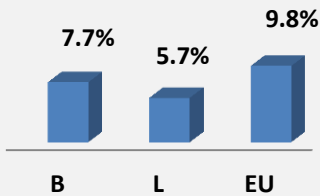


❖ Capital	Luxembourg
❖ Population	550,000 (2014)
❖ % of total EU population	0.1%
❖ Official languages	French and German
❖ Year of EU accession	1958 (founding member)
❖ Currency	Euro since 1999
❖ Schengen Area member	Yes, since 1995
❖ Seats in European Parliament	6

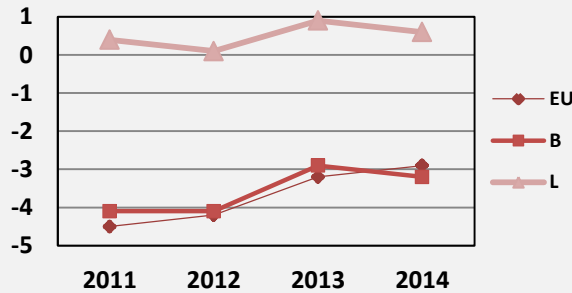
Current government

Belgium and Luxembourg operate under constitutional monarchies. In Belgium, King Philippe has a mainly symbolic position. Political power is divided between the national government, led by the Prime Minister, currently Charles Michel, and the regional governments. In Luxembourg, power is shared between the monarch, Grand Duke Henri, the cabinet headed by Prime Minister Xavier Bettel (Democratic Party, DP), and the Parliament. The current government, a coalition of the DP, the Luxembourg Socialist Workers' Party (LSAP) The Greens (DG), has been in power since 2013.

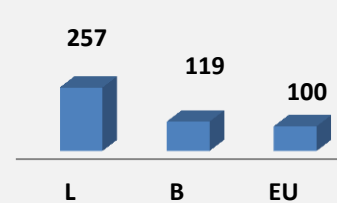
Unemployment rate (2015)



Public budget deficit/surplus



GDP per capita in PPS (2013)



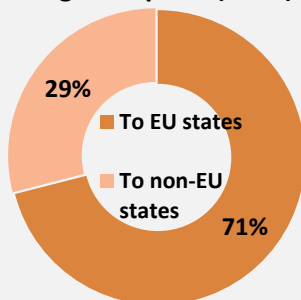
Relations with the EU

Both countries have always maintained a close relationship with the EU. As founder members they have been at the forefront of pursuing European integration. They are fully signed up to key measures of closer co-operation including the Euro and the Schengen Convention. However, attitudes towards the EU project have altered in recent years. Nevertheless, politicians in both countries remain keen supporters of the EU. Former Prime Minister of Luxembourg Jean-Claude Juncker, who currently presides over the European Commission, was a particularly strong voice in support of the EU constitutional project, which led to the signing of the Lisbon Treaty (2007).

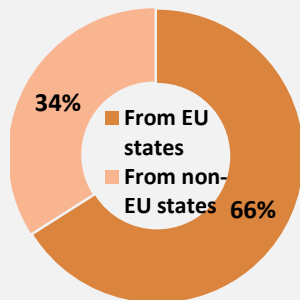
Facts and figures

- ❖ Belgium is a European transport hub, largely thanks to the major port at Antwerp
- ❖ Many of Luxembourg's inhabitants are tri-lingual, speaking French, German, and Luxembourgish, which is a mixture of the two
- ❖ Belgium hosts the headquarters of the EU and NATO in its capital city Brussels

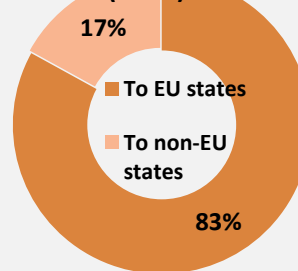
Belgian exports (2015)



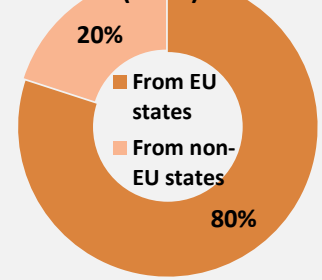
Belgian imports (2015)



Luxembourg exports (2015)



Luxembourg imports (2015)



Technical Terms

- ❖ **Benelux:** a compound title made up of the first syllables of the member countries' names (Belgium, the Netherlands, and Luxembourg)
- ❖ **Consensus:** political agreement around a majority opinion
- ❖ **Coalition:** a formal agreement between political parties to share power in government
- ❖ **PPS:** GDP per head is expressed in Purchasing Power Standards (PPS) to eliminate the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries

Links

- ❖ <http://www.belgium.be/en/>
- ❖ <http://www.gouvernement.lu/>
- ❖ <http://ec.europa.eu/eurostat>
- ❖ <https://www.cia.gov/library/publications/the-world-factbook/fields/2145.html>
- ❖ http://europa.eu/about-eu/countries/index_en.htm