

Belgian Economy characteristics and its experiences¹

LES CARACTÉRISTIQUES DE L'ÉCONOMIE BELGE ET SES EXPÉRIENCES

Huang Jie² Wu Wenjin³

Abstract: Belgium ranks middle in EU countries with highly specified economy, clear property system, efficient and healthy legal as well as financial institutions. It encourages thrifty and diligence which have been a representative sample of high efficiency economy since 12th century. Its success has provided beneficial experiences for China's economy transformation.

Key words: high efficiency economy, thrifty and diligence, high-tech and small companies

Résumé: La Belgique se figure parmi les pays d'UE avec son économie bien spécifique, le système de propriété clair, les institutions légales et financières efficaces et saines. Elle encourage l'économie & diligence qui était un échantillon représentatif de l'économie de haute efficacité depuis le 12e siècle. Son succès a offert des expériences bénéfiques pour la transformation économique de la Chine.

Mots-Clés: économie de haute efficacité, économie & diligence, haute technologie & petites entreprises

Since the 12th century, Flanders, Bruges and Brabant in nowadays Belgium have been the most prosperous trade centers worldwide. Antwerp and Ghent have been European's wool processing centers from the 14th century, which have set examples for later London Exchange Center. Angus Maddison in his *The World Economy: A Millennial Perspective*, put forward a Holland model which takes Antwerp, Flanders and Brabant in nowadays Belgium district as its study focus.

United Kingdom of Belgium---the thoroughfare of western Europe--- is among the creators of EEC and one of the most developed countries worldwide. It is an advanced capitalist country under comparatively strict governmental interferences. Belgium has started to make state development plans from 1989 in every five years. Belgian sectors such as railway, post, telecommunication and transport enterprises are all state-owned. It has been "export or die" for Belgium since the country's independence, foreign trade has been vital to Belgian economy. Since 1973, its total export and import has been near or over its GDP, with the third industry occupying 59.1% of its total GDP.

Technological innovation is the push of Belgian national economy, There are about 10000 export enterprises with its two third population engaging in exporting.

The majority of Belgian economy is composed of private business, with over 95% enterprises being middle and small companies that are mainly family owned import and export corporations. So it is true to call those middle and small enterprises the pillar of Belgian economy. Belgian government has paid special attention to the development of those middle and small companies, while its prime minister has pointed out that the large number of middle and small enterprises with high technology and expertise are the key to Belgian economic development.

Belgian high-tech middle and small enterprises are open both in its structure and operations. They engage in the production of machine fittings such as car spares. Small companies can adjust their product strategy flexibly according to market requirement and changes. They can surely be succeed in China's market due to

¹ This paper is under China's important social science fund (No. 05ZD005).

² Zhongnan University of Economics and Law, China.

³ Hubei University of Economics, China.

* Received 6 August 2007; accepted 5 October 2007

their own peculiar characteristics. Belgian prime Minister Mr. Verhofstadt has stressed the importance to of supporting Belgian middle and small enterprises in Sino-Belgian high-tech cooperation on telecommunication and information. Export Vlaanderen has established a special Asian fund to encourage its enterprises to invest in Asian, especially in China. In order to promote Belgian export, many Belgian national and domestic NGOs co-act actively with Belgian government in market investigation, information collections and experts training, etc. They provide market information and analyses for both large and small enterprises; Act as intermediary between exporters and foreign purchasers; Provide import and export credit and share their foreign trade risks. NGOs have also been quite active in specialists training and international market investigations. Sino-Belgian trade council has participated in the governmental delegation headed by Vlaanderen's foreign trade minister and the general manager of Export Vlaanderen 1999 to visit China. They also appoint their own representatives worldwide for information gathering and companies' export advice.

Belgium is small in territory with little natural resources, yet it is developed economically and scientifically, service has been playing an important role in its national economy. With its narrow domestic market, middle and small businesses have to export based on high-tech and advanced equipment, they have a say in international market by their flagship products.

Belgium, with 0.21% world population, has been ranking among top ten world import and export countries. All these are the result of efforts from both its government and related trading companies. Belgian mode, namely Government—NGOs—financial institutions united into an integrated body to establish high efficiency economy is representative and typical in Europe as well as in other parts of the world. As the site of EU headquarter and the thoroughfare of western Europe, Belgium ranks middle in 45 European countries. Its economy is highly specified with clear property system, perfect legal and financial regulations. Belgium encourages thrifty and hard working. It is indeed an

example of high efficiency worldwide.

Modernization is a globalization process from its initial emerge, It started from transnational trade and accompanied the international sea navigation. Europe has become one of the most successful regions worldwide because it has successfully completed its economic transformation and has been applying technological innovation through its whole trade expansion. Contemporary world competitions are first of all competitions of technologies, a country's comprehensive strength relies mainly on whether it can obtain high-technologies to support its continuous foreign trade development both in quantity and quality.

Technologies are quickly spread within EU countries, while the long European integration has made EU countries consistent in every aspect. Small EU countries and corporations are China's potential new market. Besides, Belgium has been quite active in promoting European integration with both its macro policies and micro rules coherent with those of EU. The study of Belgium can also provides us with a better understanding of many small, yet developed and powerful small EU countries such as Luxemburg. After all, the majority of EU countries are small and developed countries just as Belgium. Small EU countries, middle and small European corporations are China's potential future new market. Belgian model---namely support and develop the economy through foreign trade; Establish high efficiency economy system with clear property rights, complete financial system and perfect legal regulations; Accompany trade promotion with technological innovation---can provide us certain experiences in our current transformational economy. Sino--Belgian trading model, namely Government—NGOs—Financial institutions united into one to establish efficient cooperation can also act as the future development model between China and small EU countries. To succeed in our contemporary economy transformation, we should establish clear property system, efficient, healthy legal and financial institutions, encourage thrifty and diligence, in order to turn China from a big trade country to a strong trade country.

REFERENCES

- Angus Maddison.(2002) *Cream of Belgian technology*. Belgian Foreign Trade Board-BDBH/OBCE.
Belgium: a country study, Fairfax Public Library, 2006.
Cream of Belgian technology. Belgian Foreign Trade Board-BDBH/OBCE. 2002.
Maddison A.. (2004). *The World Economy: A Millennial Perspective*.

THE AUTHORS

Huang Jie, Zhongnan University of Economics and Law, Wuhan, Hubei, 430000, China.

Wu Wenjin, Hubei University of Economics, Wuhan, Hubei, 430000, China.