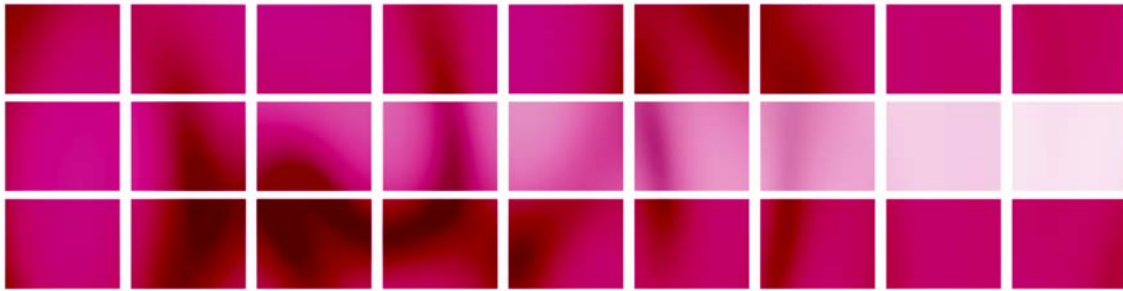


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**PRIVATISATION OF PUBLIC SERVICES AND THE IMPACT ON
QUALITY, EMPLOYMENT AND PRODUCTIVITY (PIQUE)**

Liberalisation, privatisation and regulation in the Belgian postal services sector

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Country report on liberalisation and privatisation processes and forms of regulation

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1. MARKET STRUCTURE

1.1. Introduction to the postal sector

The postal sector is a network industry. The sector has, however, a slightly different structure than most of the other network industries, since it does not possess a physical infrastructure to convey its services. It rather makes use of the infrastructure of road, rail and air transport, with post-offices, post boxes and sorting-centres as the nodes (Gusbin, 2003, p. 73). As a consequence, this sector does not have to invest as heavily in this physical network like the other network industries. Therefore, there is no natural monopoly in this segment (Van der Linden, 2005, p. 12) and network regulation in this sector is not as important as in some other network industries. Regulation is however needed, because there is a natural monopoly in the delivery segment.

1.2. Market structure before liberalisation (question 1.1)

In most of the Member States there was full vertical integration in the postal services. In other words, the same firm or institution was responsible for the collection, sorting and transport to the delivery address of a letter or parcel (Andersson, 2006, p. 71). This was no different in Belgium. The Law of 26 December 1956 on the postal services and the Law of 6 July 1971 establishing the Régie des Postes confer on the Régie des Postes, a legal person under public law, an exclusive right to collect, carry and distribute throughout the Kingdom all correspondence of whatever nature, and lay down penalties for any infringement of that exclusive right. In other words, the Régie des Postes had a legal monopoly before liberalisation (Court of Justice, 1993, p. 2).

1.3. Steps and processes of liberalisation

The reform of the postal market is limited to the segment of letters and parcels that do not need a special treatment¹ during the production phase. In the other segments, such as the delivery of newspapers and door to door advertising, competition was already allowed (Van der Linden, 2005, p. 44).

The first step has been taken in 1991, with the law on the reform of some of the state enterprises. This law gave De Post/La Poste the statute of autonomous state enterprise and stipulated the creation of the sectoral regulator 'Belgian Institute for Postal Services and Telecommunications' (Van der Linden, 2005, p. 18). Additional steps have since then been taken. However, the liberalisation is still not completed in Belgium, since the

¹ Under special treatment, the following activities are understood: collecting personally the consignment, express delivery and track & trace.

European calendar is strictly followed. This means that there will not be a full opening of the market before 2009 (Van der Linden, 2005, p. 16). **(question 1.2.i)**

During the process, the European guidelines determined the reform of the Belgian postal market. In other words, one of the most important drivers for this process was the European Union. However, the impetus for the liberalisation of the postal sector came not only from EU policy but the process was unavoidable for several reasons. Liberalisation would give the mail operators extra encouragement which should lead to greater efficiency, lower prices and a higher quality of service, as well as to a range of products that were more in tune with what users wanted. A liberalised postal market would also be better able to adjust to technological innovation and market globalisation (Dumont, 2006, p. 74). **(question 1.2.ii)**

As already mentioned, the liberalisation process started in Belgium in 1991 with the adoption of the new law. A second important date in the process is 1998. In that year the market was opened, in conformity with the European directive, for consignments of more than 350 grams or postmarked at a rate of more than 5 times the basic tariff (Van der Linden, 2005, p. 18).

In 1999, Belgium completed the transposition of the European directive 97/67 with the adoption of the Royal Decree of 9 June 1999 that amended the law of 21 March 1991 (BIPT, Belgische en Europese postsector, p. 3). One year later, De Post was further made independent from the state and transformed into a limited company of public law. In 2003, again in accordance with the European directive, the reserved market was further reduced to all domestic consignments of up to 100 grams or up to three times the basic tariff (Van der Linden, 2005, p. 18-19). In 2006, another reduction was introduced. From now on, the reserved market is limited to consignments up to 50 grams or two and a half times the basic tariff (Van der Linden, 2005, p. 31). More than half of the turnover of De Post now comes from the segments open to competition (Vanschoubroek, 2005), which means that it is no longer sure of this revenue.

In short, there is currently still a legal monopoly in the reserved part of the market. There is, however, competition in the case of consignments weighing more than 50 grams and postmarked more than two and a half times the basic consignment, the unaddressed consignments and in the express and parcel segment (Van der Linden, 2005, p. 21). **(question 1.2.iv)**

The pace of this whole process was determined by the European Union. The European directive on the gradual opening of the market for competition dictated clear deadlines on how fast the process was to proceed and the Belgian government chose not to go any faster than necessary (Van der Linden, 2005, p. 31). **(question 1.2.v)**

Table 1: Market structure

Before the process of liberalisation	After the process of liberalisation
Legal monopoly for De Post/La Poste	<i>Reserved part:</i> state monopoly for De Post <i>Rest of the market:</i> DHL, Fedex, TNT, UPS, ABX, Chronopost international, SPRING, Danzas, Air express, Van Gend & Loos, Van Osseau, Pieters, PBA, other smaller courier services

1.4. Current market structure and remaining challenges

The reserved market is served by De Post, which has a state monopoly for that segment (Gusbin, 2003, p. 73). Few companies have entered the market that was previously reserved for the monopolist. Belgian subsidiaries of Deutsche Post Welt Net en TPG Post are now active in a few specific niches, respectively cross-border consignments and magazines/newspapers (Van der Linden, 2005, p. 21). There is, however, more competition in the segment of parcel and express services. Five companies possess 62% of the market in Belgium, leaving the remaining 38% for a few hundred smaller companies. The five large companies are the four integrators (DHL, Fedex, TNT and UPS) and Belgian railway-subsiidiary ABX. Next to these large companies, there are a number of smaller companies active in the Belgian market. Finally, numerous small courier services are operating locally. In sum, there are about 1 000 companies active in the sector. The private segment of the postal sector is indeed growing steadily (Gusbin, 2003, p. 73).

An important trend in the postal sector is the fact that competitors of neighbouring countries are now also turning to the Belgian market. Chronopost International is a good example. The subsidiary of the French La Poste is specialized in the delivery of parcels up to 70 kilo. The company SPRING, a joint venture of TPG, Consigna and Singapore Post, distributes commercial correspondence, catalogues and invoices all over the world. The Deutsche Post is yet another good example of this trend, since it controls the following companies in Belgium: DHL, Danzas, Air Express, Van Gend & Loos, Van Osseau, Pieters and PBA. Together these companies employ around 5800 people (BIPT, 2003, p. 49). (**question 1.3**)

Even though the number of competitors on the Belgian postal market is steadily growing, there is still a large part of the market that is not yet open for competition. So, a first challenge is the completion of the liberalisation process. A second challenge linked to the completion of this process is the search for a method to finance the universal service obligations of De Post. Up until now, De Post has used its revenues generated by its monopoly in the reserved part of the market to pay for its universal service obligations. However, once the liberalisation process is completed De Post will lose this monopoly. Therefore, an alternative method has to be found to pay for its universal service obligations (BIPT, 2006a, p. 22). Finally, finishing the modernisation

of the incumbent De Post in order to be able to deal with the liberalisation of the sector is yet another challenge (CV, 2006). (**question 1.4**)

2. REGULATION

2.1. Instruments

Before the liberalisation of the postal market, the most important instrument used to regulate the market was that of a protected state monopoly (Van der Linden, 2005, p. 15). De Post, previously de Regie der Posterijen, had the exclusive right to collect, carry and distribute throughout the Kingdom all correspondence of whatever nature. Since the company was owned by the state, the government was in a position to determine the tariffs and certain standards. In other words, the state ownership enabled the use of price regulation and quality regulation. (**question 2.1**)

One of the instruments used **during the transition phase** was the definition of the reserved market. From January 2006 on, only the collecting, sorting, transport and distribution of domestic and international consignments, express delivery or not, up to 50 grams or postmarked at a rate up to two and a half times the basic rate for a letter of up to 20 grams is reserved to De Post (BIPT, de Belgische en Europese postsectoren, p. 8). By making the reserved part of the market smaller and smaller, the liberalisation of the sector is being implemented gradually, instead of opening the market completely right away. (**question 2.2**)

Table 2: Instruments of regulation

Before the process of liberalisation	During the process of liberalisation	After the process of liberalisation
Legal monopoly Price regulation Quality regulation	Definition of the reserved market	Universal Service Obligations Quality regulation Price regulation Management contract Licenses Notification

Another instrument used is that of the universal service obligations. These obligations are the responsibility of the monopolist De Post. The universal service obligations for the postal services include the collecting, sorting, transport and distribution of postal matters up to two kilos; the collecting, sorting, transport and distribution of parcels up to 10 kilos; the distribution of parcels up to 20 kilos received from other member states; and services with regard to registered consignments and items with declared value (BIPT, de Belgische en Europese postsectoren, p 8). The universal service obligations also comprise the delivery of newspapers, certain electronic services and the

disbursement of pensions (van der Linden, 2005, p. 22). These universal service obligations are stipulated in detail in the quinquennial management contracts concluded between the Belgian state and De Post (BIPT, 2005, p. 53). For the losses incurred in fulfilling the universal service obligations, the government pays compensation.

De Post is also subjected to quality standards. These standards are based on norms that are harmonised at the European level (BIPT, 2005, p. 53). One of these quality standards concerns the delivery period of the mail. At least 93% of the mail at the 'prior'-tariff has to be delivered on the first working day after the sending off of the mail, on the condition that the mail was posted before the last collection of the day. There are also quality standards with regard to the delivery of newspapers. 82 % of the newspapers has to be delivered before 7.30 AM (BIPT, 2005, p. 53-54). Price regulation is also used in case of the incumbent. There is no legal price ceiling in Belgium like in some other member states. Tariffs are, however, controlled on a number of criteria. For instance, the tariffs have to be based on the real costs (Van der Linden, 2005, p. 22). Furthermore, tariffs have to be the same for the whole country and can not be related to the geographical distance (Rombouts, 2002, p. 225).

The management contract concluded between the Belgian State and De Post contains several of these instruments used by the State to regulate De Post. Last year, a fourth management contract has been concluded and it will be valid until 2010. This contract stipulates that De Post is responsible for the universal postal services. For instance, it has to deliver journals six days a week. The contract also includes several conditions, such as the tariffs and the deadline for delivery, to which the delivery of journals is subjected. The contract also states that De Post is responsible for the delivery of electronic mail and that it has to give the public the necessary information. De Post also has to fulfil a number of tasks for the federal State, such as selling fiscal stamps.

The management contract also contains some principles which have to be held into account when the tariffs for the universal service obligations are fixed. The rules to calculate the tariff increase are also included in the contract.

Furthermore, an important part of the contract is dedicated to the relationship with the clients. It is stipulated that De Post, together with the Belgian Institute for Postal Services and Telecommunications, has to organise regularly and at least once a year a survey with regard to the satisfaction of the customers. Based on the results, De Post has to formulate an action plan with regard to the issues of which the survey has shown that improvement is needed. In addition, the contract contains detailed guidelines on the delivery period of the consignments. The contract also orders the company to give all necessary information to its customers on the public services of De Post.

Another important part of the management contract is on the network. In that part it is stated that De Post needs to maintain a decent infrastructure for the collecting, sorting, transport and distribution of mail. Several principles are also included that De Post has to take into account with regard to its retail. For instance, clear guidelines are given on how many post offices there should be and what services they should deliver. Other guidelines are given with regard to the opening hours and the amount of staff of the post

offices. Finally, the management contract also determines that De Post has to formulate a business plan every year and some sanctions are included in case one of the two parties does not live up the contract.

Finally, some instruments are also used to regulate the liberalised segment of the market. For instance, the companies will need to have a license if they want to be involved in activities concerning the universal service obligations (BIPT, 2005, p. 52). Already in the Law of 1991 it was stated that licenses would be used to regulate the postal market. However, it was not until 2006 that a royal decree has been issued to elaborate this further (BIPT, 2006a, p. 20-21). The companies applying for a license will have to meet several quality standards. First of all, the operator must guarantee a regular service. A complaint procedure has to be set up and applied. The operator must be reliable. By that is meant that the operator must apply the necessary means to supply the postal services that do not fall under the reserved part of the market. Moreover, the confidentiality of the mail must be guaranteed. Finally, the tariffs are subjected to a number of principles, such as transparency and non-discrimination (BIPT, 2006b, p. 3-4).

Post operators that want to deliver postal services that are not a part of the universal service obligations have to notify the BIPT. This notification entails a number of obligations for the operators. For instance, they have to guarantee the confidentiality of the mail (BIPT, 2006b, p. 5).

Finally, the postal sector is also subjected to general competition law (Van der Linden, 2005, p. 23). (**question 2.3**)

2.2. *Actors*

Before liberalisation, the responsible Ministry handled regulation at national level (Dumont, 2006, p. 74). This changed in **1999**. In that year a KB was issued in which the Belgian Institute for Postal Services and Telecommunications (BIPT) was appointed as the regulator of the postal sector (BIPT, 2005, p. 49).

In order to set up a fully independent regulator, a reform of the Belgian Institute for Postal Services and Telecommunications was decided in 2002. This reform concentrated on the Institute's statutory position and organisational structure. The department in charge of preparing legislation and elaborating strategy became part of the Administration. The remaining departments, which were in charge of market control and regulation, from then on constituted an independent regulatory body.

However, the Institute is a 'parastatale' of the A type, which means that it is still represented and managed by the minister responsible for telecommunications. The law determines that the Minister dictates all management acts and that the daily management is the responsibility of the leading civil servant to whom the minister delegated its competences (www.bipt.be).

The Belgian Institute for Postal Services and Telecommunications has an advisory role with regard to the policy of the federal government towards the postal sector. It also has

the general tasks of supervising and controlling the post market. In addition, it is responsible for preparing the regulation of the sector and it is in charge of transposing the European directives. Finally, it has to supervise the implementation of the existing regulation (www.bipt.be).

The Institute also supervises the implementation of the universal service obligations and the management contract between the state and De Post (BITP, 2005, p. 48-49). Additionally, it controls the fulfilment of the quality standards (BIPT, 2004, p. 53). Finally, it also has an advisory role with regard to conflicts between the different operators on the market (BIPT, 2005, p. 52).

As its name makes clear, the Belgian Institute for Postal Services and Telecommunications is not only responsible for regulating the postal services. The regulation of telecommunications is also part of its activities. In fact, of the 218 staff members of the BIPT, only 10 persons are involved with the postal sector. The liberalisation of the telecommunications sector is indeed already further evolved than is the case in the postal sector. Therefore, it seems that the Belgian Institute for Postal Services and Telecommunications is up until now dedicating more attention to the telecommunications market. (**question 2.4 & 2.5**)

Table 3: Regulating actors

Before the process of liberalisation	After the process of liberalisation
Responsible Ministry	BIPT

2.3. Problems

The main problem or challenge with regard to the regulation of the sector is that the regulatory instruments need to be further developed. The regulation of this sector is still quite new and there is still quite a lot that needs to be taken care of. Probably the most important issue that still needs to be tackled is that of the licences for the activities with regard to the universal service obligations not falling under the reserved segment of the market and the procedure of notification for postal services not being part of the universal service obligations. The decision to that end has not been published until 17 January 2006 and the companies active in that sector still need to be informed about its implications (BIPT, 2006a, p. 20-21). (**question 2.6**)

2.4. Conclusion

The main conclusion is that the regulation of this sector is still new and is still being developed. As the market will be opened up more for new competitors it will be necessary for the Belgian Institute for Postal Services and Telecommunications to develop its regulating activities further. This will most likely also require a

reorganisation of the BIPT itself, since its activities regarding the postal sector will become more extensive in the future.

3. *ACTORS/OWNERSHIP*

Before the process of liberalisation began, it was the Belgian company De Post that had a monopoly in this sector. In 1990, De Post had around 48 000 employees (Regie der Posterijen, 1991, p. 59). This number dropped to some 44 000 employees in 1998 (BIPT, 2000, p.36). Currently, De Post employs 42 000 people (www.bipt.be). It carries out its activities through a network of 1332 post offices (Bipt, Belgische en Europese postsector, p. 2).

The postal company was initially organised as a company or service falling directly under the responsibility of the central government (van der Linden, 2005, p. 15). The ownership structure of De Post before the process of liberalisation began was 100% public (van der Linden, 2005, p. 15). The Belgian state was the only shareholder (Spinnewyn, 2006, p. 18-19). Since then De Post has been reorganised on several occasions. First of all, in 1991 De Post was given the statute of autonomous state enterprise. De Post was now independent from the Belgian state (Gusbin, 2003, p. 74). The responsible minister had to appoint a 'commissaire du gouvernement' to supervise the autonomous state enterprise. It was the task of the commissioner to control if all activities of De Post were in conformity with the law, the budget, and the management contract. The management contract and the financing of De Post were two other instruments available to the minister to supervise De Post.

Secondly, De Post has been remodelled into a limited company of public law by the KB of 17 March 2000. The social capital at that time amounted to 300 million euro (Spinnewyn, 2006, p. 18-19). Since 2005, the involvement of other shareholders was allowed. There were and still are, however, two restrictions included in the statutes of the company. First of all, the direct participation of the Belgian state has to be more than 50% at any time. Secondly, the shares owned by the state give the right to more than 75% of the votes and mandates in all organs of the company, even if there are other shareholders (Spinnewyn, 2006, p. 18-19).

The possibility to involve other shareholders became reality in 2005. In that year a partnership was concluded with Post Danmark and CVC Capital. The result was a capital increase of €300 million. The Belgian government gave De Post an additional €40 million euro. With this money De Post was able to continue the modernisation of the company. (Vanschoubroek, 2005). This shareholding structure has not changed since then (www.post.be).

De Post is involved in the following activities: mail, retail, financial post, insurance and banking. Through its subsidiaries, de Post also delivers other services. For instance, its

subsidiary Taxipost² is responsible for express delivery and parcel services (Bipt, Belgische en Europese postsector, p. 2). Exbo presents itself as a partner for companies in the management of documents. It helps to find solutions for digitalising and for archiving documents. It also offers support for the collecting, the franking and sending of daily mail, nationally and internationally. Europrinters is oriented to urgent deliveries. The subsidiary Deltamedia is a specialist on the newspaper, magazine and printed matter distribution market. Asterion has a strong position in digital printing. Finally, Speos uses high-performance systems and state-of-the art technologies to develop outsourcing solutions for companies with large volumes of outbound mail, such as account statements, invoices, and wage slips. Speos sends these documents to addressees in physical or electronic form. De Post has now in total 9 subsidiaries (www.post.be).

Before liberalisation began, there were already a number of private companies active in certain niches. However, since the postal market has opened up gradually, the number of companies active on this market has grown steadily. First of all, four important international companies are present and active in the segment of express delivery: DHL, FEDEX, TNT, and UPS (BIPT, Belgische en Europese postsector, p. 2). DHL has 10 modern sorting centres in Belgium. In total, DHL has 3500 employees in Belgium. Since 2002, it has been owned by Deutsche Post World Net (www.dhl.be).

Next to these four big companies, there are also some 1 000 other enterprises, such as Chronopost, TBC Halbart express, and Day by Day, and self-employed active in this market (BIPT, 2006c, p. 60). Some of these companies have specialised in some of the niches on the market (BIPT, Belgische en Europese postsector, p. 2). For instance, the segment of distribution of newspapers is controlled by DB, Districom, De Post and a couple of smaller private delivery companies (BIPT, 2000, p. 36). **(question 3.1 & 3.2)**

Table 4: Actors

Before the process of liberalisation	After the process of liberalisation
De Post: - public ownership - 48 000 employees	De Post: - shares held by the Belgian State (50% = 1), Post Danmark & CVC Capital - 42 000 employees - mail, retail, financial post, banking & insurance - 9 subsidiaries

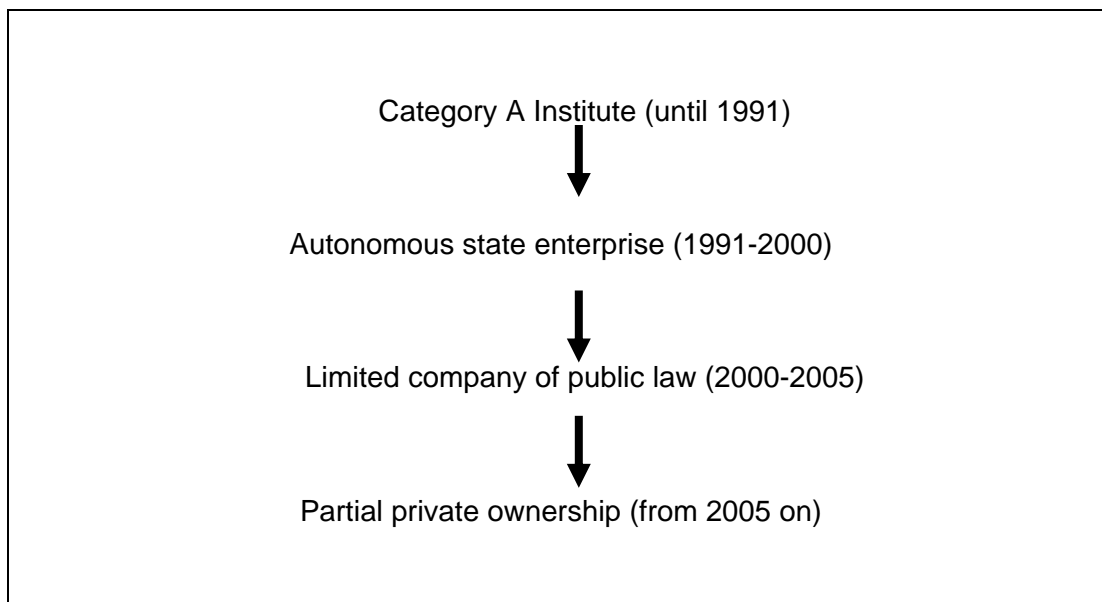
One of the most important changes that occurred since the liberalisation process was the change of the ownership structure of the monopolist De Post. In 2005, the incumbent

² To meet the European directive, De Post created the limited company Taxipost. All commercial courier activities connected to the sending and delivery of parcels are thus taken care of by this separate subsidiary (Spinnewyn, 2006, p. 19).

company was partly privatised, since the Belgian state sold 50% less one share that year to Post Danmark and CVC Capital (Spinnewyn, 2006, p. 22-23). This means that the monopolist is no longer exclusively in hands of the Belgian State. Furthermore, quite a few companies in private hands entered the Belgian post market. Therefore, we can conclude that in general the private segment of the postal sector is growing steadily (Van der Linden, 2003, p. 73).

However, as important as the partial privatisation of De Post is the internal shift towards more autonomy within the government. The first step in the reorganisation of De Post was taken in 1991. In that year the Régie des Postes, a Category A institute,³ was reformed into De Post, an autonomous enterprise. This reform had several consequences. First of all, it gave the management more autonomy to run the company, whereas before the management fell directly under the responsible minister. Furthermore, the company now had the autonomy to change the statute of its personnel. This reform also signified that De Post would from then on have a board of directors. It also made the creation of subsidiaries by De Post possible. Finally, the newly gained autonomy had also financial repercussions, in the sense that it gave the company more autonomy and flexibility with regard to its budget. Ownership, however, remained public. Finally, in 2000, De Post was turned into a limited company of public law. This meant that De Post was now allowed to sell its shares. This change is also important, because even though De Post has remained public for a long time and it still partially is, these reforms can also have an important impact on quality of the service and on the personnel. **(question 3.3)**

Figure 1: Different steps in the reform of De Post



³ Personnel working for a Category A institute have the same personnel statute as all the other persons working for the government.

4. *ROLE OF GOVERNMENT AND OTHER STAKEHOLDERS*

4.1. *Role of Government*

Like in all the other sectors, the government has to play different roles and in order to do so it organised itself into different organisations for the different functions it has. A first important task that government has is that of policymaking. This task is the responsibility of the State Secretary of public enterprises and its cabinet (www.kabinettuybens.be).

Secondly, the government also has to translate its broad policy goals into specific tasks that can be implemented by the companies active on the market. In the case of the postal services, many of the specific tasks are listed in the management contract between the Belgian State and De Post. Here again, it is the State Secretary of public enterprises and its cabinet that sits on the negotiating table for the Belgian government (De Post e.a., 2005, p. 26).

Thirdly, it is the responsibility of the government to supervise and regulate the sector. The Commission made it clear in the Green Paper of 1992 on an internal market in postal services that operational and regulatory tasks needed to be separate. This recommendation was made an obligation by Directive 97/67. However, the directive left it up to the Member States to decide whether regulatory powers should be given to a ministry or an independent organisation. Belgium opted for the second solution. For this, the Belgian Institute for Postal Services and Telecommunications was given a new statute, as a result of which it became completely independent from the ministries (Dumont, 2006, p. 74). Another important organisation and one which will become more important as the liberalisation of the sector evolves is the general competition authority 'Raad voor de Mededinging' (http://mineco.fgov.be/organization_market/competition/competition_council/competition_nl_004.htm).

Fourthly, the government has to guard the public interest. This task is also the responsibility of the Belgian Institute for Postal Services and Telecommunications, since the Institute will supervise the implementation of the universal service obligations. Furthermore, it will also control the fulfilment of the quality standards.

Finally, the government can also act as an owner. In the postal sector, the Belgian government is partly owner of De post. However, as already mentioned, the government is also determines the specific tasks for De Post and other companies active on the market. Moreover, the government also serves as a market regulator (Gusbin, 2003, p. 76). The tasks of the market regulator are assigned to BIPT. In the beginning, the BIPT fell directly under the control of the government, so that it could not be labelled as independent. Therefore a reform was decided in 2002, which changed the statute of the BIPT. The result was the Law of 21 January 2003, which stipulated the new statute of the Institute and which led to a functional separation of the regulator and De Post (BIPT, 2005, p. 49). This way a solution was found for the two conflicting roles of the

government as a supervisor of the sector and government as an owner. The possibility of tensions between the government as a policy-maker and government as a principal on the one hand and government as an owner on the other hand is, however, not yet ruled out completely in case of the Belgian postal sector, since these three functions are still in hands of the government itself. The possibility of conflicts of interest therefore still exists. (**question 4.1**)

4.2. *Other stakeholders*

The liberalisation of the postal sector has enormous consequences for the former monopolist De Post. Naturally, it has tried to defend its privileged position and it has stated recently that it is in favour of a limited monopoly. Furthermore, it warned the Commission to be careful when taking the next step in the liberalisation process, because De Post believes that further opening up the market will be harmful for the universal service obligations (WLE, 2006).

What is remarkable is the absence of the Belgian Institute for Postal Services and Telecommunications in this whole debate. It is hard to find a clear position of the Institute either against or in favour of liberalisation of the postal services. In fact, a look at the list of announcements of the BIPT shows that the regulatory agency is much more involved in the liberalisation of the telecommunication market than the postal market⁴ (www.bipt.be). The BIPT is clearly not showing the same kind of activism as for instance the regulators of the energy market (see country report on electricity). (**question 4.2**)

4.3. *Conflicts*

The liberalisation of De Post did cause some social conflicts in Belgium. To be in a better position to face the newly introduced competition in this sector, De Post decided to reorganise its organisation. For instance, the Georoute-system was introduced in order to make the mail delivery more efficient. This, however, sparked the resistance of the personnel, since they were obliged to adapt to new working methods (Vanschoubroek, 2005). The result were several local strikes that led to a general strike in Brussels and the Walloon region on 28 July 2003 (Vanschoubroek, 2003). Two years before that, when the reform program was being drafted by the management, De Post already had to face several strikes of its personnel (Albers, 2001). And even in 2006, there was still a strike caused by the introduction of the Geo-route in Ghent (2006). Clearly, De Post has had quite some problems in preparing itself for the liberalisation of the market because of these social conflicts. However, it must be added that although some of the social conflict was caused by the threat of dismissal, so far the reduction of personnel has been achieved by natural dismissals (HT, 2000). (**question 4.3**)

⁴ In 2006, the BIPT issued 28 announcements on the telecommunication sector and three declarations on the postal market (www.bipt.be).

CONCLUSIONS

The main conclusion is that this sector is still evolving. The liberalisation process is still not finished. De Post still has a dominant position in the Belgian postal market. Full liberalisation of the market is not foreseen until 2009 at the earliest. Only then will it be possible to make any conclusions about the success of the liberalisation of this sector. The same is true for the regulation of the sector. The regulatory instruments are still new, some even need to be further developed. The sectoral regulator will probably have to make some adjustments in order to be in a better position to deal with the full opening of the market. However, it is not until the liberalisation is completed that the true test will come for the regulation of this sector. Finally, the privatisation of the sector is yet another issue that is still not clear. It is possible that the situation will remain the same, with De Post being partly owned by the Belgian State. However, it may well be that one day the Belgian State will decide to further privatise the company.

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