

SGI Sustainable Governance
Indicators 2009

Belgium report



Executive summary

Belgium is a dynamic European country, which despite its small size, operates at the forefront of international political and economic activity. Its capital city, Brussels, is home to the institutions of the European Union as well as NATO headquarters. Belgium's economy is also extremely open. Indeed, business advisory group Ernst & Young ranks Belgium the top "small" European economy in which to do business.

There are several reasons for this outstanding performance. First, Belgium occupies a strategic location in the heart of Europe. With its tightly knit rail and road networks and its two main harbors, Zeebrugge and Antwerp, Belgium provides direct shipping access to and from Germany, France, the Netherlands, Luxembourg, Switzerland and Spain. This central location and general access to a market of 454 million customers inspires many multinational companies to locate their European headquarters in Belgium. Secondly, the productivity of Belgium's labor force is among the highest in the world. Thirdly, the country is home to technological leaders in many business sectors. The fact that Belgium commands three national languages (Dutch, French and German) and a multinational labor force is also an invaluable asset.

However, this strong economic performance does not completely overshadow the country's problems. While unemployment is extremely low in some business sectors and regions, it is extremely high in others, especially with workers who are under-qualified or young. Similarly, labor market participation is too low among the elderly, a result of excessive reliance on early retirement. Low labor market participation weighs heavily on the country's social safety net and on the political relationships between the two main linguistic communities in Belgium. In addition, low labor market participation and an aging population imply that the sustainability of the social safety net is at stake. To maintain socioeconomic affluence, several distortions must be removed and investment in human capital must be further increased. This means that a larger part of GDP should be invested in higher education and in R&D.

Much more problematic than the country's socioeconomic structure is the clash between the Dutch-speaking north and the French-speaking south. After federalization, this linguistic situation resulted in the formation of a very

complex political system, with regions as well as linguistic communities playing an important role, especially because of the regions' encompassing and effective veto powers. Due to regionalization, the federal government has little or limited competence over economic policy, energy policy, public works, transportation issues, environmental policy or education policy. Following the 2007 elections and a compromise on state reform reached in February 2008, the federal government may lose even more of its responsibilities. Nevertheless, the compromise on state reform should be praised as it was a precondition for the new government in March 2008 to take office, and it signaled the end of a severe political crisis.

It is difficult for the government to introduce important reforms on a national level without the support of regions and communities. Another limiting factor in the reform process is the extremely fragmented party system. There is no single national party in Belgium; all parties restrict themselves to one linguistic community and only address members of their community. As a result, the need for multiparty coalitions is overarching in the political process.

Belgium has, however, learned to live within these political structures. Strategic planning in government decision-making is very important, and decisions are usually well prepared at each level of the process – with the prime minister, the line ministers and the political parties. This leads to effective coordination between these institutions. With the help of roundtable talks, the prime minister, who can block any policy proposal, exercises more influence as he would otherwise. And despite regionalization, Belgium has so far implemented reforms or important changes in law when required to do so by the European Union. One example is the implementation of the EU Emissions Trading Scheme (ETS) for the reduction of carbon-dioxide emissions. However, Belgium has certainly not been considered a reform pioneer within the European Union.

The overall picture of Belgium is a mixed one. On the one hand, one can praise Belgium's achievements, as it is a country where its citizens live well. On the other hand, long-term prospects are less rosy unless appropriate institutional and economic reforms are implemented soon.

Strategic Outlook

Belgium, with its complex institutional system and its composite, segmented sociocultural structure, maintains a well-performing yet rigid governmental

system, due to the strong veto each of the country's linguistic groups holds over all national decisions. In the years ahead, the system will face major reform challenges, especially because of its small size and position, leaving the country open to regional influences and upheavals. The key question is, how can the Belgian system retain its specific character while adapting to global changes?

First and foremost, the state crisis that followed the 2007 elections needs to be addressed. The agreement in February 2008 over reforms of state structures and a further devolution of policy responsibilities to regions and linguistic communities at least raises the hopes that Belgium's political elite will finally be able to solve the conflict between Flanders and Wallonia. The task ahead for the new government that took office in March 2008 is difficult indeed. Political institutions need to reach a "post-unitary" institutional equilibrium if Belgium is to have a future as a common state, made up of the Flemish and Walloon communities.

Belgium also needs to construct a new social model that goes beyond the current neo-corporatist model. Thanks to this system, there is a high level of social cohesion as well as an efficient mechanism for conflict resolution. However, the neo-corporatist system is rigid, both in the outcomes it can produce and in the actors it can accommodate. The high level of expenses for social programs and detailed workers' rights lead in aggregate to very high gross labor costs and a restrictive set of obligations for entrepreneurs. The system needs to reform to be more flexible and open – a development that the trade unions, however, staunchly resist.

Despite profound societal changes, Belgian society remains strongly "pillarized." In this system, strong intermediate organizations, such as political parties, trade unions, interest groups and mutualist organizations, dominate. As the incentive structure of these large organizations is largely clientele-based, this leads to a weak, clientelistic link between citizens and the political and economic system. Citizens do not adhere to a "Belgian model," nor are they particularly proud of it as are, for example, Scandinavians. Neither is this weak civic link compensated by a strong national identity, as may be the case in France or Britain. The only "national pride" exhibited in Belgium is among the Dutch-speaking population in Flanders. Unfortunately, this "pride" acts more to tear apart than to improve the link between citizens and the Belgian state. Finding a solution to heal this rift therefore is one of the major challenges ahead for Belgium.

In policy-making, most of the expert work remains confined to narrow circles within ministerial cabinets, the study centers of political parties, trade unions and corporate interest groups. A key problem is two-fold: How can an

autonomous sphere of expertise be developed in higher administration, and how can the administration in general become more professional and independent of politics? And while many independent think tanks have been founded, some that even span the Flemish/Francophone divide, the responsiveness of political decision-makers remains low in the face of such initiatives.

Several new challenges go beyond the traditional cleavages which have shaped the Belgian consociational and neo-corporatist system. A few key examples include the environment, immigration, and ethnic and religious issues. The classic reflex of the government has been to reproduce the neo-corporatist model in addressing these issues. In practice, this means creating new consultation and negotiation bodies. While this is a way to lower the level of visible conflict, it brings about lukewarm compromises rather than courageous reform ideas. Conflicts are never really solved. Together with blockades at the highest political level, this strategy means that it is extremely difficult to push medium or long-term thinking or decision-making.

To conclude, Belgium needs wide-ranging reforms on both the political and civic level to be able to solve current issues and especially if it is to survive as an intact state. Reforms are needed to solve the problems of an aging society, to address environmental problems, to improve the educational system and to stabilize and further develop the country's overall economic potential.

Status Index

I. Status of democracy

Electoral process

Fair electoral process

Score: 9

Individuals and political parties enjoy equal opportunities to register for and run in elections. However, procedures for registering candidates and parties are rather complex, due to elections held on the different levels of the federally organized country. The complexity of the registration process prompted some (very) minor parties to complain about difficulties when registering candidates prior to the June 2007 elections.

In established parties especially, there are strong informal mechanisms that guide the candidate selection process. Even in parties where internal polls are organized, the selection process is very much controlled by core party leaders. Thus, formally, open procedures are often bypassed, and some candidates are systematically privileged against others. Since these inequalities stem from common internal organizational practices rather than from state intervention, registration procedures can nevertheless be considered as largely fair and non-discriminatory.

Fair electoral campaign

Score: 7

Access to the media and other methods of communication is not as fairly distributed as is the election registration process. Access to broadcast media is almost exclusively restricted to the largest political parties. Only these parties receive sufficient media time for pre-election “promotional shows,” and only these parties are invited to the main pre-election TV and radio debates. In addition, throughout the legislative period, these parties receive time slots on public TV channels for party promotional broadcasts. However, all parties during the official campaign must follow strict rules which regulate issues such as time allocation during speeches, to ensure access is proportionally

distributed among participating parties.

During the electoral campaign, political commercials on the radio, television or in movie theatres are forbidden (as per article 5 of the law on the restriction and control of election expenditures). That is why electoral campaigns concentrate the bulk of their messages in newspapers and in magazines. However, during the 2007 campaign, public debates were broadcast on both Walloon and Flemish TV. Since there are no parties that represent constituents in both language communities, there have been no televised debates on a national level.

Some newspapers are seen as offering preferential coverage for certain political parties; for example, *La Dernière Heure* trends favorably toward the Francophone liberals, *Het Laatste Nieuws* the Flemish liberals, and *De Morgen* the Flemish socialists. Some newspapers, such as *Le Soir*, *De Standaard* or *La Libre Belgique*, appear less biased in coverage and thus treat all political parties more equally.

While media outlets in both Wallonia and Flanders do not broadly cover political parties from the other cultural community, this is not considered as a serious sign of inadequate media access, as voters do not have the option to vote for parties from other cultural communities.

The *Vlaams Belang* (VB) party, because of its right-extremist character, is limited in its access to media and thus has not been treated equally during election campaigns. The media, especially in Wallonia, has on occasion completely ignored the party. This isolation is justified by the argument that VB is an openly xenophobic party, and tends to espouse non-democratic principles. The predecessor of VB, the *Vlaams Blok*, was banned as a party in 2004 by the Belgian Supreme Court of Justice.

*Inclusive
electoral process*

Score: 9

All eligible voters can equally participate in national elections. Voting is compulsory in Belgium; non-voters must pay a penalty of €25-50 or possibly more for repeated abstentions. Non-voters may also face difficulties when applying for public sector jobs. Non-Belgian residents and Belgians living abroad may register to vote on a voluntary basis.

A significant obstacle to equal voter participation is a linguistic one, as voters receive electoral documents in the official language of the region in which they live. They thus need to be able to speak the language at a level that would allow them to understand the documents.

Access to information

Media freedom

Article 25 of the Belgian constitution guarantees that public and private media

Score: 9

remain independent from government influence. The actual situation, however, is significantly different when analyzing the country's press or its broadcast media.

While Belgian press is largely independent from government influence, some newspapers do show favorable leanings toward some political parties, but newspapers are no longer party-owned or party-controlled. The Belgian press over recent decades has experienced a gradual "depoliticization," or a weakening of political party affiliation. Thus the private print media coverage can be seen as pluralist and politically unconstrained.

The independence of the country's two main TV and radio broadcasters, Wallonia's RTBF and Flanders' VRT, is of a lesser degree. Executive committees as well as key management posts are politicized, with a precise proportion of representatives from different political parties. On the one hand, this ensures a plurality of opinion; yet on the other hand, it can also lead to political pressures in the newsroom. Yet both RTBF and VRT have made recent attempts to reduce the strength of such clientelistic practices. Journalists are generally free from direct political influence, which is demonstrated through a high number of "anti-system" statements as part of general media coverage. Leaders of the Vlaams Belang or the New Flemish Alliance (NV-A) appear regularly in newspapers and on TV and radio.

Well-structured, professional media organizations represent and defend journalists as a profession and act as a safeguard as well as do official regulatory bodies on both sides of the country's linguistic divide.

Annotation: International Constitutional Law Project (ICL), Belgian constitution (in English), http://www.servat.unibe.ch/icl/be00000_.html (accessed February 16, 2008).

Media pluralism

Score: 7

The media market has been drastically centralized. Ownership among a small number of financial groups has produced a situation nearing an oligopoly. The media group Corelio, as one example, publishes 10 newspapers with a market share of about 30 percent. While oligopolistic trends prevail, a wide range of opinions is de facto guaranteed in print.

The country's TV market was liberalized in the late 1980s. Within a few years, private broadcasters VTM in Flanders (owned by Flemish media enterprise VMMA, which also owns another TV channel and two radio channels) and RTL-TVi in Wallonia (owned by RTL) became the most-viewed stations in their respective linguistic communities.

While there are trends toward further market concentration, for a small country like Belgium there is still a wide variety of different media viewpoints. It is a concern, however, that there are only weak institutional guarantees against the predominance of some opinions over others. While the current situation is one of solid pluralism, this state of affairs remains institutionally vulnerable.

*Access to
government
information*
Score: 8

Access to government information is guaranteed per Article 32 of the Belgian constitution. A law passed in 1994 regulates in more detail a citizen's right of access to administrative documents held by federal public authorities. According to the law, government agencies must respond to a request within 30 days of its filing. No substantive information need be given if 1) the public interest, such as on issues of national defense, is deemed more important, 2) an individual's rights are more important, 3) a document is vague, misleading or incomplete, or related to an opinion given on a confidential basis, or 4) the request is abusive or vague. Citizens can appeal requests that are denied.

Practically, the main hurdle for citizens in successfully retrieving information is identifying the correct source of information amid the institutional complexity of the Belgian federal system. Many citizens seeking information are unaware of which authority should be addressed. Another access limitation is that documents sometimes are available only either in Dutch or French, especially when related to community issues. However, the majority of documents produced by and for federal institutions is available in both languages, as well as in German.

Civil rights

*Civil rights
protection*
Score: 9

Civil rights are protected by articles 8 through 32 of the Belgian constitution, and are respected by all public institutions. There are, however, some limitations; one key rights issue is over legal procedures, which can be lengthy, especially in the Brussels region. This is due to the sheer number of cases the courts must hear, and a shortage of French-speaking judicial personnel.

The treatment of certain groups, such as asylum seekers and prisoners, has been criticized by organizations such as Amnesty International or Human Rights Watch. Some asylum seekers, including families with children, are detained in prison-like facilities prior to their expulsion from the country.

There are also problems explicitly related to the country's linguistic divide. The matter of language is highly sensitive where there are significant "linguistic minority groups," such as in Brussels and its surrounding area. If "linguistic rights" are considered a component of civil rights, then it must be concluded that some civil rights are under challenge in Belgium.

Annotation: International Constitutional Law Project (ICL), Belgian constitution (in English), http://www.servat.unibe.ch/icl/be00000_.html (accessed February 16, 2008).

Non-discrimination

Score: 8

Equality of all Belgian citizens is guaranteed by Article 10 of the country's constitution, while Article 11 forbids discrimination, especially of ideological or philosophical minorities. But as in many countries, discrimination exists in practice.

A significant proportion of the population openly expresses feelings of racism. In daily life it is difficult to provide equal opportunities to the disabled, as just one example. The government, however, is proactive in addressing racial matters. Among other efforts, the government runs the Center for Equal Opportunities and Opposition to Racism, an agency that informs individuals on topics and issues related to discrimination. It provides legal counseling and is active in training, raising awareness and lobbying for policies. When in 2003 the federal parliament adopted EU anti-discrimination directives as national law, it at the same time extended the center's scope of action.

Belgian institutions have been at the forefront of initiatives to reduce discrimination based on gender or sexual preference. Homosexuals have been granted many rights, including the right to marry, and are especially protected against discrimination at work. Gender mainstreaming has made much progress over the last few decades. Nevertheless, women are in practice still disadvantaged in terms of job opportunities and salaries.

Of course, the issue of linguistic groups and their rights remains a permanent issue of contention. Policies of linguistic quotas as well as the imposition of "single-language" administrations in Flanders and Wallonia often result in instances of discrimination.

Annotation:

Center for Equal Opportunities and Opposition to Racism, http://www.diversiteit.be/CNTR/EN/about_the_center/mission/ and http://www.diversiteit.be/CNTR/EN/about_the_center/history/ (accessed February 18, 2008).

Rule of law

Legal certainty

Score: 8

Article 159 of the Belgian constitution guarantees the rule of law. The government and its administration act predictably on the basis of legal provisions, and there is a high degree of legal certainty. However, some government laws are so complex or are modified so often and haphazardly that they fail to meet rules over transparency and coherence. Many bills are held in limbo while waiting for an executive decree (“arrêtés d’exécution”), needed before a bill becomes active. In practice this implies that the government and its administration maintain a broad scope of discretion, which decreases legal certainty.

Another difficulty relates to the country’s linguistic divide. With issues over linguistic rights, certain terms used in a bill may not be interpreted by both sides similarly. For example, a “reasonable knowledge” of the Flemish language by a French-speaker could be interpreted by Flemish authorities as the ability to understand technical terms on Flemish-only administrative forms. Such conflicting interpretations of legal provisions decrease legal certainty and are even sometimes heard by the Constitutional Court. Additionally, in some policy fields, jurisdiction is shared among the central government, regional governments and linguistic communities, a situation that is certainly detrimental to legal certainty.

Judicial review

Score: 8

The Belgian constitution guarantees the division of powers in articles 33 to 40 and the independence of judges in articles 152 and 155. Courts are independent from government, economic or individual influence. Judges are appointed for life by the king. Nevertheless, the judiciary remains in some respects insufficiently funded. The degree of professionalism of support staff, as well as the quality of infrastructure, logistics and so on, still lags despite recent significant budgetary efforts.

Another limitation to independent judicial review was, until recently, that the nomination of judges remained an area where some political influence could be exerted and party influence and patronage did exist. The situation has been much improved through the revision of nomination procedures, but some concern remains as to the effective independence of magistrates.

Despite these reservations, Belgian courts are regarded as largely effective in the review of the legality of government and administrative actions.

Corruption prevention

Score: 7

With regard to corruption prevention, the overall situation has improved over the last two decades. Prior to this, corruption was widespread, and not least linked to party financing and the bribing of officeholders. With regard to

political parties, much stricter regulations and effective financial controls by a parliamentary committee have led to a drastic reduction of unusual financial practices within parties. Today political parties are not allowed to receive more than €500 in donations from a single individual. In exchange for lowered private contributions, there was a significant increase of public funding for political parties.

At the level of individual officeholders (public servants and politicians), some forms of corruption continue, often in the form of the exchange of goods between political “friends.” One might, for example, trade a political favor for the leaking of useful information. Although there are general codes of conduct, such practices are seldom accompanied by obligatory procedures or concrete measures if an instance of corrupt behavior in fact occurs. Existing formal obligations, such as publicly posting information on all salaried public offices with income details, are not necessarily adhered to.

There are few mechanisms in place to prevent corruption in public administration. The most important mechanism is stipulated in article 17 of staff regulations and requires individuals seeking a government position particularly susceptible to corruption to supply a certificate of good conduct and moral standing or to pass an integrity test. There is to date, however, no proactive anti-corruption policy in public administration. In sum, the process of fighting corruption effectively has not reached a satisfactory end. Belgium needs more thorough institutional safeguards against corruption.

Annotation:

The score lies just outside the range of the expert scores because of the near complete lack of institutional precautions against corruption in Belgium. Even though there is relatively little corruption in Belgium, the lack of institutional mechanisms constitutes a problem insofar as corruption must be proactively prevented before it occurs.

II. Economic and policy-specific performance

<i>Basic socioeconomic parameters</i>	<i>score</i>	<i>value</i>	<i>year</i>
GDP p.c.	4.64	32998 \$	2005
Potential growth	2	2 %	2008
Unemployment rate	5.67	8.2 %	2006
Labor force growth	3.54	1.5 %	2007-2008
Gini coefficient	8.24	0.277	2000
Foreign trade	5.62	70.37	2005
Inflation rate	7.99	1.7 %	2007
Real interest rates	8.27	2.6 %	2007

A Economy and employment

Labor market policy

Score: 6

Belgium is a federal state, and labor law competencies are shared across different power levels (federal, regional and local). This means that one cannot easily judge “national” policies or outcomes. There are two main, recurrent problems with Belgium’s labor market policy. For one, there are differences between unemployment benefits, and the minimum wage is too low. Secondly, because of high social insurance costs on labor, it is very expensive for companies to hire new employees. This decreases the potential for employment, especially in small companies or start-ups. Responsibility for both problems rests with the federal government. It is the federal government that sets the minimum wage and decides on the amount of unemployment benefits, pension policy and issues of health insurance. The implementation of such policies, however, is carried out by the regional and local administrations.

In Flanders, unemployment has been substantially reduced, in part through efforts by the Flemish government to improve conditions for small and

midsized companies. The region's unemployment rate at the time of this writing was approximately 8 percent. In some areas there is a considerable lack of trained personnel.

In Wallonia, unemployment has risen over the past few years and hovered around 18 percent throughout the review period. The situation differs, however, from subregion to subregion. In some provinces (Walloon Brabant), the employment situation is good, whereas in others (Hainaut), the unemployment rate is over 20 percent, and large segments of the population are permanently excluded from the labor market. It should be noted that Wallonia has had to cope with major structural changes, such as the decline of its steel and coal industries. The Walloon authorities have tried to fight unemployment by creating jobs in government bureaucracy. This policy, however, has resulted in huge public debt and an oversized public administration.

The Brussels region has suffered from a persistently high level of youth unemployment. Unemployment in this region is particularly problematic for unilingual people and those of immigrant backgrounds, poor education or inadequate work-training. Overall, Belgium's labor market policy has a mixed record. Strong disparities continue to persist between different parts of the country, as do structural problems in taxation, social security as well as unemployment benefits.

Enterprise policy

Score: 7

Enterprise policy is formulated mostly within each region, and policy packages differ in Flanders, Brussels and Wallonia. The Belgian federal government, however, has nevertheless extended fiscal support toward innovative enterprise policies.

The enterprise climate is favorable in Flanders, a region driven by a dense network of small and midsized businesses in the service sector and modern high-tech industries with high added value. The region's robust economic competitiveness is paired with relatively high salaries and high productivity. Flanders has succeeded in attracting foreign direct investment, especially in the high-tech sector, as companies are drawn by its solid infrastructure and logistics and relatively low corporate taxes. Flanders also benefits from the city of Antwerp, one of the world's leading harbors and transportation hubs.

Wallonia's situation is one of transition: from older industrial sectors, such as steel and mechanical industries with relatively low added-value per capita, to modern, high-tech industries and a more tertiary economy. Among other factors, Wallonia's poor economic position can be explained by the regional

government's inability for some time to attract private capital. Wallonia has offered businesses various types of subsidies, but these efforts were uncoordinated and thus unsuccessful.

A more ambitious and integrated development plan was started in August 2005. Called "Le Plan Marshall pour la Wallonie," its aim was to stimulate the development of a critical mass of technologically innovative firms in certain sectors with growth potential, such as the air and space industry, biogenetics and nanotechnology. A new element of this package is the attempt to systematically integrate universities and research centers. In September 2006, the first Administrative Council for the Agency of Economic Stimulation was founded. This council offers various services to regional enterprises, such as aids for investment or business consultations. By 2009 the Walloon government plans to spend €1.4 billion on its "Marshall" business stimulation plan. While the general approach seems promising, it is still too early at the time of this writing to judge the plan's results.

Annotation:

Belgian Federal Science Policy Office, "Innovating Belgium,"

http://www.belspo.be/belspo/fisc/public/Polit_Scien_en.pdf (accessed February 18, 2008).

Tax policy

Score: 5

Taxes in Belgium are high. The corporate tax is 34 percent for large businesses and 25 percent for smaller companies; income tax can top 50 percent. The high corporate tax can be an impediment to the country's competitiveness, especially in attracting global enterprises that also have the option of settling in lower-tax regions.

Tax rates for individuals are fairly progressive, and therefore the tax system is vertically equitable. Horizontal equity, however, is not guaranteed. The tax system focuses excessively on labor income and too little on capital income.

The Belgian public deficit has been contained now for several years, and the country's debt-to-GDP ratio is falling. Net debt was 89 percent of GDP in 2005, down from 109 percent in 1996. This decline in debt shows that current tax policy generates sufficient public revenue.

Budgetary policy

Score: 8

After two oil crises in the 1970s and 1980s, Belgium amassed a huge public debt which peaked at 138 percent of GDP in 1993. Extreme overspending was the main culprit here, as federal and regional governments hired more employees, thus expanded the public sector, while subsidizing aging industries such as steel, textiles and coal-mining.

However, Belgium's desire to join the Economic and Monetary Union (EMU) inspired substantial restraint in budgetary policy. Consolidation has worked quite well since then. This trend was supported in recent years by favorable economic conditions that generated higher tax incomes. Accumulated debt today sits around 88 percent of GDP, while from 2005 to 2007 the overall budgetary balance was basically even. The current deficit at the time of writing is 1.6 percent of GDP.

The Belgian government is able to service its financial obligations. It has a Standard & Poors credit rating of AA+, the second-highest rating possible. Nevertheless, Belgium has to pay higher interest rates on its bonds than does Germany, as just one example. This does, of course, suggest that there will be additional financial burdens for Belgium's future generations.

There are budgetary risks ahead. On the one hand, to reduce the gross deficit, both regional and federal governments resorted to "one-shot" selling of public properties to obtain additional revenues. More important and alarming, however, is the aging of the Belgian population. An aging population is likely to stress public coffers, especially with the rising costs for health care and a growing need for pensions. Such costs may weaken Belgium's fiscal sustainability severely in 15 to 20 years.

B Social affairs

Health policy

Score: 9

Since 1980, Belgium's health system has been organized at both the federal and regional levels. The federal government is responsible for mandatory health insurance, hospital financing and pharmaceutical registration. Regions are responsible for health provisions, child and maternity health services and hospital investments.

High-quality health care is available for a large portion of the population. The

number of physicians and therapists per capita is high, and hospitals and therapeutic units are distributed adequately. Life expectancy is high at 80 years, while infant mortality is low.

The health system is financed mainly through taxes and social security contributions. It is based on the principles of equal access and freedom of choice. Patients pay a fixed share of the cost of ambulatory care; they pay a fixed amount for hospital treatment, while health insurance covers the difference. Patients and consumers are relatively satisfied with the system, although the rising cost of health care provisions is one cause for complaint.

Health services on offer have been made more consistent, and the management of the overall system, especially that of hospitals, has become more professional as hospitals have merged into consortia and networks. This consolidation has allowed for economies of scale in the provision of medical services by reducing the number of extremely expensive pieces of equipment such as PET scanners, as one example, without a decrease in service quality. Despite these positive developments, the system still shows room for improvements in efficiency.

Annotation:

European Observatory on Health Care Systems, "Health Care Systems in Transition: Belgium,"

<http://www.euro.who.int/document/e71203.pdf> (accessed February 18, 2008).

Social cohesion

Score: 8

Belgium's social security system is essentially a Bismarckian system. It is financed by contributions from employees, employers and state subsidies. The amounts of contributions are calculated based on an individual's gross salary. Self-employed people can also participate in the system.

Deep poverty is rare in Belgium. Generous unemployment benefits, minimal income protections as well as financial and material help from local groups, such as the so-called Public Social Help Centers, help to curb poverty well. Belgium's poverty rate (the share of people living in households with an equivalent disposable income of less than 60 percent of the median income) is relatively low at 15 percent of the total population. However, this figure

represents an increase of 5 percentage points over the last 10 years, showing that poverty and socioeconomic disparities are on the rise.

While socioeconomic disparities are limited in Belgium, social mobility remains fairly limited as well. In addition, there are social groups with low education skills, who have almost lost contact with the labor market, especially in big cities. Immigrants are strongly over-represented in this group.

Growing costs and the increasing economic disparities between Flanders and Wallonia constitute major problems for the social security system. Therefore more and more Flemings have demanded a complete regionalization of the system, so that Flemish money stays in Flanders. A respective systems change, however, would be detrimental to social cohesion in Wallonia.

Family policy

Score: 9

Belgian family support policies are quite extensive. Families with children receive significant tax benefits, which increase considerably for those with three or more children. There are also direct financial benefits, such as “family allocations.” The availability of nursery schools and child care facilities for children up to three years old is good. Public nursery schools are subsidized by the state, so the cost of attendance is proportionate to income. There are, however, complaints of insufficient provisions.

Children above 2.5 years old can join the so-called *écoles maternelles*, which are preschool facilities that are integrated into a primary school. Children attend primary school from ages 6 to 12, followed by secondary school from ages 12 to 18. School attendance is compulsory (except for *écoles maternelles*) and essentially free. Although *écoles maternelles* are not compulsory, almost all children attend.

Some 74 percent of Belgian women with children between the ages of 0 and 6 work regularly. Pregnant women and mothers are well-protected against abusive dismissals at work. The mandatory health insurance fund provides seven days of free babysitting at home per year when children are sick.

There are several paid leave arrangements for parents in Belgium. Mothers receive 15 weeks of maternity leave directly after having given birth, while new fathers receive a 10-day paternity leave. These measures fall under the auspices of the health insurance system. Additionally, either men or women can take advantage of a general three-month parental leave, remunerated at €502 per month in Wallonia, with an additional €140 in Flanders. There are also different arrangements for the public and private sector to help reduce working

hours.

In the public sector, it has become much easier for women to take longer-term leave or reduce working hours while resuming a prior work position after the leave is complete. Men have also begun to take advantage of leave opportunities, but this still represents a small minority. In the private sector, it is more difficult to take extended leave after childbirth, and the gender gap in business is still large. Many women, though able to reduce their working hours, often have to abandon prospects for a career to do so.

Annotation:

Stephanie Devisscher, (IDEA Consult), “Flexible work arrangements and female employment in Belgium: Statements and comments,” as part of the Peer Review Program, European Commission/DG Employment and Social Affairs, May 2005.

http://pdf.mutual-learning-employment.net/pdf/norway%2005/BE_Devisscher.pdf (accessed February 18, 2008).

Pension policy

Score: 7

Pension policy is still a federal prerogative. The pension system in Belgium is characterized by the coexistence of different schemes. The public mandatory pillar is still the most important pillar of the entire system, representing the main source of income for the elderly. The first pillar contains a tax-based, basic safety net of social assistance benefits. These payments aim to prevent poverty caused by old age, but payments do not always suffice and citizens above the age of 65 have an above-average likelihood of living in poverty. Also part of the first pillar is a contributions-based pension scheme.

The second (voluntary) pillar involves supplementary funded pensions that are supported by tax incentives. In 2002, these pensions covered about 35 percent of all employees, with assets totaling 17 percent of GDP. The third pillar consists of a private, individual and voluntary pension, which is financed through yearly individual contributions. The third pillar covers about 70 percent of the entire population, and in 2002, assets totaled roughly 20 percent of GDP.

There are a number of problems with the current pension system. Self-employed individuals who cannot afford a sufficient private pension plan are

often left at retirement with very low-level pensions. The system's overall fiscal sustainability is threatened by an aging population. The dwindling labor market participation of older workers (55 years old or older) will put increasing pressure on the public pension system. Total public pension spending at the time of writing is 10 percent of GDP, and is expected to rise to 13 percent over the next few years. This expected development endangers inter-generational equity. Due to budget constraints, the required number of working years to collect a full pension will increase. This puts people who currently are of working age but who may be unemployed for extended periods of time at a disadvantage, as they are more likely to have to rely on the basic safety net in the future. This situation may increase the share of elderly people living in poverty 20 or more years from now.

Annotation:

David Natali, "Belgium. The Pension System," 2004.

<http://www.ose.be/files/mocpension/BelgiumOMC.pdf> (accessed February 18, 2008)

David De la Croix, and Geraldine Mahieu, "Les générations futures: un souci pour la politique budgétaire?" *Regards Economiques*, no. 1 (2002)

C Security and integration policy

Security policy

External security

Score: 9

With low-key military ambitions, Belgium's external security policy is not a hot-button issue among politicians or the population. During the period under consideration, the army was reduced in size as its technologies were modernized. Belgium's navy is now also shared and jointly managed with that of the Netherlands. The country's secret service is clearly less well equipped than its British or U.S. counterparts and the country as a whole benefits from security efforts of the more powerful or ambitious members of NATO. Nevertheless, Belgium's military forces have increasingly been dispatched as peacekeepers, and have participated in many missions led by the United Nations or NATO.

Internal security

Score: 7

In the late 1990s, internal security policy became a more prominent issue on the political agenda following a series of scandals involving the country's

police force. Security was an important issue of the electoral campaigns in 1995, 1999, 2003 and 2007. The winner of the 2007 elections, Yves Leterme, succeeded in announcing plans for security policy reform. Especially in Brussels, petty crime such as car break-ins or pick-pocketing is very high when compared to other western European countries.

The country is still in the process of reforming the police force and judicial system. For citizens, the most visible part of this effort is the merger of the gendarmerie or Rijkswacht, the former army corps, with the police to create a new police force. This merger also involves a thorough reorganization of local police forces.

Overcrowded prisons are a serious problem. Overcrowding has led to a policy where delinquents are easily set free or are not imprisoned at all simply because there is not enough space for them in jails.

As it is a transit country for international commodities, Belgium also appears to be a preferred transit route for international organized crime. The CIA Factbook mentions that Belgium is a growing producer of and transit point for synthetic drugs, and a trans-shipment point for cocaine, heroin, hashish and marijuana entering Western Europe. In addition, Belgium is a transit country for human trafficking in forced labor or prostitution.

Annotation:

Federal Police, "Etats-Aperçu National 2006,"

http://www.polfededpol.be/crim/crim_statistieken/2006/reports/fr/etats/nat/fr_etats_2006_nat.pdf (accessed February 18, 2008)

U.S. Department of State, "Trafficking in Persons Report," June 2007. <http://www.state.gov/g/tip/rls/tiprpt/2007/82805.htm> (accessed February 18, 2008).

*New security
policy*

Score: 8

As the headquarters for NATO, the Supreme Headquarters Allied Powers Europe (SHAPE) and the European Union are located in Belgium, the country faces more security risks than do neighboring countries. In addition, Belgium historically has been a transit hub for trafficking in people, drugs, weapons, forged goods, diamonds and gold.

Special units have been developed within the country's police forces and intelligence services. The work of these services is complicated by two issues: 1) The operations of NATO, SHAPE and the European Union in the country require a high level of VIP security. 2) Belgian intelligence services are

generally treated as minor players and their services are regularly bypassed in favor of other services operating inside Belgium, even in situations where cooperation might be useful.

In addition to its participation in peacekeeping missions, Belgium contributes rather extensively in development aid. This policy is targeted at selected key areas such as sub-Saharan Africa. The Belgian government set a spending target on development aid of 0.5 percent of GNP, which is above the EU-15 average of 0.39 percent.

Integration policy

Score: 7

Belgium attracts immigrants in part because of its colonial history, but also because of its current wealth and location in the heart of Europe. About 8 percent of its population is foreign-born, mainly from Turkey, Morocco and the country's former African colonies of Congo, Rwanda and Burundi. However, with recent immigration, the record is increasingly mixed. Unemployment in this group is extremely high (32 percent).

In general, immigrant populations have attained basic levels of education, and the knowledge of Belgium's main languages (French and Dutch) is good. However, immigrant youths face social and cultural hurdles in pursuing an education and schools see many dropouts as a result of language problems. In secondary schools, poor performers are encouraged to enroll in separate schools for "professional training." Although unintended, this policy prompts segregation within the population, and causes further problems when immigrants reach the job market. The government actively encourages immigrants to improve their educational status and provides special scholarship programs. As a consequence, good performers have equal access to tertiary education and benefit from real job opportunities after completing a degree.

Recent developments at the time of writing relate to problems of religious integration, especially of the Muslim population. The majority of Belgian schools tend to prohibit the wearing of "visible religious symbols." Thus more and more Muslim organizations have developed schools of their own, to allow children from Muslim families to attend school without restrictions. Decision-makers at all political levels have voiced concerns about this trend. They fear an increasing, though voluntary, "ghettoization" of the Muslim population.

D Sustainability

Environmental policy

Score: 7

Belgium is densely populated and industrialized, with a long history of coalmining and metalworking, especially in Wallonia. The country's overall ecological debt is significant. Moreover, Belgium suffers environmentally from its position as a key transit area in the heart of Europe, busy with the heavy traffic of trucks and cars. Belgium, therefore, can be considered to have some of the highest amount of traffic-induced pollution in the European Union.

Whereas responsibility for issues of radiation protection, waste transport and product standards rests with the federal government, responsibility for environmental policy has rested with regional governments since the third constitutional reform in 1988. The devolution of environmental policy has meant, however, that different environmental policies are observed in different regions, including differing regulations.

At the time of writing, Wallonia and Flanders maintain separate ministries for the environment and sustainable development. Both regions have developed plans to reduce carbon-dioxide emissions by 2012; Flanders by 5.8 percent and Wallonia by 7.5 percent (Belgium signed the Kyoto Protocol). Both regions have tried to stimulate the production of renewable energies by issuing green certificates and providing tax incentives. Nevertheless, the market share of renewable energies in the country is still extremely low, about 2 percent of the total primary energy consumption. Nuclear energy still provides more than 50 percent of the nation's electricity. Although Belgium passed a law in 2003 against the future use of nuclear power, this decision is now under pressure as abandoning nuclear energy may prevent Belgium from meeting its carbon-dioxide emissions reduction goals.

Research and innovation policy

Score: 6

Over the last two decades, research policy in Belgium has progressively been redistributed from the competence of bodies at the federal level to those at the regional and community levels. At the federal level, new strategic approaches have been developed to activate fiscal and parafiscal incentives to promote R&D efforts, such as partial tax exemptions in favor of employers who employ researchers in universities, research institutions and companies. The federal government also established the strategic think tank "High Level Group 3%

Belgium,” which published a report outlining a global action plan to encourage more and better investments in research and business innovation in Belgium. The group suggested a number of concrete policy proposals, notably in the area of fiscal incentives. At the time of this writing, these changes had not yet been implemented.

On the regional level, Flanders has developed an R&D policy geared toward the promotion of entrepreneurship, high-tech development, a superior business infrastructure and the creation of innovative business clusters. The Flemish government uses fiscal instruments to encourage R&D and provides risk capital for innovative companies. It founded a new venture capital fund and offers fiscal advantages for individuals investing in new companies. Flanders has held the lead in Belgium in innovation for a long time.

To further the region’s business research efforts, the Walloon government exploits public research in the economic sector and is working to improve the spread of technology in companies. With the region’s “Marshall Plan” a reinforced approach to supporting innovative public-private partnerships in key sectors is emerging and R&D programs are being reinforced. Nevertheless, many enterprises complain that there are still considerable bureaucratic hurdles in the region.

Education policy

Score: 7

Since the constitutional reform of 1988, Article 127 of the Belgian constitution states that linguistic communities are mainly responsible for regional education policy. In the Dutch and French linguistic communities, early child care and educational services are very good. All children between the ages of 2.5 and 6 have, by right, access to free pre-school (see also “Family policy”). Primary and secondary education in both communities is compulsory and free of cost until age 18. At 12, students must choose among general, technical, art or vocational secondary education.

Overall, access to basic and intermediate-level education is well ensured and of good or reasonable quality. Access to secondary and tertiary education is also secure. In terms of equity, however, it is commonly admitted that the education system, despite being free, does not offer equality of educational opportunity among different socioeconomic levels of the population. In addition, there are strong differences between educational achievements in Flanders and in Wallonia, as has been reflected in Pisa study results, where Flanders is ranked considerably higher than Wallonia. These differences are probably due to differing levels of educational spending in the two regions.

Universities and higher education institutions are openly accessible. Though the funding of universities is rather limited, in terms of research and reputation universities maintain acceptable international standards. The number of students per teacher, however, is very high. Students from poorer families receive financial aid of up to €3,300 per year from the community government. Independent of talent, however, it is still not common for young people from lower social strata to pursue a university education.

In sum, Belgium's education system suffers from three main structural problems: 1) Vocationally oriented secondary schools have a much too high percentage of students who have failed in standard secondary education. This state of affairs suggests that students at these schools have lower than average levels of motivation, are performing poorly in education and thus face slim opportunities on the job market. 2) Enrollment in science courses is much lower than in the liberal arts, and 3) in Francophone regions, language proficiency lags, which results in a competitive disadvantage for people from Wallonia in the job market.

Annotation:

Thu Dang Kim and Koen Pelleriaux, "Equity in Education Thematic Review: Country Analytical Report, Flanders," OECD 2006.

<http://www.oecd.org/dataoecd/36/37/39028715.pdf> (accessed February 23, 2008).

Management Index

I. Executive Capacity

<i>Cabinet composition</i>	<i>Prime minister</i>	<i>Parties in government</i>	<i>Type</i>	<i>Mode of termination</i> *	<i>Duration</i>
	Guy Verhofstadt	Socialist Party (PS), Flemish Progressive Alternative (SP.a-Spirit), Flemish Liberals and Democrats (VLD), Francophone Reform Movement (MR)	minimal winning coalition	1	05/03-06/07

* *The following modes of termination should be distinguished: elections = 1; voluntary resignation of the prime minister = 2; resignation of prime minister due to health reasons = 3; dissension within cabinet (coalition breaks up) = 4; lack of parliamentary support = 5; intervention by head of state = 6; broadening of the coalition = 7.*

A Steering capability: preparing and formulating policies

Strategic capacity

Strategic planning
Score: 7

Although there is a central planning agency, or “Bureau du Plan/Planbureau” (Planning Office), it has only marginal impact on strategic decision-making. In the Belgian political administrative system, the locus of strategic planning does not reside with stable executive bodies but with ministerial cabinets. These cabinets are staffed groups with a strongly political and often transient character. All major policy proposals are planned, elaborated and negotiated in the cabinets. Ministerial cabinets are large, with a staff of up to 80 people even for minor portfolios. Cabinet staff includes experts from universities, private or public companies or top administrative officials, all or most of

whom are active sympathizers of the respective minister's party. Staff members hold their posts for a few months or even a few years.

Since every minister has a cabinet, there are as many "strategic" units as there are ministers. Hence the overall coherence of strategic decision-making is low. This lack of coherence is aggravated by the fact that coalitions bring together parties which most of the time have conflicting goals in many policy areas.

Scientific advice

Score: 5

Academic experts have little influence in policy-making, even though there are many consultative commissions. Government officers seldom rely on the advice of external academic experts and traditionally rely on experts in ministerial cabinets and in the party's study centers. While some ministries do regularly commission-funded research projects, their conclusions are seldom considered seriously in the process of policy formation.

Inter-ministerial coordination

GO expertise

Score: 7

The Prime Minister's Office (PMO) has limited expertise to evaluate draft bills and policy proposals. While the PMO is mostly a coordinating body, sectoral policy rests with the ministerial cabinets of the line ministries. The main role of the PMO is to make sure that a given proposal is politically congruent with a governmental declaration and not to consider the proposal's more technical details.

The PMO contains a so-called strategic cell, a group of 15 expert policy advisors who mostly come from the same party as the prime minister and help the prime minister to steer policy. The cell can provide independent evaluations of a draft bill when a bill is complicated, when a bill has consequences for more than one policy area, or when a bill could affect government strategy as a whole. The strategic cell's small size, however, limits its ability to seriously consider all policy proposals put forward.

If there is debate about a policy proposal, the proposal will be examined and discussed by the Kerncabinet. The Kerncabinet is an informal body consisting of the prime minister and as many vice prime ministers as there are parties in the government coalition. It plays a central role in policy-making, as every major policy proposal has to pass through it. When a proposal is heavily disputed, party presidents are also invited to the discussion. The Kerncabinet, therefore, is the key body where all important arbitrations are made.

GO gatekeeping

The Prime Minister's Office may return policy proposals to the ministry which formulated the proposal. However, if this happens, it is for political

Score: 10

and not legal reasons. A proposal is returned if it contains items that contradict the government agreement or the explicit policy position of one of the coalition partners. Policies are not returned for technical reasons. The process of returning a proposal can be seen as a policy-balancing instrument, particularly when prior balancing attempts, such as through interdepartmental coordination, have failed.

Line ministries

Score: 10

As all policy proposals have to be cleared by all coalition partners, departments must involve the Prime Minister's Office in the preparation of policy proposals. However, the PMO is involved as an arbitrator of information, rather than as a player with interests of its own. But of course, since all coalition partners have a veto position with regard to the passing of policy proposals, no proposal can pass through without the express consent of the prime minister. The bodies which decide upon the passing of proposals, however, are the so-called inter-cabinet meetings (meetings of experts of different ministerial cabinets) and the Kerncabinet.

Cabinet committees

Score: 9

Virtually all issues and proposals are screened before reaching the cabinet meeting. Contentious points are usually negotiated within the Kerncabinet. If package deals are struck in the Kerncabinet, they are then formally confirmed by the cabinet meeting. Most issues are thus effectively filtered out so the cabinet can focus on strategic policy debates. It is an open question, however, whether the cabinet actually uses the chance to become involved in strategic debates about policy priorities and policy development.

Senior ministry officials

Score: 9

Policy proposals are negotiated in the so-called inter-cabinet meetings on a continuous basis. Senior line officials, however, play a marginal role in the coordination of policy in Belgium. They only deliver basic "facts and figures" and are involved again in the implementation stage. The main contenders for inter-ministerial negotiations are not the ministries but the coalition partners. The more important coordination mechanisms therefore are discussions between the coalition partners in the Kerncabinet.

Line ministry civil servants

Score: 4

Line ministry civil servants have – as senior line officials – less power in Belgium than in many other developed countries. Each minister appoints his own team of specialists (the ministerial cabinet), who are the most important players in policy-making. The task of the line civil service is typically to develop proposals upon request or to think about strategies for policy goals. Some specific responsibilities, as well as routine work, monitoring tasks and the evaluation of proposals, are left to civil servants. Line ministry civil servants can become involved with policy development only if they have specific expertise and are "party friends" of the respective minister.

Regulatory impact assessments

RIA application

Score: 1

Ex-ante policy evaluation is only weakly institutionalized in Belgium, and there is no tool such as a regulatory impact assessment. However, the federal parliament adopted a bill in 2007 concerning the establishment of a parliamentary committee in charge of assessing legislation, which, at the time of writing, had not yet been formed.

Needs analysis

Score: 1

Alternative options

Score: 1

Societal consultation

Mobilizing public support

Score: 7

There is a tradition of consensual policy-making, whereby the government facilitates the acceptance of its policies among economic and social actors. However, on some important matters, consensual policy-making has proven impossible following the resistance to certain reforms by businesses or the public. This has led to the government retreating from planned action and delays in the reform process.

Policy communication

Coherent communication

Score: 4

While the liberal-socialist government of Prime Minister Guy Verhofstadt sought to coordinate its communications through consultation procedures, there were nonetheless several contradictory statements issued as liberal and socialist members of the government on one hand and Flemish and Walloon politicians on the other often expressed different or even conflicting opinions. Nearly all Belgian citizens had the impression that the government did not speak with one voice. This, supposedly, was one of the main reasons for its defeat in the June 2007 elections.

Federal coalition governments usually consist of at least four different parties from different political camps, and by constitutional mandate, from different sides of the country's linguistic divide. The parties often therefore have different, if not conflicting, policy preferences as well as political styles. Frequently each coalition member party attempts to "pull the bed sheet toward itself" in political communications. Every party attempts to place

blame for unsuccessful policies on another coalition partner. The issue, therefore, is not one of individual ministers effectively coordinating communications but one of coalition parties failing to do so intentionally. The communication problem is sometimes further aggravated by the respective presidents of coalition parties. When they are not themselves members of the cabinet, they will quite often bypass even their own party members in government office to take the lead in political communication.

B Resource efficiency: implementing policies

	<i>Total</i>	<i>Share</i>
<i>Legislative efficiency</i>		
Bills envisaged in the government's work program	251	
Government-sponsored bills adopted	251	100 %
<i>Veto players</i>		
Second chamber vetos	25	6.22 %
Head of state vetos	-	- %
Court vetos	83	16.02 %

Effective implementation

Government efficiency
Score: 7

It is difficult to assess the implementation performance of Belgian national governments because of the complex interplay of various public bodies at the regional, community, provincial and local level. In general, lower-level government bodies are usually responsible for implementation. Looking at implementation more abstractly, it could be said that the government partly fails to implement its objectives.

Looking at implementation with the government declaration as a standard, however, the situation is more favorable. Once a government has been formed, it is fairly capable of achieving its policy objectives as effective mechanisms for policy coordination are in place. Yet, the fact that the second government of Prime Minister Guy Verhofstadt (2003 – 2007) fulfilled most of its policy objectives should not be misconstrued as an indicator of superior efficiency. Conflicting interests among coalition partners prevented the government from defining far-reaching policy goals from the start. Therefore, it is inherently difficult to properly assess the efficiency of Belgian government policy implementation.

Ministerial

While it is difficult for individual ministers to pursue policy interests of their

*compliance**Score: 10*

own, it is first the party chairman of the minister and then the prime minister who keeps tabs on a minister's policy program. Ministers have to stick with the government agreement, as this document represents the compromises struck between governing parties during coalition formation.

While the prime minister's approval of a policy proposal is required, this approval is not in the first place the approval of the head of government, but the approval of the head of one of the coalition partners. To put it differently, the mechanisms to keep ministers in line with the government (and party) program are effective not because of the institutional features of the government and the strong position of the prime minister. They are rather effective because of the complex interactions and the careful balancing of powers within a multi-party coalition.

*Monitoring line ministries**Score: 9*

The Prime Minister's Office (PMO), together with inter-cabinet meetings, monitors line ministry activities as soon as such actions begin to have consequences for the government as a whole. But again, the role of the PMO is one of relaying information to the Kerncabinet and taking formal action following Kerncabinet discussions, rather than the PMO and the prime minister being the ultimate source of monitoring authority.

Individuals in each ministerial cabinet who operate for the benefit of coalition partners or for the PMO proper, act as another monitoring device. Any attempts on the part of a minister to take autonomous action are quickly reported to the prime minister and to the members of the Kerncabinet, and action is taken to bring a minister in line.

*Monitoring agencies**Score: 7*

There are few agencies funded and controlled by the federal government that are also formally independent of government. These few agencies include Child Focus and the Center for Equal Opportunities and Opposition to Racism, as well as some job placement and social aid agencies. There are several mechanisms for monitoring these agencies, the two most important being the membership of at least one government delegate on the board of an agency and the submission of a yearly report to the government or to the ministry responsible for the agency's activities. According to a government official interviewed, this monitoring is extremely close and effective. This however does not offer information about the efficiency or effectiveness of monitoring, a task which belongs to regional governments.

*Task funding**Score: 6*

Regional government in Belgium has a complex organizational structure. There are three regions, each with its own government. In addition, there are three communities: the French-speaking, the Flemish-speaking, and the German-speaking community. The Flemish region and community are merged. The French community integrates educational and cultural tasks for

Wallonia and the French community in the Brussels region, while the regional governments of Wallonia and Brussels take care of economic, labor and environmental policies in their respective regions.

Because the federal government collects most tax revenues and in general makes decisions over taxes, funding for subnational governments has been a point of controversy as long as these governments have existed. As a significantly more affluent region, Flanders yields a larger proportion of tax revenues per capita. Many in the Flemish community do not want to share these revenues with their poorer neighbors. However, the federal government did regularly transfer considerable amounts of tax money to Wallonia and Brussels in order to secure financing of public tasks there.

Until the year 2000 there was substantial underfunding of Brussels and of the French community. The French community was not able to adequately finance local responsibilities, especially in education, and had to be subsidized by the Walloon region. This situation led in 2001 to a constitutional crisis. After months of discussions, the parties signed the “Lambermont agreement,” which decentralized responsibility for a number of taxes to the three regional authorities in Dutch-speaking Flanders, Francophone Wallonia and bilingual Brussels. The Francophone side received guarantees of more funding for the economically weaker Wallonia. In return, Dutch-speaking parties were given greater representation in Brussels, and decentralization was increased. Currently, Brussels still lacks some of the funds it would need, but the other regions and communities are able to fulfil their tasks with the revenues they collect.

*Constitutional
discretion*

Score: 10

Subnational governments are fully able to exercise their constitutional discretion. Given Belgium’s thorny route in restructuring the country’s federal system, the envy with which regions consider each other, and the fact that the Belgian government as a rule consists of parties from both sides of the linguistic divide, the federal government had no option but to grant as much discretion as possible to subnational governments. Measures have been taken to further increase discretion gradually. The only restriction for subnational governments is financing.

*National
standards*

Score: 7

One consequence of subnational governments’ increased discretion is the near sacred status given to task delegation, which means that the central government has only limited say in regional and local policies. Budgetary constraints set by the central government constitute the most important restriction placed on local governments. Also citizens’ rights and compliance with some national laws can be imposed from above on regional governments. Nevertheless, standards for “material” services (such as

infrastructure, energy, communications, security and emergency services) are generally maintained at the regional level. There are, however, no national standards for other policy areas. Public authorities in Flanders, for example, speak only Dutch while those in Wallonia speak only French. Hence, there is no national language standard.

C International cooperation: incorporating reform impulses

Domestic adaptability

Domestic adaptability

Score: 7

National as well as regional authorities are quite receptive to international reform trends such as “new public management” initiatives. However, reform efforts are seldom coherent and adaptability is often limited, for two reasons. For one, there is seldom coordination on policy matters between federal and regional decision-makers. While Belgium adopted international developments rather quickly post-World War II, after constitutional reforms and the introduction of federalism, adaptation has been much more complicated amid the country’s complex institutional arrangements. Secondly, there is a lack of specifically trained and politically autonomous, high-level public servants who would be able to push reform agendas from within the government bureaucracy. Still, as a rather small member country within NATO, the European Union and other international organizations, Belgium cannot but largely adapt to most international reform developments, whatever institutional hurdles exist.

External adaptability

International coordination activities

Score: 8

As a small country with an open economy, Belgium depends heavily on international institutional structures and coordination processes. It therefore favors greater coordination regarding tax policy in Europe and the setting of EU-wide goals for the reduction of carbon dioxide emissions and so on. As an EU member state, the Belgian government under Prime Minister Guy Verhofstadt participated in joint reform initiatives such as the EU Emissions Trading Scheme (ETS; see also “Environmental policy”) and those implementing advanced security policies at EU airports.

The government also participated in the 2006 Congo mission. Though Belgium was seldom one of the driving forces behind these initiatives, Belgian diplomats are quite often called upon in various spheres of international politics when difficult compromises are to be reached.

When it comes to implementation at the domestic level, however, Belgium does not always fulfill its commitments on time. This is for the most part due to the complex interaction of the various levels of government in the Belgian federal system.

Exporting reforms

Score: 4

Although not an active promoter of international reforms or an active exporter of domestic policy or institutional ideas, the “Belgian model” of accommodating interests of different communities in a nonviolent way is often called upon in international conflicts. Two examples include the conflict in Cyprus between the Greek and Turkish areas of the country, or the transition from apartheid to democratic rule in South Africa. However, the influence of the Belgian experience is usually indirectly offered through experts and academics. Given that the country is currently grappling with a myriad of structural problems, this experience is generally presented as practical, not pioneering experience. Taking into account the rather slow process of domestic adaptation to international developments, Belgium under the Verhofstadt government is best characterized as a late follower, and not a reform pioneer.

D Institutional learning: structures of self-monitoring and -reform

Organizational reform capacity

Self-monitoring

Score: 3

Institutional arrangements in the federal government by definition result from a set of rather complex compromises and are seldom made on strategic considerations. Hence, efficiency gains or improvements of policy outputs are not what is usually at the heart of institutional reforms. It follows from this statement, that monitoring of the appropriateness of institutional arrangements is not considered a core task by the government.

Institutional reform

Score: 3

Under the Verhofstadt government, there were no changes made to the institutional arrangements of governing to increase strategic capacity or otherwise. Generally, however, if changes are made, they are usually motivated by a desire for further decentralization, not by a desire to increase strategic capacity. This, in turn, does seem to limit rather than increase the strategic capacity of policy deliberation and policy-making in Belgium.

II. Executive accountability

E Citizens: evaluative and participatory competencies

Knowledge of government policy and political attitudes

*Policy
knowledge
Score: 5*

Many Belgian citizens do not feel well-informed about government policies. They feel that all the important decisions for the country are made behind closed doors; and in fact, this is often the case. A lack of policy understanding is aggravated by the government's complex institutional structure, which makes it very difficult to understand government procedures in addition to the actual substance of policy-making. Interest in politics is low in Belgium. Only 30 percent of people in Flanders say they are interested in politics; in Wallonia, the percentage is not much higher. Only one in 20 Flanders residents can name the parties governing the country (there are no respective figures for Wallonia).

F Parliament: information and control resources

Structures and resources of parliament, committees, parliamentary parties and deputies

Number of deputies	150
Number of parliamentary committees	11
Average number of committee members	17
Average number of subcommittee members	-
Pro-government committee chairs appointed	9
Deputy expert staff size	1
Total parliamentary group expert support staff	
Total parliamentary expert support staff	160

Obtaining documents
Score: 9

There is no law or regulation that obliges ministers to submit documents to Parliament or its committees. If ministers do not submit documents upon request, it is likely that the committee will inquire as to why they chose not to. As a consequence, documents are usually delivered completely and within an appropriate time frame. Delivery delays may occur when a matter is disputed within the government coalition. In such instances, the information provided is also screened by the Prime Minister's Office and the Kerncabinet before being sent to the parliamentary committees.

Summoning ministers
Score: 10

Parliamentary committees regularly organize "question hours" and may require the presence of a government member or members who have jurisdiction over the policy matter under discussion. Generally, such question hours attract more attention from observers and the media than do other parliamentary activities. This attention adds to the pressure for a minister to attend the meeting and prepare his case.

The full Chamber of Deputies may also request the presence of a government minister at the written proposal of a member. Parliament's powers are almost infinite in this regard. There have been instances where government ministers have been summoned "in emergency" for non-urgent matters by opposition members, just to display the superior authority of Parliament vis-à-vis the government.

Summoning experts
Score: 10

For the preparation of its legislative work, a parliamentary committee may take advice from people or institutions outside Parliament, and ask them for documented information. This practice was used extensively, for example, during the discussion over euthanasia laws in 2002. Before experts can be called before a committee, however, an absolute majority of the members of the committee has to agree. This gives government parties considerable influence over the use of expert hearings. A report from the Chamber of Deputies reveals that in the parliamentary year 2005 – 2006, parliamentary committees carried out 202 expert interpellations and 72 expert hearings.

Task area coincidence
Score: 6

The task areas of parliamentary committees and ministries do not fully coincide. Some committees match exactly the task areas of ministries (such as the committee for defense, for the budget and for external affairs), while other committees focus on issues that span across several ministers' jurisdictions. Examples include nuclear safety, naturalization and trade and economic law. A third type of committees focuses on long-term or general issues. Examples include globalization, petitions and institutional reforms.

In the Chamber of Deputies there are 11 standing committees, while the federal government includes 14 ministers plus the prime minister. And while the allocation of ministerial portfolios regularly changes after the formation

of a new government, the jurisdictions of parliamentary committees do not change as often. Nevertheless, the parliamentary division of labor largely matches the jurisdictional structure of the government, and committees are fully capable of effectively monitoring ministers and ministries.

Audit office

Score: 10

The court of audit is nominated by the Chamber of Deputies. It assists the Chamber in all budgetary matters and it is accountable to Parliament exclusively.

Ombuds office

Score: 9

The Parliament has an effective ombuds office with two ombudsmen (one Dutch-speaking and one French-speaking). Parliament elects these individuals, but after their election, the ombudsmen are totally independent and autonomous from government. They publish a yearly report and are effective advocates of citizens' complaints.

G Intermediary organizations: professional and advisory capacities

Media, parties and interest associations

Media reporting

Score: 6

In-depth information on decisions taken by the government is provided to differing degrees within the two linguistic communities, as there are two distinct media systems and media markets as well as two different political systems at the regional level. There is no such thing as a "national" TV channel or a "national" radio program or newspaper.

On the Flemish side of the country, public broadcaster VRT daily produces high-quality information programs for both TV and radio which are broadcast during prime-time for at least two hours. On the Francophone side, public TV and radio stations produce a mix of infotainment and quality information programs. The main public TV channel RTBF broadcasts daily about one hour of high-quality information programs during prime-time. Somewhat more time is dedicated to such programs on RTBF's radio channel, "La Une." In both regions, programs focus heavily on news and events of importance to the linguistic community, with little attention paid to what is happening in other parts of the country.

Fragmentation

Parliamentary election results as of 5/18/2003

<i>Name of party</i>	<i>Acronym</i>	<i>% of votes</i>	<i>% of mandates</i>
Flemish Liberals and Democrats	VLD	15.4	16.67
Flemish Progressive Alternative *1	SP.a-Spirit	14.9	15.33
Christian, Democratic and Flemish *2	CD & V	13.3	14.00
Socialist Party	PS	13.0	16.67
Flemish Interest *3	VB	11.6	12.00
Francophone Reform Movement *4	MR	11.4	16.00
Humanist and Democratic Center *5	CdH	5.5	5.33
New Flemish Alliance *2	NV-A	3.1	0.67
Francophone Greens	Ecolo	3.1	2.66
National Front	FN	2.0	0.67
Flemish Green Party *6	AGALEV	2.4	0
Others		4.3	0

*Party competence**Score: 8*

Most party programs are very detailed and extensive. In fact, they are among the longest and most detailed programs of liberal democracies anywhere in terms of diagnosis, policy objectives and policy instruments. However, and this is seen as a hindrance, programs usually focus on solving the problems of either Wallonia or Flanders without looking at the relationship between the two regions. Although rational from a political point of view (as parties stand for election only in one part of the country), this focus detracts from the overall quality of party manifestos. In the end, parties stand in national elections, and this fact should be reflected in their programs.

*Association
competence**Score: 8*

Association competence differs between employers' organizations and trade unions on one hand and a broader definition of associations on the other. The first group of organizations relies on internal experts and think tanks for the development of detailed and technically advanced policy proposals. These proposals are aired within neo-corporatist policy networks, made up of government actors and associations.

Other organizations try to work as professionally but are often restricted by resources available. Nevertheless, most interest groups increasingly seek expert advice, either from within their own ranks or from academic or other professional circles. Thus lobbying on the basis of thoughtful, well-documented policy proposals is the rule in Belgium.

*Association
relevance**Score: 7*

The relevance of interest associations in policy-making varies among policy fields. Wage and labor market reforms are always pursued in cooperation with union and employers' associations. This does not mean that the government acts only if both sides agree to a change. Associations often complain about the government's decisions. It does mean that there is a general tradition of compromise agreements rather than general conflict between government and associations. In other policy areas, the relevance of associations may not be as high as it is for economic policy areas, as one example. Often association relevance depends much more on the ideological link between certain parties and interest groups.

This country report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states.

More on the SGI 2009 at www.sgi-network.org

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