



Belgium Report

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Sustainable Governance Indicators 2017

Executive Summary

Belgium, located in Western Europe, is a small, densely populated country of 11.4 million inhabitants. Its economy is generally healthy, though with strong and enduring regional disparities. Comparatively, Belgium has been one of the euro zone's stable performers in recent years. In 2016, its gross domestic product (GDP) was projected to reach €421 billion (at current prices). In real terms, this represents a 6.6% increase over 2008. In comparison, in this same timeframe the Netherlands witnessed GDP growth of 3%, France of 5.1% and Germany of 8.2%. Notably, investment increased faster in Belgium than in these comparable markets.

Belgium boasts an extremely open economy: imports and exports total 170% of GDP. This, however, has left the country quite exposed to the general slowdown in international trade. This openness has also meant employment losses as a result of the country's slightly higher wage inflation in comparison to its neighbors. The unemployment rate rose in 2015, peaking at 8.7% that November. In part thanks to a vigorous tightening of unemployment benefit conditions imposed by the government, the unemployment rate has decreased since.

The country boasts a well-educated population, attracts substantial foreign direct investment, maintains high-quality hospitals, possesses a healthy housing market (i.e., which did not crash during the global financial crisis and is only modestly overvalued) and, overall, manages a well-performing economy. With its comprehensive road, rail, water and information-technology networks as well as world-class harbors, Belgium provides direct access between Europe and the rest of the world. Its openness in terms of trade and high reliance on exports forces Belgian companies to maintain competitiveness or lose their market position. The International Institute for Management Development (IMD) ranks Belgium as the 22nd most competitive economy in the world (a six-position improvement over 2014).

Politically, Belgium is home to one of the most significant separatist movements in Europe. This has yielded complex and fragile public institutions. Decades of tensions have produced a layer cake of federal, regional, provincial and community (i.e., linguistic) entities with often overlapping responsibilities. These complexities produce frequent deadlocks.

Ideological and linguistic positions often overshadow rational arguments when reforms are undertaken. In addition, the strongest party in Flanders advocates splitting the country.

The Michel government, which took power in October 2014, committed to abstain from pursuing institutional reforms, temporarily setting aside the thorny issues that plagued previous administrations. Political instability resurfaced, however, after the March 2016 terrorist attacks – when many considered the government’s response inadequate – and again in October 2016 – when Wallonia threatened to block the free-trade agreement between the EU and Canada (i.e., CETA).

Belgium’s main policy challenge is to successfully balance economic growth with social inclusion. It must accomplish this while capping government outlays, particularly social expenditures, to reduce the public debt (expected to peak in 2016 at 107% of GDP). Reducing this debt will also require capping public pension liabilities, which represented close to 180% of GDP in 2002 (Flawinne et al. 2013). This main challenge has become all the more complex in the wake of the refugee crisis and the March terrorist attacks. Both vividly illustrated the country’s lack of success in integrating (even second- and third-generation) immigrants.

The current government’s agenda focuses on economic reforms. Among other ambitious goals, it aims to improve the labor market, reform the tax and pension systems, restore the sustainability of the social security system, and strengthen the judiciary. Important components of its strategy aim to reduce the tax wedge on labor, which is one of the highest in the OECD, and reform the pension system. To date, limited progress has been made, in part because of sluggish growth across the euro zone.

Determining a reform agenda has been made more difficult by a system of proportional representation that produces coalition governments without clear mandates. Tax reforms have, for example, proven more contentious than expected. Efforts to broaden the tax base, which would require developing a new tax on capital (capital gains and housing rents were previously not taxed), were half-baked and clumsy because of internal disagreements between the coalition parties.

To this political state of affairs one must add the chronic North-South (Flemish-Walloon) tension. The main party in the current coalition is the Flemish N-VA, which openly vows to split Belgium (or at least to devolve so much power to the regions that the “token” federal government would only manage the public debt). In the south, Wallonia is governed by two parties (the

Socialists and Humanist centrists) absent from the federal government. This absence produces mutual distrust. Federal tax reforms or cuts to unemployment benefits are perceived by Wallonia as a means to shrink the regional government's power. Conversely, Walloon requests for federal financing of newly devolved responsibilities are perceived by Flanders as a refusal to meet the obligations that come with greater self-rule.

Amid such tensions, the long-term challenge for this and future governments will be to increase investment and jobs in ways that return all Belgian regions to a sustainable growth trajectory. It also must maintain fair intra- and inter-generational transfers, promote knowledge creation and innovation in the private sector without impairing access to the public goods and services that are necessary for social cohesion, and better integrate (both socioeconomically and culturally) the second- and third-generation immigrants who are now Belgian citizens.

Overall, Belgium's outlook is mixed. On the one hand, Belgians generally live well and their country possesses many of the resources needed to achieve broad-based inclusive growth. On the other hand, the country must reduce its internal divisions, redirecting its political energy away from turf wars and toward building prosperity. Given the current political climate, it may be a long and winding road between here and there.

Key Challenges

Belgium's key challenges remain: to 1) improve competitiveness, 2) rationalize and stabilize the institutional arrangements, 3) restore sustainability in the public accounts and achieve equitable growth over the long term, and 4) better integrate those on society's margins, in particular second- and third-generation Muslim minorities.

During the Great Recession, Belgium managed to limit the damage inflicted on the small- and medium-sized business sector. On the whole, the country experienced only a partial recession. By 2010, real GDP had fully recovered and today sits 6.6 percentage points above its 2008 level. Clearly, the economic situation in Belgium better resembles that of Germany than of Greece. However, it has suffered from a progressive erosion of competitiveness that the government has struggled to effectively address. It has one of the most open economies in the world and small policy missteps have sizable consequences. Belgium's (and, more generally, Europe's) market share of global exports continues to decline, as has the share of technological

exports. The country has lost considerable ground in car manufacturing and high-tech steel, among other industries. It thus needs to identify new sectors capable of fostering high GDP growth and aggressively transfer production toward these sectors.

Within this context, the government has initiated a so-called tax shift to provide incentives for firm-level investment and job creation. Together with a tightening of unemployment benefit conditions, this has slightly reduced the cost of labor. In the current context of sluggish growth and investment worldwide, however, this tax policy alone cannot produce a rapid acceleration in growth. Moreover, many pundits have criticized these reform efforts as being too meek.

With respect to institutional arrangements, Belgium has suffered from decades of political instability due to recurring tensions between the Flemish and the Walloon regions. Flanders remains wealthier and its unemployment rate about half the level seen in Wallonia. Wallonia's economy relied on coal mining and heavy industry. Today, the region continues to struggle with the process of adjusting away from these industries: with an unemployment rate of 7.5% (in comparison to 3.4% in Flanders). These political tensions, as well as nagging challenges in and around the (bilingual) Brussels region, have undermined the population's trust in the social safety net and led to an institutional reform in 2011 that structured the phasing out of transfers between Flanders and Wallonia.

Given the current government's commitment to abstain from pursuing institutional reforms, the policy agenda has chiefly focused on economic policies. Nonetheless, tax reforms taken on the national level have had important distributional consequences for the regions (in particular, for Wallonia). As a result, the deficit in Wallonia is projected to balloon over the next five years. This will prevent the region from pursuing expensive reforms or public investments; instead, regional authorities will be forced to cut spending. There is thus the risk of political destabilization as the next round of elections approach (2018 for municipal and 2019 for regional, federal, and European elections). This instability must be managed if a local economic depression is to be avoided.

Third, without sustained and balanced economic growth, many pillars of Belgium society are in jeopardy. Belgium is currently a comparatively equal country, with accessible health care, education and public transportation, among other public goods. However, the country's pension system requires reforms to remain sustainable. Adjustments to the system risk becoming highly unfair to future generations of pensioners unless additional economic

growth materializes to finance the system. Likewise, health-care costs have been increasing substantially faster than GDP. The federal government responded by cutting expenses at all levels. This strategy, however, carries the long-term risk of triggering an uncontrolled flight to private insurers, which would immensely decrease accessibility for the middle class. Many of the policy levers that promise faster growth are out of the hands of national politicians and significant progress is needed at the European level.

Finally, the recent terrorist attacks in France, Belgium and Germany brought back into the spotlight the failed integration of large segments of second- and third-generation immigrants. A successful response to these terrorist attacks will be a huge challenge for Europe. Such a response requires both an extremely aggressive anti-terrorist effort and a proactive policy of integration for newly arriving immigrants as well as the large population of young Muslim minorities who are now Belgian citizens. These youth, who are largely of Moroccan origin, feel excluded from Belgian society and are concentrated in large cities (in particular, in Brussels and Antwerp). For example, unemployment is already as high as 15% in Brussels and the city's schools may exceed capacity by some 20,000 students by 2020. This has been a nagging issue for at least two decades, throughout which policies intended to address this major integration issue have met with only limited success. The situation has provided fertile ground for the emergence of small (but committed) numbers of terrorists. According to a U.N. report released in October 2015, about 500 Belgian citizens were counted as combatants in Syria and Iraq (within ISIS and similar groups) – the highest per capita figure in Europe. The issue of returnees and the danger they present – a factor that has been frequently referred to as a “ticking time bomb” by analysts – has already been proven horribly correct. Integration is bound to remain a major issue in Belgium over the next decade.

Citation:

<http://www.premier.be/sites/default/files/articles/PPWT%20BUDGET%202016%20FR.pdf>

http://www.plan.be/admin/uploaded/201610111111110.FOR_SHORTTERM16_11332_F.pdf

http://www.plan.be/admin/uploaded/201606211317350.FOR_MIDTERM_1621_11276_F.pdf

<http://www.mipex.eu/integration-des-immigres-les-forces-et-les-faiblesses-de-la-belgique>

Koutroubas, Theodoros, et al. (2011), 'The complex community mosaic in Belgium', in Michael Emerson (ed.), *Interculturalism: Emerging societal models for Europe and its Muslims* (Brussels: Centre for European Policy Studies), 55-76.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 6

Belgium is a small, open and diversified euro zone economy highly exposed to international competition. This has traditionally prevented governments from imposing policies that would harm international competitiveness. As a result, it has avoided the major challenges suffered by the “crisis countries” in the euro zone.

In spite of this, its market share on the export market progressively eroded (in the same proportion as France and worse than Germany). With respect to neighboring countries, it suffers from a chronic inflation gap that is only partially compensated by higher productivity levels. The lack of higher productivity growth implies that this productivity advantage is also eroding.

The current government is aware of this challenge and has begun tackling some of the factors contributing to this erosion of competitiveness. The government has put limits on wage growth, tightened unemployment benefits and healthcare, and prioritized reducing labor costs rather than stimulating education and training. Most of these efforts, however, have put a weight on demand, repressing growth. According to the Federal Planning Bureau (a government watchdog), these policies have reduced unemployment, but weigh on the budget deficit and have had little or no effect on the inflation differential or the labor participation of those aged 55 and above.

One major challenge hindering international competitiveness is the relatively low level of entrepreneurship, which reduces the entry of the young, innovative firms that are typically at the core of product innovation and productivity growth. In addition, the government is unusually right-wing for country that has a tradition of middle-of-the-road, coalition governments. The current governments heavy-handed reform style has provoked substantial opposition

and political unrest (e.g., demonstrations and strikes) which may have encouraged some multinational enterprises' to shut down operations in the country.

Citation:

Productivity growth is slowing: <http://www.oecd.org/global-forum-productivity/country-profiles/belgium.htm>
Reforms and economic perspective:

http://www.plan.be/admin/uploaded/201606211317350.FOR_MIDTERM_1621_11276_F.pdf

Too little entrepreneurship: http://www.plan.be/admin/uploaded/201606240814370.WP_1606.pdf

Labor Markets

Labor Market
Policy
Score: 6

At the onset of the financial crisis, unemployment rates did not increase as dramatically in Belgium as elsewhere in Europe, demonstrating the effectiveness of the Belgian social safety net. Economic inequality also remains well below the EU average.

Notwithstanding, the performance of the labor market eroded over the previous years. Eurostat data show that the Belgian unemployment rate fell in comparison with the euro zone average between 2007 and 2012, but has been creeping up since then. It remains substantially higher than in Austria, a country with comparable characteristics. Recent enterprise closures produced a slight drop in the 2016 activity rate for those aged 15 to 50. Government reforms aimed at increasing the activity rate of those aged 51 to 64 did produce some effect, though more modest than expected.

According to several analyses (including that of the Council of Europe), this is due to a lower than desirable link between wages and productivity, financial disincentives to work (in part due to high taxes and social contributions on labor), increasing mismatches between the demand and supply of labor skills, workers' insufficient geographic mobility between regions (Flanders, Wallonia, Brussels) in spite of the short distances, and pockets of high unemployment (particularly among the youth and/or under skilled), especially in the Brussels region and older industrial basins in Wallonia. Belgium has been forced to keep public spending under tight control due to the European Commission's macroeconomic imbalance procedure. This implies that there is chronic underinvestment in higher education, and no long-term plan for mid-career retraining (both competences are now largely exerted by the subnational authorities). This does not bode well for the supply of skilled labor. On the other hand, many other "structural" changes are underway. These have shown only minimal results as of yet, partly because of the current economically depressed environment in the EU.

Council of Europe's recommendations: <http://data.consilium.europa.eu/doc/document/ST-9190-2016-INIT/en/pdf>

Tax Policy
Score: 6

Taxes

Belgium's tax structure is inequitable. The tax base is too narrow and puts excessive pressure on labor income (along with Italy, Belgium has the highest effective tax and social security wedge on labor in the OECD), which incentivizes tax avoidance and evasion. Conversely, many capital incomes (e.g., housing rents and capital gains) are either not taxed or inefficiently taxed.

Several factors have prevented the country from tackling these issues. There is a lack of political willingness to deeply reform the tax system and no common wealth registry to detect mismatches between declared income and spending. Also, the performance of the fiscal administration at the federal level is suboptimal.

As a result, within each income source (i.e., labor, capital and corporate), horizontal and vertical equity are guaranteed on paper, but differential treatment and lack of information undermine this principle. Nevertheless, low levels of inequality place Belgium among the most equitable countries (based on measured inequality; some sources of income are not declared, so it is hard to obtain accurate data).

The present government tasked itself with reducing the share of government spending in GDP. Its efforts have been, however, disproportionately focused on healthcare and social security spending, which may increase purchasing-power inequality in the medium term. Thus far it has not shown itself able to improve the performance of the federal fiscal administration.

In its March 2016 recommendations, the Council of Europe writes that "Belgium did not make sufficient progress toward compliance with the debt rule in 2015. [...] The [Belgian government's] revised medium-term budgetary objective, set at a balanced budgetary position in structural terms, is expected to be reached by 2018. However, the recalculated structural balance still points to a structural deficit [...] in 2018. [...] The macroeconomic scenario underpinning these budgetary projections is plausible. However, the measures needed to support the planned deficit targets from 2017 onwards have not been sufficiently specified." They also emphasize that "There is still considerable scope for improving the non-cost dimension of external competitiveness. To safeguard and enhance current welfare levels, more emphasis should be placed on productivity gains and investment in knowledge-based capital."

Lack of administrative information on wealth:

http://www.lecho.be/actualite/archive/L_absence_de_cadastre_des_fortunes_complique_la_tache_du_fisc_belge.9828652-1802.art?highlight=cadastre%20fortunes

Council of Europe's recommendations: <http://data.consilium.europa.eu/doc/document/ST-9190-2016-INIT/en/pdf>

Budgets

Budgetary Policy
Score: 6

Belgium was hit by several successive shocks in 2015 and 2016. The refugee crisis produced an unanticipated increase in spending that will continue in the medium term (successful integration of the migrants into the labor force should eventually compensate for this and prove a net benefit). Then, in March 2016 Brussels was hit by a terrorist attack. These events have significantly increased government spending.

In parallel, the government has introduced tax cuts that have reduced government income. As a result, the government deficit increased in 2016 in spite of a drop in interest rates. Cutting the structural deficit will require additional effort.

Notwithstanding, forecasts continue to point to Belgium's public debt peaking in 2016. However, it is projected to only shrink marginally over the next 5 years: from 107% of GDP in 2016 to 105% of GDP in 2021. One ticking time bomb continues to be the implicit pension debt related to entitlements that will be owed to current workers in 10 to 20 years.

Citation:

Macro imbalance procedure:

https://www.nbb.be/doc/dq/mip/en/mip_2015.pdf

http://ec.europa.eu/eurostat/documents/16624/0/SA-2016_ammend

<http://www.plan.be/indicators/indicator-fr-t-mip->

[macroeconomic+imbalance+procedure+alert+mechanism+scoreboard](http://www.plan.be/indicators/indicator-fr-t-mip-macroeconomic+imbalance+procedure+alert+mechanism+scoreboard)

http://www.plan.be/admin/uploaded/201610111111110.FOR_SHORTTERM16_11332_F.pdf

Public finance sustainability:

http://www.plan.be/admin/uploaded/201603311238220.Rapport_mars2016_FR.pdf

Research and Innovation

R&I Policy
Score: 6

R&D policy is shared between the central government, which can offer tax incentives, and the subnational (regional and community) governments, which are responsible for managing European subsidies and supporting university R&D and related projects. This increases subnational accountability but hurts coordination and limits economies of scale. According to KPMG, a consultancy, Belgium has “increased its attractiveness as a prime location for companies involved in research and development activities and in the exploitation of patents.” The country's location, transportation facilities and infrastructure offer much for potential investors, KPMG says.

Since the onset of the financial crisis in 2007, investment has generally been declining. Belgium stands out as having withstood the shock rather well, with investments as a share of GDP higher than in France, Germany or the United States (according to IMF data). Likewise, Belgium has increased its R&D spending (according to Eurostat data). While still below its 3% of GDP target, it closed half the gap between 2008 and 2014.

In spite of this, Belgium still suffers from a chronic shortage of new and innovative enterprises. Dumont and Kegels (2016) write that “Belgium performed rather well in terms of net job creation over the period 2000-2014, in comparison with [...] neighboring countries. [...] However, our results underline the importance of the decrease in industry-level productivity growth as the main explanation of the aggregate productivity growth slowdown. [...] Belgium stands out unfavorably from other OECD countries, in its low entry of new firms. [...] The specific tax benefit for young innovative companies, introduced by the Belgian federal government in 2006, and the Start-up Plan that was initiated in 2015, seem to be good practice in targeting tax incentives on young firms [...]. It] seems that access to finance is the major barrier for entrants and young firms in Belgium. [...] Despite improved fiscal incentives, Belgium remains technologically considerably behind other European countries of a similar size such as Denmark and the Netherlands. While some indicators such as patent registration and monetary returns may be improving, the technological content of the country’s exports is progressively eroding. Universities are chronically underfunded, despite the assistance provided by the regions to help them monetize their discoveries in the form of spin-offs and improved links with businesses. This should not overshadow important exceptions; a highly skilled work force is present, and fiscal incentives have attracted some research-intensive firms in the chemical, pharmaceutical, and more recently computer-science sectors (such as Google, in the latter category).”

Citation:

Dumont and Kegels (2016): http://www.plan.be/admin/uploaded/201606240814370.WP_1606.pdf

Eurostat on R&D expenditures:

http://ec.europa.eu/eurostat/statistics-explained/images/3/32/Gross_domestic_expenditure_on_R%26D_%28R%26D_intensity%29%2C_by_country%3B_2008_and_2014.png

Global Financial System

Stabilizing Global
Financial Markets
Score: 8

Most banks suffered extensively from the crisis, and the Belgian government was more proactive in the restructuring of banks than many of its fellow European governments. Yet Belgium is clearly too small a country to restore

financial stability alone. Indeed, some of the largest Belgian banks are structurally linked to other European banks, or have in fact become subsidiaries of larger banks with headquarters based in neighboring countries (e.g., ING, BNP Paribas). This led the government to promote international efforts to restore financial stability and combat financial fraud and tax evasion (from which Belgium is a clear loser, in spite of repeated initiatives to recover revenues lost through tax evasion through banks based in countries such as Luxembourg). Belgium also actively took part in the creation of the so-called banking union in the euro area, and has sought to improve banking supervision within its borders.

II. Social Policies

Education

Education Policy
Score: 6

The OECD classifies Belgium's performance as "top" with regard to youth skills, but only as "average" with regard to other indicators (including inclusiveness, youth integration into the labor market, and the promotion of skills in workplaces). Improvements in the Belgian education system were mainly achieved before 2010, and its education system has largely stagnated since that time. Given that education is almost exclusively publicly financed in Belgium, the pressure to balance budgets currently exerted by the economic crisis is certainly an important factor. In addition, the organization of education generates some excessive structural costs due to the coexistence of a public network and a "free" (Catholic) network that is also publicly funded; this undermines cost-effectiveness and overall efficiency (as well as reform potential) within the two independent education systems (Flemish- and French-speaking, since education policy is now fully devolved to the linguistic communities). The education system also has evident difficulty in producing social mobility; according to the OECD, "the likelihood of a student participating in tertiary education varies greatly depending on the level of education attained by his or her parents."

The general affordability of education helps render access to education largely equitable. University fees remain very low (€35 per year in French speaking universities, €90 in Flemish universities) as compared to the Anglo-Saxon countries. De facto discriminatory factors include the very minimal or nonexistent study grants for poorer students, and the increasingly overcrowded classrooms. Although the universities perform quite well today, their increasingly tight budget constraints risk reducing the quality of education in the medium-term.

As reported by Vanden Bosch (2014), the European Commission has also pointed to the “lack of coherence between education and employment policies, given the specific needs of the migrant population.” Within the French-speaking universities, the regional government is imposing ever-more administrative control on education procedures, which diverts human resources away from teaching and research. Consequently, the situation is worsening. Chronic underfunding of higher education and its negative impact on productivity has also been pointed out by Dumont and Kegels (2016, see section on Research and Innovation).

Citation:

OECD Skills Outlook: <http://www.oecd.org/education/oecd-skills-outlook-2015-9789264234178-en.htm>

OECD (2016). “Education at a glance 2016, OECD Indicators” http://www.keepeek.com/Digital-Asset-Management/oecd/education/education-at-a-glance-2016/belgium_eag-2016-43-en#.WCJXdvrJPY

Vanden Bosch (2014). “The European Semester in Belgium: A state of play”, Egmont Royal Institute for International Relations, European Policy Brief No 32

Social Inclusion

Social Inclusion
Policy
Score: 6

According to the OECD, Belgian workers benefit from advantageous working conditions in terms of wages, but at the price of a long-term unemployment rate that stands almost twice as high as the OECD average. Social policy was extremely generous and broad until the financial crisis, but the last two governments have tightened social spending substantially. As a consequence, the number of beneficiaries of unemployment benefits has dropped substantially, much more so than unemployment itself.

More significantly, the refugee crisis (with massive inflows of migrants, mainly from Syria and Afghanistan) may induce Belgium to tighten its immigration policy and reduce the generosity of its poverty assistance beyond what would be desirable for the general population.

Citation:

OECD Economic Surveys: Belgium, February 2015:

http://www.oecd.org/eco/surveys/Overview_Belgium_2015_Eng.pdf

OECD better life initiative 2016: <http://www.oecd.org/belgium/Better-Life-Initiative-country-note-Belgium.pdf>

Health

Health Policy
Score: 7

In Belgium, public (or publicly funded) hospitals own and maintain good equipment and university hospitals offer advanced treatments, given the institutions’ participation in medical research. Coverage is broad and inclusive.

Access to health care is quite affordable, thanks to generous subsidies. Belgium fares quite well in terms of the efficiency of its health care system. It ranks close to Sweden, which is often considered as a benchmark of efficiency for affordable access to health care.

A problem is that costs have been contained by reducing wages and hospital costs in ways that do not seem viable in the long run, particularly given the aging population. Too few graduating doctors are allowed to practice, and the short supply of doctors in the country may compel an increasing number to leave the public system and the constraints imposed by state subsidies, and move to fully private practices. As a result, inclusiveness is under threat in the medium term and already a challenge in some rural areas.

Another issue is that Belgium insufficiently emphasizes prevention, and spends more than similar countries on subsidized drugs, which generates a structural increase in health policy costs and hampers long-run sustainability within the health care system.

Recently, entire areas of state competences regarding health care have been devolved to the regions (Wallonia, Flanders and Brussels) with the aim of increasing local accountability. However, this risks a loss of coordination and increased costs (e.g., excess spending on medical equipment) in a country where regions are so small that patients may easily move between regions, and the resulting competition may lead to excess spending. There is also a risk of losing management competence, as the pool of ministers and experts is considerably smaller in the regions than in the country as a whole.

Families

Family Policy
Score: 8

Although child care for children below the age of three is rationed in Belgium, the country is a good performer in this regard overall. Essentially free public schooling is available for children after the age of three, and free or very cheap child care is available from 7:30 a.m. until 6 p.m. on working days.

Subsidies per child (allocations familiales/kinderbijslag), responsibility for which were recently devolved to the federated entities, are low for the first two children, but personal-income-tax cuts offer support to households with children.

High implicit tax rates on low-wage earners, which effectively create a substantial hurdle for low-qualified second earners in a couple (who are typically women), remain a hurdle to equitable family policy. Official statistics show that the labor-market activity rate for highly educated women is only five

percentage points below the comparable men's rate, but is a full 18 points (35% compared to 53%) lower for women with less education.

Pensions

Pension Policy
Score: 7

Pension policy has long been a touchy issue in Belgium. Reforms were continuously delayed until the financial crisis hit the country and forced the previous government to initiate a number of reforms to restrict early retirement. Despite considerable political oppositions, the current government has steadfastly pursued an effort, with a firm plan – passed by parliament in July 2015 – to raise the legal pension age gradually from 65 to 66 years (by 2025) and ultimately to 67 years (by 2030), with the aim of making the system more sustainable. The outcome in terms of higher labor participation rates for those aged 55 to 65 has fallen short of expectations, but this is partly the result of the adverse economic environment faced across Europe.

The fact that such a policy was approved after so many years of stalemate can be regarded as a significant step forward. In June 2015, the government also set up an advisory commission for pension reforms (comité national des pensions/nationaal pensioencomité) which is composed of economic experts and the main stakeholders, including trade unions. In 2016, they reported that the 2015 reforms were insufficient and endangered “solidarity” as a result of higher risks of poverty in the future. No additional measures have been taken by the government thus far.

Citation:

<http://www.oecd.org/belgium/Better-Life-Initiative-country-note-Belgium.pdf>

See point (12) in the European Council's recommendations: <http://data.consilium.europa.eu/doc/document/ST-9190-2016-INIT/en/pdf>

Pension experts' negative assessment: <https://www.rtbf.be/info/article/detail?id=9447107>

Integration

Integration Policy
Score: 6

Belgium has a contradictory attitude toward immigration. On the one hand, it has traditionally been quite welcoming to political refugees. Its reaction to the Syrian refugee inflow was no exception: despite being comparatively immigration-sceptic, the current government responded with the rapid creation of emergency accommodation centers, followed by the re-dispatching of families to different cities and villages to promote integration and avoid the creation of ghettos. The terrorist attack on Brussels produced some racist reactions, but to a comparatively limited degree (when juxtaposed with the pushback observed in some other European countries or in the United States).

Yet, the follow-up has been dismal. The country currently lacks the capacity to integrate first and second generation immigrants with appropriate education and successful entry into the labor force. The Itinera Institute details the lack of data collection, which would be the necessary first step for identifying immigrants' skills for job placement. Immigrants must follow a lengthy and cumbersome administrative process. The administration is insufficiently staffed to process applications. As a consequence, immigrants cannot apply legally for jobs for months, if not years.

Similar outcomes apply to second-generation immigrants: even when they are legally Belgian, they are confronted with a schooling system that is insufficiently adapted to people whose parents' mother tongue is not Dutch or French. Even those who manage to get appropriate education face difficulties on the labor market (this is, unfortunately, not unique to Belgium).

A long time ago, Belgium began taking steps to combat these challenges. The Center for Equal Opportunities and Opposition to Racism was created specifically to address discrimination issues. Civil society and the press are very wary of acts of outright discrimination and racism. Nonetheless, public funding and proactive policies are still insufficient to deliver the substantial results that are needed to turn the immigration that has occurred over the past 30 years into a success.

Citation:

<http://www.itinerainstitute.org/fr/article/lintegration-des-refugies-requiert-une-fuite-en-avant>

OECD Economic Surveys: Belgium, February 2015.

http://www.oecd.org/eco/surveys/Overview_Belgium_2015_Eng.pdf

Koutroubas, Theodoros, Rihoux, Benoît, Vloeberghs, Ward, & Yanasmayan, Zeynep. (2011). The complex community mosaic in Belgium. In M. Emerson (Ed.), *Interculturalism: Emerging societal models for Europe and its Muslims* (pp. 55-76). Brussels: Centre for European Policy Studies.

Safe Living

Safe Living
Conditions
Score: 7

Belgium is generally a safe country, yet violence does occur and the country's crime rate is higher than in neighboring countries. Also, Belgium has disproportionately attracted Islamist terror networks, which are producing a new type of threat that the country has found difficult to successfully cope with.

Regarding low-level criminality, self-reported rates of victimization are slightly above the OECD average, in part due to above-average bullying that has not receive sufficient policy attention. Underfunded and overcrowded prisons are

another source of the problem, even though successive recent governments have invested in new prison facilities. The court system remains slow (due to a huge backlog) and is often perceived as lenient. This helps maintain a feeling of impunity for misdemeanor offenders. Yet, the country's relative social stability, neocorporatist arrangements and limited levels of income inequality have largely insulated it from mass demonstrations or riots of the kind sometimes observed in France.

Citation:

OECD 2015. Better life initiative. How is life in Belgium? October 2015. <http://www.oecdbetterlifeindex.org/countries/belgium/>

Global Inequalities

Global Social
Policy
Score: 4

The economic crisis has placed continued pressure on the government's development-aid efforts. International-development policies, which are now split between the federal and federated entities, are increasingly being seen as an instrument to help Belgian firms export to developing countries. Unrelated aid is being cut, and Belgium has repeatedly missed its own spending targets despite recognized Belgian expertise in the field, particularly in sub-Saharan Africa. At the international level, Belgium has been part of efforts to push for more fair-trade arrangements, but has not been an agenda-setter.

III. Environmental Policies

Environment

Environmental
Policy
Score: 6

The Belgian government has established a climate-policy website (www.climat.be) on which the authorities themselves concede that the country's environmental policy is "rather complicated" given the unique policymaking arrangements. Belgium's environmental policy is indeed split between the federal government and the three regions, which makes it largely unmanageable. Most of the energy spent at this policy seems to be devoted to pushing the burden of adjustment to another of these partners. As of November 2016, the website proudly details the progress made between 2008 and 2012, but concludes with the understatement that negotiations for the 2013–2020 policy round have not yet come to fruition. In practice, this means that environmental policy in Belgium remains largely uncoordinated, local and inefficient. Generally speaking, environmental quality matches the OECD average.

The European Environmental Agency notes that “The Belgian annual air quality report indicates significant improvement over recent decades, but also shows that a high percentage of the Belgian population is still exposed to excessive concentrations of the four most important air pollutants (PM, NO₂, O₃ and SO₂).” A push to increase solar electricity production in the early 2000s, translated into massive increases in electricity costs that continue today. Projects to create offshore wind farms may help reduce CO₂ production, but their costs remain undetermined.

Regional initiatives may, however, progressively improve the situation. The local, bottom-up, nature of these projects means that it is hard to see a general pattern or a well-defined policy direction, but this may also produce better results in the long term, if they meet project aspirations and increase the general public’s awareness.

Car traffic is unlikely to decrease in the short term, given the poor management of public transportation projects (e.g., a regional express train for the greater Brussels area, initially planned for completion in 2012, has been postponed until 2025), Belgium’s location as a crossroads for European highway traffic, and the political unwillingness to curb tax benefits for corporate cars. The government is introducing a per-kilometer tax on trucks, but the main objective is to shift some of the tax burden away from labor, not to reduce traffic. Congestion in the major cities remains high. Brussels, for instance, ranks as the seventh-most-congested city in Western Europe, according to the TomTom Traffic Index, with an average daily delay of 44 minutes during peak hour for what would be a 60-minute drive in off-peak conditions.

Significant improvements in water treatment have been recorded in all regions, after Belgium was taken to court by the European Commission for failing to implement its international commitments. Implementation in this area has become a regional prerogative.

The regions are now responsible for maintaining forests and biodiversity. Overall, forest management is proactive, with a view toward long-term sustainability. Some superficial attention is given to biodiversity.

Citation:

References:

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Global Environmental Protection

Global
Environmental
Policy
Score: 4

Global efforts to foster environmental protection are coordinated by the European Commission, and the Belgian government seems to prefer a backseat role in that process. In the previous government, the minister of sustainable development was also the minister of finance. In the present government, the minister for energy and the environment had never worked on energy or environmental matters before taking the position. Belgium has not sought or assumed a proactive role in the design and advancement of global environmental-protection schemes – especially since several aspects of environmental-protection policy have now been devolved to the regions, which leads to frequent difficulties in the formulation of a clear Belgian (federal/national) position.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 8

Standard legal restrictions, such as requiring a certain number of signatures before an individual may run as a candidate, are fair and are effective in controlling the number of candidates in any election. The same holds for parties, which can be relatively easily registered and at very little cost, even in a single constituency (or electoral “arrondissement”). In practice, however, such restrictions may represent a higher hurdle for smaller or local parties or candidates. One reason is that the registration process has been mastered by the more established parties, and poses more of a challenge for individual candidates. Most political parties offer a broad diversity of candidates, according to gender, age and ethnicity. Gender rules are quite specific, as there are mandatory quotas on electoral lists.

Media Access
Score: 7

All mainstream political parties, or so-called democratic parties, have broadly equal access to the media (however, equal media airtime is not guaranteed by law). Minor parties and so-called non-democratic (essentially post-fascist) parties do not have equal access to media, as the main TV stations, for instance, reserve the right to ban such political parties from broadcasts. Print media also offers broad and mostly balanced coverage of political parties, although some newspapers may have preferential links to this or that party “family.”

The influence of post-fascist or national-populist parties varies depending on geographical region. In Flanders, the national-populist Vlaams Belang is considered to be an acceptable party for media interviews and broadcasts. The communist PTB/PVdA receives considerable media coverage across the country since it is now represented in parliament, has a quite mediagenic leader and is popular in polls (especially among French-speaking Belgians). All other parties have quite fair access to the media. Difficulty of access seems to be a substantial issue only for ultra-minority parties, largely because of their small size.

Voting and
Registrations
Rights
Score: 9

Voting is compulsory in Belgium, and all resident Belgian citizens are automatically registered to vote. Non-Belgian residents and Belgian nationals living abroad must register on a voluntary basis.

There are two marginal limitations in terms of the proportion of voters concerned. In some municipalities with “linguistic facilities” around Brussels (i.e., situated in Flanders, but with a significant proportion of French-speaking voters), voters may not receive voting documents in their native language. The situation is usually handled quite pragmatically, but in 2015 this led to the prolongation of a stalemate in one “commune à facilités/faciliteitengemeente” in the Flemish periphery of Brussels. In this municipality of Linkebeek, no arrangement could be found for the (Francophone) mayor to be officially installed by the (Flemish) regional authorities, although he and his list had captured a broad majority of the (largely francophone) vote.

The fact that compulsory voting is not extended to Belgian nationals living abroad means that their degree of representation is potentially lower than that of regular voters.

Party Financing
Score: 10

All political parties represented in parliament are largely financed by the state, based on the number of votes cast and the number of parliamentary seats, and private contributions are limited. Electoral campaigns at all levels are subject to tight regulations on allowed spending, both in terms of amount and item. After each election, all advertising and campaign spending and contributions are scrutinized in detail by a special parliamentary committee, with limited partisan bias. Candidates who infringe the rules may, for instance, lose the right to be elected, even though such instances are rare. In most cases, a range of more modest (financial) sanctions are implemented, typically seeing the candidate forced to repay non-eligible expenses or overspending.

Tight financial control over the party accounts is also exerted during non-electoral periods, again by a special largely nonpartisan parliamentary committee. In 2015, two parties received modest sanctions following some remarks on their accounting techniques. This was quite hotly debated and framed in terms of majority/opposition tensions, but can generally be seen as an indication that the system of checks and balances functions quite well.

Popular Decision-
Making
Score: 3

Referendums are illegal in Belgium. The main rationale is to avoid a “tyranny of the majority,” given the fragmentation between Flemish speakers (a majority at the national level), German speakers (the smallest group at the national level), and French speakers (about 40% of the national population, but a majority in the Brussels region).

Some popular initiatives are tolerated, but will only be considered as a suggestion by the authorities. At the local level, “popular consultations” can be organized, but these are largely controlled by local authorities and are rare.

More focused public consultations, however, are organized on a regular basis for city planning decisions, building permits and similar issues. Again, public

input is not binding, but nonetheless an important component of decision-making. At the regional level, there is an increasing political interest in various participatory processes, but not in terms of binding decisions. For example, in 2016 the Walloon Parliament discussed the possibility of establishing parliamentary committees partly composed of randomly selected citizens.

The complex institutional architecture of Belgium also means that approval is sometimes needed at the local, regional, and federal levels for a project to proceed. This gives rise to lots of not-in-my-backyard (NIMBY) lobbying of the kind that has delayed the creation of a train network around Brussels for decades and has blocked completion of the southern part of the Brussels motorway ring.

Access to Information

Media Freedom
Score: 8

Some of the main public television and radio stations are managed by representatives of the main political parties; the head of the main French-speaking public-media company actually is appointed by the government and claims an official post comparable to that of a civil servant. Regardless, the journalists at the company work largely free from direct control or political influence, even though some reporting appears excessively lenient with regard to some of the government's main representatives. The country's main private television and radio stations in general operate independently of political parties, even though some interpersonal connections exist at the levels of upper management. Privately held press organizations are largely independent, and they scrutinize public activities increasingly well, though their level of financial resources is sometimes problematic.

Media Pluralism
Score: 6

Relatively few actors have an ownership stake in the major private-media companies, a situation which is normal amid a small economy and an oligopolistic market. In practice, the various media outlets (television, radio, print and web) offer a diverse range of opinion, and most political positions are well represented. The boards of Belgium's two large public-media entities for radio and television (the Flemish VRT and the francophone RTBF) are composed of representatives from most political parties, including opposition parties (from among the main parliamentary parties).

One issue affecting media outlets is the growing financial stress on print media. Tighter budgets have restricted newspapers' ability to pursue in-depth investigations on a systematic basis, and have in general diminished some of the public scrutiny that a free press is in theory supposed to exert.

Access to
Government
Information
Score: 7

While there is no law that directly addresses freedom of information, access to official information is in general granted and should be forthcoming without impediment (Belgium in 2009 was one of the signatories of the Convention on Access to Official Documents). In practice, however, some information can be hard to find, is not directly publicized or is not made widely available. This is further complicated by the multilevel structure of state institutions and administration (federal, regional/community, provincial and local), with the ineffective sharing and aggregation of information across all levels.

As a researcher, it is even difficult to determine out how one gains access in general to information. As a few examples, at the time of writing, finding information from the country's main consumer-budget survey has become increasingly difficult; data on pass/fail rates at French-speaking universities is now considered classified; and the state is now specifically avoiding collection of information that may have "ethnic" content (a response to the country's tense ethnolinguistic issues).

Civil Rights and Political Liberties

Civil Rights
Score: 6

The courts operate independently of political interests, and regularly challenge political decisions. Equally, tension between judges and politicians can be said to have increased in recent years. In most cases, civil rights are well-protected.

Yet issues remain. The judicial system is chronically underfunded, which means that many cases face a delay of years before a decision is made. This continues to damage Belgium's position in the World Bank's "ease of doing business" rankings, where it is ranked 52nd in terms of contract enforcement (compared to an overall rank of 43rd, June 2015) and 63rd for minority shareholder protection. These abnormal delays occasionally force judges to dismiss cases.

The government passed several new laws in the wake of the terrorist attacks on France, Belgium and Germany. Human Rights Watch determines that "at least six of the government's newly adopted laws and regulations threaten fundamental rights."

Another difficulty involves linguistic issues (e.g., in municipalities around Brussels) as some jurisdictions are split into Dutch-speaking and French-speaking areas. This is mainly a problem in Brussels, which is bilingual, and means in practice that equal treatment (in particular, in terms of length of procedures) is not guaranteed for persons of different linguistic groups.

Citation:

<http://www.doingbusiness.org/~media/wbg/doingbusiness/documents/profiles/country/bel.pdf>

Human Rights Watch: https://www.hrw.org/sites/default/files/report_pdf/belgium1116_web.pdf

Political Liberties
Score: 8

Belgium is a mature democracy in which political rights are generally well-protected. Internal issues with respect to political liberties began to appear as a result of tensions between the Dutch-speaking (Flanders and a minority in Brussels) and French-speaking (Wallonia, a majority in Brussels and in some municipalities around Brussels) communities. To reinforce the usage of Dutch in Flanders, the Flemish regional government passed a law that in effect largely bans the usage of French for political communication in Flemish territory, even in municipalities where a large majority of the population is French-speaking.

A more recent set of challenges is emerging in the wake of the terrorist attacks on Brussels, Paris and Nice. The government has started to adopt countermeasures that allow the police to crackdown on terrorist networks, which have been using Belgium as a staging ground for attacks across Europe and to channel fundamentalists to Syria.

Human Rights Watch, however, reports that the recent legislative reforms may be infringing on individual liberties. Recent legal changes allow the government to “place prisoners detained for terrorism in prolonged isolation, and allow the government to suspend passports and review terrorism suspects’ phone and email logs without judicial approval. Other laws can revoke Belgian citizenship and criminalize comments that stop short of direct incitement to terrorism. [The report] also details abusive police responses during counterterrorism raids and detentions.”

Citation:

https://www.hrw.org/sites/default/files/report_pdf/belgium1116_web.pdf

<https://www.hrw.org/news/2016/11/03/belgium-response-attacks-raises-rights-concerns>

Non-discrimination
Score: 7

As in most countries, discrimination exists in practice. Belgian citizens of foreign origin, for example, perform significantly worse in employment levels and educational achievements. A significant percentage of the Belgian population openly expresses racist speech or feelings, though rarely through mainstream media outlets.

While it is difficult to provide equal opportunities to the disabled (in this respect Belgium performs less well than most northern European countries), Belgium also falls below the European average with regard to acts of violence against ethnic minorities. Yet state institutions have taken a proactive stance in

such matters. Gay marriage has been legal for more than 10 years without significant social upheaval, mass demonstrations or violence. In 1993, the Belgian parliament founded a government agency called the Center for Equal Opportunities and Opposition to Racism. The center is easily accessible to the public, and its many activities, including legal support for persons subject to discrimination, are publicly visible.

A specific set of challenges has emerged since the terrorist attacks on Paris and Brussels, with reports of police violence and abuse toward Muslims. This incidences, however, are projected to abate and will be progressively addressed by authorities.

Citation:

https://www.hrw.org/sites/default/files/report_pdf/belgium1116_web.pdf

Rule of Law

Legal Certainty
Score: 7

The rule of law is relatively strong in Belgium. Officials and administrations typically act in accordance with legal requirements, and therefore actions are predictable in this sense. Nevertheless, the federalization of the Belgian state is not yet fully mature, and the authority of different government levels can overlap on many issues; a state of affairs which makes the interpretation of some laws and regulations discretionary or unstable and therefore less predictable than what would be desirable in an advanced economy.

For example, Belgium has since 2009 failed to implement many of its fiscal treaties with foreign partners (for a list, see the Belgian Service Public Federal Finances website). The main reason for this is that all levels of power (federal, regional, etc.) must agree; when they do not, deadlock ensues. Other instances of legal uncertainty include linguistic requirements, where national and regional/community rules may conflict; regulation policy, where regulators' decisions are sometimes overruled by the government; and taxation policy, which is in the process of being devolved from the center to the regions. Moreover, tax and pension policies are being hastily modified and without notice in the days before the government's budget is published.

Judicial Review
Score: 8

The Constitutional Court (until 2007 called the Cour d'Arbitrage/Arbitragehof) is responsible for controlling the validity of laws adopted by the executive branch. The Council of State (Conseil d'État/Raad van Staat) has supreme jurisdiction over the validity of administrative acts. These courts operate independently of government, often questioning or reverting executive branch decisions at the federal, subnational and local levels. For example, in March 2010, the Council of State invalidated a decision of the Flemish government to ban all visible religious symbols from

schools, and forced the federal administration to allow a teacher suspected of “sympathy with terrorism” to teach Dutch to prisoners. That same month, the Constitutional Court declared legal a controversial €250 million tax levied by the federal government against electricity producers.

However, the Council of State is split in two linguistic chambers, one Dutch-speaking and one French-speaking. These chambers are separately responsible for judging administrative acts of regions and communities, which poses challenges with regard to government independence, especially when a case involves language policy or the balance of powers between different government levels.

Citation:

<http://www.lexadin.nl/wlg/courts/nofr/eur/lxctbel.htm>

<http://www.business-anti-corruption.com/country-profiles/belgium>

Appointment of
Justices
Score: 9

The Constitutional Court is composed of 12 justices who are appointed for life by the king, from a list that is submitted alternatively by the Chamber of Deputies and by the Senate (with a special two-thirds majority). Six of the justices must be Dutch-speaking, and the other six French-speaking. One must be fluent in German. Within each linguistic group, three justices must have worked in a parliamentary assembly, and three must have either taught law or have been a magistrate.

The appointment process is transparent, yet attracts little media attention. Given the appointment procedure, there is a certain level of politicization by the main political parties, and indeed most justices, have had close links to one of the parties or have previously held political mandates before being appointed to the court. However, once appointed, most justices act independently.

Corruption
Prevention
Score: 8

A number of corruption cases and issues of conflicts of interest, widely covered by the media, has pushed government reforms toward a higher level of regulation of public officers. Since 2006, the federal auditing commission of state spending is responsible for publicizing the mandates of all public officeholders. Assets held before and after a period in public office also have to be declared. Although the asset information is not published, the information does have legal value as it can be used in the event of a legal case (public officeholders therefore complete comprehensive declarations); such a practice appears to be effective (and various politicians have been investigated, after the financial crisis and bailout plans).

Since 1993, political parties have been funded by public subsidies based on electoral results. Private donations by firms are not allowed. This practice is often criticized as a means of preserving the political status quo, as the system

makes it difficult for an outsider to enter the political scene.

To prevent further corruption scandals, public procurement above a certain value must follow strict rules. Overall, the fight against outright corruption gained in effectiveness over the last years, as data from Transparency International demonstrate.

Citation:

<http://www.business-anti-corruption.com/country-profiles/belgium>

<http://www.tradingeconomics.com/belgium/corruption-rank>

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning
Score: 7

Each minister works closely with a team of collaborators in each ministerial cabinet. Each cabinet is usually large, with as many as 30 to 40 senior staff and experts. Meetings take place often, and the team designs policies in line both with the minister's objectives and the government agreement. The minister and the advisory team are then responsible for drafting bill projects which are then submitted to the government in weekly meetings.

In terms of long-term planning, the knowledge accumulated by a minister's collaborators can be lost at the end of a legislative period, as the ministerial team changes with the minister. Moreover, the frequency of staff rotation is generally high. In contrast, public administration is run by civil servants with longer tenures of office, but these groups do not generally take part in strategic ministerial decisions. Long-term planning (beyond a legislative term) is therefore made difficult. The main rationale for relying on the minister's team instead of civil servants is that the former are the minister's (and the party's) close aides and tend to be more flexible in terms of working hours and availability for emergency situations.

The federal Planning Bureau (Bureau du Plan/Planbureau) does play a role in providing longer strategic planning options, but in general it is the ministerial cabinets that are the main movers of legislative efforts.

Scholarly Advice
Score: 6

Consultation with non-governmental academic experts depends on the subject matter; their actual influence on eventual decisions is quite limited most of the time, and certainly marginal when compared to the influence of experts who are attached full-time to ministerial cabinets (see below). The government and/or the parliament do consult full-time academic experts with independent views, but not in a systematic way (this is left to the initiative of parliamentary committees), and not necessarily to generate genuine scientific debate.

However, in Belgium's neocorporatist system, representatives of the social partners (employers' organizations and trade unions) are systematically summoned for participation when a strategic decision is to be made on socioeconomic issues. In other politically sensitive areas (e.g., tax reform) academic and international expertise has had very limited influence.

One potential exception is the National Committee for Pensions, which is composed of three subcommittees. The first is composed of the traditional social partners. The second is made up of government experts from the various institutions involved in pension funding, an innovation that should enhance coordination in the typical Belgian web of institutions and shared responsibilities. The third subcommittee is composed only of academic experts. This subcommittee is the direct heir of the Commission for Pension Reforms set up by the previous government. In practice, the key reform to ensure long-term sustainability was blocked by the first subcommittee.

Citation:

Pension experts' negative assessment: <https://www.rtbf.be/info/article/detail?id=9447107>

Minister's

reaction:

[http://www.lecho.be/economie_politique/belgique_federal/Les_reformes_diminuent_le_risque_de_pauvrete_d](http://www.lecho.be/economie_politique/belgique_federal/Les_reformes_diminuent_le_risque_de_pauvrete_des_pensionnes.9827735-3154.art?ckc=1&ts=1478889661)
[es_pensionnes.9827735-3154.art?ckc=1&ts=1478889661](http://www.lecho.be/economie_politique/belgique_federal/Les_reformes_diminuent_le_risque_de_pauvrete_d)

Interministerial Coordination

GO Expertise
Score: 7

The Prime Minister's Office contains a "strategic cell" that helps the prime minister evaluate and steer policy across all levels. Typically, this oversight function is shared with deputy prime ministers (one per coalition party, apart from the prime minister's party) in a regular "core" meeting. Each of the advisers and experts in the cell specializes in one field. They assess only the most important issues, as the relatively small size of the team limits its ability to deal with all issues at hand. The fact that governments are always coalitions (comprised of at least four parties) also gives a central role to party advisers of the corresponding minister in the lawmaking process.

GO Gatekeeping
Score: 7

Before implementation, each government project is submitted to the ministers' council, which meets weekly. The council is composed of a secretariat, which scrutinizes technically and politically each proposal before it is debated and prepares the ministers' council agenda, and 14 line ministers and the prime minister, who debate each proposal. Decisions are made on the basis of political consensus, not a majority vote.

Either directly or through the council's secretariat, the prime minister can block any item presented and either return it for redrafting or turn it down completely. This may be because a project does not fit the government agreement or

conflicts with one of the coalition parties' agenda, but can be for any other reason as well. All government members must by contrast defend an accepted project collegially. In general, the detailed government agreement, informally referred to as "the bible," provides an easy justification for the rejection of projects that might be politically difficult to handle; if a project does not directly relate to the governmental agreement, it is likely to be turned down either by the prime minister or through maneuvers by some other coalition parties in the "core."

Citation:

Reference: <http://www.premier.be/fr/conseil-des-ministres>

Line Ministries
Score: 10

Before implementation, each government project is submitted to the ministers' council, which meets weekly. The council is composed of a secretariat that scrutinizes each proposal before it is debated and prepares the ministers' council agenda, and 14 line ministers and the prime minister, who debate each proposal. Decisions are made on the basis of political consensus, not of majority vote.

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Citation:

<http://www.premier.be/fr/conseil-des-ministres>

Cabinet
Committees
Score: 10

The council of ministers (conseil-des-ministres), which is one of the central components of the government, meets every week. Each minister is responsible for drafting a proposal, which gets submitted to the council. The council's secretariat then checks whether the proposal can be debated: is it complete, technically sound, does it conflict with other decisions made in the past, is it contained in the governmental agreement? Proposals are debated by ministers only if they pass this first filter, which allows them to focus on the strategic aspects of the issue. However, the most important strategic considerations are mainly political.

To reach the council of ministers, a given project is always discussed beforehand in formal or informal inter-cabinet meetings that include experts and senior officers of the relevant ministries. Most negotiation is performed at that stage and, if necessary, further fine-tuned in the "core" meeting in the case of particularly important or sensitive policy issues.

Ministerial
Bureaucracy
Score: 5

While ministries are not significantly involved in preparing cabinet meetings, each minister has a large team of close collaborators and advisers (the ministerial cabinet) to prepare projects, which are first submitted to the minister, and then to the council of ministers. For some decisions, responsibilities are shared among several ministers, a situation that happens regularly. In this case, ministerial teams must coordinate their actions in inter-cabinet meetings before being able to submit a proposal to receive the approval of each minister. Only at this stage may the proposal be submitted to the ministers' council.

The bottom line is that top civil servants do not play a significant role – in most cases, they are at best informed of ongoing discussions and are simply asked to deliver data and information.

Informal
Coordination
Score: 9

Belgian governments have typically been broad coalition governments (the current government is more homogeneously right-wing, but still includes four parties), and mechanisms such as the council of ministers were established to enforce effective coordination. It is also important to note that party discipline is strong and party presidents are dominant figures able to enforce coordination both within and across government levels (subnational and national). In addition, some of the larger parties have well-organized study centers that provide extensive policy expertise.

The government agreement, signed at the government-formation stage, operates as an ex ante contract that limits possible deviation once the coalition operates. Once the government is formed, decisions are made collegially, and all government officials must defend the decisions made by the council of ministers. Thus, as long as governmental decisions remain within the boundaries of the government agreement, policy proposals are well coordinated.

Importantly, the last elections produced highly asymmetric coalitions at the federal and regional levels. The federal government must be composed of the same number of Dutch and French-speaking ministers. However, only one French-speaking party is part of that government: the liberal-right MR. The coalition in Flanders is made up of all the Flemish parties in the federal government. In Wallonia, the coalition is composed of parties that are in the opposition at the federal level: the Socialists (PS) and the Christian Democrats (CDH). The Brussels government is a six-party coalition with a partial overlap between the federal and regional coalitions. The capacity to coordinate policy between the federal and the regional governments is thus much more limited than it has been in recent times.

Moreover, the fact that the MR is the sole French-speaking party at the federal level, as well as a minority party in its electoral districts, puts it in an awkward

position, limiting the capacity of the MR prime minister to dictate policy and behavior to coalition partners.

Evidence-based Instruments

RIA Application
Score: 2

Before making a decision, the government will typically seek the opinions of stakeholders in an attempt to prevent misguided policy action and to ensure some level of societal support. However there are no formal RIA procedures, and unexpected policy outcomes are not exceptional. Two examples of this have been the policies aiming at curtailing CO₂ emissions and the flip-flopping on whether to shut down nuclear plants without assessing their real capacity to produce energy.

With regard to carbon emissions, energy experts had recommended making improvements to house insulation to reduce demand. Instead, the various governments heavily subsidized solar panels, which were politically more appealing. In the absence of a proper RIA, the ex post measure of success was the rate of adoption (subsidy pick up) and volume of green-energy production. It took years for the various operators to admit that the cost overruns were unmanageable, and they ultimately had to freeze subsidies suddenly and partially renege on previous commitments.

In the case of nuclear plants, a Green Party proposal in a previous government induced a vote on a law scrapping all nuclear plants without any practical substitute. The government prior to the one serving today scrapped that law. The current government recently voted to keep plants operating until 2025. However, a number of the plants are regularly malfunctioning or out of order, and it is unclear how and whether they will be able to continue operating until that date. Again, there is no planned objective measurement procedure to evaluate the success of one or the other policy.

The current government also has decided to institute a tax shift intended to reduce labor costs, transfer some of the tax burden to polluting activities, and broaden the tax base overall. However, as of the time of writing, policymakers remained unclear regarding the potential income shortfalls resulting from their measures, and had not agreed on how to measure efficiency or other gains ex post. A potential shift on the horizon could stem from the European Commission's imposition of some ex post RIA requirements as a condition of obtaining EU regional-development financing. This external lever could create a new culture of impact assessments, which would have a different purpose than showing that the incumbent government was right.

Quality of RIA
Process
Score: 1

There is no formal regulatory impact assessment process in Belgium. This has sometimes led to biased and costly public investment decisions.

Citation:

<http://www.lesoir.be/1351413/article/actualite/regions/bruxelles/2016-10-25/un-organe-controle-independant-pour-decider-des-orientations-stib>

Sustainability
Check
Score: 1

There is no formal regulatory impact assessment process in Belgium.

Societal Consultation

Negotiating Public
Support
Score: 6

There is a strong tradition of consensual policymaking in Belgium (neocorporatist arrangements), whereby the government consults most established stakeholders to facilitate the acceptance of policy. This is especially the case for employers' associations and trade unions (the so-called social partners) around socioeconomic issues. Such consultations have also become routinized in other fields, with the creation of specific consultative bodies, for instance the Federal Council for Sustainable Development which also gathers representatives of environmental organizations.

The current government has partially broken with this tradition, and has attempted to impose reforms in the areas of pensions, taxes, unemployment and other such matters without the support of trade unions. Arguably, some of this culture of consensus had previously stalled important but necessary reforms. The current government's strategy has come as a cultural shock.

Policy Communication

Coherent
Communication
Score: 5

Maintaining coherent communication is sometimes difficult in coalition governments, in which each party needs to display its contribution and its power to its voters. In addition, the center-right Flemish Christian Democrats (CD&V) in the federal coalition have quite different views on inequality and some tax expenditures than do the more "radical" liberal-right N-VA. Government communication after the terrorist attacks on Paris, and then on Brussels, was more confused and less structured than typical. Occasionally, government ministers had near racist outbursts, in stark contradiction to the government's official policy line.

There also are some cleavages between the only French-speaking party and the other three Flemish-speaking parties in the coalition. These tensions limit the prime minister's capacity to control the communications of his ministers and of other high-profile politicians who criticize the government despite belonging to

a government-coalition party. In spite of this, communication remains surprisingly coherent under the circumstances.

Implementation

Government
Efficiency
Score: 6

On 9 October 2014, the newly instituted government published its government agreement, the document meant to guide its policy over the whole government term. Its first objective has been to increase the employment rate from 67.5% to 73.2%. The activity rate actually peaked in the fourth quarter of 2014 at 68% (according to Eurostat data) and has since hovered between 67% and 67.7%. Although the drop was less pronounced, a similar pattern was observed in Germany, hinting at economic fluctuations across the euro zone. Employment rates remained flat over the last year, even though they are about 12 percentage points below the German level. This gap is mainly due to the lower employment rate of those aged 55 to 64, which is about 23 percentage points below the German level and, more generally, very low compared to other advanced EU economies. The government did tighten the conditions for early retirement and this may be the cause of a slight uptick in the employment rate. It may also be that a more significant impact has only been delayed. The forthcoming regulatory tightening may have prompted some firms to time their layoffs around the second and third quarters of 2016 to take advantage of the still-lenient conditions for early retirement. If this diagnosis is correct, the government may see more significant results from these reforms next year.

Another challenge that this government has committed to resolve is the past differential in wage inflation, which made the Belgian labor force less competitive. One reform has been to cut social security contributions on a firm's first employee and all company-paid social security contributions. Another, more contentious, reform has been to block "automatic wage indexation," a legal constraint that aligns nominal wage growth on inflation. This latter reform induced massive protests and strikes as well as restrained domestic demand. The jury is still out regarding the overall effectiveness of these and other tax reforms in delivering higher investment and employment.

A second objective has been to reform the pension system. The short-term policy objective was to tighten early retirement rules. This reform passed despite substantial dissent from unions and opposition parties. In the longer term, the government aims to create a self-sustaining pension system in which pension outlays will be indexed to GDP growth, therefore fixing the pension-transfers-to-GDP ratio. The government did establish a specialized commission (Comité National des Pensions) that includes academic experts and all major stakeholders. Actual reforms were passed in 2015, but were deemed insufficient and discriminatory by the Comité's academic experts. One of the main

criticisms has been that recent reforms still do not make the system sustainable (by, for example, aligning the progression of pension outlays to GDP growth).

The government agreement's third objective has been to ensure the sustainability of the social security system. Here, the government articulates a clear direction: it is cutting expenses, reimbursements and coverage across the board, at the risk of disenfranchising the lower-middle class. Another stated objective has been to increase GDP, but the government arguably has little control on economic growth, which largely depends on economic evolutions across the euro zone.

The government's fourth objective was to reform the tax system and enhance the government's budget balance. Actual reforms have been too timid to produce a substantial gain in efficiency but large enough to increase the budget deficit.

The fifth objective is much broader and concerns energy, environment, and science policy. Ministers in this area are comparatively weak within their respective parties, in some cases without experience in their portfolio areas, and achievements have accordingly been less clear cut.

The sixth objective is to improve "justice and security." The main policy lever envisioned here is to improve the "efficiency" of the justice system – that is, to make it work with less funding. Progress has been limited thus far.

The other five stated objectives concern (7) asylum and migration policy, (8) public administration and enterprises, (9) a projection of Belgian "values and interests" in international relations, (10) improvements in mobility and road safety (a largely hopeless task given the complexity of Belgian institutions), and (11) transversal issues that include "equality and fairness", "sustainable development" and "privacy and personal information protection." The government still seems quite determined to make progress on several of these issues, but only time will tell what exactly it will achieve.

Citation:

http://www.lecho.be/economie_politique/belgique_federal/Les_reformes_diminuent_le_risque_de_pauvrete_des_pensionnes.9827735-3154.art?highlight=comite%20national%20pensions%20reformes
http://www.premier.be/sites/default/files/articles/Accord_de_Gouvernement_-_Regeerakkoord.pdf
<http://www.doingbusiness.org/data/exploreeconomies/belgium#protecting-minority-investors>
<http://www.premier.be/fr/d%C3%A9claration-du-gouvernement-3>

Ministerial
Compliance
Score: 8

One should distinguish de jure powers from the government's de facto powers to provide incentives to each minister. De jure, the prime minister has little power to exclude ministers from the government. The main architects of government positions are the party presidents who, at the government-formation

stage, negotiate for control of the various portfolios, and then nominate their people. Every minister's primary incentive is thus to push his or her own party's views, rather than the government's potential view.

That said, this hierarchical structure is actually able to impose strong discipline on each minister when the incentives of party presidents are sufficiently aligned with those of the government.

Monitoring
Ministries
Score: 6

The hierarchical structures inside ministries is such that the line minister (or ministers, when a ministry's set of responsibilities are shared by more than one government portfolio) controls the ministry at the political level. The ministry itself is presided over by a general administrator, whose nomination used to be purely political, but is now (at least partly) determined through a competitive exam.

The fact that the tenure of the general administrator and the minister are different opens the gate to potential tensions between the minister and the ministry. A concrete example is that of the minister for mobility, Jacqueline Galant (MR, francophone liberals, i.e., the party of the prime minister), who was eventually forced to step down. She had to handle particularly sensitive issues in the Belgian multiregional context, including security at the Brussels airport. The head of her administration was appointed before her term and they were not politically aligned. She instead systematically worked with external advisers over whom she had more political control and sometimes acted against the recommendations of her own administration.

Monitoring
Agencies,
Bureaucracies
Score: 7

Belgium has relatively few agencies that are funded and controlled by the government, but are also formally independent of the government. Agencies of this type include public radio and television stations, Child Focus, a foundation for missing or sexually exploited children, the Center for Equal Opportunities and Opposition to Racism, some official job placement agencies, and public social service centers (Centres Publics d'Action Sociale (CPAS) / Openbare Centra voor Maatschappelijk Welzijn (OCMW)). The monitoring of these agencies works through several channels. Two are most relevant here. First, a government or party delegate will generally sit on the board of these agencies. Second, each year, the agency will have to submit a report to the government or to the ministry responsible for its activities. This monitoring is extremely controlled and effective, partly thanks to party discipline.

Nonetheless, effective monitoring is not necessarily synonymous with efficiency. A recent analysis by the Federation of Belgian Enterprises, a lobby group, reports that Belgium has exceedingly high management costs in its public agencies. These costs reach 15.2% of GDP, higher than the 12.2% average for France, Germany, and the Netherlands, even though Belgium does not stand out for the efficiency of its agencies and public administration.

Citation:

[http://www.lecho.be/tablet/newspaper_economie_politique/Il_reste_des_centaines_de_millions_d_euros_d_economies_a_faire_dans_les_services_publics.9776078-](http://www.lecho.be/tablet/newspaper_economie_politique/Il_reste_des_centaines_de_millions_d_euros_d_economies_a_faire_dans_les_services_publics.9776078-7320.art?utm_campaign=app&utm_medium=tablet&utm_source=IPAD)

[7320.art?utm_campaign=app&utm_medium=tablet&utm_source=IPAD](http://www.lecho.be/tablet/newspaper_economie_politique/Il_reste_des_centaines_de_millions_d_euros_d_economies_a_faire_dans_les_services_publics.9776078-7320.art?utm_campaign=app&utm_medium=tablet&utm_source=IPAD)

Task Funding

Score: 4

Several core responsibilities of the Belgian central government have been delegated to regional or sub-regional levels over the recent decades: to the three regions (Flanders, the Brussels region and Wallonia), to the linguistic communities (Flemish, French and German), and to the municipalities (communes/gemeenten; a city may be subdivided into several communes). Due to recurrent political stalemates between the Flemings and Francophones, the Brussels region has been chronically underfunded. Municipalities in rich areas are typically funded sufficiently, but this is often not the case in poorer areas. The tightening of unemployment benefits also has spillover effects on these municipalities, since they are financially responsible for minimum income support for the poor.

Likewise, the government agreement also implies serious cuts in financial transfers from Flanders to Wallonia over the next years. But since Wallonia is a post-industrial region with unemployment levels twice as high as in Flanders, it is difficult to see Wallonia not continuing to suffer from chronic underfunding.

Another part of the government agreement was to start decentralizing taxation, but the main sources of state financing (direct taxes and VAT) will remain centrally controlled and collected, before being redistributed according to pre-agreed sharing rules. Redistribution issues remain a point of conflict between the main regions and communities, even more so during the recent financial crises.

Constitutional

Discretion

Score: 10

The federal state has no formal authority over regions and communities because there is no hierarchy between the federal and regional/community levels. When compared with other federal systems, this creates major complications. For instance, on international treaties, one region has the possibility to block a treaty because it has exactly the same prerogatives as the federal state. This occurred September and October 2016, when the Walloon region singlehandedly blocked the signing of a major treaty between the EU and Canada (i.e., CETA). That treaty was eventually signed on 30 October, after weeks of pressure and tense negotiations.

On some policy dimensions (e.g., spatial planning, transport, education, culture, applied research, local authorities, etc.), the regions and communities are actually becoming more powerful than the federal government. The tensions between the country's linguistic communities as well as between its

geographically defined regions (both the communities and regions have their own political institutions and administrations) reinforce this trend.

Citation:

<http://www.lesoir.be/1353096/article/economie/2016-10-27/ceta-belgique-trouve-un-accord>

National Standards
Score: 5

Formally, the national (federal) government has no authority over regional governments and administrations, but it can impose some standards and policies. Environmental policies, for instance, have been largely regionalized, but environmental standards and norms are set at the federal level. As a result, environmental-policy coordination has been deadlocked since 2012. In addition, subnational and local executives have to abide by budgetary constraints set by the central government. Responsibilities for several policy levers are shared by different government levels, in which case the central government has partial authority over regional governments' courses of action.

Altogether, the central government does not have the ability to enforce or control more detailed standards in terms of things like performance figures, as just one example. The government can only try to maintain influence through more general (legal or budgetary) levers.

Adaptability

Domestic
Adaptability
Score: 6

Belgium is one of the founding states of the European Union and an active member of many international agreements. In some instances, Belgium has even played a leading role in international agreements (such as banning the production of land mines).

However, this apparent enthusiasm for international and supranational coordination comes with significant caveats, as Belgium is today regularly criticized for not fully complying with rules agreed upon at the European Union, United Nations or NATO. For instance, critics have taken aim at Belgium's failures to respect the Geneva Convention, its failure to ratify the Framework Convention for the Protection of National Minorities, and its slower-than-average progress in abiding by EU environmental norms. This can again be partially explained by the persistent political tension between the country's Dutch- and French-speaking camps, its complex and still-evolving institutional structure, and the fact that, due to decentralization, all governmental entities maintain (and tend to further develop) their own international relations in the area of their (sometimes overlapping) competences.

Citation:

http://www2.derand.be/livingintranslation/en/Minorities_Convention.php

<https://www.coe.int/en/web/minorities/fcnm-factsheet>

International
Coordination
Score: 7

Belgium hosts various supranational institutions, including the majority of the offices of the European Union. The country has always displayed enthusiasm toward joint-reform initiatives. This can be illustrated by the large number of Belgian politicians involved in the highest levels of such organizations (e.g., Herman Van Rompuy, who was the President of the European Council; Guy Verhofstadt, leader of the liberal group in the European Parliament). Moreover, the country's small size makes it heavily dependent on international coordination. It therefore supports international reform efforts in areas such as tax systems, carbon-dioxide regulation, and as of 2015, on the European equivalent of the American Foreign Account Tax Compliance Act. However, with regard to implementation, Belgium does not always fulfill its commitments.

Organizational Reform

Self-monitoring
Score: 3

In 1992, Belgium became a federal state with one central government, three regional governments (Flanders, Brussels, Wallonia), three communities (Dutch-, French- and German-speaking, each with a parliament and a government), 10 provinces, and 589 municipalities (there was a merger in 1975). The federal and regional/community governments have many overlapping competences.

As a consequence, Belgian institutions are far from efficient. The responsibility split between municipalities and regions has not been re-optimized appropriately, in particular in Brussels. Many decisions require interministerial coordination, which makes Belgium almost as complex as Europe. Very frequently, no rational solution emerges, because any such solution either means more devolution to federal entities, which is perceived by "federalists" as a step toward pure separatism, or re-centralization of some competences toward the central state, which is perceived by "regionalists" as a step backward toward yesterday's centralized structures.

One efficient solution would be to devolve competences that do not require intense coordination fully to the regions, while centralizing others that require intense coordination. There should also be a clear hierarchical structure between the central state and its federal entities. In contrast, in the current structure, each entity is so independent that the central government cannot impose needed reforms to meet Belgium's international commitments.

However, the issue is less problematic when only one entity is involved in a reform effort, and monitoring across regions does exist. The good practices of a region (or of other countries) can thus inspire others (the efficiency of

Institutional
Reform
Score: 3

institutional arrangements between regional governments is easily comparable, for example).

Most reforms are the consequence of bargaining between power levels, with successive political tensions between the federal government, Flanders and Wallonia (the latter being governed by parties who are in the opposition on the national level). Eventually, protracted negotiations end up with some type of compromise that rarely improves overall efficiency.

The main case in point is the Brussels capital region (which is restricted to about one-fourth the actual Brussels agglomeration in terms of area, and one-half in terms of population). Its restricted boundaries result in numerous overlapping jurisdictions with Flanders and Wallonia. Moreover, within the Brussels region, competences are split between the 19 communes and the region. This creates another layer of overlap and gridlock, in particular for city planning. The creation of a pedestrian zone in the city center, without sufficient coordination with the other communes or the region, created major traffic jams. Questions regarding the Brussels airport or the highway “ring” around Brussels are managed by Flanders. The building of a rapid train service toward the south (to provide alternative transportation to Walloon commuters) is largely managed by Wallonia, which has priorities beyond reducing traffic in Brussels.

However, as the general process has trended toward decentralization, local efforts have had positive effects and can be seen as an improvement in strategic capacity.

II. Executive Accountability

Citizens' Participatory Competence

Policy Knowledge
Score: 7

There are few sources of data that allow one to assess the citizenry's level of information with precision. However, it is possible to surmise that individuals' policy knowledge must have increased under this government, if only because some measures are controversial, and controversy attracts media attention. The last legislative elections created a starkly divided outcome, with right-wing parties and the Flemish Christian Democrats in power at the federal level and in the Flemish government, and the Socialists and Walloon Christian Democrats controlling the Walloon government (together with a French regionalist party in Brussels). The Green parties are in the opposition everywhere. This increased polarization, but should also improve accountability. Belgian citizens have

access to an independent press, and government meddling with information is limited to the usual pressure to try and emphasize favourable news.

Legislative Actors' Resources

Parliamentary
Resources
Score: 9

Belgium is a parliamentary democracy. During the political crisis of 2010 – 2011, when the government was unable to be formed, the parliament took over policymaking from government without much problem. Thanks to Belgium's strong party system, information flows well between the government and parliament. As party heads are central figures in any political agreement, they can coordinate action at each level. Individual members of parliament as well as party parliamentary groups are also well-supported by state-funded expert staff and by parliamentary assistants – their overall level of resources is thus high, even if there is often a high level of party discipline in the federal parliament.

In addition, parliament can summon any person, even ministers, to request information. It can initiate special investigations through ad hoc committees, and the Audit Office (Cour des Comptes/Rekenhof), which monitors all Belgian institutions, is a collateral institution of the federal parliament.

Obtaining
Documents
Score: 9

Parliamentary committees are de facto able to obtain essentially all documents they need, as long as documents are not deemed highly confidential. The more sensitive areas include domestic and foreign security, in particular regarding the police and intelligence services, for which two special regular parliamentary committees have been set up. These powers become even stronger when a parliamentary committee is set up to initiate a parliamentary investigation. However, this often leads to a strategy of not collecting data on sensitive issues in order to avoid having to disclose sensitive information. This does of course imply that government policymaking takes place somewhat in the dark.

Summoning
Ministers
Score: 10

Ministers are regularly summoned to parliamentary committees. The rights of committees do not appear to be restricted. This is reinforced by the fact that most parliamentary members (majority and opposition alike) have little chance of seeing their own proposals pass in parliament. Therefore they concentrate much of their time on written questions (which must be answered by the minister in charge), which can improve a member's media visibility.

However, when the media attention on a topic is intense, one frequently sees important ministers replaced by (less important) state secretaries during questioning.

Summoning
Experts
Score: 9

Experts are regularly invited and questioned in parliamentary committees. The rights of committees do not appear to be restricted. Experts are often called upon, for instance when committees are addressing so-called ethical laws (involving issues of euthanasia, adoption rights for same-sex couples, religious-

Task Area
Congruence
Score: 8

related disputes, and so on) or institutional reforms. There are some de facto restrictions as to the range of experts invited, as the decision in principle to query expert advice must be validated by an absolute majority of committee members. This gives a de facto veto power to the majority parties.

The number of parliamentary committees in the Chamber of Deputies is slightly larger than the number of ministries. Eleven permanent committees address key policy areas that are largely aligned with ministerial portfolios (such as defense, justice, budget or external affairs). Other committees can be more specific than the ministry (such as committees created in the wake of the Volkswagen scandal or on nuclear safety) or instead are meant to be broader when dealing with cross-cutting issues (there has been committees on the financial crisis and on constitutional reforms, for example). Committees are thus largely able to monitor ministries, but the head of a given ministry is accountable only to his or her minister.

Citation:

List and functioning of commissions: https://www.lachambre.be/kvvcr/pdf_sections/pri/fiche/fr_12_02.pdf

Audit Office
Score: 10

Established by the constitution (Article 180), the Court of Audit (Cour des Comptes/Rekenhof) is a collateral body of the parliament. It exerts external controls on the budgetary, accounting and financial operations of the federal state, the communities, the regions, the public-service institutions that depend upon them, and the provinces. Some public firms and non-profit organizations are also subject to review (for instance, the Flemish public-transportation firm De Lijn was audited in 2013). Its Court of Audit's legal powers allow it considerable independence and broad autonomy to fulfill its mandate. The members of the Court of Audit are elected by parliament. The Court's reports are public and presented to parliament along with the accounts of the state. The body regularly attracts media attention for its critical remarks regarding the management of public entities or services (such as over the roads in Wallonia).

Citation:

<https://www.ccrek.be/EN/Presentation/Presentation.html>

<https://www.courdescomptes.be/EN/>

Ombuds Office
Score: 9

The independent federal ombuds office was established in 1995. The goal of the office is to have direct contact with citizens and inform them of the administrative process if need be and collect complaints against the administration. Parliament elects members of the ombuds office, but after their election, ombudsmen are totally independent and autonomous from government. The office makes a public report to parliament every year (6,892 complaints and information demands were addressed in 2015, in comparison with 7,018 in 2014). However, the ombudsman's role is only informative and deals with facilitation or advocacy; it has no coercive power.

Some difficulties occur when a complaint touches upon an issue which concerns both federal and regional or community authorities. Regional authorities have their own ombuds offices, also established in the 1990s and early 2000s. Hence, some overlap occurs.

Citation:

<http://www.federaalombudsman.be/homepage>

Media

Media Reporting
Score: 6

Television-news programs provide a relatively reasonable level of information, with a greater share of high-quality content and less focus on personalities than in Italy or France, for example. However, the economic crisis in the media sector is accelerating a trend toward sensational, lower-quality information, as well as a growing inability to conduct in-depth investigations or monitor policymaking.

Almost all television channels, public and private, organize political debates on weekends, but the substance is superficial at best. Pure “infotainment” programs are more widespread on Dutch-speaking than on French-speaking channels.

The media from each linguistic community focus mostly on their own community, with little attention paid to events, personalities and perceptions in the other linguistic community.

Parties and Interest Associations

Intra-party
Democracy
Score: 5

Belgium maintains a multiparty political system, with more than a dozen parties that hold regular parliamentary representation. Party organizations also come in a broad variety of forms. Three parties obtained more than 10% of the national vote in the federal elections held in May 2014: the New Flemish Alliance (N-VA) obtained 20.3% of the vote; the French Socialists, whose then-leader Elio Di Rupo was the prime minister in the previous government, obtained 11.7% of the votes; and the Flemish Christian Democrats obtained 11.6% of the vote.

All the other parties obtained less than 10% of the vote at the national level. However, this observation must be qualified by the fact that each party runs only in its own district, mainly Flanders and Brussels for Flemish parties, or Wallonia and Brussels for French-speaking parties. Hence, the percentage totals in the relevant regions were much higher. This is evident in the vote totals for the regional parliaments, which were elected on the same day. In Wallonia, the left-wing socialists, the right-wing liberals and the Christian Democrats respectively

obtained 31%, 27% and 15% of the vote. In Flanders, the New Flemish Alliance, the Christian Democrats, the Liberals and the Socialists respectively obtained 32%, 21%, 14% and 14% of the vote.

Concerning internal selection procedures, Bram Wauters (2013) writes that “...all Belgian parties represented in parliament give their members a direct say in the appointment of the party leader, be it at a party conference in which all members can participate and vote or via internal elections granting each member one vote (either by postal or electronic voting, or by arranging polling booths in local party sections). The exception is the Flemish extreme right party Vlaams Belang.”

The actual competitiveness of these internal elections varies widely on a case-by-case basis. In most internal elections, the winner is elected by a crushing majority, suggesting that challengers are simply acting figures destined to give an appearance of internal democracy – or, quite frequently, there is only one candidate. But it does happen that some internal elections are highly competitive, and lead to surprising results (among others, the Greens typically have competitive internal elections, and both the Christian Democrats and the Liberals have occasionally had tight contests). Overall, the process is thus mostly controlled by intermediate party elites.

Citation:

Wauters, Bram (2013). “Democratizing Party Leadership Selection in Belgium: Motivations and Decision Makers.” *Political Studies* 62/S1, 62-80, DOI: 10.1111/1467-9248.12002.

Association
Competence
(Business)
Score: 8

Belgium has a high level of trade-union membership and a strong tradition of social consensus implemented through strong and well-organized trade unions and employers’ organizations. For instance, most proposals on wage regulation and employee protection are the result of routine negotiations between employers’ associations and trade unions. Proposals are validated by the government and translated into law. This continuous mechanism of cooperation forces these actors to present realistic and well-argued demands (budgeted and framed in legal terms), even if some bargaining and bluffing occurs.

The trade unions and employers’ organizations each have their own well-developed study services with highly technical (e.g., legal and budgetary) expertise, even on topics outside their traditional competencies.

It should be noted that, in contrast to political parties, employers’ associations and trade unions are still structured at the national level. However, there are some elements within Belgium’s social organizations that appear resistant to change, given a general conservatism and a perceived need to protect the institution.

Citation:

[http://www.lecho.be/tablet/newspaper_economie_politique/Il_reste_des_centaines_de_millions_d_euros_d_economies_a_faire_dans_les_services_publics.9776078-](http://www.lecho.be/tablet/newspaper_economie_politique/Il_reste_des_centaines_de_millions_d_euros_d_economies_a_faire_dans_les_services_publics.9776078-7320.art?utm_campaign=app&utm_medium=tablet&utm_source=IPAD)

[7320.art?utm_campaign=app&utm_medium=tablet&utm_source=IPAD](http://www.lecho.be/tablet/newspaper_economie_politique/Il_reste_des_centaines_de_millions_d_euros_d_economies_a_faire_dans_les_services_publics.9776078-7320.art?utm_campaign=app&utm_medium=tablet&utm_source=IPAD)

Association
Competence
(Others)
Score: 7

There is a wide range of civil-society groups with influence on policy formation in Europe, and Belgium performs well in this regard. A number of non-economic interest associations receive state funding, including environmental, cultural, religious/philosophical, sports/leisure and minority (such as individuals with handicaps) groups.

The largest groups can both make proposals and influence policy. Consociationalism also implies that some socially important decisions are made smoothly. The decisions to legalize same-sex marriage in 2003 and euthanasia in 2002 followed intense but quite dispassionate debates. The contrast with France or the United States over similar issues is all the more striking.

The main reason why this can happen is again related to the predominance of political parties. Some groups and associations that receive funding either initially have, or subsequently develop, preferential political relationships with political parties and/or government actors. This means that social groups, associations and (to some extent) publicly funded schools often have longstanding ties to a political group. It implies that there is a strong incentive for non-economic interest associations to propose policies, and further to ensure that these proposals are well founded, as there is a high probability that the proposals will be debated in parliament.

Obviously, the negative aspect of this structure is dependence on public funding. On the positive side, some groups are able to coalesce into broader umbrella organizations (such as around environmental protection) that are able to hire stable staff with policy expertise.

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