

Belgium Report

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Sustainable Governance Indicators 2020



BertelsmannStiftung

Executive Summary

Belgium, located at the heart of north-western Europe, is a densely populated country of 11.4 million inhabitants. It hosts the headquarters of several supranational institutions (prominently the European Commission, the European Council and NATO) and many multinational corporations. Its economy is generally healthy. With 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. The country's 2018 GDP reached €459 billion (at current prices). In real terms, this represented a 15% increase over 2009 (Eurostat, GDP in chain linked volumes). For comparison purposes, France and the Netherlands registered cumulative GDP growth of 12.8% and 13.5% over the same period, while Germany's economy grew by 20.7%.

Economic performance in the country is generally good, though there are some problems worth noting. The OECD Better Life Index ranks Belgium 15 out of 40 countries, on par with the United States and Luxembourg, and above France, Italy and Japan. Regarding competitiveness, the World Economic Forum ranks Belgium 22 out of 140 countries. The very good, but not best in class global comparisons also apply to education, health, inequality and technological position.

One of the key reasons why Belgium is and will remain competitive is that it has an extremely open economy, with imports and exports totaling 170% of GDP. The top three exporting sectors are chemicals, transport equipment and machinery (Belgian Foreign Trade Agency, 2019). Belgium's trade openness and high reliance on exports provides a deep commitment, both on the side of corporations and the government, to maintaining competitiveness. A failure to ensure continued competitiveness would place jobs and more broadly the entire economy on the line.

The downside to an open economy is a higher-than-average exposure to the current wave of global protectionism and to Brexit. While the euro zone is by far the largest market for Belgian exports, its fourth and fifth destinations are the United Kingdom and the United States. Adding to this exposure, Belgium's competitiveness within the euro zone is at risk, because of an inflation rate that remains (slightly) above the euro zone average. Over the last

10 years, the country's global export market share fell almost as fast as France's, while that of Germany increased.

Institutional complexities and a lack of entrepreneurial spirit (whether in the for-profit or not-for-profit sectors) imply that the country tends to be in a damage-control mode, rather than pacing ahead of competition. This translates for instance into higher labor costs, limited improvements in environmental policy, slow productivity increases and an education system that is progressively falling behind. The last government, led by Charles Michel, made it a priority to recover some of this lost ground, but with limited success.

The Michel government ruled from May 2014 to December 2018. Since December 2018, it has operated as a minority government, acting in effect as a caretaker government. The Michel government put these economic challenges front and center of its agenda. The main targets were to decrease labor costs, broaden the tax base, stimulate innovation, create more jobs and accelerate growth. The challenge was daunting, given the need to also reduce the public deficit and debt.

The employment rate has increased over the last decade, from 62.4% in 2008 to 64.5% in 2018, with most of this increase occurring in the last five years. The legal retirement age was increased from 65 to 67, and the government introduced the possibility of part-time retirement. The public deficit fell from 3.1% in 2014 to 0.7% in 2018 even though wage and corporate headline rates were reduced. R&D expenditure increased from 2.3% in 2008 to 2.6% in 2017 (latest year available). The number of FDI projects increased by a substantial 40% over four years (Flanders Investment and Trade, 2019).

These are impressive and laudable developments. Yet, the May 2019 elections did not reward the parties in government, largely because of internal disagreements, the lack of progress in other policy dimensions (see "Key Challenges"), and doubts concerning the actual impact of the government's measures in contrast to external conjunctural developments.

The key critique regarding employment is that the EU average employment rate also increased, from 65.7% to 68.6%. In the Netherlands, France and Germany, the employment rates for 2018 were respectively 77.2%, 64.5% and 75.9% (see Bodart et al., 2019). Total revenue from the taxation of corporations did not substantially decrease due to a reduction in tax expenditures – a positive adjustment. Though public finances are expected to deteriorate, because the deficit reduction is partially attributable to temporarily lower interest rates and one-off measures. Finally, while R&D did increase, patenting activity did not. This suggests that some firms reacted to fiscal

incentives opportunistically, not only with greater innovative dynamism (see Dumont, 2019).

The political landscape has significantly changed over the last year. In December 2018, the largest party in the federal government, the Flemish NV-A, pulled out. The NV-A's official reason was the disputed U.N. pact for migration. The signing of the pact was scheduled to happen in Marrakech and was the target of an international populist campaign that proved highly effective. In a bid to position itself ahead of the May 2019 elections, the NV-A announced that it would refuse to sign the pact.

Nevertheless, the other parties of the coalition government decided to press ahead with the U.N. pact, trying to show in passing how "irresponsible" the NV-A was. Despite handing his resignation to the Belgian king on 18 December 2018, the prime minister helped broker a temporary minority government. In May 2019, regional, federal and European parliament elections were held.

Following years of intense opposition from the socialist parties (Flemish and French-speaking), and systematic tensions between Flanders and Wallonia as well as the recent international wave of populism, all parties represented in the previous federal coalition government lost seats in the May 2019 federal elections. The NV-A lost the most seats, to the Flemish extreme right Vlaams Belang. The opposition socialist parties also lost, mainly to the communist PTB*PVDA.

Another development, unexpected in December 2018, was the strong political involvement of young people in weekly "marches for the climate," which has brought climate policy to the fore. This has benefited green parties, who were the only mainstream parties to substantially increase their seat share in May 2019.

These evolutions substantially increased the effective number of parties in parliament, complicating the situation for government formation. At the time of writing, negotiations to form the next government remain under discussion. Polarization also increased within and between the different regional parliaments, with the economically more advanced Flanders shifting to the right and the economically poorer Wallonia shifting strongly to the left, while the greens dominated in Brussels. This has produced three quite different regional government coalitions, which will make it harder for the regional governments to collaborate effectively. In a country in which sub-nationalistic ("separatist") bigotry has long been present, this divergence poses a significant risk. The long-term challenges for the current and future governments will be fivefold. First, they must increase investment and jobs in ways that benefit all Belgian regions and socioeconomic groups. Second, they must accelerate the environmental sustainability of the economy. Third, they must maintain fair intra- and intergenerational transfers. Fourth, they must accelerate productivity growth and innovation. Fifth, they must better integrate second- and thirdgeneration immigrants. These challenges will require greater concertation, and more fluid collaboration between the political authorities at the national (federal) and subnational levels.

Citation:

Bodart, Dejemeppe, and Fontenay (2019) "Évolution de l'emploi en Belgique : tentons d'y voir plus clair," Regards Economiques No 146.

Brys, Yves (2017). "Accrued-to-date pension entitlements in Belgium," Belgian Federal Planning Bureau Working Paper 6-17.

Dumont, Michel (2019). "Tax incentives for business R&D in Belgium. Third evaluation," Federal Planning Bureau Working Paper 4-19.

European Commission, DG TAX UD (2019) "Taxation Trends in the European Union"

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

https://www.pwc.be/en/news-publications/news/tax-reform.html

http://www.doingbusiness.org/data/exploreeconomies/belgium#enforcing-contracts)

https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1560258016104&uri=CELEX:52019DC0501

Key Challenges

Belgium is still recovering from the Great Recession . As in most other OECD countries, this creates substantial economic and political tensions. At the same time, Belgium's moderate-to-good performance means that there is a lot of room for improvement, with the potential to deliver substantial economic growth.

As identified in this report and several of the European Council's European Semester recommendations, Belgium's institutional architecture is far from optimal. Take environmental policy as a representative example, Belgium's federal government is responsible for reforming the income tax policy to reduce reliance on company cars. However, car taxation is a regional competence, which has led to divergence between the three regions. Similarly, the federal government has decided to fully phase out nuclear energy by 2025, but the development of new power plants require regional and local approvals, and the regions cannot agree on a common policy. The same web of constraints and overlapping responsibilities largely explains why Belgium failed to reform the national train company effectively or create a fast regional network around Brussels, or why telecom companies cannot thrive in the country (as regulation for electromagnetic emissions has also been regionalized, leading to divergence between regions).

These problems are well known and the mere willingness to address them would deliver substantial improvements in a short period of time. Moreover, there are strong linkages between the key challenges.

First, Belgium's employment rate is four percentage points below the EU average and 10 percentage points below Germany's. Convergence to the EU average would increase GDP by 3% if these additional workers worked at 75% of the productivity of the average Belgian worker. Converging to the German level would increase GDP by 5% to 6% if the productivity of the additional workers was even as low as 50% to 60% of the Belgian average.

This would have very positive collateral effects. Belgium ought to address the long-term sustainability of its public finances, with a looming pension crisis – accrued-to-date pension liabilities represented between 300% and 500% of GDP in 2015 (Brys, 2017) – of particular concern.

Second, Belgium is trailing behind on its Paris Agreement commitments. Due to the institutional reasons described above combined with a lack of perceived political benefit, the country postponed the required adjustments. However, public awareness and demands have increased significantly in recent years, which has created a window of opportunity. One needed adjustment involves improving the energy efficiency of houses, which would also create additional jobs. Another needed adjustment involves reducing people's reliance on automobiles and taxation could be used to achieve this goal.

Third, transfers and financial entitlements comprise an excessively large fraction of the government budget. The two main issues in the country are the pension problem, and regional inequalities between Flanders, and Brussels and Wallonia.

The last two federal governments initiated important pension reforms and tightened access to unemployment benefits. What is now needed is to provide real job opportunities for the targeted people. This could be achieved by investing in (re)training and pursuing policies that will accelerate enterprise creation.

The other thorn in the Belgian political landscape is the higher levels of unemployment and lower level of entrepreneurship in Brussels and Wallonia (even though it differs substantially across sub-regions in Wallonia). This creates strong resentment in Flanders, which cross subsidizes these regions. Some of these transfers are scheduled to stop, but faster convergence between the regions is necessary.

Fourth, while Belgium has one of the highest labor productivities on the planet, recent developments have been less positive. This is largely explained by the fact that net job creation took place in low productivity services. Recent efforts at boosting research and development could be strengthened and reoptimized (see Dumont 2019). The European Semester identified a large number of hurdles to the creation of innovative firms, which should be addressed.

A further hindrance to improvements in productivity has been Belgium's chronically low investment in infrastructure and higher education. Addressing the first and third challenges would automatically create more financial room for such investments.

The fifth challenge is perhaps the most contentious in the current political climate. Inequalities are rising, among others between people of a migrant and native background. Fostering better integration, both in schools and in the job market, should be a key priority. However, rising populism and bigotry will make it hard to increase spending on such integration.

Potential benefits should however not be underestimated. Belgium's education performance, expressed by its PISA scores and skills mismatch in the labor market, has been deteriorating. This is largely driven by rising inequality in educational performance. Schools and higher education institutions have not been adapted to the increasing diversity of the Belgian population, and this has raised cultural and employability hurdles. Integration will remain a major issue in Belgium over the next decade.

Citation:

Brys, Yves (2017). "Accrued-to-date pension entitlements in Belgium," Belgian Federal Planning Bureau

Bodart, Dejemeppe, and Fontenay (2019) "Évolution de l'emploi en Belgique : tentons d'y voir plus clair," Regards Economiques No 146.

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http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32017H0809(01)&from=EN

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Schwab, Klaus and Sala-i-Marti, Xavier (2017). The Global Competitiveness Report 2017–2018. World Economic Forum editor.

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

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Party Polarization

Being a country of coalition governments, elite intermediation and consensus, the Belgian party system is not highly polarized. However, it suffers from a deep cultural cleavage along its main "linguistic" division between the Flemish and Francophone parts of the country, with basically two separate and asymmetric party systems (i.e., with different weights for the respective party families), and the presence of some specifically regionalist/nationalist parties. In the Brussels region, the two party systems somehow coexist, leading to quite broad coalitions comprising both Francophone and Flemish parties.

Flanders is richer, more entrepreneurial and has lower unemployment than Wallonia. The temptation to split the country in two can therefore be strong in periods of crisis. In the last elections, the two main Flemish parties were the New Flemish Alliance (NV-A) in Flanders, a party in favor of "confederalism" (i.e., no formal independence in the form of a new country, but effective separation in terms of most regal competences), and the populist, radical rightwing Vlaams Belang, who herald a harder version of independence.

On the other hand, the NV-A was central in the last federal government and actually secured the implementation of several points on its economic agenda. This, together with the completion of a number of interregional transfers, could help reduce this tension. Nevertheless, the May 2019 elections delivered even more asymmetric regional parliaments, as well as asymmetric government coalitions in the three regions, which will further complicate the coordination of policymaking. (Score: 5)

Policy Performance

I. Economic Policies

Economy

Economic Policy Score: 6 Located at the heart of the euro zone and the European Union, Belgium is a small, open and competitive economy. Its performance depends as much on the actions of its federal and local governments as on the general economic climate of the euro zone.

The high degree of exposure to global competition forces governments to keep an eye on the country's international competitiveness, with mixed results. Belgium's competitiveness eroded over the last decade, with production costs and market distortions progressively worsening in comparison with those of immediate neighbors. To compensate, the country offered increasingly generous tax deals to multinational enterprises. As these have recently been criticized as illegal state aid, the Michel government initiated a set of structural and tax reforms meant to 1) reduce the inflation gap (focusing more on wagecost cuts than on product-market structural reforms), 2) partially remedy the labor-tax distortions that contribute to the competitiveness handicap and 3) reduce corporate taxation across the board – this latter policy being a recent development not initially planned by the government.

These efforts essentially represent the positive side of current efforts. On the negative side: public infrastructure investment remains low, as much as a full GDP point below levels in France and the Netherlands (see the World Economic Forum's Global Competitiveness Report and the OECD's economic survey of Belgium); employment rates remain consistently low (see the "Labor Markets" criterion); and the higher-education sector remains chronically underfunded, meaning that Belgium's previously strong position in terms of worker skills is eroding.

Another major challenge hindering international competitiveness is the relatively low level of entrepreneurship, which hinders the market entry of young, innovative firms. In addition, the government is unusually right-wing for a country with a tradition of middle-of-the-road coalition governments. The previous government's heavy-handed reform style has provoked substantial opposition and political unrest (e.g., demonstrations and strikes) that has done little to contribute to the investment climate. Last but not least, since December 2018, the federal government has in effect become a "caretaker" executive, preventing it to from acting proactively to improve the country's international competitiveness.

Citation:

http://www.plan.be/press/communique-1706-frla+croissance+de+l+economie+belge+s+etablirait+a+1+7+pct+tant+en+2017+qu+en+2018

http://www.oecd.org/eco/growth/Going-for-Growth-Belgium-2017.pdf http://www.oecd.org/belgium/economic-survey-belgium.htm

http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32017H0809(01)&from=EN

Schwab, Klaus and Sala-i-Marti, Xavier (2017). The Global Competitiveness Report 2017–2018. World Economic Forum editor.

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 in Belgium did not increase as significantly as in the rest of the euro zone. According to Eurostat data, the employment rate in the euro zone dipped by 3.5 percentage points between 2008 and 2013, but only by 0.8 percentage points in Belgium, reflecting the effectiveness of the Belgian social safety net.

However, this happened against a background of structurally low employment in Belgium (68% in 2008, 67.2% in 2013 and 69.7% in 2018), well below the European average of 71% in 2007 and 73.2% 2018. According to Eurostat's employment rate statistics, the country's labor-market participation rate is actually falling further behind neighboring Germany (Belgium's employment rate was 5 points below Germany's in 2007 and a full 10 points in 2018) and the Netherlands (respectively 7.8 and 9.5 points). The government attempted to encourage labor market participation by increasing the retirement age and reducing unemployment benefits, and took some steps to reduce labor costs. However, this has not addressed the structural mismatch between the demand and supply of skills. According to a study by Bodart, Dejemeppe and Fontenay (2019), these actions had little actual impact on employment dynamics.

In the European Semester's diagnosis several key issues are listed, such as: "Important financial disincentives to take up employment remain. [...] Belgium remains the only Member State in which unemployment benefits are not limited in time [...]. There are financial disincentives for beneficiaries of sickness and disability schemes and second earners to take up full-time employment. [...]. Moreover, coordination problems may arise due to the split of responsibilities for the social protection between the federal, regional and local levels. [...] The decline in educational performance and the existence of significant disparities in the education system [...]."

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Citation:
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Council of Europe's recommendations: https://eur-lex.europa.eu/legalcontent/EN/TXT/?qid=1560258016104&uri=CELEX:52019DC0501 Bodart, Dejemeppe, and Fontenay (2019) "Évolution de l'emploi en Belgique : tentons d'y voir plus clair," Regards Economiques No 146. OECD's analysis: https://read.oecd-ilibrary.org/taxation/taxing-wages-2018_tax_wages-2018-en#page199

Taxes

The deficit of the Belgian government remains well contained, and dropped from 3.1% of GDP in 2014 to 0.7% in 2018. Long-term sustainability is, however, less obvious. First, because the deficit reductions were partly due to positive conjunctural factors, such as EU economic growth and negative interest rates. Second, because there remain unresolved issues with pension and healthcare entitlements.

Regarding equity and competitiveness, by OECD standards, Belgium's taxes are the third highest in the European Union (European Commission) and its structure is too narrowly concentrated on labor income. The share of revenue coming from indirect taxes is the second lowest in the European Union. Outside excise taxes on fuel, environmental taxation is also extremely limited.

The Council of Europe's June 2019 recommendations remain cautious regarding Belgium's fiscal sustainability. While it sees some of the recent tax reforms as potentially growth enhancing (the drop in the tax rate for firms and for low wage earners, reduced deductibility for company cars, and planned

Tax Policy Score: 6 increase in car taxation, among other reforms), it also states that "The composition and efficiency of public spending can be improved in order to create space for more public investment. In spite of a recent decrease, total expenditure as a share of GDP in Belgium remains among the highest in the euro area. [...] Given the high level of public expenditure, the outcomes of certain policies and the quality of certain public services raises questions of cost efficiency. Spending reviews and policy evaluations can help Belgium prioritize and improve the efficiency of public expenditure. Furthermore, spending reviews could be used to assess the efficiency of the indirect public support for business Research and Development."

Citation:

https://www.plan.be/admin/uploaded/201906181138450.FOR_MIDTERM_1924_11923_F.pdf Council of Europe's recommendations: https://eur-lex.europa.eu/legalcontent/EN/TXT/?qid=1560258016104&uri=CELEX:52019DC0501 European Commission, DG TAX UD (2019) "Taxation Trends in the European Union" https://www.lecho.be/actualite/archive/la-flandre-moins-ambitieuse-ou-plus-realiste/10168960 https://www.lecho.be/actualite/2019/reforme-de-1-impot-des-societes-point-sur-les-mesures-envigueur-et-apercu-des-mesures-a-venir https://www.tbf.be/info/belgique/detail_reformes-fiscales-et-hausses-des-salaires-dans-les-programmes-aqui-cela-profiterait-il-vraiment?id=10204436

Budgets

Budgetary Policy Score: 6 Belgium's public debt, because it is currently above 100% of GDP, is in the preventive arm of the Stability and Growth Pact, and subject to the debt rule of the European Semester. This requires that the government prioritize public debt reduction. Similar to several other EU member states, this translated into cuts to public investments, healthcare and pension spending, and sluggish improvements in the education system and environmental protections.

It is fair to say that Belgium is thus well on track to maintain its solvency. However, it is doubtful that its current approach is sustainable – given that growth is anticipated to remain rather sluggish (1.5% - 1.6%) over the next five years), productivity is not improving, and the gap between the supply and demand of skills in the labor market is widening – potentially putting the competitiveness of the country at risk. The Council of Europe, in its July 2018 recommendations (paragraph 19), states that "The proportion of graduates in science, technology and mathematics is one of the lowest in the [European] Union and shortages in these fields could become a major barrier to [economic] growth and innovation." The Belgian Sustainable Development Indicators point to a structural and continuing decline in lifelong education since 2004, in contrast with the rest of the EU28. It is also unclear whether the pension system will still be able to protect those currently under the age of 40, as it has supported the two or three older generations.

Citation:

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0910(01)&from=EN http://www.indicators.be/en/i/SDI_G04_LLL/Lifelong_learning https://www.plan.be/press/communique-1788-frperspectives+a+cinq+ans+pour+l+economie+belge+ralentissememnt+de+la+croissance+economique+taux+ de+chomage+au+plus+bas+et+pas+de+retour+a+l+equilibre+budgetaire+sans https://www.plan.be/admin/uploaded/201807091124340.REP_CEVSCVV2018_11684_F.pdf

Research, Innovation and Infrastructure

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 considerable advantages to potential investors, KPMG says.

General investment levels have declined across the OECD since the onset of the financial crisis in 2007. Belgium withstood that negative trend comparatively well, with investment as a share of GDP hovering around 23% (comparable to France and Austria, and three points above Germany or the Netherlands, according to IMF data). Specific R&D investment stands at 2.5% of GDP, which is lower than in Germany, Denmark and Austria, but ahead of France, the Netherlands or the EU average (Eurostat data).

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

R&I Policy Score: 6 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 [...]. 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/tgm/graph.do?tab=graph&plugin=1&pcode=tsc00001&language=en&toolbox=data

IMF for total investment:

http://www.imf.org/external/pubs/ft/weo/2017/02/weodata/weorept.aspx?pr.x=20&pr.y=14&sy=1998&ey=2022&scsm=1&ssd=1&sort=country&ds=.&br=1&c=122%2C124%2C138%2C132%2C134&s=NID_NGD P&grp=0&a

Global Financial System

Belgian banks suffered extensively during the global financial and economic crisis, and the Belgian government was more proactive than many of its European peers in restructuring banks. Yet Belgium is clearly too small to be able 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 has 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 using banks based in countries such as Luxembourg). Belgium also took an active part in the creation of the so-called banking union in the euro zone, and has sought to improve banking supervision within its borders. Various scandals such as the Panama and Paradise papers press leaks have also given new impetus to the government's efforts to improve banking transparency. Indeed, some Belgian investigative journalists were instrumental in these projects, working alongside peers from other countries. In October 2018, Belgium's judiciary was granted comprehensive access to citizens' financial records. The purpose is to improve the fight against financial criminal activities, as investigators previously could only access citizens' financial information through the banks and credit institutions.

Citation:

http://plus.lesoir.be/118686/article/2017-10-11/panama-papers-les-socialistes-maintiennent-la-pression

Stabilizing Global Financial System Score: 8 http://plus.lesoir.be/123189/article/2017-11-08/paradise-papers-meme-letat-belge-senvole-aux-ilesvierges#123186 https://www.lecho.be/economie-politique/belgique/federal/la-justice-aura-desormais-acces-a-toutes-lespistes-financieres/10064659.html

II. Social Policies

Education

The OECD deems Belgium's performance to be "top" level with regard to youth skills, despite Belgium investing slightly less than the OECD average in education (OECD 2017, Figure 7). However, an increasingly large set of indicators (e.g., OECD and European Council indicators) show that Belgium's educational performance has weakened over the last decade, in particular regarding inclusiveness, youth integration into the labor market and higher education achievements. OECD assessments of the Program for International Student Assessment (PISA) results highlight the drop in education performance in the French-speaking part of the country.

Over the last decade, the decline in education indicators prompted a flurry of reforms by the respective Flemish and Francophone subnational authorities (as education has been fully federalized), but many of these reforms had negligible or adverse effects. For instance, the French-speaking community government reacted with dynamism and initiated a "Pact for Excellence." Unfortunately, the latter is largely unfunded and this has put significant stress on education teams, with criticism of increasing staff burnout, and the lack of available time and resources.

The tale is similar in higher education, with substantial underfunding translating into a widening skills mismatch. Available job vacancies remain unfilled, while job-seekers cannot find employment (see the Council of the European Union's recommendations for Belgium, the World Economic Forum's Global Competitiveness Report, and Dumont and Kegels (2016)). The Flemish community is trying to address the mismatch problem by improving the financing of higher education and has initiated a specific science, technology, engineering and mathematics program. Though this approach has not yet produced concrete results.

Lumping the Flemish and French communities together, frontier analysis led by the commission on 2012 data identified inefficiencies in the Belgian education system and stated that, given the resources already available, performance could be improved by about 25%. Achieving this would,

Education Policy Score: 6 however, require tackling political barriers caused by the linguistic barrier (the current policies are poorly coordinated between the Flemish and Frenchspeaking authorities) and by the coexistence of a public network with a "free," publicly funded (Catholic) network. The coexistence of these networks reflects party division lines, with each network having gained a sacred status for a given political faction.

The general affordability of education helps render access to education largely equitable. University fees remain quite low (\textcircled 35 per year in French-speaking universities, about \textcircled 40 in Flemish universities). De facto discriminatory factors include the minimal study grants for poorer students, and the increasingly overcrowded classrooms. 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."

Citation:

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Social Inclusion

According to the OECD, Belgian workers benefit from advantageous working conditions. Perhaps as a consequence of this, the "gilets jaunes" movement, so prominent in neighboring France, gained limited traction in Belgium. However, while salaried workers benefit from automatic wage indexation, the Michel government chose to limit wage increases to restore the competitiveness of Belgian workers, which met with significant resistance. Nevertheless, the impact of wage indexation on the share of employee compensation in GDP appears to be relatively limited (it stood at 49.2% in

2018 compared to 47.8% in the euro zone).

Belgium is also the only remaining EU member state to offer unemployment benefits that are potentially unlimited in time. Though both the Michel and

Social Inclusion Policy Score: 6 previous Di Rupo governments have tightened these benefits, with potentially adverse consequences for a large number of people on welfare (De Brouwer et al., 2019). According to official state statistics, Belgium fares somewhat better than other EU countries in terms of income inequality. In addition, only 19.8% of Belgians were considered at risk of poverty in 2018, which is lower than the euro zone average of 21.5%.

Like in the rest of the OECD, however, popular resentment of income inequality, the lack of real wage growth and economic hardship is growing. This resentment contributed in part to four national strikes, and has led to the criticisms of immigration and globalization. In the May 2019 elections, populists gained significant vote shares, with the result of more fractionalized parliaments in all parts of the country.

Citation:

De Brouwer, Octave, Elisabeth Leduc, and Ilan Tojerow (2019) "The Unexpected Consequences of Job Search Monitoring: Disability Instead of Employment?," No 12304, IZA Discussion Papers

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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 healthcare is quite affordable, thanks to generous subsidies. Belgium fares quite well in terms of the efficiency of its healthcare system. It ranks close to Sweden, which is often considered to be a benchmark of efficiency with regard to affordable access to healthcare.

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 graduate doctors are allowed to practice, and the

short supply of doctors is increasingly translating into abusive and underpaid or unpaid working hours (totaling 70 - 100 hours per week) for young graduates.

Such bottlenecks 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 does not emphasize prevention sufficiently, and spends more than similar countries on subsidized drugs. This has generated a structural increase in health policy costs and hampers lasting sustainability within the healthcare system.

Recently, entire areas of state competences regarding healthcare 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.

Citation:

https://plus.lesoir.be/187789/article/2018-11-02/apres-une-garde-de-24h-je-me-sens-juste-abimee-lenferdes-assistants-en-medecine https://plus.lesoir.be/255554/article/2019-10-23/pourquoi-les-blouses-blanches-arretent-le-travail-ce-jeudi

Families

Although childcare for children below the age of three is "rationed," Belgium is a good performer in this area overall. Essentially free public schooling is available for children after the age of three, and free or very cheap childcare is available from 7.30am to 6pm on weekdays.

At the time of writing, the biggest change this year has been the reform of child benefits (allocations familiales/kinderbijslag) in each federated entity. Until 2018, they were low for the first two children and higher for the third child onward. Since 2019, this competence has been devolved to the federated entities. Effective from January 2019 in Flanders and January 2020 in Wallonia, the allowance has been substantially increased for the first child and the premium for large families has essentially been scrapped.

Family Policy Score: 8

Pension Policy

Score: 7

Additional child subsidies include personal income tax cuts and other in-kind benefits (e.g., a certain number of free garbage bags per year, reduced prices in some shops and lower public transportation fares), while parents of larger families (3 children or more) may also keep some of these advantages (reduced prices in some shops and lower public transportation fares) even when their children have grown up and are not entitled to child benefits anymore.

The main hurdle to female labor force participation in recent years has been the high implicit tax rate on low-wage earners, which creates a substantial barrier to labor market entry for low-skilled second earners (who are typically women). Eurostat statistics show that the labor market activity rate is as low as 42% for women with low educational attainment (68% for women with intermediate educational attainment), as opposed to 63% and 79% for men, respectively. Such gaps are substantially higher than in neighboring France and Germany.

Citation:

https://kids.partena.be/content/default.asp?PageID=39 https://finances.belgium.be/fr/particuliers/famille/personnes_a_charge/enfants#q3 Eurostat – EU-LFS microdata https://www.lalibre.be/economie/placements/allocations-familiales-tout-savoir-sur-la-reforme-5c0f96fdcd70e3d2f730358e https://www.standaard.be/cnt/dmf20181212_04029342

Pensions

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 opposition, the Michel government has steadfastly pursued an effort – based on a firm plan passed by parliament in July 2015 – to gradually raise the legal pension-eligibility age from 65 to 66 years (by 2025) and ultimately to 67 years (by 2030). It is also seeking stronger limits on access to early retirement (especially before 60 years of age) and has created the possibility of taking part-time retirement, with the aim of making the system more sustainable in the long term.

These are major steps forward. In comparison with the pre-crisis year of 2007, the outcome in terms labor market participation rates for those aged 50 to 64 marks a substantial improvement (the participation rate was around 50% in Q2 2007 compared to 64% in Q2 2019, the latest available data).

However, these improvements have fallen short of expectations, with the Council of Europe noting that "Nevertheless public expenditure on pensions would still increase by 2.9 percentage points of GDP by 2070 [...]. [T]ransitions from inactivity or unemployment to employment remain low and Belgium is not on track to achieving its Europe 2020 employment target of 73.2%. Strong regional disparities in the labor market persist."

The significant dispersion of votes in the last elections and the lack of a majority to form a federal government may eventually open the door to a partial reversal of these reforms.

Citation:

https://plus.lesoir.be/125786/article/2017-11-23/reforme-des-pensions-ce-qui-est-fait-ce-quil-reste-faire Notes: https://www.levif.be/actualite/belgique/reforme-des-pensionsle-conseil-d-etat-tacle-le-projetpenibilite/article-normal-1047441.html https://www.levif.be/actualite/belgique/la-pension-a-mi-temps-possible-des-juillet-2019/article-normal-1036193.html http://www.oecd.org/belgium/Better-Life-Initiative-country-note-Belgium.pdf https://www.rtbf.be/info/article/detail_ce-que-la-suedoise-a-change-pour-moi-la-reforme-despensions?id=10223077 https://plus.lesoir.be/224006/article/2019-05-13/va-t-ramener-lage-de-la-retraite-65-ans https://plus.lesoir.be/212077/article/2019-03-13/la-pension-65-ans-recalee https://plus.lesoir.be/art/d-20190403-3T61XD https://plus.lesoir.be/art/d-20190923-3W8FEQ Pension experts' negative assessment: https://www.rtbf.be/info/article/detail?id=9447107 https://www.lecho.be/economie-politique/belgique/elections/les-quatre-raisons-de-la-victoire-du-vlaamsbelang/10130787.html

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 initial reaction to the Syrian refugee inflow was no exception. The 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. But the situation deteriorated since then, particularly in the wake of the terrorist attacks on Brussels and in the rest of Europe. As in many – if not most – EU member states, popular support for a complete halt to immigration has risen strongly. The Michel government heralded a policy of toughness vis-à-vis immigrants and political refugees.

In December 2018, the signing of the U.N. pact on migration sparked a controversy that brought down the government coalition. The N-VA, the rightwing conservative member of the government, pulled out at the last minute in the hope of collapsing the government and triggering immediate elections. Given that elections were scheduled for May 2019, the other parties in the coalition decided to maintain a minority government, relying on external support in the parliament. The May 2019 elections resulted in a significant rise for the extreme right in Flanders, in the wake of a campaign in which immigration issues remained central. The recently formed Flemish government announced that it was withdrawing from UNIA (formerly the Center for Equal Opportunities and Opposition to Racism).

Though legally recognized as Belgian citizens, second and third generation immigrants have also become victims of these tensions. The OECD and the European Semester have repeatedly underlined the dismal performance of Belgian schools, based on PISA scores, with regards to the educational performance of students with a migrant background. In its June 2019 recommendations, the Council of the European Union reports that "People with a migrant background, in particular women, continue to experience higher unemployment, lower activity rates, higher in-work poverty and over-qualification." According to EU-SILC data, the risk of poverty among foreign-born residents is three times higher than for native-born citizens, which increases to four times higher for non-EU-born residents. The employment gap was 20 percentage points in 2016. The Itinera Institute has argued in favor of enhanced data collection within these communities to produce fresh, evidence-based policies to improve the job placement rate of migrant workers.

Thus, Belgium has been a country of immigration, and is generally opposed to overt racism and discrimination. Yet, its performance in terms of eventual social inclusion and labor market participation is less than optimal.

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Citation:
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https://www.cire.be/analyses/1318-asile-et-migration-une-politique-restrictive-et-stigmatisante-envers-les-
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https://www.courrierinternational.com/article/en-belgique-une-campagne-coup-de-poing-pour-denoncer-la-
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https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1560258016104&uri=CELEX:52019DC0501
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Safe Living

Internal Security Policy Score: 8 Belgium has always been a generally safe country and the situation has continued to improve over the last years. Yet, some violence does occur and the country's crime rate is slightly above several neighboring countries. In addition, Belgium has become infamous for having attracted a number of Islamist terror activists, who are producing a new type of threat that the country has found difficult to manage. This is, however, a general issue in Europe and among OECD countries.

With regard to low-level criminality, self-reported rates of victimization are slightly above the OECD average, in part due to an above-average incidence of bullying that has not received sufficient policy attention. Underfunded and overcrowded prisons are another problem. 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, neo-corporatist arrangements and limited levels of income inequality have largely insulated it from mass demonstrations or riots of the kind sometimes observed in France or other EU member states.

Citation:

OECD 2015. Better life initiative. How is life in Belgium? October 2015. http://www.oecdbetterlifeindex.org/countries/belgium/ https://www.rtbf.be/info/belgique/detail_l-armee-en-rue-a-fait-baisser-la-criminalite-de-30-a-bruxelles-etanvers?id=8947069 http://www.stat.policefederale.be/assets/pdf/notes/tendances_2016_2017_SPC.pdf http://www.stat.policefederale.be/statistiquescriminalite/interactif/graphique-par-categorie-principales-desinfractions/

Global Inequalities

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.

Citation: https://diplomatie.belgium.be/sites/default/files/rapport-annuel-cd-2017.pdf https://www2.compareyourcountry.org/aid-statistics?cr=625&cr1=oecd&lg=en&page=0

III. Enviromental Policies

Environment

Environmental Policy Score: 6

Global Social

Policy

Score: 4

Young people are at the forefront of future climate change initiatives in Belgium. A wave of weekly demonstrations initiated by "climate express" and "coalition climate," and supported by young students propelled environmental concerns to the top of the recent election debates. Climate experts' policy proposals made the headlines for weeks. Yet, the government's climate policy remains relatively ineffective, largely due to historical political tensions and institutional arrangements. At the time of writing, November 2019, the government's dedicated climate website continued to state that the 2009 – 2012 National Climate Plan was current government policy. At the request of the European Commission, the government started a new initiative the National Energy-Climate Plan 2021 – 2030. However, the initiative had still not been finalized at the time of writing. Though the initiative is due to be submitted to the European Commission at the end of 2019.

Nevertheless, federal delays have not prevented local initiatives. Though local initiatives sometimes contradict one another and there remains a need to develop a coherent policy with concrete and implementable steps. Belgium's environmental policy is split between the federal government and the three regions (not counting the possibility of each municipality to set up its own additional rules). This makes it almost impossible to coordinate the different facets of a green transition. Hopefully, European regulations will eventually force the country to improve its approach.

Positive evolutions include the Michel government's decision to slash tax deductions for company cars, which should have a visible effect as of 2021. The other initiatives are located at the regional level, but remain difficult to coordinate or roll out. For instance, the Brussels region announced a plan to ban fossil fuel cars between 2030 – 2035. Though there is just no strategy for the future of electricity production, nor is there a sufficient budget to improve intercity transport. Meanwhile, Flemish climate expert Pieter Leroy accuses the new Flemish government of effectively withdrawing from the Paris Agreement. Flanders' new government agreement seems to primarily focus on housing. In parallel, it will invest in an enhanced ring around Antwerp to facilitate car traffic. Wallonia, on its side, has just appointed a Green Party representative as minister for the environment and wants to commit to an ambitious plan to reduce greenhouse gas emissions. The concrete details of the policy are far from clear, however. Significant improvements in water treatment and forest management have been recorded in all regions.

Such initiatives, if they work, should improve air quality, which is currently below the OECD average. The European Environmental Agency's report indicates that "significant forms of air pollution (i.e., particulate matter, nitrogen dioxide, ozone and sulfur dioxide) have improved, but 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)."

Car traffic is unlikely to decrease in the short term. In its latest Traffic Index, TomTom identified Brussels as the fifth most congested city in Western Europe (out of 185 cities), on par with London. One contributing issue is of course Belgium's geographical location, which makes it a dense transit area, especially for road traffic.

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Global Environmental Protection

Global efforts to foster environmental protection are coordinated by the European Commission and the Belgian federal government seems to have taken a backseat role in that process. In the 2009 - 2014 federal government, the minister of sustainable development portfolio was held by the minister of finance. In the Michel government, the minister for energy and the environment had never worked on energy or environmental matters before taking the position.

It should thus come as no surprise that the main demonstrations in favor of a more active environmental policy have been met with disdain by key political figures or with police repression. For instance, the Flemish minister for environmental policy had to resign after having expressed a suspicion that some young activists were effectively acting as destabilizing agents for foreign secret services. As a reaction, the May 2019 elections have brought green parties to the forefront in Brussels and Wallonia, but less so in Flanders which has selected a largely eco-skeptic minister for environmental policy.

Global Environmental Policy Score: 4

Quality of Democracy

Electoral Processes

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, but poses more of a challenge for individual candidates. Most political parties offer a broad diversity of candidates along the dimensions of gender, age and ethnicity. Following successive reforms, gender rules are now quite specific, with mandatory quotas for electoral lists at all electoral levels (i.e., local, provincial, regional, federal and European). These rules are abided by the parties, though there remains overall a higher proportion of male candidates at the top of party lists (i.e., with a much higher chance of being elected).

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 offer 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.

Candidacy Procedures Score: 8

Media Access Score: 7 Voting and Registration 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, 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. Eventually another Francophone mayor was installed in Linkebeek after the 2018 local elections, but local tensions and complications persist, as in some other "communes à facilités/ faciliteitengemeenten." Most Francophone voters did not receive voting documents in their native language for the 2019 regional, federal and European elections.

The fact that compulsory voting is not extended to Belgian nationals living abroad means that their actual degree of representation is lower than that of regular voters. There are no specifically allocated parliamentary seats (or alternative arrangement) to represent Belgian nationals living abroad.

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 nonelectoral 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: 3Referendums 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).

However, the situation appears to developing in positive direction, with several political parties expressing willingness to incorporate public consultations and deliberation in political decision-making. A natural experiment is taking place with the German-speaking community ("Ostbelgien," the smallest of the three communities, after the Flemish and French-speaking) setting up а permanent citizen assembly (Bürgerversammlung), which will co-operate with its parliament. The citizen assembly will be composed of randomly selected members of the population, in the spirit of the G1000 initiative, and will be involved in policymaking. Various similar participatory and/or deliberative schemes, less ambitious at this stage, are also being debated and prepared by the other federated entities.

Another positive evolution has been the wave of weekly demonstrations initiated by "climate express" and "coalition climate," which have been supported by young students. These demonstrations brought environmental concerns to the forefront, influencing the recent electoral debates and boosting the vote share of Belgium's various green parties (although more so in the French-speaking part of the country). This development reflects pre-existing dynamics, mainly driven by bottom-up citizen (e.g., the G1000) or academic (e.g., re-bel) initiatives.

About the 'G1000' deliberative process (and linked initiatives): http://www.g1000.org/en/

About re-bel: https://rethinkingbelgium.eu/

https://plus.lesoir.be/208837/article/2019-02-25/la-communaute-germanophone-se-dote-dune-assemblee-citoyenne

https://plus.lesoir.be/254845/article/2019-10-19/extinction-rebellion-bruxelles-une-enquete-interne-est-ouverte-suite-aux

Brussels Government agreement: see Axe 3, paragraph 3 of the « Déclaration de politique générale commune au Gouvernement de la Région de Bruxelles-Capitale et au Collège réuni de la Commission communautaire commune. LÉGISLATURE 2019-2024 »

Walloon Government agreement: see Chapter 21 of the "Déclaration de politique régionale pour la Wallonie, 2019-2024"

Citation:

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 Frenchspeaking public-media organization actually is appointed by the government and claims an official post comparable to that of a civil servant. Nevertheless, the media organization's journalists work largely free from direct control or political influence, even if some reporting may at times be a bit too uncritical of the government position.

> 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 do their best to scrutinize public activities despite increasing financial pressures.

Media Pluralism Score: 6 Relatively few actors have an ownership stake in the major private-media companies, a situation normal within an economy of this size and within 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. Most of the major print press groups, both Flemish and Francophone, are encountering severe financial difficulties as print sales continue to decline and web-based business models appear unable to sustain a broad pool of professional journalists.

> Access to official information is in general granted and is supposed to be provided without impediment (Belgium was one of the signatories of the Convention on Access to Official Documents in 2009). 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), which is additionally characterized by ineffective sharing and aggregation of information across all levels.

Access to Government Information Score: 7 However, judicial mechanisms for appeal are effective and judicial decisions can set a precedent that modify access to information. For instance, since the end of September 2018, university students in French-speaking higher education institutions have the right to access copies of their exams. The origin of this development lies in a court case of a medicine student who won the right to gain additional access to her exam copy. The court decision compelled French-speaking universities to modify their policies and allow students to take pictures of their exams as long as they commit to only use them for personal purposes. A wider impact has been the increasing realization among citizens that they can access more information about personal data.

Individual data protection however remains sacrosanct, which may hinder research. Access to individual-level data remains difficult for researchers, even when such data is anonymized. This occasionally restricts the capacity to stimulate evidence-based policymaking.

Citation: https://www.bruxelles-j.be/corrections-de-tes-examens-du-nouveau/

Civil Rights and Political Liberties

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

Nevertheless, issues remain. The judicial system is chronically underfunded, which means that many cases face a delay of years before a decision is made. Abnormally long delays occasionally force judges to dismiss cases. This has damaged Belgium's position in both the World Economic Forum (WEF) and World Bank rankings. The WEF's Global Competitiveness Report indicates that there have been de facto reductions in judicial independence. The World Bank's Ease of Doing Business analysis gives Belgium a grade of eight out of a possible 18 points in its Quality of Judicial Processes index. This has overall brought Belgium down to 56th place in terms of contract enforcement (compared to 43rd place in the June 2015 report).

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

Civil Rights Score: 6 Citation:

http://www.doingbusiness.org/data/exploreeconomies/belgium#enforcing-contracts

http://reports.weforum.org/global-competitiveness-index-2017-2018/countryeconomy-profiles/#economy=BEL

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

Political LibertiesBelgium 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 use of Dutch in
Flanders, the Flemish regional government passed a law that in effect largely
bans 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 has emerged in the wake of the 2016 terrorist attacks on Brussels, Paris, and Nice. The government has adopted countermeasures that allow the police to crack down on terrorist networks, which have used Belgium as a staging ground for attacks across Europe and for funneling fundamentalists to Syria.

Like in most OECD countries, legislative adaptations following recent terror attacks are at risk of infringing on individual liberties. Human Rights Watch (HRW) reports that some of these 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." It is noteworthy, however, that HRW has not raised additional concerns about Belgium since then.

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

Nondiscrimination Score: 6 Belgium is a highly diverse and generally tolerant country. Residents of Brussels represent 184 nationalities. Gay marriage has been legal since 2003, although cohabitation is not always easy. Nevertheless, racist or homophobic hate speech does exist and could be more harshly penalized. Discrimination also translates into lower employment rates and educational achievements among Belgian residents of foreign origin. A dark spot has been the refugee crisis that led from the Libyan and Syrian civil wars. Although the government denies wrongdoing, human rights activists denounced police abuse when dealing with the presence of refugees in public parks. Hate speech also seems to have increased during the electoral period and elections witnessed a renewal for the extreme-right, with the Vlaams Belang winning 18% of votes in the Flemish regional elections in May 2019. As a consequence, the newly created Flemish government decided to withdraw from UNIA, the Interfederal Centre for Equal Opportunities and Opposition to Racism.

Though, to repeat, this dark spot is not the whole picture. The press, the judiciary and most political forces actively oppose racism and discrimination.

Less apparent, Belgium is less active in its support for disabled people and, in that regard, Belgium performs less well than most northern European countries. Another significant issue, which has thus far been systematically neglected, is the rights of and protections for elderly people living in retirement homes. Retirement home residents comprise a growing proportion of the population and it is clear – though this is not systematically monitored – that there are issues related to residents' rights (e.g., issues of maltreatment).

Citation:

UNIA: https://www.unia.be/en https://www.rtbf.be/info/belgique/detail_accord-flamand-une-politique-d-immigration-et-d-integrationnettement-plus-stricte?id=10329078 https://www.rtbf.be/info/societe/detail_violences-policieres-sur-migrants-30-des-victimes-sont-desmineurs?id=10054512 https://plus.lesoir.be/243237/article/2019-08-22/les-signalements-de-haine-en-ligne-ont-double-en-periodeelectorale https://fondspourlejournalisme.be/telechargements/A-MImpeImagine.pdf

Rule of Law

Legal Certainty The rule of law is relatively strong in Belgium. Officials and administrations typically act in accordance with the law. Nevertheless, the federalization of the Belgian state is not yet fully mature, and the authority of different government levels can overlap on many issues; this state of affairs renders the interpretation of some laws and regulations discretionary or unstable, and therefore less predictable than might be desired.

> 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 discussions around the EU-Canada Comprehensive Economic and Trade Agreement (CETA), in which the Walloon government threatened to block the agreement, illustrated this issue quite clearly. The

Score: 7

Score: 8

primary reason for this state of affairs is that all levels of power (federal, regional, etc.) must agree; when they do not, deadlock ensues.

Judicial Review The Constitutional 2007 Cour Court (until called the d'Arbitrage/Arbitragehof) is responsible for overseeing 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 the government, and often question or overturn executive-branch decisions at the federal, subnational and local levels. The most recent sources of contention have been the anti-terror measures passed by the government, along with measures restricting foreigners' rights. As in many countries, policymakers seeking to extend the police's powers of investigation have skirted the thin line between respecting and infringing upon fundamental civil rights. Consequently, government proposals in these areas have regularly been struck down or modified by these two courts.

> The Council of State is split into two linguistic chambers, with one being Dutch-speaking and the other French-speaking. These chambers are each responsible for reviewing the administrative acts of the regions and communities that fall under their respective linguistic auspices. This 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, who selects candidates from a list submitted alternately 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 While outright corruption is very uncommon in Belgium, several scandals involving abuse of public-office positions came to the fore. In most of these cases, the public officials involved actually did respect the letter of the law and thus could not be convicted by tribunals. But the scandals were so prominent in the press and shocking for the population that political parties expelled the individuals involved, and when possible also removed them from the positions they were holding. This was also followed by a number of announcements by prominent long-time politicians that they were about to end their political careers.

The most recent case concerns a large public-private company in Wallonia. The company's board of managers was tasked with divesting and privatizing a number of assets, but eventually had to be sacked for alleged abuse (with some lawsuits under way). This case follows a number of others, and may prove a turning point toward a stricter implementation of anti-corruption and abuse of public office legislation in Belgium.

In the public sphere, rules are increasingly being tightened. Yet, according to Cumuleo, an activist group seeking to improve the regulation and oversight of public offices, Belgium still occasionally suffers from deep malpractice in reporting public decisions and a lack of actual control from the authorities that are expected to oversee these decisions (https://www.cumuleo.be/presse/cp/02-09-2019.php).

Citation:

WEF: Schwab, Klaus (ed) (2019). The Global Competitiveness Report 2019. World Economic Forum. http://plus.lesoir.be/archive/recup/1452484/article/soirmag/meilleur-du-soir-mag/2017-03-03/vrai-salairenet-nos-elus https://www.sudinfo.be/id149334/article/2019-10-31/nethys-stephane-moreau-pol-heyse-et-benedicte-bayerse-sont-remuneres-en-cash-et http://www.business-anti-corruption.com/country-profiles/belgium http://www.tradingeconomics.com/belgium/corruption-rank http://www.brusselstimes.com/opinion/8047/is-belgium-fighting-hard-enough-against-corruption https://www.cumuleo.be/

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.

views, but not in a systematic way (this is left to the initiative of parliamentary committees), and not necessarily to generate genuine scientific debate.

Expert Advice Consultation with non-governmental academic experts depends on the subject 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

reaction:

However, in Belgium's neo-corporatist 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.

There are still some potential exceptions, such as 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. However, a key reform aimed at ensuring long-term sustainability was blocked by the first subcommittee. Another exception is the Belgian Healthcare Knowledge Center.

Citation:

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

Minister's

http://www.lecho.be/economie_politique/belgique_federal/Les_reformes_diminuent_le_risque_de_pauvrete _des_pensionnes.9827735-3154.art?ckc=1&ts=1478889661

https://kce.fgov.be/en/about-us/what-is-the-kce

Interministerial Coordination

GO Expertise The Prime Minister's Office contains a "strategic cell" that helps the prime Score: 7 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. Line Ministries Before implementation, each government project is submitted to the ministers' Score: 10 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.

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 accepted projects on a collegial basis.

Citation:

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

The Council of Ministers (Conseil des ministres/Raad van ministers), 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, asking a number of questions: Is it complete and technically sound? Does it conflict with other past decisions? Is it contained in the governmental agreement? Proposals are debated by ministers only if they pass this first filter, a process that allows them to focus on the strategic aspects of the issue. However, the most important strategic considerations are mainly political.

Before reaching the Council of Ministers, projects are always discussed beforehand in formal or informal cabinet committee meetings that include experts and senior officers from 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.

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 cabinet committee meetings before being able to submit a proposal to receive the approval of each minister. Proposals may be submitted to the ministers' council only at this stage.

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.

Belgian governments are typically broad coalition governments, and informal Coordination coordination mechanisms are indispensable to their operations.

Cabinet Committees Score: 10

Ministerial Bureaucracy Score: 5

Informal

Score: 8

The central unit of coordination – the inner cabinet or "kern" – is comprised of deputy prime ministers (one from each coalition party), and the prime minister. The kern meets regularly to negotiate any strategic decision not foreseen in the governmental agreement which arises due to changing circumstances or specific difficulties within the coalition. Further down the line, party leaders and party whips ensure policy coordination with other ministers, secretaries of states and members of parliament. This kind of coordination relies heavily on strong linkages between each deputy prime minister and his or her respective party leader, and on the ability of both to impose the compromises reached within the kern to their respective ministers/secretaries of state and parliamentary groups. This is most frequently the case, as strong party discipline normally prevails.

The functional logic of the kern was, however, shattered in December 2018. An international campaign against the signing of the UN Global Compact for Safe, Orderly and Regular Migration rendered further coordination impossible. While the government had initially agreed to sign the compact, the N-VA, the right-wing conservative member of the government, made a u-turn and declared it would vote against Belgium participating in the conference held in Morocco and voting to endorse it. The rest of the government, together with the left-wing opposition parties, instead decided to oppose what they viewed as the N-VA's efforts to commit "blackmail." The N-VA then withdrew from the government, which has since operated as a minority government with very little capacity to initiate proactive policymaking beyond daily management. Nonetheless, the kern system has been maintained with the remaining parties in government.

Legislative elections held in May 2019 delivered a strongly polarized parliament, with both the Flemish extreme right and the Walloon extreme left gaining seats. Popular movements in support of a faster "green transition" also stimulated green parties. This fractionalization of parliament has produced a deadlock and – so far – (November 2019) prevented a new federal government from being formed.

The Federal Public Service for Information & Communication Technology (FEDICT) is responsible for defining and implementing an e-governance strategy. However, this agency focuses primarily on government-to-citizen (G2C) and government-to-business (G2B) communication, while government-to-government (G2G) interactions seem to be largely overlooked. Furthermore, the federal structure of the state does not help the sharing common IT programs or platforms, as every government level is responsible for its own digital infrastructure.

Digitalization for Interministerial Coordination Score: 7 However, although there is still much to improve, Belgium fares comparatively well internationally. The U.N. E-Government Survey 2016 ranked Belgium 19 out of 193 U.N. member countries in its list of e-government leaders.

Citation: https://d9db56472fd41226d193-1e5e0d4b7948acaf6080b0dce0b35ed5.ssl.cf1.rackcdn.com/events/forum/2004/panel_handouts/fedict.pdf https://digitaldashboard.belgium.be/fr https://publicadministration.un.org/egovkb/en-us/reports/un-e-government-survey-2016 http://workspace.unpan.org/sites/Internet/Documents/UNPAN97453.pdf (page 111)

Evidence-based Instruments

RIA Application Score: 3 There are few formal RIA procedures, and when these do exist, they are generally treated only as a formality, being invoked only at the end of the decision-making process, once decisions have already been reached. Authorities thus typically "fly blind," with unexpected policy outcomes far from unusual.

For example, with regard to carbon emissions, energy experts recommended making improvements to house insulation in order to reduce energy 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.

The situation appears to have been improved following some key regulatory decisions. In 2018, the telecommunication regulator proceeded with a 97-page impact evaluation into the possibility of allowing for a fourth mobile phone operator

(https://www.ibpt.be/public/files/fr/22539/Etude%20d%27impact%20march% C3%A9%20mobile%20FR_120718.pdf). The regulator's report summarized an extensive body of literature and analyzed a significant set of case studies to examine the pros and cons of this decision – a clear improvement over past performance.

Citation:

https://www.oecd.org/gov/regulatory-policy/Impact-assessment-in-Belgium-June-2015%20fr.pdf (see end) https://soc.kuleuven.be/web/files/11/72/ICW_wp_2009.pdf

From https://www.law.kuleuven.be/home/algemeen/agenda20152016/doctoraatsverdediging-sven-sobrie : "In our neighboring countries, it is not unusual for important legal reforms to be preceded by ex ante impact assessments. The OECD, too, has for years been stressing the importance of quantitative Regulatory Impact Assessment (RIA). In comparison, the Belgian legislator flies blind, by creating and passing laws based on not much more than gut feeling, modifying them afterwards at best. This should change."

 $https://www.ibpt.be/public/files/fr/22539/Etude\%20d\%27 impact\%20 march\%C3\%A9\%20 mobile\%20 FR_{12}0718.pdf$

Quality of RIA Process Score: 2 Regulatory impact assessments are compulsory, but seem to be treated as a formality for many important government decisions. There are however interesting and valuable exceptions, such as for the possibility of adding a fourth mobile phone operator in Belgium.

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: 2 Regulatory impact assessments are compulsory, but seem to be treated as a formality for many important government decisions. There are however interesting and valuable exceptions, such as for the possibility of adding a fourth mobile phone operator in Belgium.

Quality of Ex Post Evaluation Score: 2

Public

Score: 6

Consultation

The typical strategy is to pick the data that justify the decisions that have been made. For instance, to justify the usefulness of a subsidy, the government may argue that a large number of people demanded the subsidy, not whether the subsidy managed to achieve its political objective. This approach has led to counterproductive decisions in the areas of, for example, education, energy conservation, subsidies for solar panels and immigration. There may be some scattered ex post evaluations undertaken on the initiative of individual line ministries, but these evaluations have no direct impact on the revision of existing policies since they are not seriously considered by ministerial cabinets, where all strategic policy choices are initiated and arbitrated.

Societal Consultation

Belgium's socioeconomic model is one of consensual (neo-corporatist) socioeconomic policymaking, whereby the governments consult established stakeholders, in particular workers' and employers' representatives, in order to facilitate policy acceptance. Such consultations have also become institutionalized in other fields through the creation of specific consultative bodies, for instance the Federal Council for Sustainable Development, which includes representatives of environmental organizations.

Unionization rates are still very high in Belgium, with trade union density at 50.3% in 2018 (OECD data). This is one of the highest such rates in the OECD, after most Nordic countries and on par with Norway. However, recent technological change with regard to services platforms (Uber and its peers), the internationalization of the economy, trade agreements such as CETA, and

efforts by the previous (right-wing) government to reduce the power of workers' unions have progressively eroded unions' influence (unionization stood at 55% in 2012), modifying the government's hands-off tradition of letting workers' and employers' unions negotiate wage arrangements. Arguably, some of this culture of consensus had previously stalled important but necessary reforms. Nevertheless, the previous government's strategy has come as a cultural shock.

Citation:

https://plus.lesoir.be/art/d-20190515-3TYHK4 https://www.standaard.be/cnt/dmf20190918_04615735 https://references.lesoir.be/article/pourquoi-le-syndicalisme-progresse-t-il-en-belgique/ Unionization rates: https://stats.oecd.org/viewhtml.aspx?datasetcode=TUD&lang=fr

Policy Communication

Coherent Communication Score: 3 Maintaining coherent communication has proven difficult for the Michel government, with each coalition party seeking to make a display of power to their respective voters, particularly in its last year, with local elections in 2018, and regional, federal and European elections in 2019. For example, members of the Flemish Christian Democrats (CD&V), tasked with pleasing the party's center-right and center-left wings alike, have quite different views on immigration, inequality and taxation than do members of the more liberal-right N-VA. On several occasions, the prime minister's statements have even been publicly contradicted by other members of the government.

The last blow, which brought down the government coalition, came as a reaction to the U.N. pact on migration. As searing tensions on immigration came to the fore, the N-VA, the right-wing conservative member of the government, suddenly refusing to uphold the government's commitment to sign the pact.

Since then, the federal government has operated as a minority in parliament, with no new government formed at the time of writing (November 2019).

Citation: https://plus.lesoir.be/196934/article/2018-12-22/la-crise-politique-en-cinq-coups-de-theatre

Implementation

Government Effectiveness Score: 5 On 9 October 2014, the newly instituted Michel government published its government agreement, the document meant to guide its policy over the whole government term. The agreement's primary objective was to increase the

employment rate from 67.3% to more than 73.2%. By 2018, it had only reached 69.7% (Eurostat data), more than two points below the euro zone average. This limited progress was mainly due to economic growth across the European Union and less to the actual decisions of Belgium's government, according to a study by Bodart, Dejemeppe and Fontenay (2019).

Another important target was a reduction in the structural public deficit. However, subsequent progress has again been more limited than hoped. In defense of the government though, the actual deficit shrank from 3.1% of GDP in 2014 to 0.7% in 2018. The issue lies more in the lack of structural adjustments, which is forecast to produce a return to higher deficits in the coming years, as identified by the Federal Planning Bureau.

The government strategy aimed to produce a significant "tax shift," decreasing the burden of taxation on wages and shifting it toward other activities, including environmental taxes. The government achieved moderate success in that regard. Though, while some tax cuts took place immediately, the shift toward other sources was delayed. Still, taxes on fuel have increased and those on cars are scheduled to follow.

The picture is similar for social security with several reforms implemented, but the sustainability of the system not yet ensured. Meanwhile, the picture for energy policy, productivity improvements, skills adaptation and science policy is much less favorable. The ministers for these areas were comparatively weak within their respective parties and their achievements dismal, and several aspects required enhanced cooperation between the federal government and federate entities, which is notoriously difficult in Belgium.

Citation:

Bodart, Dejemeppe, and Fontenay (2019) "Évolution de l'emploi en Belgique : tentons d'y voir plus clair," Regards Economiques No 146. https://www.nbb.be/doc/dq/e/dq3/histo/iee1940.pdf https://www.plan.be/admin/uploaded/201906181138450.FOR_MIDTERM_1924_11923_F.pdf http://www.premier.be/sites/default/files/articles/Accord_de_Gouvernement_-_Regeerakkoord.pdf https://www.rtbf.be/info/article/detail_ce-que-la-suedoise-a-change-pour-moi-la-reforme-despensions?id=10223077 http://www.premier.be/fr/d%C3% A9claration-du-gouvernement-3 https://lenergeek.com/2018/08/09/belgique-sortie-nucleaire/ https://lenergeek.com/2018/11/12/belgique-penurie-electricite-nucleaire/ https://plus.lesoir.be/181891/article/2018-10-02/la-penurie-delectricite-en-cinq-questions https://www.premier.be/fr/%C2% AB-je-ne-laisserai-personne-torpiller-le-pacte-%C3% A9nerg%C3% A9tique-le-travail-continue%C2%BB

Ministerial Compliance Score: 8 One must 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 governmentformation 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. As detailed in other questions, this alignment ceased in December 2018, triggering the end of the coalition.

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.

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 the public radio and television stations, Child Focus, a foundation for missing or sexually exploited children, UNIA (against various forms of discrimination), and local public social-service centers (Centres Publics d'Action Sociale (CPAS) / Openbare Centra voor Maatschappelijk Welzijn (OCMW)). Monitoring of these agencies takes place through several channels. Two are most relevant here. First, a government or party delegate will generally sit on the board. Second, the agency must submit a yearly report to the government. This monitoring mechanism is extremely effective, in part thanks to party discipline.

However, effective monitoring is not synonymous with efficiency. Among other issues, the absence of impact assessment or efficiency monitoring allows public agencies to increase their costs without effective sanctions. Second, as noted in the Corruption Prevention section (D4.4), effective monitoring has been hampered by the outsourcing of many areas of government to ostensibly private entities that are in fact controlled by public officeholders.

The outcome has been a decline in public trust, reflected in lower performances for Belgium in the World Economic Forum's ratings on issues such as "public trust in politicians," "diversion of public funds," "favoritism in decisions of government officials," and "efficiency of government spending."

Monitoring Agencies, Bureaucracies Score: 6 Citation:

http://www.lecho.be/tablet/newspaper_economie_politique/II_reste_des_centaines_d e_millions_d_euros_d_economies_a_faire_dans_les_services_publics.9776078-7320.ar t?utm_campaign=app&utm_medium=tablet&utm_source=IPAD

WEF: Schwab, Klaus (ed) (2019). The Global Competitiveness Report 2019. World Economic Forum.

Task Funding
Score: 4Several core responsibilities of the Belgian central government have been
delegated to regional or subregional 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. Reductions in unemployment benefits have also had 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 in the coming years. But since Wallonia is a post-industrial region with unemployment levels twice as high as those in Flanders, it is difficult to see Wallonia not continuing to suffer from chronic underfunding.

The government agreement also envisioned a decentralization of taxation. However, the main sources of state financing (direct taxes and VAT) will remain centrally controlled and collected, with the funds redistributed according to pre-agreed sharing rules. Redistribution issues remain a point of conflict between the main regions and communities, with the recent financial crises having heightened tensions.

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, any single region has the ability to block an international treaty, since it has exactly the same prerogatives as the federal state. This occurred in September and October of 2016, when the Walloon region singlehandedly blocked the signing of a major treaty between the European U and Canada (CETA). The 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 and local authorities), the regions and communities are actually becoming more powerful than the federal government. The

Constitutional Discretion Score: 10 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), have served to 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 European and federal levels. 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.

In general, the central government does not have the ability to enforce or control more detailed standards with regard to issues such as performance figures. The government can only try to maintain influence through more general (legal or budgetary) levers. Another informal mechanism is party discipline; whenever the same parties are in power at the national and subnational levels, coordination is facilitated.

Significant political misalignment between the regions (mainly right wing in the north and left wing in the south) and high fractionalization in the federal parliament bode poorly for coordination in the near future.

Belgium's system of proportional representation easily falls prey to lobbying. Belgium is actually recognized as a neo-corporatist system. When a strategic decision involves key socioeconomic issues, representatives of the social partners (i.e., the powerful and well-structured employers' organizations, and trade unions) systematically negotiate a bilateral agreement, which is then passed to the executive.

For this reason, the design of regulations may tend to be biased and at times ineffective, as it is based on a temporary and uneasy compromise between the social partners.

When it comes to the enforcement of regulations that have been agreed upon and then confirmed by the executive, however, public administration and government agencies tend to be fair and effective.

Effective Regulatory Enforcement Score: 8

Adaptablility

Domestic Adaptability Score: 6 Belgium is one of the founding states of the European Union and is 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, 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 slower-than-average progress in abiding by EU environmental norms.

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, a former 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 1993, Belgium became a federal state with one central (federal) 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 (following a merger in 1975). The absence of a hierarchy of decision-making powers among these institutions means that self-monitoring efforts within administrative organizations is limited in practice. It takes a constitutional crisis to trigger a comprehensive process of reflection on institutional functionality. Resulting revisions are typically motivated by pre-existing political agendas rather than by a sound impact evaluation. There have been six such state reforms from 1970 onwards; the 6th state reform was agreed upon in 2011 and led to the transfer of multiple further competences to the regional and community levels. The federal and regional/community governments nevertheless maintained overlapping competences (as evinced by the fact that there are nine public health ministers) because each state reform was the result of a difficult compromise between those pushing for more devolution and those pushing for reinforced federal competences.

As a consequence, Belgian institutions are far from efficient. The responsibility split between municipalities and regions has not been reoptimized appropriately, particularly in Brussels. Many decisions require interministerial coordination between the federal, regional and community authorities, which makes Belgium almost as complex as Europe. A formal body – the "concertation committee" (comité de concertation/overlegcomité) – has been developed for such coordination. The committee includes federal, regional and community ministers and is supposed to prevent conflicts of interest between the three levels. Very frequently, however, no rational solution emerges. It is also often the case that major policy initiatives requiring coordination are not even initiated because of a local government acting as a veto player that blocks the entire initiative. There are several examples of this in all policy fields with shared competences, most notably with regard to environmental/climate change and health policies.

Tensions between levels of government have remained strong since the May 2019 elections. In the months preceding the demise of the last federal coalition (December 2018), arguments in favor of reviewing institutions on a case-by-case basis to achieve higher efficiency came to the fore. But election results produced a highly polarized political landscape that only fed venomous debates held on twitter over who was to blame for the deadlocks, which effectively halted any efforts to self-monitor.

Citation:

- https://www.standaard.be/cnt/dmf20191108_04707701
- https://www.standaard.be/cnt/dmf20191104_04699282
- https://plus.lesoir.be/130823/article/2017-12-23/francois-bellot-et-alexander-de-croo-pour-une-
- refederalisation-de-la-mobilite
- https://www.levif.be/actualite/belgique/le-gouvernement-jambon-etape-vers-un-etat-flamand/article-normal-1207085.htm" https://www.levif.be/actualite/belgique/le-gouvernement-jambon-etape-vers-un-etat-flamand/article-normal-1207085.htm

https://www.rtbf.be/info/belgique/detail_climat-tendu-au-comite-de-concertation-pour-l-organisation-de-la-cop26-en-belgique?id=10181671

 $https://www.rtbf.be/info/belgique/detail_etat-federal-et-regions-se-disputent-le-gateau-financier-des-licences-5g?id=10181618$

Institutional
ReformMost reforms are the consequence of bargaining between power levels, with
successive political tensions between Flemish, Walloon, Brussels, and
francophone interests. Eventually, protracted negotiations typically end up
with some type of compromise that rarely improves overall efficiency. Each

The main bone of contention 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 overlaps and gridlocks, particularly with regard to 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 to the south (to provide alternative transportation Walloon commuting to Brussels) requires close administrative follow-up from the Walloon region, which has priorities beyond reducing traffic in Brussels. The large forest in the south of Brussels spans across the Brussels, Flemish and Walloon regions, which makes its management quite cumbersome. As part of the 6th state reform, a bill passed in 2012 created the "Brussels metropolitan community" which in principle would cover the greater Brussels basin (>2 million inhabitants) and would facilitate policy coordination. Due to staunch resistance by some mayors in Flemish communes around Brussels and the reluctance of the N-VA (Flemish nationalists) to engage in such a logic, the legislation has yet to be implemented.

one of the six successive state reforms from 1970 to 2011 followed this logic.

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

There are few sources of data that allow one to assess the citizenry's level of information with precision. Furthermore, the web of overlapping competencies between different layers of government reduces accountability. However, it is quite clear that, over the last year, the population has become a lot more active in demanding specific policies from the different governments in Belgium.

Political Knowledge Score: 7 To take three examples, the "gilets jaunes" movement in France also sparked controversies in French-speaking Belgium. This moment encouraged sections of the population that felt disenfranchised to engage in political debates and demand policies that favor them. Second, young people across the whole country started weekly demonstrations in favor of a significant acceleration of the government's climate policies. In both cases, public demand for political news and participation in public debates with respect to these issues increased. Third, for the first time in Belgium's history, the Federal Planning Bureau was tasked with calculating the budgetary figures of each party's electoral promises. This has allowed the population to see which promises were realistic and which not. Coverage of these figures within the printed press was good and informative, although coverage on television was much less so.

In 2011, Belgium launched an open data platform with the aim of making government information readily available to citizens. In general, Belgium is comparable to the average European country in terms of open data policy. However, perhaps due to a lack of communication, Belgium continues to lag behind its European counterparts in terms of the use and impact of open data initiatives.

Belgium is ranked 22 out of 115 countries in the Open Data Barometer Global Report Fourth Edition (2016) and 22 out of 94 countries in the Global Open Data Index 2016/2017. The Global Open Data Index highlights Belgium's poor performance regarding the availability of information on government spending, land ownership, election results, draft legislation and national laws. As a response to the lack of information, Transparencia, a private platform, was created in 2016 with the aim of helping citizens access information held by the government.

Citation:

http://digitaldashboard.belgium.be/sites/default/files/basic-page/files/2018-03/countryfactsheet_belgium.pdf https://index.okfn.org/place/be/ https://opendatabarometer.org/data-explorer/?_year=2015&indicator=ODB&lang=en&open=BEL https://data.gov.be/fr/info-faq Private substitute: https://transparencia.be/help/about https://transparencia.be/help/about https://www.sudinfo.be/art/1699151/article/2016-10-19/transparencia-une-plate-forme-bruxelloise-pourobliger-les-autorites-a-plus-de-t

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

Open Government Score: 6 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.

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. In response, Cumuleo, an activist group seeking to improve the regulation and oversight of public offices, has denounced several illegal attempts to restrict access to public documents.

This does of course imply that government policymaking takes place somewhat in the dark or with limited oversight.

Citation: https://www.cumuleo.be/presse/cp/02-09-2019.php

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.

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-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

Obtaining Documents Score: 9

Summoning Ministers Score: 10

Summoning Experts Score: 9 Task Area

Score: 8

Congruence

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. There are 11 permanent committees that address key policy areas largely aligned with ministerial portfolios (e.g., defense, justice, budget or external affairs), while 16 special committees focus on specific topics (e.g., committees created in the wake of the Volkswagen scandal or nuclear safety) or cross-cutting issues (e.g., cases of sexual abuse or constitutional reform). Committees are largely able to monitor ministries, but the effectiveness of this monitoring can be underwhelming, as the recent experience regarding nuclear safety and electricity supply has demonstrated.

Citation: List and functioning of commissions: https://www.lachambre.be/kvvcr/showpage.cfm?section=/none&language=fr&cfm=/site/wwwcfm/comm/Ls tCom.cfm https://www.lachambre.be/kvvcr/pdf_sections/pri/fiche/fr_12_02.pdf

Media

Media Reporting Score: 5 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, lowerquality information, as well as a growing inability to conduct in-depth investigations or monitor policymaking. As a consequence, public perception of media quality is on a downward trend.

Bucking the trend, however, a spate of national and international scandals emerged during the review period. These ranged from abuse of public office to international tax evasion. This stimulated popular attention to the news, and induced newspapers and other media to improve the depth of their information on specific political and policy matters. But their capacity to maintain attention to specific issues over time and to explain complex policies effectively remains weak.

 $Citation: \\ http://www.institut-solidaris.be/wp-content/uploads/2017/07/LaConfianceDansLesMedias.pdf$

Parties and Interest Associations

Intra-party Decision-Making Score: 5 Belgium maintains a multiparty political system, with 12 parties represented in the national parliament. Party organizations come in a broad variety of forms. Due to the high fractionalization of the May 2019 election, only two parties maintained a vote share above 10%: the conservative, separatist New Flemish Alliance (N-VA, 16%) and the extreme-right, separatist Vlaams Belang (12%). The historically dominant parties, such as the Socialists (respectively 9.5% and 6.7% for the French and Flemish wings), Christian Democrats (respectively 8.9% and 3.7% for the Flemish and French wings), the Liberals (8.5% and 7.5%) and the Greens (6.1% for both wings) all individually fell below 10%.

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 actual percentage totals for each given party should be increased by about a 70% ratio for the Flemish parties and by a 130% ratio for the French-speaking parties.

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).

Many of the parties changed or are on their way to changing their leadership this year. The competitiveness of internal party elections varies widely. In many internal elections, the winner is elected by a crushing majority – and, sometimes, 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 tight contests). Overall, the process is thus mostly controlled by intermediate party elites.

- Parties asking their voters to validate government agreements: https://plus.lesoir.be/250867/article/2019-10-02/accords-gouvernementaux-wallonie-bruxelles-et-flandre-prennent-un-cap-different
- Election in the liberal party: http://www.mr.be/candidatsalapresidence/

https://www.standaard.be/cnt/dmf20191108_04707702

Association Competence (Employers & Unions) 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 negotiations between

Electoral results: https://elections2019.belgium.be/fr

https://www.rtbf.be/info/belgique/detail_qui-sont-les-quatre-candidats-a-la-presidence-du-mr?id=10337835 Election in the Christian Democratic party: https://www.cdenv.be/wie-zijnwe/voorzittersverkiezingen/kandidaten/

Elections in the socialist parties: https://www.rtbf.be/info/belgique/detail_paul-magnette-elu-comme-prevunouveau-president-du-ps?id=10345699

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

employers' associations and trade unions. Moreover, the trade unions and employers' organizations each have their own well-developed study services with technical (e.g., legal and budgetary) expertise, even covering topics outside their traditional focus areas.

When the outcome of negotiations are positive, 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.

However, it has also happened that negotiations have failed to produce a positive result. In particular, pension and minimum wage negotiations have previously been derailed.

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 perceived need to protect the institution.

Citation: https://plus.lesoir.be/254159/article/2019-10-16/retour-la-case-depart-sans-toucher-au-salaire-minimum

Va-t-on ramener l'âge de la retraite à 65 ans? https://plus.lesoir.be/224006/article/2019-05-13/va-t-ramener-lage-de-la-retraite-65ans?referer=%2Farchives%2Frecherche%3Fdatefilter%3Dlastyear%26sort%3Dweight%26word%3Dretraite

La pension à 65 ans recalée https://plus.lesoir.be/212077/article/2019-03-13/la-pension-65-ansrecalee?referer=%2Farchives%2Frecherche%3Fdatefilter%3Dlastyear%26sort%3Dweight%26word%3Dret raite%2520pension

II faut centrer le débat sur l'âge légal de la pension https://plus.lesoir.be/art/d-20190515-3TYHK4?referer=%2Farchives%2Frecherche%3Fdatefilter%3Dlastyear%26sort%3Dweight%26word%3Dr etraite%2520pension

La pension à mi-temps passe, les doutes restent https://plus.lesoir.be/art/d-20190403-3T61XD?referer=%2Farchives%2Frecherche%3Fdatefilter%3Dlastyear%26sort%3Dweight%26word%3Dr etraite%2520pension

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 noneconomic interest associations receive state funding, including environmental, cultural, religious/philosophical, sports/leisure and minority (such as individuals with handicaps) groups.

Association Competence (Others) Score: 7 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 long-standing ties to a political group. It implies that there is a strong incentive for noneconomic 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 its dependence on public funding. On the positive side, some groups are able to coalesce into broader umbrella organizations (e.g., around environmental protection), which are able to hire stable staff with policy expertise.

Independent Supervisory Bodies

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). The 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/

Audit Office Score: 10 Ombuds Office 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

Data Protection Authority Score: 8 In May 2018, the Belgian federal government instituted the Data Protection Authority (Autorité de protection des données/Gegevensbeschermingsautoriteit). The authority's mission is to ensure that individual's privacy is respected when personal data is processed. To improve efficiency, various pre-existing but dispersed authorities and services were regrouped under and are now coordinated by the Data Protection Authority. The new authority is accountable to the lower house (House of Representatives) and its board of directors are politically appointed for 6-year terms.

While political appointments may partially limit its autonomy, the authority is designed to be an independent body that communicates advice and recommendations to the chamber. For instance, the authority issued negative advice regarding the government's proposal to incorporate citizens' fingerprint data into the Belgian electronic ID card.

Citation:

https://www.autoriteprotectiondonnees.be/ (in French, with more information) https://www.dataprotectionauthority.be/ (in English, with limited information)

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