Belgium Report
Micael Castanheira, Guillaume Périlleux, Benoît Rihoux, Nils C. Bandelow (Coordinator)

Sustainable Governance in the Context of the COVID-19 Crisis
Executive Summary

Belgium, even more than the rest of Europe, was hit very severely by the COVID-19 epidemic. The exact reasons for Europe’s poor performance will be debated for years to come, but available evidence already allows strong conjectures to be drawn. A first plausible factor is that the SARS-CoV-2 virus had a higher lethality potential, which acerbates underlying issues: Europe’s population is old and congregates in densely populated cities, Europeans travel extensively and commute by public transport, and many European countries have a culture of close social interactions.

A second set of plausible factors concerns the appropriateness of the response structure. Europeans have lived in peace since the end of WWII and have not experienced an extensive emergency response to an epidemic since the Spanish flu. The pandemic thus caught Europe unprepared and without institutions to organize a structured emergency response.

These factors were particularly salient in Belgium. Adding to the problem, the Belgian government initially adopted a very sanguine approach, partly because of overconfidence (Belgium’s healthcare system is one of the most advanced in the world), and partly because of the inappropriate advice provided by Sciensano, the Belgian equivalent to the United States’ Center for Disease Control (CDC), which believed that the country could weather COVID-19 like a flu epidemic. But even when the country eventually understood that SARS-CoV-2 would be much more lethal than the flu, it proved incapable of reacting swiftly.

One of the reasons was the absence of a full-fledged federal government. The May 2019 elections had left the parliament highly fragmented, with the parties unable to form a federal cabinet. Meanwhile, Belgium’s three regions (Belgium’s main federate entities: Flanders, Wallonia and Brussels) could not agree on a common response. This was Belgium’s original sin: its parties only agreed to form a new – albeit temporary – federal government with special powers when the epidemic was already at an advanced stage. This certainly contributed to the fact that Belgium was the country with the second-highest reported COVID-19 fatalities per capita by mid-2020.
When the government decided to act, its response was swift and effective: it managed to immediately implement a strict lockdown, with strong public backing. Hospitals responded to the challenge and performed well. The economic response was vigorous: armed with the experience of the 2008 crisis, the government protected jobs and the extensive social security system limited the rise in poverty. The country is also home to an excellent scientific community and the government could easily assemble teams of experts to guide its policymaking.

However, the surreal level of institutional complexity in the country, with no fewer than nine ministers with a health portfolio at the federal, regional and community levels, hindered the quality of the response on the ground. Logistics largely failed at least at two levels. First, preservation of hospitals’ capacity was achieved at the expense of care homes for the elderly, where residents infected with SARS-CoV-2 were left to die without access to hospitals. Second, coordination, communication to doctors, contact tracing and the procurement of medical equipment (e.g., face masks and sanitary gels) were all underwhelming.

When the first COVID-19 wave eased, like the rest of Europe, Belgium reopened the economy too abruptly. The special powers of the minority government ended and Belgium returned to its previous state: unable to form a majority government and unable to draw lessons from the first wave of the coronavirus crisis in order to anticipate and prepare for a second wave. Only late in September, when it became obvious that a second wave was beginning to hit, did Belgium’s political parties eventually manage to form a majority-backed coalition government. The newly appointed federal health minister has strong authority, and managed to impose himself both on the diverse parties forming the federal coalition and on his peers at the subnational level. The groups organizing the response enhanced communication and coordination with the federate entities. But, in a dramatic repeat of the initial response, the response was implemented too late and a lot of the logistics of the response are still to be honed. This is likely to happen again until a clearer chain of command from the central to the federate entities is organized. The primary challenge ahead will be to establish appropriate infrastructure for the vaccination campaign.

Citation:
https://www.politico.eu/article/europes-leaders-rated-on-their-coronavirus-response/
Key Challenges

At the end of the first coronavirus wave, Belgium’s reported COVID-19 fatality rate was the second highest in the world, second only to the Republic of San Marino. At the time of writing (April 2021), its position improved to seventh, demonstrating the country’s learning curve and government adaptation. Yet, this is a very poor performance in light of the country’s excellent healthcare system and world-class hospitals. As detailed in the executive summary and in the rest of this report, one factor underpinning this poor performance is simply that the epidemic hit the country very hard for reasons (e.g., population density, Brussels being an intense travel hub and the country being a transportation crossroads) that are beyond the authorities’ control. But another important component is the permanent state of political crisis and the dilution of political leadership that the country has suffered from for decades.

In a pandemic of global proportions, the quality of the government response depends on at least three elements: strong and decisive leadership, which is able to set clear goals; extensive coordination between all the parties involved, both within and across countries; and structured logistics for policy delivery. These three elements were lacking in Belgium and in Europe.

The main challenges faced by Belgium are similar to those of the European Union: rectifying the fragmentation of responsibilities and the overlapping layers of institutions that limit one another’s authority. These proved to be major obstacles to achieving a prompt and effective response. The lessons of this pandemic crisis must be learned, if only to address more effectively the global warming crisis that is looming.

First, Belgium needs to create or improve channels that allow scientific knowledge to reach and shape policymaking in a timely fashion. This cannot work effectively in a setting where some entrenched institutions sit on available data and hinder collective intelligence. The broader scientific community needs to access data and be able to communicate its conclusions publicly. The Nordic countries are a valuable example of such transparency.

Second, Belgium needs to ensure that crises of global proportions can be handled at a global level: institutions must be designed in such a way that, when an emergency hits, a clear chain of command is automatically activated. The more global the emergency, the more global the chain of command needs
to be. In the present case, the most important health decisions should have been delegated to a group of EU experts and ministers of health, with enough authority across the entire union. A similar hierarchy must be established in Belgium even if only for exceptional times, with the federal authorities “in command” at the steering wheel – in spite of the fact that the country has now been transformed into a multilayered federal system and is otherwise organized in such a way that all levels of power end up being jointly responsible for most policy levers. With such a structure, the first response to a crisis is to spend weeks assigning responsibilities and designing coordination methods.

Third, those responsible for the logistics on the ground ought to learn from best practices in the European Union and possibly from outside the European Union. The rolling out of the COVID-19 vaccination campaign offers a glimpse of hope. Despite mistakes in the early stages, the federal government ended up centralizing the acquisition of vaccines and aligning the campaign across the regions (e.g., priorities and timing). By contrast, implementation on the ground is delegated to the regions, with the advantage of producing yardstick competition and accelerating the adoption of best practices. So far, the main bottleneck has been the delivery of vaccines from producers. When deliveries accelerate, it is the logistics of each region that will be tested and one hopes that this competition will prove effective.

The various parliaments in Belgium instituted special committees to draw lessons from the crisis. But their reports so far abstain from assigning blame to any highly ranked civil servant or politician. This accountability failure will prolong the crisis and weaken popular trust in Belgium’s institutions. Both Belgium and Europe need an independent, extensive and candid review of the management of this crisis, and to draw lessons in such a way that future crises can be handled significantly better. This may also be instrumental to how the European Union ends up managing global warming.
Resilience of Policies

I. Economic Preparedness

Economic Preparedness

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.

While the Belgian government is not the most proactive in Europe, it does work at sustaining competitiveness and resource efficiency. This is largely as a reaction to external pressure. First, Belgium faces strong external competition, due to the openness of its economy. This induced the development of several macro and micro instruments meant to protect the country’s economic competitiveness. While a general challenge hindering competitiveness is the relatively low level of entrepreneurship in Belgium, the COVID-19 crisis revealed the success of a long-term strategy to support the biotech sector.

Second, concerning environmental and energy norms, Belgium applies EU regulations sometimes with a delay (e.g., for pollution and energy efficiency, see e.g., Gonzalez-Caceres et al. 2020) and sometimes proactively (in particular for the offshore production of wind energy, which elevates Belgium to the fourth place globally).

Several metrics testify to the relative success of these measures. On the economic front, the World Economic Forum’s 2020 competitiveness indices (on a 0 – 100 scale) scored Belgium 63 for institutions, 83 for sustainable infrastructure, 54 for taxation, 66 for education, 71 for labor laws, and 55 for healthcare and elderly care. Energy consumption per capita remains substantially above the Dutch, French and German levels, but have been decreasing since 2001. Measured CO2 emissions have been decreasing since 1980 (World Bank). Investment in public infrastructure remains below its pre-
2008 levels. Belgium’s quality of public investment in health and general public services has been categorized as rather low, and close to the EU average for education and infrastructure (Cepparulo and Mourre 2020).

The lack of proactivity on several fronts is, however, costing Belgium. Its global competitiveness and export market share have been slipping compared to its neighbors. Total unemployment decreased, but not long-term unemployment. The activity rate among those aged 55 and over remains one of the lowest in Western Europe (52%), compared to 73% in Germany and 70% in the Netherlands (Eurostat data). Distortionary taxes on labor remain either the highest or the second highest depending on the year (Italy being the other country in point) in the OECD. By contrast, environmental taxes only reached the EU average in 2018, ranking Belgium 20th out of 27.

As will appear repeatedly through this report, one of the culprits for the sluggish progress has been the lack of coordinated policymaking between the federal government and the federate entities, which creates a web of institutional responsibilities so inefficient that no single minister can take responsibility for a measure.

Citation:
World Bank: https://datacommons.org/place/country/BEL?topic=Environment

Labor Market Preparedness

Despite an economic growth that has been consistently below 2% since 2010, a slate of reforms had resulted in the lowest unemployment rate for more than 25 years right before the onset of the COVID-19 crisis. Belgium’s neo-corporatist and consociational system, however, remains complex and protects specific pockets of jobs over non-traditional forms of employment. This produces structural mismatches between demand and supply of skills, which, according to a study by Bodart, Dejemeppe, and Fontenay (2019), explains why Belgium’s employment rate kept falling behind that of Germany.

The previous Michel government took steps to encourage labor market participation by gradually increasing the retirement age, restricting access to
unemployment benefits and reducing labor costs. One of these measures was a poorly designed decision to allow people to undertake “small jobs” without having to pay taxes. “Small” was defined as earnings not exceeding €6,340 per year. This lack of a comprehensive policy showed its limits with the COVID-19 crisis when some socioeconomically disadvantaged adolescents found work in the service sector (e.g., food delivery platforms) in order to compensate for income losses in their families. However, as soon as they exceeded the threshold (even by €25), they found themselves having to pay thousands of euros in social security and tax arrears (see the article in Le Soir). Such mishaps may, however, end up triggering a more comprehensive review of work incentives, which would hopefully result in a much more dynamic job market within a decade.

Insofar as traditional employer-employee jobs are concerned, Belgium’s consociational system performs much better. In particular, the 2008 crisis shock already induced Belgium to undertake partial unemployment measures that protected jobs by offering financial support to employers. Such schemes were rapidly resuscitated in 2020.

Citation:
Council of Europe’s recommendations: https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1560258016104&uri=CELEX:52019DC0501
OECD’s analysis:
https://plus.lesoir.be/344780/article/2020-12-21/impots-des-livreurs-sommes-de-rembourser-plusieurs-milliers-deuros

Fiscal Preparedness

Belgium’s public debt-to-GDP ratio improved after 2016 and had dropped below 100% when the COVID-19 crisis erupted. However, in June 2019, the Federal Planning Bureau’s forecasts predicted a continuous worsening of the government deficit until 2024, with a stabilization of the debt-to-GDP ratio around 101% of GDP. Following its latest forecasts (February 2021), the bureau now anticipates a continuous increase in public debt, up to 122% of GDP by 2026, due to the impact of the COVID-19 crisis. Thus, it is fair to say that Belgium’s fiscal policy was broadly sustainable prior to the COVID-19 crisis, even if its recent performance could have been better.

One of the reasons why Belgium is at pains to converge to a 60% debt-to-GDP ratio is that productivity growth is slow. The Council of Europe, in its July 2018 recommendations (paragraph 19), stated 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.

Combined, this produced an economic growth rate that has remained consistently below 2% since 2010. Nevertheless, this rate had been sufficient to reduce unemployment to a more than 25-year low.

The main sustainability issue concerns the pension system. It is unclear whether the pension system will still be able to protect those currently under the age of 40 in the same way as it has supported the previous two or three older generations. According to the July 2020 analysis of the Comité d’Étude sur le Vieillissement, population aging will increase the social security budget by 3.9 to 6.5% of GDP per year.

The European Commission is quite critical of Belgium’s institutional capacity to coordinate fiscal measures in order to contain the impact of such trends on public debt.

Citation:
https://tradingeconomics.com/belgium/government-debt-to-gdp
https://tradingeconomics.com/belgium/unemployment-rate
Comité d’étude sur le vieillissement:
https://plan.be/publications/publication-1815-fr-what_are_the_consequences_of_the_awg_2018_projections_hypotheses_on_pension_adequacy_simulations_for_three_eu_member_states
Federal planning Bureau’s forecasts:
European Commission’s position on Belgium’s fiscal decentralization:
(https://tradingeconomics.com/belgium/unemployment-rate)
trendingeconomics.com/belgium/government-debt-to-gdp

Research and Innovation

R&D policy is shared between the central government, which can offer diverse 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 is detrimental to coordination and 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 percentage points above Germany and the Netherlands, according to IMF data). Specific R&D investment stood at 2.9% of GDP in 2019 (Eurostat data). This is similar to the rate in Denmark, and slightly lower than in Germany and Austria (close to 3.2%), but ahead of France, the Netherlands and the EU average (between 2.1 and 2.2%).

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 Startup Plan that was initiated in 2015, seem to be good practice in targeting tax incentives on young firms (… It) seems that access to finance is the major barrier for entrants and young firms in Belgium. (…) Despite improved fiscal incentives, Belgium remains technologically considerably behind other European countries of a similar size such as Denmark and the Netherlands. While some indicators such as patent registration and monetary returns may be improving, the technological content of the country’s exports is progressively eroding. Universities are chronically underfunded (…). 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).”

II. Welfare State Preparedness

Education System Preparedness

Belgium’s education system combines very positive and negative aspects. Overall, the education performance is good (World Economic Forum’s 2020 competitiveness indices give Belgium a score of 66 for education on a 0 – 100 scale), and – despite its small size – the country hosts several well-ranked universities and is at the forefront of biotech research to give one example.

Education is free by law in Belgium, which guarantees very broad access. Classes are organized for pupils aged 2.5 years and above via pre-primary classes integrated in primary schools, which grants an early start to schooling. Schooling is compulsory from age five to age 18. Universities and higher education institutions are cheap (yearly fees are around €850 – 950, and there is no entry exam in most fields) and typically of high quality. PISA scores are all above the OECD average, although not among the top performers. According to the Belgian statistical office, 47.5% of the population aged 30 – 34 has a tertiary education diploma. According to Eurostat, close to 40% of 20 – 24 year olds participate in tertiary education, which is high in comparison with the rest of the European Union, while 9.5% were registered at the master’s degree level, which is just above the EU average.

This performance could be substantially improved with a voluntary policy of tackling the persistent weaknesses of the system. For instance, it suffers from some of Belgium’s institutional and demographic characteristics. Belgium (primarily Brussels) has a high proportion of non-native speakers, who sometimes require enhanced educational assistance, which is often lacking. Furthermore, high-level jobs often require mastering both Dutch and French, not counting English. Yet, the educational system is not designed for this cultural diversity (see, e.g., Pina et al. 2015 and the OECD’s Education Policy Outlook). This translates into high levels of inequality in PISA scores, depending on pupils’ nationality of origin and socioeconomic background (see also Vanden Bosch 2014), and regional discrepancies, with the French-speaking part of the country performing less well than the Flemish-speaking part. Belgium invests slightly less than the OECD average in education (OECD 2017, Figure 7) and 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. Investment in modernizing
the curriculum and digitalization has overall been insufficient, which proved an issue at the onset of the COVID-19 crisis (see e.g., OECD).

Tertiary education suffers from a relative lack of funds, which translates into a widening skills mismatch. Available job vacancies remain unfilled, while jobseekers cannot find employment (see the Council of Europe’s recommendations for Belgium, the World Economic Forum’s Global Competitiveness Report, and Dumont and Kegels 2016). It has also proven difficult to launch ambitious reforms in the field, as the prerogative of education has been devolved to subnational entities (the Flemish, Francophone and German-speaking communities), with each pursuing its own agenda, and the education system has in effect been split into competing sub-systems at all levels from kindergarten to universities. These competing subsystems involve a state-run (public) one and a “free” (mostly Catholic, but largely state-funded) one. Merging these networks for the sake of efficiency, economies of scale and more ambitious policymaking has proven to be a taboo over the last decades.

Citation:
https://www.standaard.be/cnt/dmf20201208_98040896

Social Welfare Preparedness

According to the OECD, Belgian workers benefit from advantageous working conditions (though integration of immigrants into the job market is less favorable). Perhaps as a consequence of these, the “gilets jaunes” movement, so acute in neighboring France, gained limited traction in Belgium, especially in the French-speaking part. An important symbol of these advantageous working conditions is that salaried workers, both in the public and private sectors, benefit from automatic wage indexation. However, the eventual impact of wage indexation on the share of employee compensation in GDP appears to be relatively limited. In 2018, it stood at 49.2% in Belgium compared to 47.8% across the euro zone.
Belgium is also the last EU member state to offer unemployment benefits that are potentially unlimited in time. Previous governments tightened these benefits, with the potential adverse effect of increasing the number of people on welfare (De Brouwer et al. 2019). According to official statistics, income inequality is also slightly more limited than in the rest of the European Union. In 2019, 14.8% of the Belgians were considered “at risk of poverty,” according to StatBel, compared to a euro zone average of 16.4%, according to Eurostat.

The extensiveness of Belgium’s social safety net means that the country ranks 17th out of 189 countries in the Human Development Index. The main weakness remains the persistent inability to integrate non-EU immigrants into the labor market. In 2019, the employment rate of Belgians and EU immigrants was above 70%, while for non-EU immigrants, it was 43.3%.

Like in the rest of the OECD, however, popular resentment of inequality, the lack of real wage growth and economic hardship is growing. This translated into national strikes in 2018 and 2019, and strong gains for populist and radical parties in the May 2019 elections. This led a highly fractionalized parliament and the inability to form a full government prior to October 2020.

Citation:
https://plus.lesoir.be/art/d-201909227-3RHMD7
OECD better life initiative 2020:
For non-EU immigrants, this was 43.3%: https://www.mi-is.be/sites/default/files/documents/mi-is_2021.01_focus_fr.pdf

Healthcare System Preparedness

Belgium has a world-class healthcare system, but was ill-prepared for a sanitary or epidemiologic crisis. The country enjoys a dense offer of well-equipped hospitals (public, private and university-linked hospitals). It also boasts a highly trained and comparatively large medical force. According to
data from Eurostat and the OECD, Belgium has the second-highest number of GPs per capita in the OECD and is among the best performers for the number of nurses per capita. Healthcare coverage is broad and access to quality care is substantial, with significant public coverage of basic health costs via a system of “mutualités/mutualiteiten.”

A key problem is that the objective of containing public deficits was partially reached by reducing wages and hospital costs in ways that may not be entirely viable over the long run, particularly given Belgium’s aging population. Too few graduate doctors are allowed to practice, and the short supply of doctors in hospitals is increasingly translating into abusive and underpaid or unpaid working hours (totaling 70 – 100 hours per week) for young graduates. In addition, the overall number of available hospital beds has also decreased.

Such bottlenecks may compel an increasing number of doctors to leave the public system and the constraints imposed by state subsidies, and move to fully private practices. As a result, although this was not particularly marked during the COVID-19 crisis, inclusiveness is under threat in the medium term and already a challenge in some rural areas.

Furthermore, preventative healthcare is not Belgium’s strong suit (see the GHS evaluation, conducted in 2019, just before the COVID-19 crisis). While it boasts an advanced warning system for flu-like symptoms, it performs much less well on several cancer types, while expected “healthy life years at birth” is close to but below the EU average. Although Belgium was part of the WHO’s influenza preparedness initiative, it did not invest in emergency drills nor develop concrete plans for managing an epidemic of COVID-19 proportions. As a result, the 2019 Global Health Security Index scored Belgium very high overall, but zero for “emergency preparedness and response planning” and “risk communication.” This diagnostic proved painfully relevant during the crisis.

Citation:
Doctors and nurses per capita: https://ec.europa.eu/eurostat/statistics-explained/images/e/e3/Physicians%2C_by_speciality%2C_2018_Health20.png
https://www.belgiqueenbonnesante.be/images/KCE/A6_Pract_nurse_FR.jpg
https://statbel.fgov.be/fr/themes/datalab/personnel-des-soins-de-sante
Hospital beds and equipment: https://ec.europa.eu/eurostat/statistics-explained/index.php/Healthcare_resource_statistics_-_beds
Preparedness:
Families

Although childcare for children below the age of three is “rationed,” Belgium is overall a good performer in this area. Free public schooling is available for children above the age of three, and free or very cheap childcare is available between 7:30 a.m. and 6 p.m. on working days. Monthly childcare allowances are also quite generous until the age of 25, and parents of larger families (three children or more) receive additional benefits in the form of tax cuts and lower fees for a diverse range of services.

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

The main support for combining work with parenting is the extensive availability of childcare, which was maintained through most of the crisis. Consequently, working parents were caught between the devil and the deep blue sea as the economy went into lockdown and all childcare facilities were shut down. This clearly hurt the poor and families with many children the most.

Additional measures introduced during the crisis ranged from moral support (e.g., a hotline for burned-out parents) to financial support (e.g., a right to part-time unemployment benefits).

Citation:
https://kids.partena.be/content/default.asp?PageID=39
https://finances.belgium.be/fr/particuliers/famille/personnes_a_charge/enfants?q3
III. Economic Crisis Response

Economic Response

Belgium operated under two federal governments in 2020, which broadly corresponded to the two waves of the COVID-19 crisis. Their economic responses were quite different given their statuses. While the Wilmès government was a transitory and minority government, Alexander De Croo’s majority coalition formed a full-fledged government. Wilmès ruled until end of September and focused on absorbing the shock of the first COVID-19 wave. The agreement that was sealed by the De Croo coalition focuses instead on Belgium’s long-term sustainability (see “Recovery Package Sustainability”).

The economic response at the onset of the crisis largely mimicked the one enacted during the 2008 – 2010 crisis. Like in Germany, the government relied massively on temporary unemployment measures and provided income replacement for the self-employed. A moratorium on bankruptcies followed. While those measures were very effective at absorbing the unraveling shock, they created deadweight losses that are not sustainable: they were so deep and broad that they actually reduced the number of bankruptcies by a third in 2020 in comparison with 2019. There is a general expectation that they will come back with a vengeance in 2021 (see the article in L’Echo).

The formation of the new government in October finally allowed for future-oriented measures, with the coalition agreement embracing the idea of “never waste a crisis.” The main objectives of the agreement concern long-term trajectories and sustainability. As temporary measures they still added interventions targeted toward the HORECA sector (hotels, restaurants and cafés). Additional funding by the European Commission could further commit the De Croo government to comprehensive and forward-looking reforms, as Belgium could claim more than €5 billion in European subsidies.

According to the coalition agreement, Belgium’s plan will revolve around five main axes: sustainability, digitalization, mobility, solidarity and productivity. Some skepticism may be required, since Belgium’s multilevel institutions have produced a lack of a clear leadership and result in constant haggling between
the different regions. These issues risk slowing down or even neutering several reforms. Recently, Flanders and Wallonia chose opposite policy directions with measures mainly benefitting businesses and investment in Flanders, and individuals and, to a lesser extent, severely hit sectors in Wallonia and Brussels. Furthermore, several pundits claim that the plan fails to achieve real innovation, as it resembles previous plans—only this time there is money (see article on the recovery plan in Le Soir). Either way, as a small open economy, Belgium’s recovery will strongly depend on external demand, in particular from Germany, France and the Netherlands.

Citation:
https://www.politico.eu/article/europes-leaders-rated-on-their-coronavirus-response/
https://www2.deloitte.com/content/dam/Deloitte/be/Documents/tax/EU%20Recovery%20Plan_LinkedIn.pdf
Government and institution measures in response to COVID-19 BELGIUM : KPMG
Summary of the recovery plan of EU:
Explanation of the recovery plan of the EU:
Allocations under REACT-EU for 2021 per Member State

Sustainability of Economic Response

As detailed in the previous question, Belgium operated under two federal governments in 2020. Here, we focus on the response of the second government, headed by Alexander De Croo.

While the Wilmès government focused on absorbing the shock, the De Croo government’s coalition agreement focuses on Belgium’s long-term sustainability. They are exploiting the recovery plan initiated by the European Commission, which explicitly asks for Belgium to focus investments on green and digital transition as well as on research and innovation, with four priority
investment areas: sustainable transport, more energy-efficient buildings, digital infrastructure, and research and innovation.

Beyond these intentions, operationalization is still largely defined by and responsibilities allocated across the multiple layers of Belgium’s institutional system. The decentralized way of working in Belgium is already showing that this might not be an easy task as every firm that could potentially claim part of the European subsidy as well as each region are now introducing projects that have to be filtered out by one minister’s personal staff. The projects submitted to the central coordinator in December were already worth four to six times the amount put forward by the European Commission. Flanders initially claimed its right to €3 billion out of the €5.95 billion in potential subsidies, an announcement that itself created a rift with the other regions. A deal was eventually struck, with a dispatching of the subsidies between the Flemish, Walloon and Brussels-capital regions, which has led to dissatisfaction from the part of the Brussels-capital region that will only receive €395 million (although it will also receive some significant EU funds via the Fédération Wallonie-Bruxelles, especially for the education sector).

Citation:
https://www.premier.be/fr/plan-national-de-relance
https://plus.lesoir.be/art/d-20210131-GL2DDA?referer=%2Farchives%2Frecherche%3Fdatefilter%3Dlastyear%26sort%3Ddate%2520desc%26word%3Dfonds%2520europ%25C3%25A9ens%2520bruxelles%2520wallonie

Labor Market Response

The strict stay-at-home order in place during the first wave of the epidemic (March 17 – June 8) had a historically high impact on labor markets. Yet, and in contrast with the United States for instance, this did not translate into massive job losses. First, all the jobs that could be operated remotely were legally forced to do so. For those who were not able to work from home, two categories were defined: necessary and non-necessary activities. For the former, workers were allowed to attend their workplace. For the latter, workers were given government allowances (including income replacement for self-employed workers) or temporary unemployment benefits. Support for those with family obligations at home, who had to take care of sick relatives or who had to quarantine, was much less systematic and partial at best. For example, a
hotline was set up for burned-out parents, and (financially more significant) single parents were given the right to part-time unemployment benefits from October 2020. While it exists, such a measure is hard to use for employees and was little publicized.

These measures were overall very effective at preventing massive lay-offs and led to a monthly unemployment rate that did not increase as sharply as the EU average, according to Eurostat data. Of course, they did not offer full compensation nor prevented businesses from suffering from the coronavirus crisis. The Economic Risk Management Group, one of the expert groups composed by the government to assess the economic impact of the crisis, considers that there is a substantial risk of massive lay-offs once government support is repealed, as firms are considering laying off one in five temporarily unemployed workers (see article in L’Echo).

Citation:
Data on the unemployment rate in Belgium: https://ec.europa.eu/eurostat/cache/recovery-dashboard/- select Belgium and click on unemployment rate to see the comparison with the EU average
Measures taken by the (different) government(s)
https://emploi.belgique.be/fr/themes/coronavirus
Monthly number of bankruptcies in Belgium 2018-2020
Article where they mention that firms consider laying off one worker out of five after the crisis:
https://www.burnoutparental.com/

**Fiscal Response**

The initial budgetary response to the COVID-19 shock was one of preventing a deep recession and maintaining employment. This will have a direct positive effect on the next generation, as it will prevent many of today’s children from experiencing extreme poverty and other forms of extreme disruption. However, it comes at the cost of a massive jump in public debt, which is expected to stand above 115% of GDP in 2025, up from less than 100% in 2019 (Federal Planning Bureau estimate).
The government’s intentions for 2021 and beyond are to reboot the economy with a massive, forward-looking, investment plan, which should reinforce the economy’s dynamism and sustainability. Coordination between the different layers of federal institutions will be assured at the time of elaborating the plan, but we know from experience that implementation will be highly decentralized over the coming years. In general, the wish is that this increase in spending will have such a large multiplier effect that it would more than pay for itself. But the measures proposed so far are not totally convincing in this respect.

Amounts spent during the crisis:

On how the recovery plan should help alleviate future debt in a Keynesian way:

On the government agreement from a fiscal perspective:

COVID-19: Belgian tax recovery measures

Research and Innovation Response

One could say that Belgium is a large biotech center, with decades of investments and experience in international collaborations in the field, with multiple cutting-edge players (e.g., large biotech firms, niche SMEs and university research units). This advantageous position served Belgium well during the coronavirus crisis, enabling Belgium to produce COVID-19 tests, evaluate the efficacy of many of the proposed treatments and participate in vaccine research. To name just a few key individual players, Peter Piot, one of the European Commission’s main advisers on the coronavirus crisis response, is Belgian. Moncef Slaoui, who heads Operation Warp Speed in the United States, is Belgian-Moroccan, received his education from the Université Libre de Bruxelles and held a leading position in the Glaxosmithkline (GSK) multinational biotech firm whose worldwide vaccine research hub is based in Belgium. GSK is currently active in the race to develop additional vaccines, which is coordinated by its Belgium-based research hub. Finally, Pfizer produces its vaccines in Puurs, a town in Flanders, Belgium.

In terms of fast-tracking new budgets, the Belgian response was not large. Exceptional budgets have been allocated to universities and research
institutions, but the amounts remain relatively modest, partly because of Belgium’s initially weak fiscal position.

On a positive note, the chronic underfinancing of universities and scientific research in a broader sense may be slightly alleviated in the coming years, since the new federal, regional and community executives have already announced a structural increase in the funding of universities, and of the respective Flemish and Francophone scientific research funding organizations (FRS-FNRS and FWO).

Citation:

IV. Welfare State Response

Education System Response

A strict stay-at-home order was in place during the first wave of the epidemic (March 17 – June 8). All schools (including kindergartens, as they are integrated in schools) and universities closed during this period, and education was moved to remote learning (e.g., digital learning). Some digital equipment was distributed for free to poorer families, mainly in Flanders. The digital divide was, however, significant and learning inequalities boomed. French-speaking authorities decided to cancel certification tests, which allow students to graduate from primary or secondary education, in June. To limit such costs on younger and more vulnerable populations, it was decided that such closures should be avoided as of September, with a mix of on-site and off-site education offered to reduce the number of pupils per class for some high schools. Each school received some level of autonomy on how to best implement this in concrete terms, depending on its specificities and infrastructure, for example.

The start of the 2020 – 2021 school year, however, coincided with a resurgence in the epidemic. The fall-term break was prolonged by a week, while a second (albeit lighter) stay-at-home order was put in place. Schools reopened in November until the winter break started. This is evidence of a strong political commitment to reduce the impact of the coronavirus crisis on socioeconomically disadvantaged populations and an acknowledgment that the
only way to achieve this is to keep schools open. We are not aware of a systematic policy of hardship compensation via direct financial benefits.

Citation:
https://inegalites.be/Continuite-ou-discontinuite

Social Welfare Response

The Belgian social welfare system is generally extensive, with automatic support for people in extreme poverty, partial unemployment benefit for some artists and food banks. A broad span of self-employed workers (working individually or within very small enterprises), who could prove that their income had been drastically reduced or that their activities had been constrained, received significant financial compensation in the form of monthly “droit passerelle/overbruggingsrecht” amounts and other one-off payments. The existing system was effective in absorbing the increased demand for social help. Some of the local contact centers (Centres Publics d’Action Sociale / Openbare Centra voor Maatschappelijk Welzijn) experienced a 49% increase in requests in comparison to 2019 – a substantially larger increase than in 2008 (see article in RTL). Similarly, the demand for food aid has drastically increased, according to the general secretary of the Federation of Social Services.

The poverty effects of the COVID-19 crisis have, nevertheless, been substantial and exposed gaps in the system. For less traditional employment schemes, the system struggled to deliver adequate support. For example, artists have suffered substantially, with some famous musicians having to sell some of their instruments to cover their living costs. In addition, there is very little systematic support for students. The lockdown deprived poorer students, who previously worked odd jobs (e.g., bar and restaurant jobs) to finance their studies, of key sources of income. A survey conducted by the federation of French-speaking students revealed that 32% of the interviewed students had experienced difficulties in paying their study costs due to the coronavirus crisis. Besides food banks, moratoria on rents and evictions, and occasional solidarity measures, we are not aware of a systematic government policy of
support. Finally, migrants also suffered from a lack of ad hoc measures, although a compensating factor has been that migrants often worked in “essential” sectors, which may have limited the increase in unemployment among migrant workers.

Citation:
https://plus.lesoir.be/344860/article/2020-12-21/carte-blanche-la-culture-nest-pas-une-variable-dajustement
A moratorium on evictions was decided for the Brussels region
A cash transfers to the renters who (partly) had lost their revenue were also put in place by the Brussels region. It was however a one-shot measure with a limited amount (215 €)

Healthcare System Response

Belgium has quite a high number of hospital beds, doctors and nurses per inhabitant (Eurostat and OECD data; see also “Preparedness Health System”). Mobilizing additional personnel at a time when demand is extremely high across all of Europe was almost impossible. Procuring additional equipment (e.g., masks and respirators) was possible but was slow to arrive. Toward the end of the first COVID-19 wave, it was decided that additional materials needed to be ordered in order to increase testing capacity. However, a civil servant blocked the order because the procedure did not match established procurement rules. For a long period, and in contrast to the German example, testing capacity was inexplicably made the responsibility of some specific laboratories, while the Red Cross and public laboratories remained underutilized. This component of the healthcare policy response was thus botched.

By contrast, Belgian hospitals demonstrated a high level of efficiency both in absorbing the enormous inflow of COVID-19 patients (while some patients were flown to neighboring Germany in specific peaks, hospitals never reached levels of saturation as observed in Lombardy, Italy or Alsace, France) and participating in the scientific identification of new therapies. While the north of Belgium (mainly Limburg in Flanders) was more strained during the first
wave, the south (mainly Liège province in Wallonia) suffered more during the second wave. Brussels suffered from its international status with a relatively high level of infections per inhabitants, but weathered the peaks rather well. Hospitals in the three regions absorbed the shock with about the same success and interregional solidarity proved effective when necessary.

Testing capacity was tremendously increased, with Belgium aiming to be among the world’s top performers in terms of number of tests per inhabitants. It achieved that target but failed to match it with a top performance in its trace-and-isolate policy. Hence, infection reproduction rates were not effectively reduced when the second wave of infections erupted.

Another component was much more successful: in the wake of the Italian crisis, Belgium worked hard to maintain capacity in hospitals. Entire aisles in ER and regular hospital beds were transformed into COVID-19 units, with a separate entrance to reduce cross-infections. This response to the first wave was adapted into a crisis preparedness strategy in preparation for a second wave and was effectively enacted as of September. However, elderly care institutions, which is a large and diversified sector in Belgium, became collateral damage of the policy of protecting hospital bed capacity. Overall, elderly care institutions were not well prepared for such a major sanitary crisis, neither in terms of equipment nor in terms of emergency protocols. Infected patients were prevented from being sent to hospitals, with a high death toll as a result.

Citation:
Crisis mismanagement:

**Family Policy Response**

Belgium has a fair gender balance policy. Women are much better educated than men: 55% of the women aged 30 – 34 have a higher education diploma, well above the 40% of men (Eurostat data). Wage gaps are among the lowest
in the European Union. Problems with this are probably the unequal use of time and health satisfaction (EIGE).

The lockdown forced working couples to take care of their children at home, often with little support from schools (generally due to a lack of equipment rather than the goodwill of professors) and with limited possibilities for grandparents to provide support given the lockdown regulations. This is likely to have put additional stress on pre-existing issues. Parental allowances were not increased, although they were already quite generous prior to the coronavirus crisis. No specific emergency childcare options were developed.

Citation:

International Solidarity

The European response was largely uncoordinated, especially at the beginning of the first wave. However, Belgium was among those EU member states that argued for closer integration at the EU level, particularly with respect to the development of a vaccination strategy. Like most EU member states though, Belgium’s border control policy lacked coordination. When reopening the economy in June, Belgium still wanted to limit international travel to some EU regions, without international coordination or ex ante warning. Belgium also struggled to coordinate with neighboring countries (France, Germany, Luxembourg and the Netherlands), in particular regarding frontier workers – the latter are quite numerous in some border regions.

Belgium also demonstrated international solidarity in sharing its lessons learned with other countries, including with the ECDC, the WHO and developing countries.

Citation:
Resilience of Democracy

Media Freedom

Press freedom is guaranteed by the Belgian constitution. However, the two main public media operators, the Flemish VRT and the francophone RTBF (providing television, radio and web channels), do operate under some oversight from the main political parties, as the latter constitute their respective management boards. This means that there may be some political pressure or control over strategic decisions. Most other media outlets (that is, the diverse range of private outlets) are totally independent of political control. As a general rule, journalists in all public and private media outlets work largely free from control or political influence, even if reporting may at times be a bit too uncritical of the government position.

During the coronavirus crisis, the main media outlets oscillated between a deferent attitude, which was perceived as necessary to support hard but appropriate measures, and critiques of the government’s management failures. Given the high technicality and the scientific uncertainties surrounding the crisis, such critiques were in general insufficiently informed and could not enhance accountability. Nevertheless, public debates, including critical statements or analyses by intellectuals and academics, were echoed quite regularly via various media. To conclude, the press did what it could, but years of financial strain on the media sector (both public and private) resulted in a lack of quality reporting.

Citation:
https://freedomhouse.org/country/belgium/freedom-world/2020
https://rsf.org/en/belgium

Civil Rights and Political Liberties

Political and civil liberties are extensive in Belgium. During the coronavirus crisis, political liberties remained intact. Despite some of the opposition parties occasionally spreading “fake news” or discouraging the use of the Belgian
“Coronalert” phone app under the false argument that it could be used to track citizens, there was no attempt to limit the opposition’s freedom of speech.

Instead, civil liberties came under pressure during the crisis, with restrictions placed on the right to assemble and therefore to demonstrate. The high tension – not to say exhaustion – within police forces translated into occasional violence, both from and against the police. While these are in no way part of a deliberate policy to restrict civil liberties, they result in a progressive erosion of norms.

This trend, which probably began after the 2001 terror attacks in the United States, and accelerated in the wake of the 2015 and 2016 attacks across Europe, is not entirely new. In 2016, Human Rights Watch expressed “grounds for concern” about Belgium’s counter-terrorism measures.

At a more formal level, the separation of powers remains strong in Belgium, with courts allowed to monitor government decisions, including during the crisis. Underfinancing of the judicial system is, however, an issue. 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 scores Belgium eight out of a possible 18 points for its quality of judicial processes. This has brought Belgium down to 56th place in terms of contract enforcement (compared to 43rd place in the June 2015 report).

Citation:
World Bank: https://www.doingbusiness.org/en/data/exploreeconomies/belgium#DB_ec
Human Rights Watch:

Judicial Review

Like in most if not all EU member states, extreme measures have been taken to combat the coronavirus pandemic. These measures included restrictions on fundamental liberties, such as meeting in public or private spaces (with people’s social contact restricted to “bubbles” of a few individuals), and moving far from home (with stay-at-home orders and travel across Europe
limited). Similarly, the liberty to operate a business was regularly suspended.
Such measures clearly violate business-as-usual fundamental liberties. The
question is whether they are proportionate to the extraordinary situation
created by the COVID-19 pandemic.

In March, the federal parliament granted extended powers (“pouvoirs
spéciaux”) to the minority government, authorizing it to take executive orders
to combat the pandemic without seeking parliamentary approval (although
parliamentary confidence in the government could be withdraw if needed).
Many executive orders were challenged in court (Conseil d’Etat), which has
reviewed – and typically validated – government decisions. While some legal
experts criticized these judges for being too lenient on the government, there
was no generalized complaint from those judges that their independence was
threatened.

Citation:
http://www.raadvst-consetat.be/?lang=fr&page=news&newsitem=640
http://www.raadvst-consetat.be/?page=news&lang=fr&newsitem=651
http://docstore.ohchr.org/SelfServices/FilesHandler.ashx?enc=4slQ6QSnlBEdzFEoVLvWCv9oVixnwFxce9x
L1Ovz7QWFsei5hrTR0exdYAA3bKT8dQ6ZNoXOVMczrMWXwhitehbSOfxG%2f0KhoTNKhqwva%2bp7
sQrVWzzh6Ph%2fX5E2xM
publiques_Chronique_LDH_191.pdf
https://www.lecho.be/economie-politique/belgique/federal/que-vont-changer-ces-pouvoirs-
speciaux/10214652
https://www.lecho.be/entreprises/horeca/un-conseil-d-etat-fort-avec-l-horeca-faible-avec-le-
gouvernement/10272082.html

Informal Democratic Rules

The main fault line in Belgian politics is between Flemings and Francophones,
with distinct party systems covering Flanders and Brussels, and Wallonia and
Brussels. (As Brussels is a bilingual region, it is covered by both party
systems). Within each party system, there are of course additional divisions
between left and right, and each community has a strong radical/populist party.
The main radical party on the Flemish side is Vlaams Belang (VB), a populist,
radical, right-wing nationalist party. Having performed extremely well in the
2019 parliamentary elections, VB managed to stall the formation of a full
government, with significant consequences for the country’s crisis response.
The main radical party on the Francophone side, especially in Wallonia, is the
communist Parti des Travailleurs de Belgique (PTB). The PTB is also present
in Flanders under its PvdA label, but has had more modest electoral success in
Flanders. The PTB is sufficiently strong to significantly weaken the main
Francophone party, the Parti Socialiste. Such political fragmentation is not
uncommon in Europe, but it is particularly high in Belgium given the PR
electoral system and relatively low vote threshold for parliamentary
representation.
Despite these divisions, most parties gave full backing and special powers to the Wilmès minority government in March. In that sense, party polarization was no obstacle to policymaking. However, it did prevent a cohesive policy between the different regions, as the respective regional majorities differed in terms of party composition. More importantly, fragmentation substantially protracted negotiations on forming a full government: While elections were held in May 2019, a government was only formed at the end of September 2020.

Citation:
Resilience of Governance

I. Executive Preparedness

Crisis Management System

Since at least 1977, Belgium has maintained a surveillance system that has monitored flu-like symptoms and that has functioned as an early warning system for potential epidemics. “Since 2007, the sentinel network of general practitioners has continuously recorded the general medicine consultations for influenza and acute respiratory tract infections” (Sciensano website). Since 2018, Sciensano, the Belgian equivalent of the CDC, coordinates all such surveillance activities, and coordinates with the ECDC and the WHO. In 2009, in response to the H1N1 flu epidemic, the Belgian government decided to stockpile surgical and FFP2 masks in anticipation of another epidemic, but these were destroyed in 2019 and the stocks were not replenished. Early warnings from scientists and the Belgian Risk Management Group advising the government to renew these stocks, however, were met with a sanguine attitude by the (minority and transitory) government in February 2020 (Euractiv’s article by Brzozowski). Immediately before the crisis, the federal minister of health was very sanguine about the risks Belgium faced and concluded that Belgium was largely ready to face any potential epidemic. The lack of an early reaction and the sanguine assessment of the risks left Belgium largely unprepared for the COVID-19 crisis, despite being ready “on paper.” Once the crisis erupted, Belgium had to discover at its expense that it had no clear chain of command nor pre-planned crisis response strategy.

Citation:
Sciensano’s website: https://epidemio.wiv-isp.be/ID/diseases/Pages/Influenza.aspx
Euractiv’s article by Brzozowski: https://www.euractiv.com/section/all/short_news/brussels-mask-stocks-destroyed-without-replacement/
II. Executive Response

Effective Policy Formulation

Despite parliamentary elections in May 2019, no new federal government was in place when the coronavirus crisis erupted in February 2020. Instead, Belgium was governed by a minority caretaker cabinet. Thus, the minority government had limited legitimacy to enact strong and decisive policies early on. The government gathered considerable input from highly qualified experts after activating the National Security Council (NSC), a structure designed to closely monitor and provide advice in the event of major crises and national emergencies (e.g., in 2015 – 2016, the council had been activated in the response to the Paris and Brussels terrorist attacks). In particular, the NSC’s Risk Assessment Group (RAG) and Risk Management Group (RMG), formed an emergency “medical cluster,” in close consultation with another NSC expert group, the Economic Risk Management Group (ERMG).

Nevertheless, the federal government introduced its first measures too late for these measures to effectively contain the epidemic. Strong measures, including a strict lockdown (a stay-at-home order) on 17 March 2020, were only introduced in Belgium following the parliament awarding special powers to the caretaker government in mid-March and a slate of stay-at-home orders introduced in neighboring countries. Difficulties in coordinating the different authorities that comprise Belgium’s complex federal system – especially between the federal, regional and community levels, but also the provincial and local levels (with the latter possessing important law and order prerogatives) – limited policy consistency and the implementation of well-articulated policies.

In early April, a fourth expert group was installed, the Group Experts Exit Strategy (GEES), which focused on developing concrete strategies for exiting the lockdown. The ERMG and GEES were replaced in late August by a broad expert group, with experts drawn from a diverse range of disciplines beyond just the medical sector, the CELEVAL. The latter was frequently marred by
internal tensions and disagreements. Eventually, in December, the CELEVAL was disbanded and replaced by a council of 24 medical experts, which provides continuous advice to a re-activated RAG directed by a COVID-19 commissioner (Pedro Falcon). Overall, in spite of the high quality of the experts involved (many of them are internationally respected), these reshuffles in the configuration of federal expert groups were somewhat detrimental to overall policy coherence.

Citation:
https://www.politico.eu/article/europes-leaders-rated-on-their-coronavirus-response/

Policy Feedback and Adaptation

The Wilmès caretaker government that ruled until October convened numerous ad hoc expert groups to fine-tune its crisis management approach to reopening the economy, managing risks and adapting the government’s economic response. Generally, these experts worked pro bono and did not have executive decision-making authority; only the ability to inform the government. Several of these experts publicly complained of their lack of access to detailed data, which was withheld either for privacy reasons or because they were not made publicly available by Sciensano. This lack of communication was partly corrected by May. Initially, the government refused to finance additional data collection endeavors (e.g., hospitals had to self-finance systematic testing of patients to assess the spread of the virus in the population). While most elements of the government reaction were grounded in the scientific evidence made available across the world, the effectiveness of individual policies were rarely assessed scientifically with respect to Belgian data.

The De Croo government was formed in October 2020, at the onset of the second wave of the COVID-19 epidemic. This government has adopted a much more systematic approach to reviewing scientific evidence and acting in accordance with it.

Public Consultation

Belgium is characterized by a strong culture of consultation and consensus, especially with regards to socioeconomic policies in which government decisions are regularly negotiated with trade unions and employer’s associations.
Such collective bargaining processes did not stop during the COVID-19 crisis, although they might have been complicated by the lockdown. However, they have been overshadowed by the need for immediate and technical answers, largely influenced by ad hoc groups of experts in crisis medicine, epidemiology and virology. The Wilmès government, which ruled until October, convened several such ad hoc groups to manage the crisis and the subsequent reopening of the economy, including its economic response. The first group, in charge of the so-called exit strategy (i.e., the reopening of the economy) was only composed of medical experts (e.g., epidemiologists and virologists) and economists. Workers’ and employers’ representatives participated in other structures with the government having to bridge the (often conflicting) requests of these different groups. No group was meant to represent the broader views of civil society, although they were very well represented in social media and in the press (e.g., through opinion pieces and op-eds). Others used the judiciary as means of forcing their position in the public debate. The latter strategy had somewhat limited results.

Repeated complaints of being ignored produced one significant change in the design of the crisis management groups after the summer: instead of having to manage multiple groups with conflicting opinions, the Wilmès government reduced the number of groups to one but broadened its composition by including experts from a wider range of fields (e.g., business, events, psychology and sociology). This group proved ineffective. As the second wave of infections loomed, the group could not reach a consensus or deliver a clear and safe strategy that would prevent the second peak from exceeding the first.

As we detailed in other sections, this period coincided with the formation of a new government backed by a majority in parliament. The new health minister, Frank Vandenbroucke, is a university professor who deeply understands the science behind epidemic management and who decided to take a more cautious approach. The current advisory group, in place since December 2020, is mainly composed of academics with a substantial expertise in medicine and economic crisis management. To reinforce coordination between the different federated entities, representatives of each region and community are also included.

Citation:
Composition of the expert group in charge of the exit strategy:
composition of the following groups:
Analysis of the intervention of the civil society in the public debate during the crisis:
Crisis Communication

Both the Wilmès and the De Croo governments have extensively communicated and explained the rationale for each of their decisions. Even though it was agreed that the policy measures and overall strategy are in the hands of the federal authorities, policies must be agreed and coordinated with federate entities (regions and communities). The latter also have their own ministers of health, as health policy prerogatives are shared between the federal, regional and community levels. The provinces (via their governors) and municipalities (via their mayors) also have some role and specific crisis management competencies “on the ground.”

This complexity has regularly given rise to dissenting and contradictory messages, even from some of the parties in the federal government. In particular, in order to please their constituencies, some party leaders – including those from the federal coalition – have announced softer measures shortly after the announcement of restrictive measures or the prolongation of such measures, and engaged in a “blame game” that is, explicitly or implicitly, meant to blame another party or “the other side” (i.e., Flemings or Francophones) for the more restrictive measures taken. Another illustration has been the contrasting communication styles of the respective governors of the nine provinces, adopting a more or less “soft” or “hard” communication approach in their follow-up announcements to federal decisions. The same goes for the regional ministers and the heads of the regional governments.

These contradictory messages have been detrimental to citizen support for policy decisions.

Citation:
A more critical view on communication:
https://www.politico.eu/article/europes-leaders-rated-on-their-coronavirus-response/

Implementation of Response Measures

Belgium was hit particularly hard by the coronavirus. Brussels is home to a number of European institutions and, more generally, is an international hub. A large number of people travel between Belgium and multiple other countries on a regular basis. Meanwhile, a significant proportion of Belgians also work in Brussels and therefore commute from all over the country on a daily basis, traveling on crowded trains and other public transport. Moreover, the country is densely populated, with most of Flanders, the greater Brussels region and the whole northern half of Wallonia (the axis between Tournai, Mons, Charleroi, Namur, Liège, Verviers and Eupen) constituting a large conurbation
of connected urban and suburban areas. There is also a lot of commuting to and from neighboring hubs in the Netherlands, Luxembourg, Germany (the Aachen area) and the north of France (the whole Lille area). The country is a European crossroads, with motorways carrying both cars and lorries across Europe from north to south and east to west, including to and from the United Kingdom via the north of France. For all these reasons, Belgium was thus highly susceptible to a rapid and wide circulation of the SARS-CoV-2 virus. But this was not understood in February-March 2020, when only five cases of COVID-19 had been registered. By the time authorities understood that the virus posed a substantial threat, the circulation of the virus was so wide that the country had to lockdown promptly and decisively.

The eventual response was characterized by an alternation of stasis and swiftness, of decisiveness and indecision. The federal nature of the state implies that many different players had to agree on measures, which effectively handicapped the Belgian response. Flanders initially opposed any measures to protect business interests, while Wallonia pressed for a swifter response (curiously this situation was reversed at the beginning of the second wave). The federal government was still being formed and an ad hoc solution had to be found to form an emergency (albeit temporary) government to manage the health crisis. Once that stage was reached, the Belgian response was immediate and its lockdown proved highly effective. Hospitals were put on high alert and never overwhelmed. The government created ad hoc groups of expert scientific advisers and numerous coordination committees to roll out its policy response. Extensive economic support was provided to prevent job losses and extreme poverty, a component of the government’s initial reaction that was effective and impartial.

Willingly or not, however, a de facto component of the policy meant to prevent hospitals from being overwhelmed has been to restrict the transfer of elderly patients from care homes to ER services, effectively sentencing elderly patients to death and accelerating the spread of the virus in care homes. It took a long time for authorities to acknowledge this dramatic policy failure and modify it.

While the country has an excellent healthcare system, its operational capacity was undermined by the complexity of its institutional system. Hospitals are accountable to almost all levels of government, with the federal government responsible for financing and the regulatory framework, regional governments responsible operations and part of its infrastructure, communities responsible for training and educational programs, and municipalities for construction and safety-related matters. Including schools and other areas of competence, Belgium had to coordinate nine ministers of health and four (one federal and
three regional) governments to implement its policy response. The coalitions supporting the government were composed of a diverse range of parties that often cannot agree on priorities and are subject to pressures from different lobby groups.

As a consequence of these factors, the reopening of the economy in June was too abrupt and there was a complete failure to impose fresh restrictions in September (e.g., closing bars and restaurants), despite dangerously high numbers of infections (other countries had already introduced extensive measures, despite much lower infection rates).

It took the formation of a second government and a new federal health minister to finally introduce stronger measures. However, this arrangement was fragile, with some of the government parties voting for a measure one day but complaining about it in the press the next day. The necessity to cobble together a coalition also implies that none of the individuals in charge when major policy mistakes were made have been held accountable. So far, individuals step down or are not reappointed, which has led to suspicions whenever another policymaker steps aside.

Citation:

Detail of the many institutions involved in crisis management:

Care homes scandal:

Communication failures:

Lack of preparedness before second wave:
https://www.politico.eu/article/europes-leaders-rated-on-their-coronavirus-response/

National Coordination

Belgium’s federal structure does not give the federal government authority over federate entities nor the other way around. Each unit has its own pre-established competencies and, in the case of a health crisis like COVID-19, these are heavily intertwined (see also “Implementation”). The only way to develop a policy response to the COVID-19 crisis was, therefore, to design policy responses jointly, under the coordination of the federal government. Local authorities maintained some autonomy on the detailed implementation
of these policies in their territory. The complexity of this coordination has typically delayed important decisions and rendered some of them hard to interpret for the public. Yet, there was intense coordination, and the government was largely able to shape and implement national collective efforts, while local entities could adapt their policies to local conditions.

International Coordination

Beyond being a member of the European Union, Belgium hosts most of the EU institutions and the current president of the European Council is a former prime minister of Belgium. If only for these reasons, Belgium has a strong institutional capacity to actively define joint EU policies. Belgium was also an active member of the U.N. security council from 1 January 2019 until 31 December 2020. Sciensano, which is Belgium’s CDC, works closely with the ECDC and the WHO. Internal institutional weaknesses and a botched response that translated into one of the highest COVID-19 deaths per capita probably limited Belgium’s eventual influence in shaping global policy. Yet, its strong institutional capacity did give it a significant voice.

Learning and Adaptation

As mentioned elsewhere in this report, Belgium suffers from a complex institutional structure and, at the time the coronavirus crisis hit, this complexity was compounded by a high level of political fragmentation that handicapped its response capability. Several of the operational components of the Belgian response are being or have been systematically reviewed. However, it is also increasingly clear that the crisis will not be sufficient to trigger a deep review of the institutional components of the problem.

Regarding the institutional components, Belgium has one federal government, three regional governments (Flanders, Wallonia and Brussels-capital), three community governments (Flanders, Wallonia-Brussels and Ostbelgien) and
additional interregional structures. It also has a strong provincial tradition (the provinces were not abolished during the state reforms) as well as a tradition of strong local autonomy, with the mayors in charge of law and order. Each region has authority over some policy levers (e.g., coordination between the different healthcare actors, preventative policies including vaccination programs, and – during the coronavirus crisis – mask and curfew policies), while the decisions on closing the economy, strategic mask reserves, epidemic surveillance and the financing of social security – including healthcare – is federal. In total, nine different ministers were competent for managing the crisis. The lack of a clear chain of command led to the creation of additional positions and committees for people in charge of coordinating the different competences.

While this complexity was a large part of the problem in Belgium’s crisis response, a deep re-evaluation of Belgium’s institutions is currently off the table, as this is seen as potentially destabilizing risk for the country. The recently appointed (De Croo) government cleverly composed new committees to reinforce coordination between the different entities while increasing the de facto authority of the federal minister of health. This has ensured better coordination. Yet, each region keeps wanting to display its independence, for instance, by imposing different curfew rules or operating its own test and trace structure – although, in their defense, language differences justify that public interactions be managed locally.

The federal parliament as well as regional governments set up special parliamentary commissions to review and improve their responses (for more detail see “Legislative Oversight”). Here, we focus on the day-to-day policy review.

Ex post, virology experts near unanimously criticized the initial sanguine attitude of Sciensano, the Belgian equivalent to the CDC, and of the federal government. Despite numerous warnings and increasingly strong evidence of the gravity of the new coronavirus, the recommendation – and the government response – was laissez-faire. This lasted until Lombardy was overwhelmed and France eventually imposed a stay-at-home order. Belgium followed France’s example within days. Belgium’s rules were very strict but less so than in France or Italy (e.g., people were allowed to exercise outside without social distancing limitations). Face masks were not available in March/April, and the various authorities invested massively in ordering and producing them. The lack of coordination resulted in many people receiving masks from their municipality, while others received masks from their region and/or employer, among others. Initially masks were only compulsory in closed spaces. Then, depending on the number of infections, they were made compulsory outside as
well, although still with a large number of irregularities due to the lack of coordination. For example, on the same street, face masks could be compulsory for some people and not for others, depending on which block you were in.

Hospitals had to adjust their operations in a quasi-military fashion, halting any operation that was not urgent (at huge cost to themselves, since a large proportion of hospital income comes from consultations). Hospitals participated extensively in various medical trials for possible cures to COVID-19. With Lombardy in mind, the authorities gave full priority to ensuring that hospitals would not become overwhelmed. To this end, they limited the transfer of patients from elderly care homes to ER services, effectively sentencing elderly patients to death and accelerating the spread of the virus in care homes. It took a long time for authorities to acknowledge this dramatic policy failure and modify it. In June, the reopening of the economy was sudden and extensive, and failed to prevent a second wave, which hit the country early and violently. Belgium was, however, only the canary in the coalmine, since the second wave then hit the rest of Europe, sometimes even more violently.

The sluggishness of the Belgian policy review can largely be attributed to government formation negotiations, which were stuck at an impasse, and which prevented strong, long-term decision-making. The eventual formation of a full-fledged government, led by A. De Croo, with the ability to structurally modify policy responses was triggered by the second wave of the COVID-19 crisis, which proved even more lethal than the first one.

As part of the review process, Sciensano markedly improved its communication to professionals and the wider public. It held daily press conferences and improved its communication of key data. Frontline doctors complained heavily of a lack of useful communication. This was taken into account by the De Croo government (we do not have sufficient information to evaluate the effectiveness of the new measures). The second lockdown drew lessons from the first one. For example, the introduction of restrictions on activities was more progressive, and the reopening of society will be progressive and contingent on pre-established epidemic thresholds. Hospitals were requested to increase the number of beds reserved for COVID-19 patients, but were allowed to continue offering regular operations as well. The population was allowed to move around, even if Christmas celebrations were heavily restricted. While such measures are at times less easy to communicate to the population, they appear much more evidence-based and data-driven than those in other countries.
Testing and contact tracing did not benefit from such a rapid review and is still largely ineffective. The Wilmès government, which ruled until September 2020, invested massively in testing a large number of people, but failed to develop an effective trace-and-isolate policy (even the legal basis for such a policy was absent by October). Contact tracing initially relied entirely on phone operators contacting individuals and tracing who they contacted, not where contact had occurred. This had two negative consequences. First, while the tracing capacity of call centers was larger than required during the lull between the two waves of the crisis, it proved unable to perform any meaningful role when the second wave hit. Second, the contact tracing system proved even less able to identify which places were potential clusters of contamination. This implies that Belgium is still unable to determine which enterprises should be investigated for failing to ensure safe working conditions, for instance. When this information started to be collected, mayors were not informed of local clusters, even though only mayors have the authority to send the police to investigate. It took complaints from multiple mayors to initiate a progressive re-evaluation of the information communicated by Sciensano and its regional peers, which eventually led to the creation of another app specifically designed for this purpose (in November 2020).

When testing capacity was under pressure, the government revised the criteria under which an individual could get tested. As pressure subsequently dropped, the government modified the criteria again. This timely review of testing policy aimed to maximize the effectiveness of testing (and compensate for the failure of the contact tracing part of the test-and-trace policy). To improve its contact tracing strategy, Belgium complemented its approach by developing a well-crafted coronavirus app (Coronalert), which integrates general and personal information, and allows individuals to receive their test result on their phone and store their personal locator form after traveling. The app had been downloaded 2.2 million times by early December 2020. Even if, like in most of Europe, this app still proves unable to tame the spread of the virus, one can praise the efforts at making it increasingly effective at it.

To summarize, we observe comprehensive but half-hearted attempts to systematically review Belgium’s processes. The logistical aspects of Belgium’s policy response were extensively reviewed and largely evidence based. By contrast, pinpointing the responsibilities of high-level officials and reviewing institutions will probably not happen. The next step will be to review the pace of the vaccination program, the jury remains out.

Citation:
Face mask insanity: https://www.bloomberg.com/news/articles/2020-05-06/wearing-a-mask-in-brussels-
III. Resilience of Executive Accountability

Open Government

Throughout the coronavirus crisis, the government’s Sciensano agency (the Belgian equivalent of the CDC) published comprehensive data updated on a daily basis and made data available in a user-friendly way (e.g., via a PDF report with the main graphs and figures or a daily press conference). The public can consult detailed information on the number of cases, deaths, individuals in hospital and tests performed as well as the positivity rate and the estimated effective reproduction rate (Rt). This is available for every region and province, and by age group and gender. Epidemiological studies performed by Sciensano were also made available.

In fact, Belgium was the most transparent country worldwide regarding the casualties during the first wave. For example, Belgium accounted for the number of deaths that may have been COVID-19 related both in hospitals and in elderly care centers. At the end of the first wave, total excess mortality in
Belgium was less than what may have been anticipated from the number of reported COVID-19 deaths. By contrast, many other EU and American countries featured total excess mortalities that were one third to one half above the level initially reported.

Information on the measures taken, the availability of tests and the way contact tracing was performed as well as more practical information on, for example, how and when to wear a mask was provided to citizens on a dedicated website (www.info-coronavirus.be). This contributed to widespread public compliance with the measures introduced by the government.

When it became clear that Belgium’s performance was bleak (Belgium has the highest reported number of COVID-19 deaths per inhabitant), holding decision-makers accountable was far from straightforward. Given the complex institutional system and the presence of nine different ministers jointly responsible for Belgium’s response, identifying where decision-making failed is no simple task. Furthermore, the government stalled as much as it reasonably could before creating a parliamentary investigative committee. It was likely the decision in France to create a similar committee that forced Belgian government to form a parliamentary investigative committee.

Another component hindering accountability is a tradition of secrecy and lack of public access to official data. These factors contributed to delaying the response by Sciensano, which held on to its raw data and initially refused to share it even with specialist academics. Even experts who were eventually appointed to the government’s advisory groups had to fight to get partial access. Then, when they obtained access to the data it was under strict confidentiality conditions, which prevented them from sharing the data with specialist university research groups that could have detected valuable patterns. All of this impeded Belgium’s response. It also led to a widespread public perception of incompetence, without the public being able to identify who specifically should be blamed. No politician or civil servant was officially forced to step down for mismanagement. Yet, Sciensano failed to report on the dangerousness of COVID-19 early on, despite strong evidence that it was much more lethal than traditional flu strains. It is also notable that the former health minister, Maggie De Block, continues to argue that her response was entirely appropriate in light of the information available, despite the fact that she was at the center of Belgium’s botched order of five million masks (which were ordered from a Turkish company that appeared to be under investigation for fraud). The investigation into the order of the faces is led by another member of her own party. At the time of writing (January 2021), no individual has been officially held accountable. Nevertheless, information has spread widely and the public will form their own judgments.
Legislative Oversight

Belgium is a parliamentary democracy with a federal structure. The federal level and the regions (Belgium’s main federate entities) each have proportional legislative elections, and each entity needs to form a government with the support of its corresponding parliament. Parliamentary oversight is traditionally strong, even though there is also a strong practice of discipline within the majority parties’ parliamentary groups.

During the COVID-19 crisis, as detailed in this report, it is necessary to distinguish between two federal cabinets and two phases in parliamentary oversight. After the legislative elections in May 2019 and before a new government coalition could be formed, Belgium was ruled by a minority caretaker government, headed by Sophie Wilmès. The minority government lasted until the end of September, when a full-fledged majority government was formed under the premiership of Alexander de Croo.

When Belgium realized that the COVID-19 crisis would hit hard and its healthcare system risked being overwhelmed, parliament granted special powers to the Wilmès government for a six-month period, with very limited oversight exercised over the government’s response during this period (see Bouhon et al. 2020 for more detail). When the first COVID-19 wave eased, Belgium’s various parliaments recovered their powers and each parliament created its own special COVID-19 committee to assess their respective government’s response and to propose improvements.
These “special” committees do not have a police-like authority to investigate (this would require an investigative committee), but the review process is thorough and should boost Belgium’s ability to face similar health crises in the future. By design, however, the review process has not assigned blame to any individual for the high death rate that resulted from the numerous policy shortcomings.

The work of the committees is slow by design. The special committee of the federal parliament is meant to deliver a final report at the end of 2021. However, the Walloon special committee delivered its report in November 2020. Unsurprisingly, the Walloon committee absolved the Walloon government of any responsibility for policy failures, which the report instead attributed to the federal level. The report also presented 136 proposals, which were immediately adopted by the parliament. These recommendations cover multiple topics, including animal welfare and include the suggestion to “better integrate regions in national emergency planning” (see part one, point six of the Walloon committee’s report). Such generalities are, of course, far from satisfactory, but they achieved their political purpose as most of the press focused on the large number of proposals and their rapid adoption. While such recommendations fall frustratingly short of delivering immediate improvements, one may still want to praise its holistic approach: the review encompasses not only the health but also social (poverty) and educational dimensions of the response.

The special commission of the federal parliament summoned multiple experts who experienced the management of the first wave of the crisis first hand. They were thus very well aware of the policy failures and had strong authority to make critical assessments. While many of them complained that they were not given enough time to draft a full report, their scathing remarks were made public and widely disseminated through the press. Many of their critiques influenced the policy of the De Croo government and many of them were later hired as external experts to advise the government on its management of the second wave of the crisis.

Citation:
http://hdl.handle.net/2078/229749
https://confluenceesdroits-larevue.com/?p=1354
L’État belge face à la pandémie de Covid-19 : esquisse d’un régime d’exception
Federal commission:
On the federal special commission and what could be expected from it:
Difficulties faced by the MPs to investigate:
Report by infectious disease specialist Leila Belkhir (August 2020):
Report from virology expert Yves Coppieters (September 2020):
Preliminary report from the commission (August):
On the special commission in Wallonia and the 236 adopted recommendations:
On the schooling recommendations adopted by the Flemish parliament:

Independent Supervisory Bodies

Established by the constitution (Article 180), the Court of Audit (Cour des Comptes/Rekenhof) is a body of the parliament. It exerts external controls over the budgetary, accounting and financial operations of the federal state, communities, regions, provinces and all the public service institutions that

Auditing Score: 8
depend on the federal state. Some public firms, non-profit organizations and “private” (but largely state-funded) organizations (e.g., some universities) are also subject to review. The Court of Audit’s legal powers grant it considerable independence and broad autonomy in fulfilling its mandate. The members of the Court of Audit are elected by parliament but operate autonomously. 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 and services (e.g., over the roads in Wallonia).

However, this did not happen during the COVID-19 crisis. While the Court of Audit occasionally warned of the costs of the crisis for social security (not unexpected), it did not try to stop the government from reacting as it did. It also promptly investigated the government’s failed policy of stockpiling surgical and FFP2 masks, but was not particularly critical.

More routinely, the court tracked the procurement measures taken by the government during the crisis, and commented on the likely public deficit levels for 2020 and 2021. The court was also requested to perform occasional analyses, for example, regarding the restructuring of Belgium’s security services and reform of the pricing of GP consultations.

Citation:

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 individuals’ 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 six-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.

During the coronavirus crisis, data protection remained such a strong priority that it hampered Belgium’s track and trace policy. Sciensano did not have the
authority to communicate local data, since that could have helped identify individuals. Mayors could not gain access to data about which locations could be clusters or otherwise accelerate contaminations. Even the virologists who advised the government complained of a lack of access to data.

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

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Christof Schiller
Phone +49 5241 81-81470
christof.schiller@bertelsmann-stiftung.de

Dr. Thorsten Hellmann
Phone +49 5241 81-81236
thorsten.hellmann@bertelsmann-stiftung.de

Pia Paulini
Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de


www.bertelsmann-stiftung.de
www.sgi-network.org