

**SGI** Sustainable Governance  
Indicators 2009

## Belgium expert report

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Financial Times Deutschland GmbH & Co. KG



## Executive summary

Belgium is a western European democracy in which the linguistic clash between the Dutch-speaking north and the French-speaking south and general regionalization play a crucial role in everyday political life and, especially, in reform efforts. Due to regionalization, the federal (or national) government has no or very limited competence in economic policy, energy policy (except in the nuclear fuel cycle), civil engineering works, transportation issues, environmental policy or education policy. Following the 2007 elections, the government may also lose its responsibility for the national health system, as the election's winner, Yves Leterme, wants to regionalize the system. It is the governments of the three regions (Flanders, Wallonia and Brussels) and/or the three communities (the Flemish community, the French community and the German-speaking community), not the federal government, which decide these matters. It is very common that these sub-national governments follow very different ideas.

One example is in labor market policy. The (mostly socialist) Walloon government has tried to fight unemployment by creating jobs in the bureaucracy, yet without much success. The (mostly Christian democratic) Flemish government has tried to improve the conditions for small and medium-sized companies, with a little bit more success in the labor market. It is very difficult for the national government to introduce important national reforms without the support of the regions or communities. And these governments usually follow their own, specific interests.

Another problem caused by regionalization is that the regions and communities always fight for more money from the federal government. This created huge public debt at the beginning of the 1990s, a situation from which Belgium still suffers. The lack of money is another limiting factor for potential reform activities by the federal government. The third effect of regionalization is one of the most complicated political systems worldwide, with an enormous number of veto opportunities for various minorities. It is relatively easy for various groups to block a law.

The fourth limiting factor for reforms is an extremely fragmented party system (Belgium is the only country in Europe without a national party) and, as a result, the need for multiparty coalitions (during the last 30 years, the government has consisted of at least four different parties). Nevertheless, Belgium has at least learned to live within these structures. Strategic planning surrounding government decisions is even more important than in other countries, and the decisions are usually very well-prepared by huge numbers of staff and cabinet committees around the prime minister, the line ministers and the political parties. This leads to better – and necessary – coordination between these institutions. With the help of such round-table talks, the prime minister (who can block everything if he wants to reject a decision) gets more influence than he would have otherwise.

Despite regionalization, Belgium has always implemented reforms or important law changes if forced to do so by the European Union. One example is the implementation of the EU Emissions Trading Scheme (ETS) for the reduction of carbon-dioxide emissions; however, environmental policy is an exclusively regional responsibility. Still, the implementation wasn't a problem. On the other hand, Belgium has certainly not been a reform pioneer within the European Union. It has never tried to export its domestic reform approaches to the international system, probably because the Belgian situation is unique. The system does not (yet) totally stymie itself. It is still possible to implement certain reforms (the five constitutional reforms during the last 40 years has proven this), but reform proposals have to be prepared very carefully before they are presented to political actors, and it usually takes a very long time before bills are transferred into law. New compromises are usually part of the deal, and they tend to make the whole system even more complicated. There are usually many interest organizations involved in reform, due to the linguistic separation, and probably to a greater degree than in other countries – and the sheer number of players is another limiting factor for the implementation of reforms.

All this does not mean that it is impossible to implement reforms in Belgium. But it is probably much more difficult than in most other comparable European countries. As one final example of how complicated things can be in this country: In June 2007, Belgium elected a new parliament. More than six months later, there are no plans yet over who will form the new federal government.

## Strategic Outlook

Regionalization makes reform activities very complicated in Belgium. (One very recent example is labor market policy. Recently Belgian authorities launched a new program to assist unemployed people. However, the monitoring of search efforts, which would help to ensure consistency of feedback and sanctioning mechanisms, is not undertaken jointly by the federal and the regional public employment services.) There is no evidence that the process of regionalization will stop during the next years; it is likely that it will probably continue. Especially in Flanders, citizens seek more competences in the regions. The winner of the 2007 elections, Yves Leterme, wants to regionalize parts of the social security system. A highly developed legalism and formalism and a reliance on precedent make it even more difficult to move toward policy practices and tools that are result-oriented.

The political culture is characterized by a search for consensus among coalition parties and interest groups, lots of compromises and, above all, institutionalized power sharing. A consequence of this is that established political actors who usually prefer to keep the status quo (like trade unions or employers' organizations) are usually well-represented in decision-making, while other participants (like innovators or independent experts) who tend to push reforms play a minor role.

Since the beginning of the 1980s, there have been various attempts to simplify administration structures, but these initiatives have not had much success. For the national government, it will be very difficult to overcome these reform blockades. Further regionalization could make the political system and decision-making structures even more complicated than they are now. The extreme party fragmentation will continue to exist – and the more political actors are involved in decision-making, the more difficult it will be to implement reforms. The most promising option for overcoming at least some blockades on a federal level is to try to simplify administrative structures. As one example, in 1999, the federal government decided to create the Administration Simplification Agency (ASA), a new, politically independent institution that has implemented more than 100 simplification projects.

For the regional governments, the environment to implement reforms is much better, especially for reforms of economic policy. In the regions, there are usually smaller coalitions with fewer parties, and there is no cultural clash between the members of different linguistic groups. The regional economies in Wallonia, Flanders and Brussels are very different from each other, and each one needs to be attended to in its own way (this is one of the reasons why even Walloon politicians were in favor of regionalizing the competence for economic policy during the 1980s). Nevertheless, the regions suffer from some of the same problems as Belgium, like legalism, formalism or institutionalized power sharing. The governments also have to improve decision-making to make their regions more competitive.

At the moment, the Belgian economy is doing quite well with yearly growth rates between 2 and 3 percent. As long as this trend continues, many decision makers in Belgium do not feel much necessity to implement important economic reforms. This might change when the next recession comes and unemployment starts to grow again. In the long run, it is crucial for the national and the regional governments to improve decision-making and to overcome the existing reform blockades. Otherwise, Belgium or at least some parts of the country might lose international competitiveness.

## Status Index

### I. Status of democracy

#### Electoral process

*Fair electoral process*

*Score: 9*

In both law and fact, individuals and political parties enjoy equal opportunities to register for and run in elections. The important fact is that laws are followed. Due to a lack of transparency, it is difficult to judge how the party Vlaams Belang (“Flemish Interest”) finds its candidates.

*Fair electoral campaign*

*Score: 7*

For campaigns, political parties have to rely on government subsidies and dues paid by their members. Electoral campaigns are usually relatively short (starting about one month before an election).

During an electoral campaign, political commercials on the radio, TV or in the cinema are forbidden (as per Article 5 of the Belgian Constitution: “Wet van 4 juli 1989 betreffende de beperking en de controle van de verkiezingsuitgaven”). This is why campaigning is heavily reliant on newspapers and magazines. The party Vlaams Belang (“Flemish Interest”) does not get access to media everywhere, as it is an extreme-right party. It is not treated equally, as during the election campaign, the media (especially in Wallonia) sometimes completely ignores it. The Vlaams Belang is generally seen as a xenophobic, non-democratic party whose predecessor, Vlaams Blok, was forbidden by the Belgian constitutional court in 2004.

During the 2007 election campaign there were public debates on both Walloon and Flemish media, but only with regional politicians. There has not been a “national” debate in TV. In May 2007, Premier Minister Guy Verhofstadt called for a “duel,” or a TV debate, with the Christian democratic candidate and main challenger Yves Leterme, but Leterme refused to accept the proposal.

*Inclusive  
electoral process*  
Score: 9

The Walloon and Flemish media do not broadly cover the political parties of other communities, but voters cannot vote for parties in other regions anyway.

In Belgium, every citizen must vote (a fact that can also be seen as a kind of discrimination). If a citizen does not vote and has no good reason for his absence, he will have to pay a penalty between €25 and €60 (for the first offense; the penalty rises afterwards). Non-voters also face difficulties getting a job in the public sector. There are no exceptions from compulsory voting.

Belgian citizens who live in other countries (and who are also obliged to vote) can vote easily, as there are different opportunities for them to participate. Some parties provide transportation for potential voters if they have difficulties getting to the polls.

#### **Access to information**

*Media freedom*  
Score: 9

Article 25 of the Belgian Constitution guarantees that public and private media is independent from government influence. There is no observable discrimination.

Between World War II and the 1980s, the relationship between media (especially newspapers) and politics was intense due to so-called *verzuiling* (pillarisation: see more on *verzuiling* in “Association relevance”). Then the newspapers had strong ties with certain political parties and collectively determined the political agenda. In Flanders, the dominant majority of newspapers had ties with the Catholic party. The newspaper *Het Volk* even was owned by the Catholic trade union. The newspapers *Vooruit* (later *De Morgen*) and *Le Matin* (which went bankrupt) were owned and financed by the socialist parties of both Flanders and Wallonia.

In the past decades, the development of the Belgian press was characterized by a process of “depolitisation,” or a weakening of the party affiliation of the press. Journalists today can act independently and autonomously from political party pressures. This does not mean Belgian newspapers are not interested in politics nor that they do not present opinions or ideological views, but the opinions which they do present are not necessarily in line with the opinions of the political party with which they were once linked.

*Media pluralism*  
Score: 8

Since Belgium is such a small country, many newspapers have folded during the last 40 years. There have been some concentration tendencies, and thus some owners hold a lot of power (such as the media group Corelio, formerly the *Vlaamse Uitgeversmaatschappij* (VUM), which publishes 10 newspapers

with a market share of about 30 percent).

In spite of this, there are a lot of electronic and print media outlets for such a small country, so there is a wide range of opinions. One of the reasons for this diversity is the linguistic division between Flanders and Wallonia.

At the end of the 1980s, the TV market was liberalized. Within a few years, the private broadcasters Vlaamse Televisie Maatschappij (VTM) in Flanders (which belongs to Flemish media enterprise Vlaamse Media Maatschappij (VMMa), along with a second TV channel and two radio channels) and RTL-TVi (belonging to the RTL Group) in Wallonia became the most-viewed stations in their respective linguistic communities. There are some tendencies toward further consolidation, but for a small country like Belgium, there is still a huge variety of different media views.

*Access to  
government  
information  
Score: 8*

Article 23 of the Belgian Constitution guarantees freedom of access to information. Article 32 (since 1993) includes the right of access to documents held by the government. In 1994, a law on the right of access to any administrative document held by federal public authorities was published. Government agencies must respond to requests within 30 days.

Exemptions include: when the public interest is deemed more important (such as in defense matters); when personal privacy is more important; and when a document is vague, misleading or incomplete, or is related to an opinion given freely on a confidential basis; and when a request is abusive or vague. Citizens can appeal request denials to the appropriate administrative agency.

Still sometimes Belgian citizens feel they do not get all the important information they need (for example, during the Marc Dutroux scandal in the 1990s). This perception is also caused by the country's very complicated political system (as Belgium is divided into regions and linguistic communities with five different governments) so many people do not know to which authority they have to appeal. This also includes aspects of everyday life. There is a lot of bureaucracy in Belgium that complicates accessing official information.

### Civil rights

#### *Civil rights protection*

*Score: 10*

Civil rights are part of the Belgian Constitution (Articles 8 to 32) and are respected by all the institutions without any exceptions.

#### *Non-discrimination*

*Score: 9*

Article 10 of the Belgian Constitution guarantees the equality of all Belgian citizens. Article 11 guarantees that there is no discrimination, especially no discrimination of ideological or philosophical minorities. I have heard about some, while very seldom, cases of discrimination if a person (for example, a French-speaking citizen in Flanders) did not speak the language of the authorities. Of course there is a lot of discrimination in private life (it can still be difficult for a black person to rent an apartment, for example). There are no special representation rights (with the exception of the distribution of seats in Parliament between the Flanders, Wallonia and German-speaking communities).

### Rule of law

#### *Legal certainty*

*Score: 10*

Articles 33 to 40 of the Belgian Constitution guarantee the separation of powers. The government and administrations act predictably on the basis of the legal provisions. They are guided by law. There is a high degree of legal certainty.

#### *Judicial review*

*Score: 10*

The Belgian Constitution guarantees the division of powers in Articles 33 to 40, especially Article 40. Articles 144 to 159 define the role of the courts. These courts are independent from the influence of government, the economy or powerful individuals. The judges are directly named by the king.

#### *Corruption prevention*

*Score: 8*

After a series of scandals (in which the Francophone socialist party, Parti Socialiste (PS), especially was involved), Belgium in 1989 started to regulate party and campaign financing. Since then, government contributions have substantially increased. Today, contributions represent a share of about 75 percent of parties' revenue (donations and membership fees represent just around 15 percent and contributions from elected politicians about 9 percent). A party is not allowed to receive more than €500 from single individuals. State spending is audited.

There are a few mechanisms to prevent corruption in public administration, especially Article 17 II of the staff regulations for officials, which authorizes additional appointment posts for assignments open to corruption; for example,

staff must supply certificates of good conduct and moral standing or pass a special integrity test.

In 1997, Belgium signed an international convention against the corruption of government officials in international trade. In a recent report, Transparency International (TI) said that Belgium had made “significant improvements” in fighting corruption. In the recently published TI “Corruption Perceptions Index 2007,” Belgium ranked twenty-first out of 179 countries.

## II. Economic and policy-specific performance

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

### A Economy and employment

#### Labor market policy

*Score: 5*

In Wallonia and Brussels, unemployment has remained very high (especially among young people) for about 30 years. The unemployment rate in Wallonia has even risen in the last few years (currently at about 18 percent). Wallonia has tried to fight unemployment for a long time by creating jobs in the bureaucracy. The result has been the creation of a huge debt and lots of bureaucracy. In Wallonia there are many structural problems (including the decline of heavy industry and coal mines) whereas in Flanders, there are no

comparable problems. The Flemish government has tried to improve the conditions for small and medium-sized companies. Still, there was a relatively high unemployment rate of about 10 percent for a long time. Now, this rate sits around 8 percent. The situation has recently improved a bit, but probably not because of government measures but because of the end of the recession in Central Europe.

### **Enterprise policy**

*Score: 7*

For a long time, the Walloon government failed to attract private capital. The region offered various types of subsidies, but efforts were rather uncoordinated. In August 2005, the government started a kind of “Marshall Plan” for the stimulation of economic development. Wallonia up until 2009 plans to spend €1.4 billion on this effort.

In September 2006, the first Administration Council for the Agency of Economic Stimulation was founded. It will offer various services to regional enterprises such as investment aids and consultancy services. Flanders succeeded in attracting foreign direct investments (especially in the high-tech sector) due to its good infrastructure, logistics and relatively low corporate taxes. There are a lot of small and medium-sized enterprises in the region and the economic competitiveness is high (with relatively high salaries, but also high productivity).

### **Tax policy**

*Score: 5*

Taxes in Belgium have always been high and still are (today, the corporation tax is 34 percent with 25 percent for small companies; income tax ranges up to 50 percent). This can be a limit to the country’s competitiveness, especially for global enterprises (that could choose to settle in low-tax regions, such as Dubai). Tax rates for wealthy individuals and companies are higher than for tax payers with a lower income, which means that vertical equity is guaranteed.

As stated before, there is a huge difference between corporate and personal tax payers – even between those with the same ability to pay taxes – so horizontal equity is not guaranteed. Tax revenues are not high enough, as Belgium faces a budget deficit of around 1.6 percent of GDP (mainly due to an extraordinary high public debt built up in the 1970s and 1980s). But during the last few years, the country has reduced this deficit.

### **Budgetary policy**

*Score: 6*

After the two oil crises in the 1970s and 1980s, Belgium built up a huge public debt (137.9 percent of GDP in 1993). The main reason for this was extreme overspending. Federal and regional governments hired more of the workforce for the public sector and subsidized industries like coal, steel and textiles. Membership in the European Economic and Monetary Union was only allowed on conditions of making substantial progress in these areas. Since then consolidation has worked well. Now accumulated debt is around 88 percent of GDP. This still means some debt burden for future generations. Belgium's current public deficit is 1.6 percent of GDP; the country meets Maastricht requirements. The government is able to pay its financial obligations (S&P rating of "AA+," the second-highest grade possible), although it has to pay a higher yield to its debt holders for bonds (about 0.13 to 0.15 percentage points more than Germany, for example). This means higher interest payments and some burden on future generations.

## **B Social affairs**

### **Health policy**

*Score: 7*

Since 1980, Belgium's health system is mainly organized on two levels, federal and regional. The federal government is responsible for the country's compulsive health insurance, financing hospitals and registering pharmaceuticals. Regions are responsible for overall health promotion, supporting child and maternity health services as well as financing hospital investments. Life expectancy in Belgium is high (almost 80 years), and infant mortality is low. Most Belgians have access to high-quality health care.

The health system is mainly financed through taxes and social security contributions. It is based on the principles of equal access and freedom of choice (for service providers, as one example). Patients usually pay a fixed amount of the cost of service. Patients and health care consumers are relatively satisfied with the system, although they complain about the rise in health care expenditures.

In 2004, health expenditures totaled 9.3 percent of GDP, which is the fifth highest in the EU-27. This number too is expected to increase in the following years. Efficiency is the system's biggest problem.

### **Social cohesion**

*Score: 6*

As in Germany, Belgium's social security system is essentially a Bismarckian system. It is financed by contributions from employees and employers and from state subsidies. The amounts are calculated based on gross salary. Self-employed persons can also participate. There are child benefits, unemployment benefits, family benefits, health care benefits and pensions. The biggest problem of the system is its growing costs (the system is more and more financed by taxes) and growing disparities between Flanders and Wallonia (more Flemish people want to completely regionalize the system). Belgium's poverty rate (defined as household income lower than 60 percent of average income) is still relatively low, at about 15 percent of the total population. But on the other hand, 10 years ago the poverty rate was lower than 10 percent. Thus, poverty and socioeconomic disparities are on the rise.

### **Family policy**

*Score: 9*

Family support policies enable Belgian women to combine children and a career. For children aged between 2.5 and 6 years, nursery services in Belgium are complimentary. Everyone has the right to secure a place in the so-called *écoles maternelles*. Before these ages, there are various possibilities to find childcare, although these are usually not without cost and can be difficult to obtain in certain areas. Some 74 percent of all Belgian women who have children between the ages of 0 and 6 work regularly.

### **Pension policy**

*Score: 7*

The pension system in Belgium is characterized by the coexistence of different schemes. The public mandatory pillar is still the most important pillar of the entire system. It represents the main source of income for the elderly. There is a specific minimum guaranteed benefit that is financed through taxes for people at the age of 62 (yet from 2009 on, at the age of 65). This shall prevent poverty caused by old age; still, it may not be enough.

This pillar is getting more and more expensive due to rising life expectancies and lower birth rates. Total public pension spending is now around 10 percent of GDP, and it is expected to increase to 13 percent in the next few years. This means a danger for inter-generational equity. The second (voluntary) pillar is supplementary funded pensions that are favored by tax incentives. In 2002,

these pensions covered around 35 percent of all employees, and assets amounted to 17 percent of GDP. The third pillar is private, individual and voluntary, financed by a fixed sum contribution per year or by life insurance schemes. Today, such a scheme covers around 70 percent of the entire population. In 2002, assets amounted to around 20 percent of GDP.

## C Security and integration policy

### Security policy

#### *External security*

*Score: 9*

Belgium is member of NATO, and its headquarters are located in Belgium. This means an almost perfect protection against conventional wars or raids from neighboring countries (Belgium is, however, surrounded by “friendly” countries). There have not yet been any major terrorist attacks. The yearly expenditures for external security are around €2.7 billion or 2.9 percent of GDP, which is not too high when compared with other European countries.

#### *Internal security*

*Score: 4*

After the Marc Dutroux scandal in the 1990s, many Belgians do not anymore feel secure in their home country. Dutroux, a convicted child murderer and rapist, even escaped from prison but was later arrested. Many politicians and judges were involved in the affair. There were a number of other scandals concerning internal safety; some politicians are said to have connections to organized crime. Internal safety and the fight against criminality were major issues in the 1995, 1999, 2003 and 2007 election campaigns. The winner of the 2007 elections, Yves Leterme, succeeded in announcing a reform of security policies. Especially in Brussels, street crime (especially small crime such as car break-ins or pick-pocketing) is high when compared to western European levels. A recent Gallup study that compared crime in the European Union in 1995 and 2005 showed that Belgium was the only country in which crime rose significantly.

#### *New security policy*

*Score: 8*

Belgium’s army is neither very big nor especially very high-tech, but as the country is a NATO member, this does not present a big problem for security. Its cooperation with other NATO member armies is good. Like many other Western countries, Belgium integrated its domestic intelligence communities into NATO. These groups frequently cooperate with their regional and international counterparts.

Belgium is one country with a relatively active development policy (probably not as a part of its security policy, but rather because of its past as a colonial power). It has set itself a development target of 0.5 percent of GNP, which is above the EU-15 average of 0.39 percent. Belgium reached this internal goal in 2006.

### **Integration policy**

*Score: 7*

Due to its colonial past, its wealth and its geographical location in the heart of Europe, Belgium attracts high immigration. About 8 percent of the country's population is foreign-born, mainly people from Turkey, Morocco and black African former colonies (Congo, Rwanda and Burundi). In the 1990s it was relatively easy to achieve Belgian citizenship for migrants who had lived in the country for just a couple of years. The unemployment rate of migrants is extremely high (32 percent), especially among the non-educated labor force.

The government actively encourages migrants to seek better education (through campaigns or scholarships). Nevertheless, integration fails in a lot of cases. One of the reasons for this failure is the cultural shock suffered by many immigrants who usually come from developing countries. Another reason is religion (Turkish and Moroccan immigrants are mostly Muslims, whereas Belgium is a secular country). The third problem is language, especially in Flanders. In many cases, this leads to group building or isolation among immigrants, often in ghetto situations.

## **D Sustainability**

### **Environmental policy**

*Score: 6*

Since the third constitutional reform in 1988, in Belgium the regions, and not the federal state, have been mainly responsible for environmental policy (while the federal state remains responsible only for protection against radiation, transport of waste and product norms). The Flemish and Walloon governments both developed plans to reduce carbon-dioxide emissions by 2012 (Flanders by 5.8 percent; Wallonia by 7.5 percent). The nucleus of these plans is the EU Emissions Trading Scheme (ETS), in which both regions have to participate. Belgium signed the Kyoto protocol. Both regions try to stimulate the production of renewable energies. Biomass producers get green certificates that they can then sell in the ETS. Wind energy producers and, especially in

Wallonia, hydraulic energy producers, receive tax incentives.

Nevertheless, all these initiatives have not yet shown much effect. The share of renewable energy in the market is extremely low (only about 2 percent of the country's total primary energy needs), and there are no signs that this percentage will rise significantly in the coming years. Nuclear energy still provides more than 50 percent of national electricity needs, yet the nuclear waste question has not been solved. The regions only participate actively in the ETS because they are forced to by the European Union.

### **Research and innovation policy**

*Score: 7*

Competences for research policies in Belgium are distributed between the federal level, the regions and the communities. Competences have been progressively redistributed from the federal state to the regions and communities over the last two decades. At the federal level, new strategic approaches are developed to activate fiscal and parafiscal incentive instruments to promote research and development (such as partial exemptions of advance payments on wages in favor of employers who employ researchers in universities, research institutions and companies).

The federal government also established the initiative "High Level Group 3% Belgium," a strategic think tank, which produced a global action plan to encourage more and better investments in research and innovation in Belgium. The group suggested a number of concrete policy proposals, notably in the area of fiscal incentives. These changes have not yet been implemented.

On a regional level, Flanders has developed its research and development policy toward entrepreneurship promotion, high-tech development, development of its own infrastructure of excellence and the creation of innovative clusters. The Flemish government uses fiscal instruments to encourage research and development and provides risk capital for innovative companies. It founded a new venture capital fund and offers fiscal advantages for individuals investing in new companies. The Walloon government encourages public research in the economic sector and the enhancement of technology in companies. With the recent "Marshall Plan," a new approach in supporting innovative public-private partnerships in key sectors is emerging and research and development programs are being reinforced. Nevertheless, many enterprises complain that there are still considerable bureaucratic impediments.

### Education policy

*Score: 8*

Since the third constitutional reform in 1988, Article 127 of the Belgian Constitution defines that the linguistic communities are mainly responsible for education policy (the only exceptions are the establishment of the beginning and end of obligatory schooling, interpretation of the minimum conditions for receiving degrees, support to various education-related institutions and activities and language use in education).

In the Dutch-speaking and in the French-speaking linguistic communities, early care and educational services especially are very good. All children between the ages of 2.5 and 6 have the right to access a complimentary preschool (in a 2000 report, the OECD stated that this system “offers many useful examples for other countries”). After that, primary education and secondary education in both communities are compulsory and complimentary until the age of 18 (which means that there is a good chance for relatively equitable access to education. At the age of 12, pupils can choose between general, technical, art or vocational secondary education (which means they can specialize, but do not have to do so).

Every person with a qualifying diploma of secondary education is free to enroll at any university or college (with a few exceptions). The costs for higher education are relatively low (students have to pay registration fees, but these do not exceed €520 per year). Students from poor families receive financial aid from their community government, but never more than approximately €3,300 per year. For poorer students, studying at the university is difficult because of the relatively high costs of life, especially high rents (there are some student dormitories, but not enough, and they are sometimes in poor repair). It is still not common for many people from the lower classes to let their children study at the university, even if the children are gifted academically.

## Management Index

### I. Executive Capacity

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

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

## A Steering capability: preparing and formulating policies

### Strategic capacity

#### *Strategic planning*

*Score: 10*

As Belgium has one of the more complicated political systems in the world and as there are various veto opportunities (for example, for linguistic minorities or parties within the government), the country is a typical *partitocracy*. Therefore, strategic planning is crucial in government decision-making, and there are important planning units at the center of the government, especially in the prime minister's office. Personal advisory cabinets play a very important role, and their influence is dominant. There are various meetings between strategic planning staff and the ministers.

#### *Scientific advice*

*Score: 7*

It is very difficult to judge the influence of external academic experts on the government, as there are no official numbers; for example, the frequency of meetings between experts and the government is unknown. Still, there are different commissions (regional economic commissions or the media commission of the Flemish government, in which academic experts such as Flemish media expert and University of Gent Professor Els de Bens play a crucial role). Experts are said to have some considerable influence on government decisions.

### Inter-ministerial coordination

#### *GO expertise*

*Score: 8*

The prime minister's office of Guy Verhofstadt consists of 15 advisors (most of them come from his own party, the *Vlaamse Liberalen en Democraten*, VLD) and all are qualified experts in their respective domain, which guarantees their sector policy expertise. The PMO has the ability to provide independent evaluations of draft bills and it sometimes provides them, especially when these bills are complicated or when they have consequences for different areas or for the government's strategy as a whole.

#### *GO gatekeeping*

*Score: 9*

The prime minister's office is legally allowed to return these items on basis of policy consideration and it also does so very often (PMO members say they return items practically every week), as there are multiparty coalitions in which the parties usually have their own interests that can be very different from the government's or the prime minister's interests.

*Line ministries**Score: 10*

The line ministries are practically always required to involve the prime minister's office in their preparation of policy proposals, as this is probably one of the main tasks of the PMO. The PMO often rejects them. As Belgium is usually governed by multiparty coalitions, the aims of the ministries can be very different from the prime minister's aims. There are many interrelated meetings and working groups between ministry and PMO members. Nothing will be decided against the will of the prime minister.

*Cabinet committees**Score: 9*

Cabinet and ministerial committees play a crucial role in the preparation of cabinet meetings. They prepare the political agenda by working out the details of laws (ministerial committees) and they often agree to filter out certain options and to follow a certain line in decision-making (cabinet committees). Before each cabinet session, there are usually meetings of the respective ministerial committees. The importance of these committees is extreme. Some ministries have cabinets with up to 50 employees who might be involved in the ministerial committees, and who prepare their minister for each cabinet committee meeting.

*Senior ministry officials**Score: 9*

Belgium is a typical partitocracy, and the linguistic division of the party system and the political system makes things even more complicated. During the last 30 years, the government always consisted of at least four parties. That is why the preparation of cabinet meetings (like the filtering out or settling of issues) is even more important than in other countries. Senior officials, like the chief of staff of the prime minister's office, play a crucial role in this system as they are responsible for coordinating this process. They are also very important gatekeepers. In parties like the Parti Socialiste (PS or Walloon socialists) there are very strong hierarchies; here, the senior ministry officials are even more important as they tell their staff what to do. Parties like the Vlaamse Liberalen en Democraten (VLD or Flemish liberals) give the ordinary PMO members more responsibility.

*Line ministry civil servants**Score: 5*

In the last Belgian government (a combination of Flemish and Walloon liberals and Flemish and Walloon socialists), this process depended very much on the respective ministries. There were some (especially those ruled by members of Guy Verhofstadt's party, the VLD or Vlaamse Liberalen en Democraten) who tried to coordinate their policy proposals with other ministries, others (especially those ruled by the Walloon socialist party) who seldom did this. The problem is that Belgium has multiparty coalitions in which the parties usually have very different interests, and sometimes, they do not want any coordination at all. If the ministries want civil servants to coordinate their policy proposals, this can theoretically be done effectively.

But in the last four years there were some ministries who did not want this kind of coordination. Thus, there was only some coordination of policy proposals by civil servants.

### **Regulatory impact assessments**

*RIA application*

*Score: 1*

In Belgium, there is no tool such as a “regulatory impact assessment.” However, the federal Parliament adopted a bill in the course of 2007 (an April 25, 2007 bill concerning the establishment of a parliamentary committee in charge of the assessment of legislation). Included you will find the text of this bill which can be considered as an a posteriori assessment of the legislation. Given the recent date of these new rules, the parliamentary committee doesn’t exist yet.

Annotation:

Service Public Federal Chancellerie du Premier Ministre, April 25, 2007: “Loi instaurant un Comité parlementaire chargé du suivi législative”.

*Needs analysis*

*Score: 1*

*Alternative options*

*Score: 1*

### **Societal consultation**

*Mobilizing public support*

*Score: 6*

The government of Prime Minister Guy Verhofstadt (which resigned after the June 2007 elections) regularly consulted with economic and social actors such as trade unions and business associations. One of the main reasons for this was that the government tried to facilitate the acceptance of its policies, yet sometimes actors were not convinced of the correctness of political decisions (such as the privatization of the Brussels airport and national telephone company Belgacom as well as its fiscal amnesty).

### **Policy communication**

*Coherent communication*

*Score: 4*

The liberal-socialist government of Prime Minister Guy Verhofstadt (who resigned after the electoral defeat in June 2007) tried to coordinate its communication through consultation procedures. Still, there were a lot of contradictory statements, as liberals and socialists on one side and Flemish

and Walloon politicians on the other had very different opinions. Nearly all Belgian citizens maintained the impression that the government did not speak with one voice (which was one of the main reasons for its electoral defeat).

## B Resource efficiency: implementing policies

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

### Effective implementation

*Government efficiency*  
*Score: 6*

This is a very difficult question, as Belgium is always governed by multiparty coalitions in which parties have diverse goals and make diverse declarations about what they want to do during an administration term. The consequence is that in the end, parties have to find (at times very complicated) compromises, and parties usually fail to implement their objectives. For example, the winner of the 2007 elections, Flemish Christian Democrat Yves Leterme, declared that he wants to regionalize social security, yet his probably most important coalition partner, the French liberals, totally reject this stance. Still, these two groups will probably form a government. But what will be the policy objective of that government – regionalizing social security or not?

Once a government has been formed, the situation improves. At this point, the government is fairly able to achieve its objectives, mainly because of the good organization and the abilities of the prime minister's office in monitoring line ministry activities (as described in "Ministerial compliance" and "Monitoring line ministries"). Nevertheless, the government does not always reach its targets. One reason is that the parties involved in the government have very different targets and views, especially about Belgian regionalization, and it pays for politicians electorally to "stay hard" in negotiations over reforms even though they once agreed to a compromise in the coalition agreement. Especially in the 1970s and 1980s, many coalitions

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	<p>suffered from this behavior, and some coalitions even broke. The Liberal/Socialist government that governed Belgium between 2003 and 2007 reached most of the targets of its coalition agreement, but it did not dare to change much, so in general these reforms were not much difficult to agree upon.</p>
<p><i>Ministerial compliance</i> <i>Score: 10</i></p>	<p>There are no opportunities for a minister to pursue only their self-interest. They have to adapt their ideas to the government's program. Without the prime minister's approval and without the approval of the other coalition parties in the government, a bill does not have any chance of adoption by Parliament.</p>
<p><i>Monitoring line ministries</i> <i>Score: 8</i></p>	<p>The prime minister's office monitors line ministry activities from a certain point on. This means as soon as activities become serious or get attention via the media, or as soon they start to have consequences for the government as a whole, the prime minister's office starts to interfere. All bill proposals have to pass through the prime minister's office, and they will not pass if the PMO does not favor them.</p>
<p><i>Monitoring agencies</i> <i>Score: 5</i></p>	<p>As previously mentioned, Belgium is extremely regionalized. Compared to other EU countries, there are only a few agencies that exist at the central level of the government, but many do exist at the regional level. These decentralized agencies usually do not act on behalf of the federal government, but more on behalf of the regional government (or the linguistic community government). The federal ministries are only able to monitor the activities of their own national executive agencies. Thus, they have almost no control over the regional agencies.</p>
<p><i>Task funding</i> <i>Score: 6</i></p>	<p>Funding of sub-national governments (The governments of the Flemish community or region, the German-speaking community, the Francophone community, the Walloon region and the Brussels region) has been a point of controversy since these governments exist and because the federal state gets most of the tax revenues. This means that the federal government decides how to distribute the tax revenues as well.</p> <p>Another problem is that most tax revenues come from Flanders, yet Flanders gets a significantly smaller portion of this money. Many Flemish people do not want to share their revenue with poorer neighbors. During the 1990s, the Francophone community was short on funds, especially for schools and education, and had to be subsidized by the Walloon region. In 2001 this situation led to a constitutional crisis. After months of discussions, the parties signed the "Lambermont agreement." This agreement gave the three regional authorities in Dutch-speaking Flanders, Francophone Wallonia and bilingual</p>

	<p>Brussels more say on tax distribution. French-speakers received guarantees of more funding for economically weaker Wallonia. In return, Dutch-speaking parties were given greater representation in Brussels, and decentralization increased (which was seen as a concession to Flemish politicians who seek greater autonomy).</p>
<p><i>Constitutional discretion</i> <i>Score: 10</i></p>	<p>The central government enables sub-national governments to use their constitutional scope of discretion fully; for in a country like Belgium which is so divided and where Flemish and Walloon people fight over every square meter of territory, it cannot afford not to do so. The only restriction for these sub-national governments is money (see “Tax funding”).</p>
<p><i>National standards</i> <i>Score: 7</i></p>	<p>In Belgium, the central government does not always have enough power to ensure that sub-national governments meet a certain “national standard” of public services. For example, in Flanders, authorities will only speak Dutch with citizens, and in Wallonia officials speak only French; yet in the municipalities around Brussels (the so-called ring) authorities speak either languages or only Dutch (depending on their constitutional status).</p>

## C International cooperation: incorporating reform impulses

### Domestic adaptability

*Domestic adaptability*  
*Score: 8*

As it is small, yet at the same time located in the center of Europe, Belgium has always been member of supranational organizations. The country is used to adapting its structures to international and supranational developments; for example, in 1947, only two years after World War II, the country decided to establish Benelux, a customs and economics union with the Netherlands and Luxemburg. As a European Union and NATO member, Belgium’s government regularly has to adapt its structures to new common laws, and it has always done so. Domestic structures have adapted relatively well to reform movements from abroad. One example is public management, the implementation of which in the 1990s was a success.

### External adaptability

*International coordination activities*  
*Score: 6*

As an EU member state, the Belgian government under Prime Minister Guy Verhofstadt participated in joint reform initiatives, such as the EU-wide Emissions Trading Scheme, the implementation of new security measures at European Union airports and the Congo mission, but the country seldom was one of the drivers behind these initiatives. There is one exception (if it can be

considered a joint reform initiative): The boycott of Austria in 1999 and 2000, in which Foreign Minister Louis Michel played a significant role.

*Exporting reforms*  
*Score: 4*

The government of Prime Minister Guy Verhofstadt was certainly not one of the reform pioneers within the European Union. It did not participate actively in common reform policy projects, like the EU Emissions Trading System. It did not try to export its approach to domestic reform to the international system, probably because the Belgian system (regionalization) is very unique.

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

### **Organizational reform capacity**

*Self-monitoring*  
*Score: 3*

As far as I am aware there is no institutionalized monitoring process, but self-monitoring does exist between different interest groups and parties inside the government. Because of the multiparty coalitions and the country's linguistic issues, the institutional arrangement of Belgian government is always very complicated. Once a compromise has been found, there are usually no attempts to change it because any change might endanger the whole coalition.

*Institutional reform*  
*Score: 3*

The government under Prime Minister Guy Verhofstadt has not changed its institutional arrangements of governing.

## **II. Executive accountability**

### **E Citizens: evaluative and participatory competencies**

#### **Knowledge of government policy and political attitudes**

*Policy knowledge*  
*Score: 5*

Many Belgian citizens do not feel well-informed about government policies. They feel that all the important decisions are made behind closed doors – and in fact, this is often the case. One example of this is the four constitutional reforms that transformed Belgium from a centralized to a federal state. There were no referendums about these reforms; the people on the street were not involved in the negotiation process at all.

The political interest is low. Only 30 percent of Flemings say they are interested in politics; in Wallonia, the numbers are not much higher. Just one out of 20 Flemings is able to correctly name the parties that are involved in their own government.

## F Parliament: information and control resources

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

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

#### *Obtaining documents*

*Score: 9*

There is no law that obliges ministers to submit documents to parliamentary committees. But if ministers don't submit documents, it is probable that committee members will question the concerned ministers on why they did not deliver. Thus documents are usually delivered in full and within an appropriate time frame.

#### *Summoning ministers*

*Score: 10*

Committees organize "question hours" very regularly. Ministers have to be present, and they also adhere to this rule. They are obliged to answer questions. The government member may be heard wherever he is requested to. The parliamentary committee may require the presence of the government member who is authorized for the matter under discussion. (The Chamber may also require the presence of a government member at the written proposal of a member). Practically, the secretariats of the committees verify if the agenda of the ministers and the agenda of committees match up.

*Summoning experts**Score: 10*

For the preparation of legislative work, a parliamentary committee may take advice from people or institutions outside Parliament, asking them for documentary information, accepting or asking for their collaboration. But before that, an absolute majority of the members of the committee has to agree. At the proposal of the president of the Chamber, the Chamber can also decide that a committee will hear all arguments from the representatives of extra-parliamentary groups or institutions whose opinions clarify its deliberations.

*Task area coincidence**Score: 6*

The task areas of the parliamentary committees and the ministries do not coincide. This means that in the deputy's chamber, there are 11 standing committees operating, yet the federal government counts 14 ministers plus the prime minister. The portfolio of ministers can change after the formation of each government, and it regularly does so. The portfolio of the parliamentary committees does not change as often. Nevertheless, parliamentary committees are largely capable of monitoring ministries as they carry many rights (see "Summoning ministers").

*Audit office**Score: 10*

The court of audit is nominated by the Chamber. It assists the Chamber in all budgetary matters and it is accountable to Parliament exclusively. If a private member's bill involves financial consequences, the committee may invite the court of audit to send a note containing an estimation of a new expenditure or reduction of income, on which the committee will have to decide.

*Ombuds office**Score: 9*

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

## **G Intermediary organizations: professional and advisory capacities**

### **Media, parties and interest associations**

*Media reporting**Score: 6*

The information programs of the linguistic groups in Flanders and the French-speaking community are often concentrated on what happens in their own linguistic community and not in Belgium as a whole. There is no "national programming" like in many other countries. Still, there exists quality informational programming from the public TV stations. There are regular news programs on both Flemish and Walloon TV channels.

*Fragmentation*

## Parliamentary election results as of 5/18/2003

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

*Party competence**Score: 6*

In many electoral programs, there are some policies that seem plausible and coherent at first glance. But later, the policies do not work at all, due to the separation between Flanders and Wallonia and the need to form coalitions. Sometimes, parties are not very interested in finding a good solution for the whole country, because they are not voted for in the “other” part of the country anyway. This is why politicians show a tendency toward finding the best solution for their own region, and not for the country as a whole.

*Association competence**Score: 6*

Most of the interest associations in Belgium concentrate just on their own goals, and try to influence decision-making to reach these goals. These groups do have some expertise, especially the most important trade unions and business associations (environmental groups are not very strong, compared to other Central European countries, and religious groups do not

*Association  
relevance**Score: 7*

have as much influence and staff as they did after World War II). Interest associations are usually part of the decision process. But like interest groups everywhere around the world, they normally do not care if their proposals are reasonable for the society as a whole, nor if their demands are realistic long-term.

Until about 1980, Belgian society was characterized by the so-called *verzuiling* (pillarisation). These societies were (and still are, in some areas) divided in several smaller segments or “pillars” according to different religions or ideologies, which operated separately from each other, in a non-racial form of apartheid.

All of these pillars had their own social institutions and interest groups; their own newspapers; broadcasting organizations; political parties; trade unions; business associations; schools; hospitals; building societies; universities; scouting organizations; and sports clubs. The pillarisation has weakened during the last 30 years, but it still exists. The interest associations usually take part in the decision process, either directly in commissions or indirectly via the media.

This expert report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states. SGI expert reports solely reflect the opinion of their authors and should not be regarded as statements of the Bertelsmann Stiftung.

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