Legislature: Bicameral
- Upper house: partially elected
- Lower house: elected using Proportional Representation

System of government: Parliamentary
- No. of ministries: 15 (2008)
- No. of ministers: 15 (2008)

State structure: Federal (3 regions and 3 communities)

Revenues and expenditures have stayed at or just below 50% of GDP over the past decade, with roughly balanced budgets following the deficits incurred in the late 1990s. Production costs as a share of GDP increased in Belgium between 1995 and 2007, driven by increases in the costs of goods and services outsourced or provided by private entities.

While the central government collects over 50% of revenues, it represents less than 25% of all expenditures, indicating that much of the taxes collected at a federal level are then transferred to regional and local governments, which have limited powers to raise their own revenues via taxes. Regional and local governments represent a much larger share of expenditures in Belgium than in other OECD member countries.

The overall structure of expenditures in Belgium is similar to the OECD average, with a slightly higher percentage of expenditures on general public services, potentially as a result of its federal structure. The devolution of spending responsibilities from the federal level to sub-federal levels has left the federal government with the two main spending responsibilities of repaying public debt and financing the social security system. The increasing ageing costs will thus fall disproportionately on the federal government. While defence is the responsibility of the federal government, public order and safety is largely the responsibility of local governments. Environmental protection; housing and community amenities; and recreation, culture and religion are largely the responsibilities of regional and local governments.

<table>
<thead>
<tr>
<th>Expenditure structure by function of government (non-consolidated), 2006</th>
<th>Central (federal) government</th>
<th>State (regional) government</th>
<th>Local government</th>
<th>General government</th>
<th>General government</th>
<th>General government</th>
</tr>
</thead>
<tbody>
<tr>
<td>General public services</td>
<td>52.7%</td>
<td>16.8%</td>
<td>23.5%</td>
<td>17.5%</td>
<td>13.8%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Defence</td>
<td>3.7%</td>
<td>0%</td>
<td>0%</td>
<td>2.1%</td>
<td>3.4%</td>
<td>3%</td>
</tr>
<tr>
<td>Public order and safety</td>
<td>4.1%</td>
<td>0.2%</td>
<td>11.1%</td>
<td>3.4%</td>
<td>3.8%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Economic affairs</td>
<td>6%</td>
<td>17.5%</td>
<td>9.9%</td>
<td>10.3%</td>
<td>10.6%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Environment protection</td>
<td>0%</td>
<td>2.1%</td>
<td>5%</td>
<td>1.3%</td>
<td>1.7%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Housing and community amenities</td>
<td>0%</td>
<td>2.2%</td>
<td>2.3%</td>
<td>0.8%</td>
<td>2%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Health</td>
<td>2.8%</td>
<td>1%</td>
<td>2.5%</td>
<td>14.2%</td>
<td>15.1%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Recreation, culture and religion</td>
<td>0.3%</td>
<td>4.4%</td>
<td>9.5%</td>
<td>2.7%</td>
<td>2.6%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Education</td>
<td>4.3%</td>
<td>38.1%</td>
<td>19.8%</td>
<td>12.1%</td>
<td>12.9%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Social protection</td>
<td>26.1%</td>
<td>17.6%</td>
<td>16.3%</td>
<td>35.7%</td>
<td>34.2%</td>
<td>37.7%</td>
</tr>
</tbody>
</table>

Source: OECD National Accounts

Government employment in Belgium is decentralised, with the bulk of staff employed at the sub-federal (regional and local) government level. The share of the labour force employed by government increased between 1995 and 2005 due to increases in staff employed in sub-federal governments.

Females represent a larger proportion of the central (federal) government workforce than in the general labour force. Within federal government, females are better represented in administrative positions than senior managerial posts – this is the case in all OECD countries. An ageing workforce remains both a challenge (in regards to the government’s ability to maintain capacity and continuity) and an opportunity (to reform positions and recruit staff with different skill sets) for the Belgian federal government.

In general, Belgian HRM systems are highly regulated, meaning a low level of delegation of authority to managers and a low adoption of performance based management. Civil service is relatively closed to external applicants and performance assessments are not commonly used in HR decisions. Belgium is characterised by a cadre of senior civil servants that are managed separately.

The Belgian central (federal) government has taken steps to introduce a medium-term perspective in the budget process by including expenditures estimates and ceilings that cover a four year period. The Belgian federal government has not implemented a system of performance budgeting. Federal ministries have been granted limited flexibility compared to some other countries; reallocations require the approval of the Budget Minister and ministries are not allowed to carry-over funds.

Overall, Belgium exhibits a high-degree of e-government readiness. However, e-government development has been dispersed throughout the Belgian federal and regional governments, with significant differences in approach, scope and speed due to considerable variations in size of administrations and resources dedicated to e-government. The most significant barrier to high citizen uptake in the short term is Belgium’s digital divide and comparatively low Internet penetration. Statistics reveal significant differences in access, use, and sophistication of usage across regions, age groups, and socio-economic groups.
Belgium requires key elected officials from the executive and legislative branches in the federal government to disclose and make publicly available their income and any outside positions that they may hold. However, unlike other countries, officials do not have to disclose gifts or information on loans. Information on assets and liabilities is disclosed, but not publicly available. The first federal code of conduct was approved in 2004 for select departments in the executive branch, including the prime minister's office, the IT department, budget and management control, and personnel and organization.

Source: OECD Survey on Integrity (Disclosures)

The 2005 and 2008 surveys of Indicators of Systems of Regulatory Management examined the extent of governance practices designed to improve the quality of regulation in OECD countries. Among the most important practices are: the use of regulatory impact analysis (RIA) to assess the cost and benefits of new regulation and the institutional oversight of the quality of regulations; and the design of programs to reduce the costs of administrative activities on business and citizens.

Belgium’s federal government adopted a structural approach to administrative simplification in 1998, which led to the establishment of the Agency for Administrative Simplification. It has introduced a requirement to measure administrative burdens in the law making process to ensure that new regulations do not add complexity when efforts are made to simplify existing regulations (known as the “Kafka Test”). The requirement for a “sustainability test” was introduced in 2007 to assess the economic, social and environmental consequences of new regulations for current and future generations.

Regions and communities have also developed their own agenda for Better Regulation in parallel and in cooperation with the federal government.

Source: OECD Survey on Regulatory Management.

Annex: Regulatory Management Indicators: www.oecd.org/regfom/indicators
EU 15 reviews on Regulatory Reform: www.oecd.org/gov/regref/eu15
Background reports on Regulatory Reform: www.oecd.org/regfom/backgroundreports
Production costs are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, the costs of goods and services produced by private entities funded by government (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

Structure of government expenditures: Data on expenditures are disaggregated according to the Classification of the Functions of Government (COFOG), which divides government spending into 10 functions. More information about the types of expenditures included in each function can be found in Annex B of Government at a Glance 2009.

Employment characteristics: The OECD averages refer to the following number of countries:
- Share of employees that are female: OECD-23
- Share of senior managers that are female: OECD-22
- Share of administrative positions filled by females: OECD-17
- Share of employees 50 years or older: OECD-25

HRM Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available at: www.oecd.org/gov/indicators/govataglance.
- **Delegation index** gathers data on the delegation of determining the number and types of posts needed in an organization, compensation levels, position classification, recruitment and dismissals, and conditions of employment. This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.
- **Type of recruitment system index** includes policies for becoming a civil servant in general (e.g. competitive examination or direct application) and for recruiting senior civil servants, and systems for appointing entry-level positions and for allocating posts across departments. This index describes a spectrum of recruitment systems in place in OECD member countries. Countries scoring closer to 0 have career-based systems whereas countries scoring closer to 1 have more position-based systems. The index does not evaluate the performance of difference systems.
- **The performance assessment index** indicates the extent to which it is used in career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- **The performance-related pay index** looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants.

Budget Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available at: www.oecd.org/gov/indicators/govataglance.
- **The medium term budget perspective index** contains information on whether countries develop and present multi-year expenditure estimates in the annual budget, the number of years the estimate covers, how often estimates are updated; and whether there are multi-year targets or ceilings and how often these are revised. This index measures the extent to which countries have developed a medium-term perspective in their budget process. However, it does not evaluate whether this perspective has been effective at achieving budget outcomes such as fiscal discipline and allocative efficiency.
- **The performance budgeting index** contains information on what type of performance information is developed; the processes for setting goals and targets; the process for monitoring and reporting on results; and if and how performance information is used in budget negotiations and decision making processes by key actors including the central budget authority, the line ministries and politicians. This index examines the degree to which OECD member countries have put a performance budgeting system in place. However, it does not measure how successfully these systems operate in practice.
- **The executive flexibility index** contains the following variables: the extent to which lump sum appropriations are used; the number of line items in the budget; agencies’ ability to carry-over unused budget allocations between years, borrow against future appropriations, reallocate between line items and keep efficiency gains; and constraints on the executive’s ability to increase spending during budget execution. This index looks at the different levels of flexibility provided to the executive during budget execution. However, it does not measure whether this flexibility is used effectively or appropriately.

**E-Government:**
- The UN e-government readiness index ranges between 0 (low level) and 1 (high level). It measures the capacity of governments to implement and develop e-government services. Developed within the framework of the UN global e-government survey, the indicator consists of three sub-indices: (1) the web measure index, (2) the telecommunication infrastructure index and (3) the human capital index. The web measure index ranks countries based on the coverage, sophistication and availability of e-services and e-products. The index categorizes countries as having either an emerging, enhanced, interactive, transactional, or networked e-government presence. The telecommunication infrastructure index is a weighted average of 5 measures of ICT infrastructure capacity: PCs/100 persons, Internet users/100 persons, Telephone lines/100 persons, Broad-banding/100 persons and Mobile phones/100 persons. The human capital index is a weighted average of the adult literacy rate (two-thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (one-third weight).
- The e-government take-up by citizens indicator measures the percentage of individuals (aged 16-74) who used the Internet to interact with public authorities in the 3 months preceding the survey. Data are collected through Eurostat’s annual Community Survey on ICT Usage in Households and by Individuals, and are only available for European countries.
- The e-government take-up by businesses indicator measures the percentage of enterprises using the Internet to interact with public authorities. Only businesses with 10 or more employees are included. Data are collected by national statistical offices based on Eurostat’s annual Model Survey on ICT Usage and E-commerce in Businesses.