

SYSTEM OF GOVERNMENT: Parliamentary

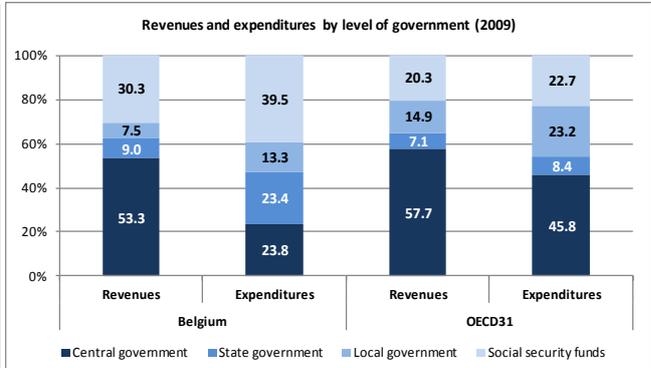
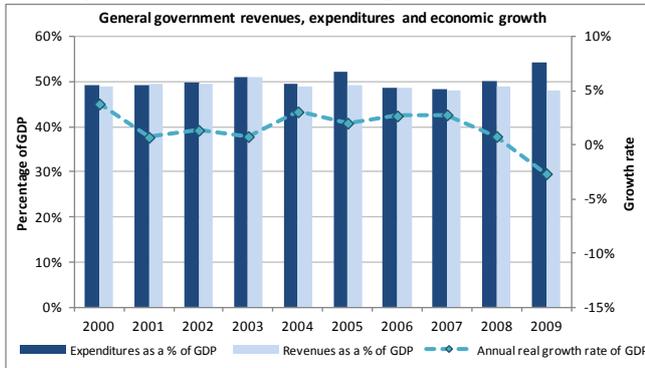
- No. of ministries: 14 (2010)
- No. of governments over last 20 years: 9
- No. of coalitions over last 20 years: 9

STATE STRUCTURE: Federal (3 regions and 3 communities)

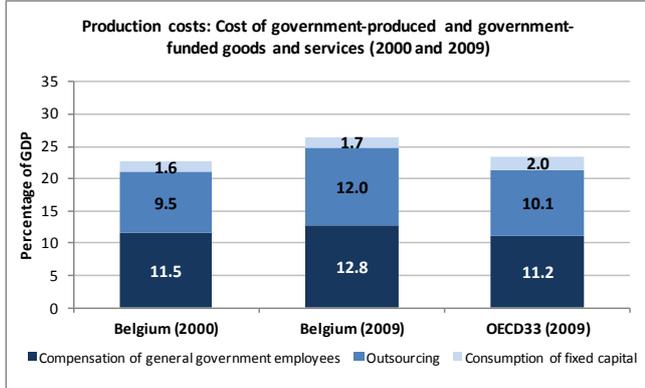
LEGISLATURE: Bicameral

- Upper house: elected
- Lower house: elected using Proportional Representation

Revenues and expenditures were just less than 50% of GDP in most years 2000-08, although expenditures jumped to 54% of GDP in 2009 as GDP fell and the government implemented fiscal stimulus in response to the crisis. While the central government collects over 50% of revenues, it represents less than 25% of all expenditures, indicating that regional and local governments have limited powers to raise their own revenues via taxes. Regional and local governments represent a much larger share of expenditures in Belgium, reflecting Belgium's devolved status.

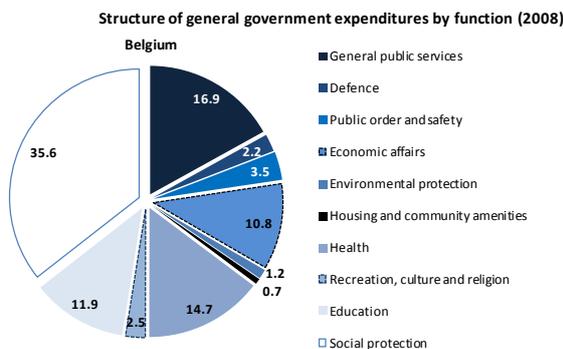


Source: OECD National Accounts and Economic Outlook 89. [Revenues] [Expenditures] [Revenues by level of government] [Expenditures by level of government]

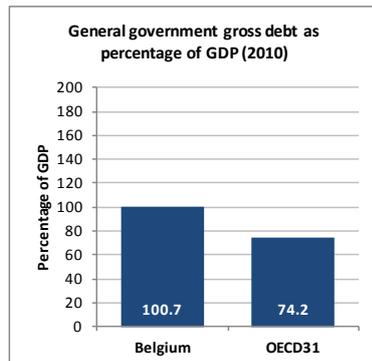
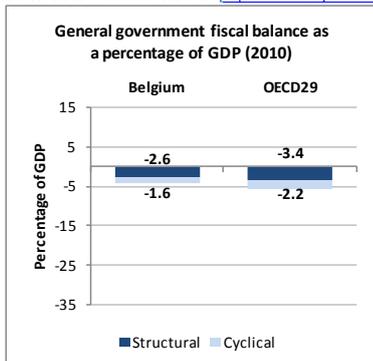


Almost 27% of the economy was devoted to producing public goods and services in 2009, more than the OECD average of 23.3%. Production costs have increased between 2000 and 2009. Compared to other OECD countries, the Belgian government relies slightly more on the use of private and non-profit actors to provide public goods and services (*i.e.* outsourcing) and slightly less on capital and its own employees in the production process, although a large share of this is related to payments for health care and social services.

Source: OECD National Accounts. [Production costs]



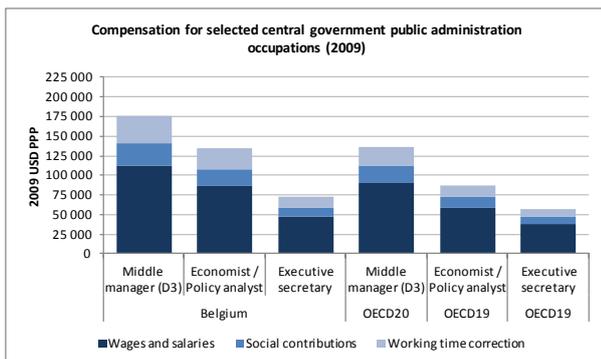
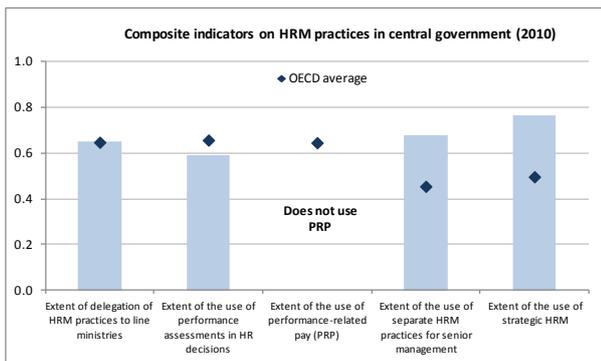
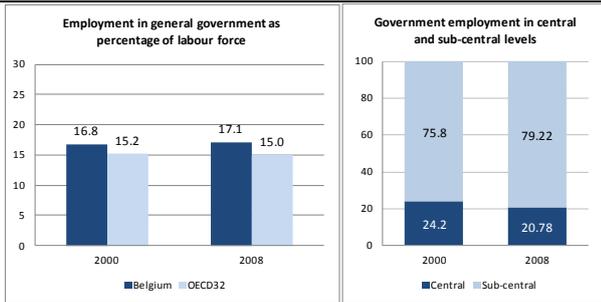
Source: OECD National Accounts. [Expenditures by function]



Source: OECD Economic Outlook 89. OECD average refers to the unweighted average [Fiscal balance] [Debt]

As in most other OECD countries, social protection programmes consume the largest share of government spending. However, the Belgian government spends a larger share on general public services than in other countries (16.9% vs. 13.1%), perhaps reflecting its devolved structure.

The Belgian government operated at a fiscal deficit in 2010 of 4.2% of GDP, better than the average deficit among OECD countries of 5.6% of GDP. Before the crisis, gross debt had been declining due to consolidation efforts during the previous decade. The debt ratio, however, rose significantly to 100% of GDP in 2010 due to the crisis (OECD definition of gross debt differs from Maastricht criteria, which places debt at 96.8% of GDP). In April 2011, the government outlined a new fiscal consolidation programme which provides for improving the balance by 3.8% of GDP from 2012-15, further reducing gross debt.



Working time correction brings countries to the same basis of comparison in terms of annual working hours (accounting for weekly working hours and holidays).

Transparency in public procurement, 2010

	Central proc. website	Contracting entity website	Domestic printed or electronic journal	Other website	Pct. OECD countries that publish info
Information for potential bidders	No	No	No	Yes	97%
Selection & evaluation criteria	No	No	No	Yes	97%
Tender documents	No	No	No	Yes	82%
Contract award	No	No	No	Yes	100%
Justification for award	No	No	No	No	59%
Tracking procurement spending	No	No	No	No	32%

Percentages refer to the share of OECD countries that reported publishing information "always" or "sometimes".

In Belgium, general government employment as a share of the labour force was around 17%, somewhat over the OECD average of 15% but well within the OECD range of 6.7%-29.3%. There are plans to further reduce this share through restructuring at the central government level. While overall public employment has not changed much since 2000 (16.8%), it has become more decentralised. In 2008, just over 20% of public employees worked at central level, down from 24.2% in 2000.

Source: International Labour Organisation. [\[General government employment\]](#) [\[Distribution by level\]](#)

The federal government's HRM system is somewhat decentralised, with decisions delegated to line ministries on the number and type of posts within the organisation; recruitment; and the allocation of the budget envelope. Performance-related pay is not utilised in the Belgian federal government, while performance assessments are utilised somewhat less than on average in OECD countries. Belgium is characterised by a cadre of senior civil servants that are managed separately. Strategic planning in HRM (including a strong accountability framework for managers and workforce planning) is well developed in government.

Source: OECD 2010 Strategic HRM Survey. [\[Delegation\]](#) [\[Performance assessment\]](#) [\[PRP\]](#) [\[Senior management\]](#) [\[Strategic HRM\]](#)

Middle managers, economists/policy analysts and executive secretaries in the Belgian public service receive total compensation packages that are slightly above the OECD average. A relatively larger share of this compensation (19.8%) is represented by slightly lower average annual working hours, whereas the share made up of wages and salaries (64%) is slightly smaller. The share represented by social contributions (16.2%) is almost in line with the OECD average. Middle managers earn around 1.3 times more than economists/policy analysts, and 2.4 times more than executive secretaries, which are also close to the average OECD ratios.

Source: OECD 2010 Compensation Survey. [\[Middle managers\]](#) [\[Economist/Policy Analyst\]](#) [\[Executive Secretary\]](#)

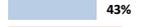
Achieving greater transparency in public procurement is important; especially given that Belgium spent an estimated 13% of GDP on procurement in 2008.

Like 12% of OECD member countries, Belgium does not have a central procurement website. Instead, some public procurement information is published in three separate websites: *e-Tendering*, a site for the submission of electronic tenders by electronic operators and the opening of the tenders by the buyer (<https://eten.publicprocurement.be>); *e-Notification* which publishes notices (including documents) by buyers and allows for searches of opportunities by economic operators. This site is mandatory for all buyers in Belgium (<https://enot.publicprocurement.be>); and thirdly *e-Awarding* which allows for the evaluation of the tenders by the buyer and including an e-Auction functionality (<https://eaward.publicprocurement.be>).

Providing an adequate degree of transparency throughout the entire public procurement cycle is critical to minimise risk of fraud, corruption and mismanagement of public funds in order to ensure fairness and equitable treatment of potential suppliers. Additionally, it allows for effective oversight by the concerned institutions and the general public.

Source: OECD 2010 Survey on Public Procurement. [\[Transparency in public procurement\]](#)

REGULATORY GOVERNANCE
Regulatory governance mechanisms, 2008

Functions of the oversight body	Percentage of OECD countries responding "yes"		BELGIUM
Consulted as part of process of developing new regulation	2005	 73%	Yes
	2008	 82%	Yes
Reports on progress made on reform by individual ministries	2005	 43%	Yes
	2008	 56%	Yes
Authority of reviewing and monitoring regulatory impacts conducted in individual ministries	2005	 43%	No
	2008	 50%	No
Conducts its own regulatory impact analysis	2005	 43%	No
	2008	 47%	No
Anticipating compliance and enforcement			
Regulatory policies require that issue of securing compliance and enforcement be anticipated when developing new legislation	2005	 57%	Yes
	2008	 70%	Yes
Guidance for regulators on compliance and enforcement	2005	 37%	No
	2008	 47%	Yes
Existence of policy on risk-based enforcement	2005	N.A.	N.A.
	2008	 30%	Yes

This table presents two elements drawn from the wide range of activities for managing regulatory quality.

In the context of a federal structure, an institutional framework for regulatory management has been set up in Belgium. Each government of Belgium (federal, regional and communities) has a centrally located structure to promote regulatory quality, with some differences in emphasis and scope. The co-operation between governments is anchored in formal committees and agreements, in combination with informal networking.

The development of institutional structures for regulatory management started with the establishment of the federal Administrative Simplification Agency (ASA) in 1998. In addition to promoting simplification of federal regulations, ASA is charged with fostering co-operation on administrative simplification across the federal, regional and community governments. The regional and community governments have also set up a dedicated unit at the centre of government (EASI-WAL in the Walloon's region, Regulatory Management Unit in the Flemish region, French Community's unit for Internet and Administrative Simplification). They focus on administrative simplification and e-government, with the scope of activity extending to all aspects of regulatory management in the case of the Flemish government. Against the background of autonomous ministries, these units use persuasion rather than constraint, through a network of contacts across their government.

Inspections and enforcement are the responsibilities of the different governments according to the allocation of competences between the federal state, regions and communities. Some enforcement entities have developed risk-based enforcement policies.

Source: OECD 2008 Survey on Regulatory Management; OECD (2010), Better Regulation in Europe – Belgium, OECD Publishing, Paris. [\[Oversight bodies\]](#) [\[Compliance and enforcement\]](#)

OPEN GOVERNMENT
Disclosure of public sector information, 2010

Types of information disclosed	Proactive disclosure		
	Belgium	OECD32	Publication channels
Budget documents	⊙	94%	OW
Audit reports	○	72%	Not published
List of public servants and their salaries	○	28%	Not published
Sharing of administrative data			
Administrative data sets	⊙	66%	MA, OW
Requirements on publishing in open data formats	Yes	53%	–
<ul style="list-style-type: none"> ● Required to be proactively published by FOI laws ⊙ Not required by FOI laws, but routinely proactively published ○ Neither required nor routinely published <p>CP= central portal; MA= ministry or agency website; OW=other website OECD percentages refer to the percentage of the 32 responding OECD countries that either require that information be published by law or do not require it but routinely publish information.</p>			

Freedom of Information legislation in Belgium does not require the government to publish audit reports (contrary to most OECD countries) or lists of public servants and their salaries. The latter case is common across the OECD area, where only 28% of countries do so. The government does however have in place requirements to publish the information available electronically in open data formats, which can promote innovation by allowing for the re-use of information by other parties.

Source: OECD 2010 Survey on Access to Information. [\[Disclosure of information\]](#) [\[Publication channels\]](#)

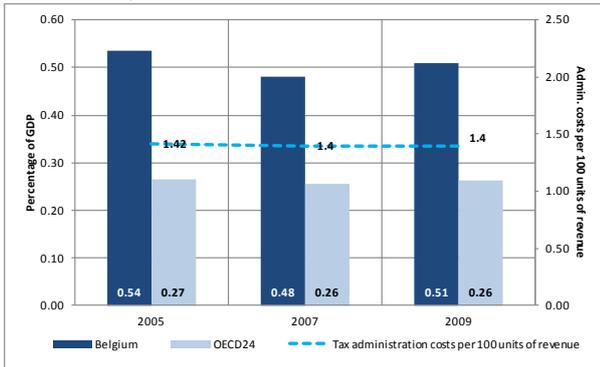
E-GOVERNMENT
E-Government building blocks and e-procurement, 2010

e-enabling laws and policies	Belgium	OECD25
Recognition & use of digital signature	●	100%
Electronic filing within the public sector	..	88%
Administering PPPs for e-government projects	●	64%
Services offered on single-entry procurement website		
Tender searches	No single-entry site	62%
Tracking of outcomes of contracts	No single-entry site	32%
OECD percentages refer to percentage of responding countries answering in the affirmative. ● Yes ○ No .. Data unavailable		

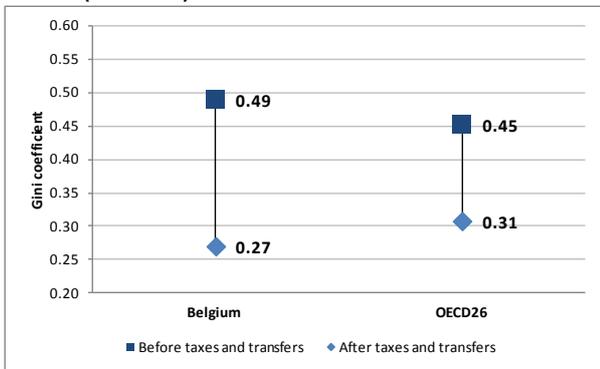
Belgium is among the 12 OECD member countries without a single-entry procurement website. However, public procurement information such as tender announcements, specific guidance on application procedures, selection and evaluation criteria, procurement plans, contract awards and contract modifications are published in domestic electronic newspapers and other websites. The Belgian Government has laws and/or policies in place to promote the use of digital signatures and the administration of public private partnerships in the implementation of e-government projects.

Source: OECD 2010 e-Government Survey and OECD 2010 Public Procurement Survey. [\[E-enabling laws\]](#) [\[E-procurement\]](#)

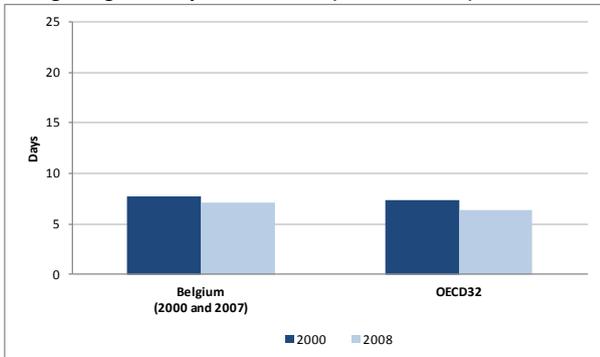
Tax efficiency: Total revenue body expenditures as a percentage of GDP and tax administration costs per 100 units of revenue (2005, 2007 and 2009)



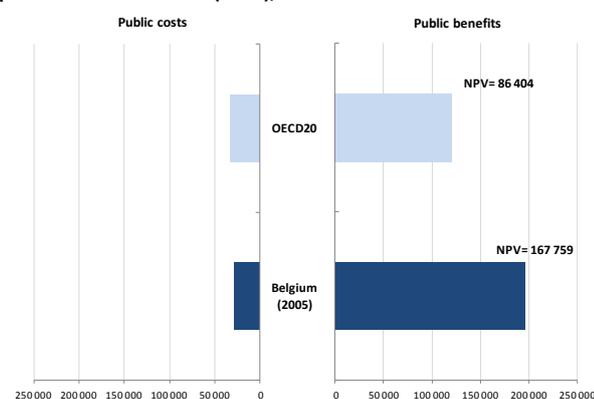
Differences in income inequality pre- and post-tax and government transfers (mid-2000s)



Average length of stay for acute care (2000 and 2008)



Public net present value for male obtaining tertiary education as part of initial education (2006), USD PPP



Growing fiscal constraints have led to increased attention on improving the efficiency of tax administrations. The “cost of collection ratio,” for instance, is one efficiency measure which compares the annual administration costs incurred by a revenue body with the total revenue collected over the course of a fiscal year. Over time, a decreasing trend could reflect greater efficiency in terms of lowered costs and/or improved tax compliance. In Belgium, the administration costs of collecting 100 units of revenue have remained stable from 2005 to 2009, decreasing only slightly between 2005 and 2007. During this same period, total revenue body expenditures have also decreased, however this remains nearly double the OECD average. A major restructuring of Belgian tax administration activities is currently being implemented. As part of this reform (known as the Coperfin Project), the existing tax type structure is being replaced by a structure based largely on three pillars reflecting specific segments of taxpayers (i.e. large taxpayers, SMEs and individuals) with audit centres working across the major taxes (i.e. personal tax, corporate tax and VAT).

Source: OECD (2011), Tax Administration in OECD and Selected Non-OECD countries: 2010 Comparative Information Series, OECD Publishing, Paris. [\[Total revenue body expenditures\]](#) [\[Tax administration costs per 100 units of revenue\]](#)

One method of assessing the effect of government tax and transfer policies on income inequality is by assessing a country’s Gini coefficient before and after taxes and transfers. The effect of government redistributive policies on income inequality is considerably higher in Belgium than the OECD average. Belgium achieved a 0.22 point reduction in its Gini coefficient following its tax and transfer policies, compared to an average 0.14 point reduction in OECD countries. On average, cash benefits in Belgium exceed 30% of household disposable income, which is among the highest rates in OECD countries. Belgium is amongst the 14 OECD countries with inequality levels which have been decreasing in recent years and are slightly below the average.

Source: OECD (2008), Growing Unequal? Income Distribution and Poverty in OECD Countries, OECD Publishing, Paris. [\[Differences in inequality\]](#)

The average length of stay (ALOS) for acute care indicates the average number of days that patients spend in hospital for curative care. Similar to other OECD countries, ALOS decreased from 7.7 days in 2000 to 7.1 days in 2007 in Belgium. This decrease however is less than that of the OECD average, where the reduction was about one day over roughly the same period. Over time, reductions in the ALOS could reflect efficiency gains, as it could signal that hospitals are expanding early discharge programmes, shifting to day-case surgery for suitable procedures, utilising less invasive procedures, and/or improving pre-admission assessment, all of which can help reduce costs. Too short a length of stay however could cause an adverse effect on health outcomes.

Source: OECD Health Data 2010. [\[ALOS for acute care\]](#)

Both government and society gain economic benefits from increased schooling. Obtaining a tertiary education helps people enter the labour market and earn more, thereby increasing government tax revenues. A more educated and employed population can also reduce the government obligations for benefits and social assistance. At around USD 167 800, Belgium’s public net present value (NPV) for a man obtaining tertiary education is the second highest in the OECD area. This measure represents the public economic returns to education after having accounted for the costs of this education. In the case of Belgium, the NPV is almost six times the net public investment in tertiary education, providing a strong incentive to expand higher education.

Source: OECD (2010), Education at a Glance 2010: OECD Indicators, OECD Publishing, Paris. [\[Public NPV of education\]](#)

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, outsourcing (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 2011*.

“Gross general government debt” refers to general government gross financial liabilities that require payments of principal and interest. For the European Union countries, gross public debt according to the Maastricht criteria is not presented here (see Annex Table 62 of OECD Economic Outlook No. 89). These data are not always comparable across countries due to different definitions or treatment of debt components. Gross debt is used rather than net debt due to the difficulties in making cross-country comparisons of the value of government-held assets, and because it is more relevant in the context of debt interest payments.

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 in Annex E at: www.oecd.org/gov/indicators/govataglance.

- The **delegation index** gathers data on the delegation of determining: the number and types of posts needed in an organisation, the allocation of the budget envelope, 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.
- The **performance assessment index** indicates the types of performance assessment tools and criteria used, and the extent to which assessments are 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 (PRP) 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.
- The **senior management index** looks at the extent to which separate management rules and practices (such as recruitment, performance management and PRP) are applied to senior civil servants, including the identification of potential senior civil servants early in their careers. The index is not an indicator of how well senior civil servants are managed or how they perform.
- The **strategic HRM index** looks at the extent to which centralised HRM bodies use performance assessments, capacity reviews and other tools to engage in and promote strategic workforce planning, including the use of HRM targets in the assessments of middle and top managers. The index does not reflect situations where strategic workforce planning has been delegated to the ministry/department/agency level.

Compensation data: Total compensation includes wages and salaries and employers’ social contributions (those to statutory social security schemes or privately funded social insurance schemes, as well as unfunded employee social benefits paid by the employer, including pension payments paid through the state budget rather than through employer social contributions (mostly for some pay-as-you-go systems)). In most cases data are for six central government ministries/departments only (interior, finance, justice, education, health and environment or their equivalents). Working time adjustment compensates for differences in time worked (both weekly working time and holidays). Compensation was converted to US dollars using purchasing power parities (PPPs) for GDP from the OECD National Accounts database. Differences in compensation policies can be the result of different bargaining powers; the state of the labour market (such as compensation in the private sector for similar positions); specific labour shortages; and the attractiveness of the government as an employer. While the survey uses the International Standard Classification of Occupations (ISCO) to standardise job categories, full comparability of responsibilities behind the occupational titles across countries presents difficulties in some cases. Annex D in *Government at a Glance 2011* fully details all limitations to data comparability, including those related to the measurement of employer’s social contributions (which were based on sources outside the survey for a number of countries, leading to potential inconsistencies).

Regulatory governance: The OECD average refers to the following number of countries:

- Functions of oversight bodies 2005: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.
- Functions of oversight bodies 2008: OECD34. Data for Chile, Estonia, Israel and Slovenia refer to 2009.
- Anticipating compliance and enforcement 2005 and 2008: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.

Tax efficiency: Tax administration efficiency ratios are influenced by differences in tax rates and the overall legislated tax burden; variations in the range and in the nature of taxes collected (including social contributions); macroeconomic conditions affecting tax receipts; and differences in the underlying cost structures resulting from institutional arrangements and/or the conduct of non-tax functions.

Differences in income inequality pre- and post-tax and government transfers: The values of the Gini coefficient range between 0 in the case of “perfect equality” (*i.e.* each share of the population gets the same share of income) and 1 in the case of “perfect inequality” (*i.e.* all income goes to the individual with the highest income). Redistribution is measured by comparing Gini coefficients for market income (*i.e.* gross of public cash transfers and household taxes) and for disposable income (*i.e.* net of transfers and taxes).

Public net present value for male obtaining tertiary education: Tertiary education refers to levels 5 and 6 in the International Standard Classification of Education (ISCED 97). Public costs include lost income tax receipts during the schooling years and public expenditures related to tertiary education. Public benefits include additional tax and social contribution receipts associated with higher earnings, and savings from transfers (housing benefits and social assistance) that the public sector does not have to pay above a certain level of earnings. The discount rate is set at 3%, which largely reflects the typical interest on an investment in long-term government bonds in an OECD country.