

Belgium 2014



Total: 77.13

Quick facts

Population:	11.2 million
Unemployment rate:	8.49 %
GDP:	534.67 billion \$
GDP growth rate:	1.04 %
GDP per capita:	47720 \$

Political Freedom

Free and Fair Elections : 10

Voters have possibility to change the government in Belgium through free and fair elections. Belgium is a limited monarchy with the bicameral federal parliament, House of Representatives as the lower house and the Senate. There is a wide range of political parties, but due to complicated state structure, sharp linguistic divisions and legal obstacles to operating outside one's own linguistic territory, no political party is active across the country. Elections are closely regulated by law. Voting in Belgium is mandatory for all citizens. According to the OSCE, there is still space for improvements in the electoral system, especially in the area of complaints.

Absence of Unconstitutional Veto Players : 10

There are no unconstitutional veto players in Belgium. Corruption in the country is rare and the police and military are under effective civilian control. Although anti-Semitism is forbidden by the law, rising anti-Semitic sentiments can pose threat to national security. Four people were killed in May in the attack at the Brussels Jewish Museum by the radical Islamic State activist.

Freedom of Press : 8.9

Freedom of the press and expression is guaranteed by the constitution and highly respected in Belgium. However, some limitations do exist to the freedom of expression. Thus, holocaust denial, defamation and hate speech are punishable by the law. A huge variety of media outlets are mostly

divided by the three linguistic Communities – Dutch/Flemish, French and German, each with its own media regulatory bodies. There is no violence against journalists or drastic cases of self-censorship.

Rule of Law

Independence of the Judiciary : 6.33

Belgian judiciary is independent from the executive branch of power. From the outset of independence and constitutionalism in 1830s, that was an unwritten principle, respected and regarded as a “general principle of law”. It is preserved through various means. Judges have a life long tenure. Salaries in judiciary and in the Prosecutor’s Office are determined by the act of Parliament. There are strict rules for prevention of conflict of interest by those who judge. Even though all the court rulings are spelled beginning with the header “in the name of the King”, that, taken the character of Belgium as a constitutional and parliamentary monarchy and free and democratic country, hardly means anything else than “in the name of the People” in other countries. Constitution of 1831 was amended several times, where after Belgium was transformed into a multiple federation (of three regions as well as of three linguistic communities, only partially overlapping). Through several consecutive reforms between 1980 and 2003, a Constitutional Court was built in its current form. Its duty is to interpret the Constitution, prevent and resolve conflicts of interest between constituents of the federation and protect equality, non-discrimination and other citizens’ rights. Its negative rulings on the constitutionality of some draft laws have usually led to amending those laws by the legislative. Rule of law generally prevails in civil and criminal matters brought to courts. Currently, the only complaints about the criminal justice system in Belgium, such as by Freedom House, point out at prison conditions, where in January 2014 there was a 22% overcrowding, and at one torture-suspicious death in custody in 2010 (which is still being investigated) as noted by Amnesty International. Also, there are complaints about racially or anti-immigrant motivated police violence or ill-treatment. Amnesty International has thereby suggested Belgium to strengthen its police complaints mechanism. Belgium is a member of the EU and accepts the jurisdiction of the European Court of Human Rights and of the Court of Justice of the EU.

Corruption : 7.5

Not much needs to be said about corruption in Belgium. Social market economy, long experience in building anti-corruption mechanisms and a highly developed citizens’ awareness have all narrowed the ground for and led to relative rareness of corruption. Known cases usually include just indirect responsibility of politicians. Thus, in March 2013, the Finance Minister resigned over allegations that a state owned bank provided favourable treatment to trade unions close to his political party. According to Transparency International’s Corruption Perception Index 2013, the country shared the rank 15 (of 177) with Barbados and Hong Kong. Global Corruption Barometer 2013 showed high awareness but perhaps even too strict judgment by citizens: among all areas of public life, political parties (by 67%) and religious authorities (56%) were most often perceived as corrupt.

Protection of Human Rights : 8.42

In most areas, Belgium respects the highest EU, OSCE and UN standards of human rights. Freedom of speech and media (including Internet), of assembly and gathering, academic freedom and many other are a norm. Church and state are separated, while politicians have rarely intervened, and that so far just verbally, and just over clear-cut cases of violent extremism disguised as religion. However, some small Christian groups complained about discrimination and a derogatory label “sects”. In the language policies, problems occur with using mother tongue outside one’s own linguistic environment. Regional or local authorities and many businesses often try to maintain monopoly of the locally spoken majority language. All those is severed because, unlike in Switzerland, there are many people who cannot, or do not want to speak or learn to speak any other official language of the country than their own. Education system does too little, while media almost nothing, to encourage bilingualism. Even bigger problems are with the “new minorities” (such as immigrant communities). Roma are sometimes forced to move out of the urban areas by a discretionary decision of a local government. Since 2010, women dressing strictly according to Islamic code have encountered a ban on partial or total covering of face in public places. On the other hand, equality of women is highly regarded. Government actively promotes it. There is a specialized anti-discrimination ombuds-body. In various legislative bodies women are represented by around 40%. Same-sex marriage (since 2003), same-sex couple’s adoption of children (since 2006) and euthanasia of terminally ill (since 2002) are all legalized.

Economic Freedom

Security of Property Rights : 6.47

Property rights in Belgium are overall well respected. Judiciary is mostly independent from outside influences and its proceedings are implemented. However, there are some indications that courts can sometimes be partial in their ruling. Legal enforcement of contracts is slow and inefficient which undermines the legal system. Procedures are usually lengthy and the cost of enforcement are high. There are some regulatory practices that restrict completely free change of real property ownership (such as the right of preemption of local authorities in the case of agricultural land, social or residential housing). The police force are reliable and crime does not impose significant costs to businesses.

Size of Government: Expenditures, Taxes, and Enterprises : 2.98

The state in Belgium is both extensive and expensive, although the government is not a proprietor of a large number of state owned enterprises (SOE) and consequently it is not significantly involved in the market (albeit in a regulatory manner). Main SOEs are the railway and postal systems, as well as telecommunications, which are not well managed when compared to the

international OECD practice (for example, the railway system is divided into two regional enterprises, which incurs higher cost). The real price of the state relies on the provision of welfare and redistribution, which hinders economic growth due to wrong incentives and very high taxes. Total government consumption stands at higher than a half of its annual GDP (54.5%). The company tax rate is 33,99% but the income tax has very progressive rates: from 25% as the minimum to even 50% as the maximum. Furthermore, public debt has exceeded 105%, which is a quarter of increase since the wake of the economic crisis, due to high budget deficits which and slow economic growth.

Regulation of Credit, Labour, and Business : 7.75

Business regulation in Belgium is overall business friendly, however bureaucracy cost can be high. The minimum wage is set relatively high at 48% of the average gross wage. Labour code law is not restrictive in the regulation of working hours or hiring section, but it incurs high cost for redundancies through high severance pay which increases with the longevity of the work tenure, and long notice periods for redundancy dismissals (up to 5 months). Another issue is centralized collective bargaining via tripartite negotiations which is dominantly present in certain industries and can be harmful to businesses. Setting up a business is easy and inexpensive, and the tax administration is professional not costly to comply with (apart from high tax rate). However, bureaucracy costs can be sometimes high, depending on the industry, while the administration requirements are very high, expensive and time consuming – especially in the section of registering property which can take up to 6 months, followed by construction permits.

Freedom to Trade Internationally : 8.78

As one of the founding members of the European Union, Belgium has been oriented to the international and the common market. This is in line with common economic sense for small countries which gain most from competition and international cooperation. Tariffs are low and in accordance with the EU common trade policy, and other regulatory trade barriers, such as accreditation, quotas and standardizations are few or easy and cheap to obtain. However, controls on the movement of migrant workers (excluding EU nationals) are enforced through working permits, which are difficult to be obtained. Belgium's main trade partners are its fellow members of the EU.