Annual National Report 2011

Pensions, Health Care and Long-term Care

Belgium

May 2011

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On behalf of the
European Commission
DG Employment, Social Affairs and Inclusion

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1 Executive Summary

Belgium weathered the economic and financial crisis relatively unscathed. Measures were taken to safeguard the competitiveness of the economy and to allow for a reduction of productivity, preventing many lay-offs. Meanwhile, the automatic stabilisers in the social protection system prevented harsh consequences for those affected. This, of course, comes at a price. Both budget deficit and sovereign debt increased during the economic and financial crisis, and much effort is undertaken to get the financial situation back under control.

This strategy seems effective, as Belgium is back on track to more healthy state finances and a balanced budget. This is partly the result of sound policy, but partly also of "austerity by necessity". Almost a year after the elections in June 2010, Belgium still has no government with full powers, leaving the caretaker government restricted in what it can do. This not only implies less new policy initiatives, but also less spending.

It however also means that long-standing problems remain unsolved. What is more, socio-economic issues have so far explicitly not been on the agenda of the negotiators. As a result, not only is there no evolution other than some minor changes in the systems, but there is also no trajectory towards consensus on how problems should be dealt with.

Thus, well-known problems in the social protection system persist. Many of these problems come with an ageing population and are not unique to Belgium. Other issues are more particular, such as those connected to the fragmented division of powers within the Belgian state.

The choice to date has been to explore how a changed division of competencies could allow for different approaches and for circumvention of conflict between clearly different societal viewpoints within the country. Compromise on this within the Belgian state structure remains elusive. The solution to the political deadlock can be found in any of three directions. Either the choice is made for what could be described as a decidedly "left" or "right" social policy; an agreement is reached whereby socio-economic themes are handed to the Regional rather than to the Federal level (allowing different Regional systems to emerge); or compromise is found between the different political and societal views. Standpoints on what is desirable or achievable diverge.

Whatever happens, decisive action is in order.

Change is perhaps most needed in the pension system. The first pillar system is organised into professional sub-systems with inequalities in terms of height of the benefit, long-term adequacy and treatment of early retirement. The second pillar system manages to correct some of the inadequacies, but brings forth new inequalities. It is clear that the nineteenth-century system will not stand up to twenty-first century challenges, however much its parameters are adapted.

Revising the pension system however requires, next to decisive policy action, a new social consensus on its functions and its equity. Efforts to reach agreement on direction have so far failed, and it is not clear how a future government will ever come to a consensus sufficient to make systemic changes.

Change is also needed in the health care system. Belgium offers high quality care to 99.6% of its population, but at too high cost, both for the social security system and for the citizen. Re-thinking how the system can be organised better and how cost-savings through preventive action can be encouraged, could yield important gains in terms of efficiency, quality and cost.

The current system whereby the health care budget is allowed to grow, automatically, by 4.5% per year on top of inflation, seems unnecessary and even detrimental.

The long-term care sector faces much the same challenges as the health care sector, as it is organised along a medical model of care delivery. Also here, however, fragmented powers make it difficult for both the Regional and Federal authorities to develop comprehensive policies.

The common element is that there is a need for open dialogue, and for clear and encompassing policy along which action can be undertaken. Indeed, inaction at the level of policy-making does not mean that nothing happens. It only means that choices made in the sometimes distant past are perpetuated, even in light of changed circumstances and even if these choices have long been proven to be ineffective.

This report covers events in the fields of pensions, health care and long-term care over the period January 2010 to May 2011.

2 Current Status, Reforms and the Political and Scientific Discourse during the previous Year (2010 until May 2011)

2.1 Overarching developments

As has been the case in previous years, the political situation in Belgium continues to hamper development and debate in the sphere of social protection. Federal Government has not succeeded in shedding the millstone of state reform discussions, with social-economic topics taking a backseat.

Without dwelling too much on political issues, some observations are nevertheless important. They explain why necessary reforms in the fields of pensions and health care have not yet been undertaken, and why the good economic performance of Belgium, however laudable, will not in itself solve the challenges associated with an ageing population. Moreover, sketching the broad lines of the discussion may help to interpret future developments.

Political situation

In our previous Annual Report, we explained the reasons for inaction at the Federal Government level in 2009 and in the first quarter of 2010. We also expressed the hope that new elections in June 2010 would bring clarity and solutions, and at least some policy action. However, more than a year after the previous government was forced to resign on 22 April 2010, a new government has yet to be installed.

It is not part of this report to offer political analysis or commentary, but some observations are nevertheless pertinent to the topic of pensions, health care and long-term care.

A first observation is that the election results have caused a schism in Belgian politics, and make reverting to "compromise as usual" improbable. In Flanders, the republican and liberally-oriented "New Flemish Alliance" (N-VA) won 27.8% of the votes, translating in 27 seats in the House of Representatives (out of 150) and 9 seats in the Senate (out of 40). In the French-speaking part of the country, the Belgium-oriented and leftist Socialist Party (PS) won 37.6%, or 26 seats in the House of Representatives and 7 in the Senate.

On many issues, including those relevant to this report, the positions of these two political formations are utterly opposite. Broadly speaking, the fault lines run along classic socialist-liberal contradictions, solidarity versus responsibility, more versus less government spending

and, particular for the Belgian situation, an emphasis on dealing with issues within the Belgian context versus transferring more powers to the Regions and Communities.

This political and ideological schism is important, as the composition of governments in the years to come will also reflect the position that turns out to gain the upper hand. For example, the Republican N-VA has proposed to split more parts of the unemployment insurance system, so that unemployment benefits in Flanders could be limited in duration and could be made dependent on more individual responsibility by the job-seeker. The Walloon Socialist Party however thinks of this as a breach of solidarity between economically richer Flanders and poorer Wallonia, and blocks any idea that might leave Walloons financially worse off. Similar contradiction is found when it comes to pensions and health care. Long-term care is already largely a competence of the Communities, but also here the debate continues.

Theoretically, a government can be formed without one of both victorious parties. For various reasons, however, none of the Flemish or Walloon parties are keen to form a government which does not contain both formations. Meanwhile, negotiations drag on and tension is high, with neither of the two sparring partners showing signs of backing down. In these circumstances, compromise to form a new government has of yet not been reached.

Meanwhile, the caretaker government under Prime Minister Yves Leterme governs within the confines of what is called "running affairs" ("*lopende zaken*" or "*affaires courantes*"). Strictly speaking, the concept does not stop a government from taking action on any topic, as long as parliamentary support is given. In practice however, it is customary for a caretaker government to not take any action which may limit the policy-room of the next government with full authority. Moreover, the caretaker government is composed of those political parties who have lost the elections and of the French-speaking Socialist Party (PS), leaving one of the election winners outside, and one inside of government. While the caretaker government is doing a good and important job in minding daily affairs and even in lowering the budget deficit, every decision that is not merely the execution of previous decisions is subject to support from a parliamentary majority.

A second observation is that, as a result of political strife, socio-economic issues are not at all on the political agenda today, and are in fact even explicitly excluded from government negotiations. Any evolution of social policy is therefore limited to the continuation of old policies, and to small changes in the margins of the system.

As no satisfactory compromise can be reached on issues that are now in the Federal remit, the Flemish Republican N-VA proposes a different solution, which is to simply transfer all matters on which disagreement between Regions exists to the Regions themselves. In this way, no compromise on different visions between the Regions is necessary. While the disappearance of Belgium is a long-term goal found in their party manifesto, the immediate concern is to make sure that every Region is given the tools to develop comprehensive policies, and to ensure all Regions take financial responsibility for their own choices.

The other Flemish political parties, to a greater or lesser degree, share this sentiment and are therefore not inclined to participate in a government that does not agree on further federalisation of Belgium, fearing even worse election results through the perception that they would "sell out".

Therefore, discussions up to this point have focused on administrative and legal state reform; not on what will be done afterwards with these powers or what can be done at the Federal level, should this reform not emerge. All we know about plans pertaining to reform of the content of the social protection systems is learned from election campaigns, from two notes – one published, one leaked – that were used during negotiations, and from the occasional

political statement along the way. No information is given on exactly why content compromise is not possible, what the exact current positions of the different negotiating parties are, or what big policy changes are planned should these power be transferred.

Outlooks

In essence, the discussion can go two ways. Either some compromise between ideologies is found on how to rationalise the social security system within the framework of a national system. Or no compromise is found and the responsibility to develop policy in these fields is transferred to the Regions. In the latter case, two different systems of social protection may emerge, with different characteristics and based on different societal visions.

A year into negotiations, the first option is seen as a near-impossibility. For decisive policy to emerge, it would almost be necessary for one of the viewpoints to take the upper hand – which would mean that one of the winners of the elections would not be involved in the Federal Government. Moreover, as the popular vote revealed distinctly different views on society, a choice for one or the other policy direction holds the risk of widespread dissatisfaction.

A choice for the second option would mean a rather dramatic re-arrangement of competencies, including those related to social security. This however does not imply a dramatic split of the country. Objectively speaking, it would merely be a further and not illogical step in the ongoing and by now irreversible evolution of Belgium towards a Federal State[1]; even if this is one with more far-reaching and unprecedented consequences in terms of social rights, the organisation of the social security system and the financing of social policies.

A third, much less appealing option is to simply not induce systemic changes, either by allowing the caretaker government to continue towards future new elections, or by compromising to the level of indecisive action. To us, this is not satisfactory. Whatever ideological or political direction is chosen, the overall social security system in Belgium needs at least thorough re-thinking, and probably also important re-engineering. The choice to do nothing implies that twenty-first century problems continue to be approached with tweaked nineteenth-century solutions. It also implies that past societal consensus on access, quality, adequacy and equity are perpetuated in spite of new ideas and different thoughts on what social security should accomplish.

Moreover, unchanged policy (meaning that no changes are made to what exists today) will clearly not suffice to reach the goals forwarded by the Belgian government in the 2011 National Reform Programme and will therefore not sufficiently contribute to the Europe 2020 agenda[2].

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[1] The evolution in Belgium is from a nation-state to a federal state, whereby competencies are gradually taken from the central level and given to the regional levels. At present, what is not explicitly given to the Regions and Communities is reserved for the Federal level. Regions and Communities are not subordinate to the Federal level and hold equal power in their respective territories.
A so far unimplemented provision in the Constitution allows for an arrangement whereby everthing is by default the responsibility of Regions or Communities, with only explicitly reserved responsibilities at the Federal level. To be implemented, agreement must be reached as to what would be done at the Federal level and, apparantly more problematically, what goes to the Regions and what to the Communities.

[2] This is confirmed by a recent statement made by the Federal Planning Bureau, where it is calculated that economic revival by itself would result in an employment rate of 69.7% by 2016, still a distance away from the 73.2% target for 2020. Federaal Planbureau, "Een scenario van krachtige groei van de economische activiteit en vooral van de werkgelegenheid in België", press release, 12 May 2011, http://www.plan.be/press/press_det.php?lang=nl&TM=30&IS=67&KeyPub=1041.

From recovery to austerity

In the face of political disagreement and the resulting policy-making and legislative inaction in many areas, Belgium is doing surprisingly well in economic terms. While this can partly be explained by the economic recovery in Europe as a whole, some measures and initiatives have certainly helped.

The anti-crisis measures enacted during the height of the economic crisis meant that jobs were mostly safeguarded through a significant decrease in productivity, meaning that the decrease of economic activity was counteracted by allowing the same number of people to work less. The automatic stabilisers in the social security system prevented harsh consequences for those laid off, and recovery measures did their part to soften the effects of the downturn. The crisis measures described in last year's Annual Report were mostly extended throughout 2010, with some adaptations and refinements.

The subsequent switch from recovery to austerity was largely incidental. Where the previous government succeeded to enact sound and effective recovery measures in 2009 and the beginning of 2010, and was prudent enough to make a state budget that ran until the end of 2010, the current caretaker government is restrained in spending by the ban on new policy initiatives, and can in principle only spend the same in a given month as that which was spent in the same month the year before.

Therefore, the initial idea to be stricter in 2010 and to loosen the reins in 2011, a planned election year, could not be executed. As a result, and thanks to economically better circumstances, the caretaker government spends a lot less than a government with full powers would have. If this continues, the state budget will show a balance a lot sooner than planned (with a 3.6% deficit planned in 2011 instead of the earlier projected 4.1% or the economically pessimistic scenario of 4.6%)[3].

A new Inter-professional (non) Agreement for 2011-2012

Inter-professional agreements (*IPA*) between the representative worker and employer organisations are an important element in Belgian social policy setting, and crucial to understand historic developments and certain peculiarities of the social protection system. The agreements are concluded for a period of two years, with the first one dating from as early as 1960. There were no agreements between 1976 and 1986, as the government at that time did not invite the social partners to conclude one – a result of the severe economic crisis of the seventies, and linked to the hike in oil prices at that time. When no agreement can be reached (which happened in 1996 and 2005), the Government takes the final decisions. This arrangement ensures acceptance of necessary reforms and a more balanced policy, thus avoiding social agitation. Its importance, role and tradition are deeply rooted in the Belgian social concertation model.

Under the system, issues concerning wages and working conditions, and concerning certain aspects of social security, are left to the social partners to discuss and agree upon. The importance of the Inter-Professional Agreement is that it translates directly into concrete implementation. Legally speaking however, the agreement is not executable as such, but requires the enactment of specific legislation.

As of 1996, negotiations between the social partners are no longer entirely free. From that year onwards, the Government decided to impose the "wage norm" (*loonnorm*), in order to

[3] The 2011 budget is scheduled to be put to the vote in Parliament in the third week of May, 2011. (http://www.dekamer.be/kvvcr/showpage.cfm?section=|pri|budget&language=nl&rightmenu=right_pri&story=2011.xml).

protect the competitive position of Belgium in comparison to the surrounding countries. In essence, the "wage norm" is meant to prevent wage costs rising faster than that of the most important trade partners (The Netherlands, Germany and France). To assess just how much room there is for discussion, a "Central Economic Council" (*Centrale Raad voor het Bedrijfsleven; Conseil Central de l'Économie*[4]) keeps track of the evolution of wage costs in these countries, and submits a technical report that contains the margins within which wage costs can rise in Belgium. This then is the same margin within which the social partners have to reach an agreement[5].

The **Inter-Professional Agreement for 2009-2010** was concluded on December 22nd, 2008[6], and was a rather remarkable edition as the margin for wage raises was very limited and had been defined as fixed sums, rather than (as is traditional) percentages. In summary, maintaining purchasing power of employees was guaranteed through indexation, while further wage cost increases were kept in check by agreeing only on very low margins of wage increase - € 125 in 2009 and € 250 in 2010[7].

One reason why the financial envelope for wage increase was kept so small, is that the social partners had taken into account an index change of +5.1% over the next two years, based on the record of previous years and predictions of continued economic growth. However, as the economic and financial crisis developed, inflation turned out to be much lower at 0% in 2009 and 1.6% in 2010 (compared to 4.49% in 2008 and 1.82% in 2007). As a result, the growth of wages in 2009 and 2010 turned out to be much less than the growth norm would have allowed.

The 2009-2010 IPA also contained measures meant to preserve purchasing power for social security benefits. Since 2006[8], a structural mechanism is in place to ensure that social security benefits (both in the employee and self-employed system) keep track of the evolution of wages. This mechanism is called the "prosperity bonus" (*welvaartsbonus*). It creates an obligation on the Government to decide every second year on a budget for adapting benefits. The act contains a minimum amount for this budget, but does not determine how the money should be split over the different benefits in social security. That is for the Government to decide, taking into account the advice of the social partners – who in other words decide on the priorities for Government focus. The mechanism was used for the first time in 2006, to

4 The "Central Economic Council" is an advisory body, composed of representatives of worker organisations and employer organisations. More information can be found on http://www.ccecrb.fgov.be/ (in Dutch or French). The "wage norm" for the years 2011-2012 is described in a technical report of 9 November 2010 (http://www.ccecrb.fgov.be/txt/nl/doc10-1600.pdf).

5 Note that the margin, a percentage, also must include indexation and other automatic adaptations that influence wage costs.

6 The full text of the agreement is accessible via http://www.cnt-nar.be/DOC-DIVERS/IPA-AIP/IPA%202009-2010-fr.pdf (French) or http://www.cnt-nar.be/DOC-DIVERS/IPA-AIP/IPA%202009-2010-NL.pdf (Dutch). The 2009-2010 Inter-Professional Agreement was described in the ASISP Annual Report 2009 (http://socialprotection.eu/files_db/208/asisp_ANR09_Belgium.pdf).

7 These figures are "per employee", but are not applied in a strictly linear fashion. How this money is utilised is to be determined via sectoral collective agreements. In practice, the total number of employees in an industrial sector will be multiplied by 125 or 250, resulting in the financial room for manoeuvring in that sector. One employee may therefore benefit more than another.

8 By virtue of the 2005 "Generation Pact" Act (discussed further – see pensions).

decide upon adaptations for 2007 and 2008[9]. The Inter-Professional Agreement for 2009-2010 contained new adaptations, some of which were enforced on 1 September 2010[10].

The "stimulus plan" (*relanceplan*) of the government, a set of measures that were meant to stimulate the economy and ease the exit out of the economic crisis, was to a large extent based on this 2009-2010 agreement.

Negotiations for the Inter-Professional Agreement 2011-2012 were finalised on 19 January 2011, after difficult discussions. The main points of the **draft agreement**[11] were a very limited scope of wage adaptations of no more than 0.3%, new adaptations of social security benefits, some first steps in the approximation of the different statuses of blue-collar and white-collar workers, and an agreement to order a study on the indexation mechanism.

These last two elements require further clarification.

The *distinction between blue-collar workers and white-collar workers* runs throughout Belgian labour and social security law. Different collective agreements apply, which bring forth different wage elements and social (security) provisions, and different responsibilities for both employers and employees[12]. Moreover, different labour law provisions result in different procedures and compensations in the case of termination of contract.

The real difference between manual and intellectual labour is no longer easy to make in today's society. However, the dichotomy has generated vested interests, with different trade unions, sectoral agreements and so forth. Particularly this factor may help to explain why, despite being debated for years, no definite progress had so far been made in designing and implementing a uniform statute for all workers.

Importantly, one of the measures meant to tackle the effects of the economic crisis already blurred the line between blue- and white-collar workers. In June 2009, a system was introduced whereby white-collar workers can be sidelined for a limited period of time, during which they receive unemployment benefit, topped up with a benefit from the employer. In essence, this measure allows transference of some of the wage cost bill to the social security system. Before this measure emerged, such a system only existed for blue-collar workers.

In the 2011-2012 IPA, a plan was included to introduce a uniform statute for both types of workers, with concrete measures concerning holiday pay, redundancy compensation, collective bargaining, temporary unemployment, and sick leave cost for the employer.

Indexation is a mechanism used to allow social benefits and wages increase along with the increase of consumer prices. The "index" itself is a mathematical value that is calculated taking into account the price of a collection of consumer goods and services. As prices increase due to inflation, the index itself also increases.

In the public sector, the adaptation of wages to the index is fixed by law. The same mechanism is used for social benefits, which therefore are automatically adjusted according to inflation. For wages in the private sector however, wage adaptation using the index is not

[9] A detailed overview of what has been decided prior to 2009 can be found on http://www.riziv.fgov.be/information/nl/studies/study33/pdf/study33.pdf.

[10] The list of adaptations is long and technical. For a more detailed overview, see DAUPHIN, Myriam and VAN DEN BERGH, Piet, "Het Interprofessioneel akkoord voor 2009-2010", in *Sociale Wegwijzer*, 2009/3, February 2009.

[11] The full text of the agreement can be consulted via http://www.abvv.be/c/document_library/get_file?uuid=28ce01f1-4385-4671-a999-86654c23f50b&groupId=10134.

[12] For example, sectoral second-pillar pension schemes have mostly been set up for blue-collar workers.

legally prescribed, but follows from sectoral collective agreements between the social partners and is part of the "wage norm". Indexation of wages is seen by many as an acquired right.

The desire of employers to open the door to a change in the mechanism or in the way the index itself is composed, was conceived as nothing less than a declaration of war against workers' interests. The compromise reached was that the system would be studied, and possibly would be discussed further at a later time.

The project text of the agreement was however rejected by the members of all but one of the trade unions, which meant that the issue was forwarded to the caretaker government for resolution. In the end, **several legislative initiatives** were taken to ensure

- that wages in Belgium do not increase by more than 0.3% over the course of 2011 and 2012, on top of the application of the indexation mechanism;
- that most of the anti-crisis measures are prolonged until the end of 2011;
- that a new system of temporary unemployment for white-collar workers will enter into force in January 2012;
- and that redundancy compensation for white-collar workers is gradually reduced, and for blue-collar workers gradually increased, from 2012 onwards.

As a result, the application of the indexation mechanism, and almost surely social peace, has been preserved.

2.2 Pensions

2.2.1 The system's characteristics and reforms

The **first pillar**[13] of the Belgian pension system consists of three provisions: the retirement pension, the survivor's pension, and a scheme called "Guaranteed Income for the Elderly" (*Inkomensgaratie Ouderen* or *IGO*)[14].

Different systems of **retirement pension** and survivor's pension exist for employees, for self-employed and for civil servants.

The legal retirement age is 65. Civil servants are prohibited from staying in service beyond that age but are of course not prevented from taking up other economic activity, while employees and self-employed may decide to simply continue to work. For all three categories,

[13] The fundamental difference between first, second and third pillar social security provisions is adequately reflected in this definition of social security: "Social security is a collection of redistributive arrangements intended to reach a situation of optimum protection against collectively recognised human damage. The first pillar consists of those regulations in which redistributive flows of finance are controlled by public institutions (defined by the OECD as "general government" and encompassing central government, local governments and social security institutions). The second and third pillars consist of social security regulations in which the redistributive flows of finance are controlled by private institutions. The second pillar is distinguished from the third pillar by its work-related character. This is expressed through the fact that such schemes are developed within an enterprise or an industrial sector, or within a professional category or group. Every individual, however, regardless of his professional status, is free to take part in the third pillar." Source: Onzichtbare pensioenen in België : een onderzoek naar de aard, de omvang en de verdeling van de tweede en derde pensioenpijler (eindrapport), GIESELINK, Gerhard, PEETERS, Hans, VAN GESTEL, Veerle et al, Gent, Academia Press, 2003. A summary of this report (in English) is available as an ISSA paper: http://www.issa.int/pdf/anvers03/topic4/2peeters.pdf.

[14] The "Guaranteed Income for the Elderly" is, strictly speaking, not a social security benefit, as it is financed from general taxation instead of from contributions. The system is a non-contributory benefit in the sense of the European Social Security Coordination Regulations.

a retirement pension cannot be combined with income derived from professional activity, with the exception of a low yearly amount.

Early retirement is possible from the age of 60. Employees and self-employed persons need to be able to prove the payment of contributions for at least 35 years in order to enter early retirement. An actuarial reduction in the pension calculation is only implemented in the scheme for self-employed persons, not in the employee scheme. Civil servants can enter early retirement from the age of 60 provided they have been in service for at least five years.

For employees, the amount of the benefit is calculated as a percentage of the (capped) average individual wage over the period between 20 years of age and the normal pension age (75% for retired employees who have dependents without other income; 60% for all other employees).

The benefit for self-employed persons is determined differently, on the basis of a low, flat-rate business income per year for the years prior to 1984, or of the (capped) business income for the subsequent years. Again, 75% is paid as a family pension, while 60% is paid for individuals.

For civil servants, benefits are based not on the wages over the whole career, but on the average wage in the last five years of service. While different provisions may apply, in general, that amount is then divided by 60, and multiplied by the total number of service years taken into account. This calculation results in a maximum pension equal to 3/4ths of the final wage, explaining why the pension replacement rate is the highest for civil servants. Conceptually, pensions for civil servants are seen as a form of "delayed wages", rather than insurance-based benefits. Seen as an individual right, the benefit is not adapted to the family situation.

In all three systems, periods can be taken into account for which no contributions have been paid (so-called "equalised periods"). The way this is handled differs among the systems.

Ceilings apply to the amounts taken into account to calculate the benefit (except for civil servants), but not to the amount on which contributions are paid.

Pension benefits are adapted to the evolution of consumer prices through indexation[15]. In addition, the pension benefit for civil servants keeps track of wage increases granted to those still in the same service position, through a system called *perequatie*[16].

Survivor's pensions are paid to the surviving spouse of an employee, self-employed or civil servant, who himself or herself is at least 45 years of age. The amount of the survivor's pension is 80% of the pension benefit of the deceased. Further specific conditions and modalities apply. In the system for civil servants, orphans benefit from an additional and separate pension.

The statutory pension system in Belgium contains several mechanisms to ensure that the amount of the pension reaches a certain level.

An important mechanism to ensure adequate levels of pensions is the minimum right per year of work. Because pensions are calculated as a percentage of previously earned (capped and re-

[15] For example, in September 2010 and April 2011, first pillar pensions were raised by 2% (including the Guaranteed Income for the Elderly).

[16] *Perequatie* is a mechanism that ensures that the pension amount of a retired civil servant goes up, every time the maximum of the remuneration scale that is applied to the last level he or she was on, goes up also. In practice, the pension amount is re-calculated every other year according to a *perequatiecoëfficiënt*. This coefficient expresses the relation between the pension amount and the maximum wage applied to the last function classification of the pensioner on the date on which the pension starts. This coefficient is then applied to the new maximum wage of his or her last position.

evaluated) wages, low wages can lead to low pension rights. The mechanism compares the re-evaluated wage in a particular year with the minimum wage, and takes into account the highest amount. The mechanism of minimum right per year of career was introduced in 1996. The notional minimum was raised by 17% in the framework of the "Generation Pact" (2005). Both the original setup and the increase logically should benefit women, due to generally lower wage levels.

A minimum pension is granted to persons who have worked at least 30 years (for at least half time). Before the Generation Pact of 2005, the minimum pension was only granted to those with a minimum of 30 years of work with a full-time contract. The adaptation in the mechanism of minimum pensions are also said to benefit women, as the percentage of women working part time is significantly higher than that of men (41.5% versus 8.6% in 2009 and 42.3% versus 9% in 2010[17]).

Once the right to a minimum pension is established, the amount is then calculated on the basis of the career. This calculation is complex, and can lead to different amounts depending on the exact composition and placement of working periods.

When pension rights are not sufficient, a person has the right to a means-tested ***Guaranteed Income for the Elderly (IGO)***. This *IGO*, paid on top of whatever pension right is acquired, is slightly more generous than normal social assistance benefits. Furthermore, conditions for pensioners who live together with other family members (for example, their children) are changed favourably, meaning that the income of these other family members is no longer taken into account when the level of the *IGO* is determined. However, the benefit offered remains under the relative poverty line.

Second pillar pensions in Belgium encompass all forms of supplementary pension rights in connection to professional activity. These are the pension arrangements (other than the first pillar system) in which one can or must participate on the grounds of his or her professional activity.

The second pillar pension system is regulated by the 2003 Act on Supplementary Pensions[18] which creates socio-economic protection for supplementary pensions that are agreed on the level of the company or the sector of industry, and which determines the rules under which a second pillar system can be constituted. It further introduces fiscal measures to encourage take-up of the second pillar system, having observed that second pillar systems were until then almost exclusively joined by high wage earners – those for who the replacement rate of the statutory system is the lowest[19]. Second pillar pensions can be paid out either as a periodic payment, or in the form of a lump sum. An individual always has the choice to opt for periodic payments.

For employed persons, these are:

- "group company pensions" (financed through group insurance or a pension fund);
- "individual company pensions" (benefiting an individual employee, and subject to

[17] Eurostat: http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&init=1&pcode=tps00159&language=en.

[18] Wet van 28 april 2003 betreffende de aanvullende pensioenen en het belastingstelsel van die pensioenen en van somige aanvullende voordelen inzake sociale zekerheid, *Belgisch Staatsblad*, 15 May 2003.

[19] Figures on participation illustrate this policy concern: in 1999, a maximum of 30% of employees participated in a group company pension or a sector pension. Fiscal data for the same year shows that 80% of the total volume of benefits paid went out to 20% of the recipients. For a more detailed analysis of data prior to 2003, see GIESELINK, PEETERS, VAN GESTEL et al., 2003.

strict conditions to ensure its occasional rather than systematic character[20]);

- "sectoral pensions" (created on the basis of a collective agreement within a joint committee or sub-committee, obliging the employer in these sectors of industry to undertake pensions for all employees who fall within the scope of the collective agreement[21]).

While the first two types of arrangements are created on the basis of a unilateral decision by the employer, the sectoral pensions are based on collective bargaining.

For self-employed persons, the provisions of the second pillar contain:

- the free supplementary pension for the self-employed, which operates as an individual life insurance policy and is accessible to all self-employed;
- the supplementary pension for certain liberal professions (an opportunity given to members of certain professions through recognised pension funds, set up by the group of professionals concerned[22]);
- the supplementary pension for self-employed managers (some self-employed managers can participate in a group company scheme or benefit from an individual company pension).

At the end of 2010, more than half of those with a self-employed activity as their main economic activity contributed to the system (compared to 38% in 2007 and 27% in 2005). The number of participants under the age of 25 has risen by 30% from 2006 to 2007[23].

The **third pillar** of the pension system includes different saving schemes with different fiscal treatment. In this respect, individual life insurance is to be distinguished from saving-based pension schemes. While the concept is similar, tax treatment of both arrangements is quite different.

Within this three-pillar framework, policy evolution and reform in Belgium is characterised by an incremental approach, rather than by big changes. The emphasis is on evolution, not revolution, and on budget measures rather than on a re-thinking of the fundamental underlying principles of the system. In recent years, the system has further evolved mainly

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[20] Individual company pensions are only permissible when awarded in rare cases. This restriction is put in place to avoid an obvious "work-around" in order not to have to establish group company pensions. Even if the employer is free regarding categories of staff to include in group company pensions, unlawful distinctions can not be made.

[21] The 2003 Act put the sectoral pension arrangements under the same legislative framework as the other second pillar arrangements, and entrusted the Banking, Finance and Insurance Commission to issue biennial reports. In its 2009 report, the Commission concludes that the majority of beneficiaries (81%) of these types of second pillar pensions are blue-collar workers, and mostly males (88%). The Commission also reports that sectoral pensions are common in some sectors, but almost completely absent in others. In those sectors of the economy where sectoral pensions are agreed upon, the vast majority of workers participate. For a detailed analysis (based on figures spanning the years 2006-2007), see Banking, Finance and Insurance Commission, Biennial Report concerning Supplementary Pensions, 2009. (http://cbfa.be/nl/publications/ver/pdf/cbfa_sp_2009.pdf). Note that this report deals with sectoral pensions only, and not with group company pensions or individual company pensions.

[22] The Provident Fund for Doctors, Dentists and Pharmacists (Dutch: Voorzorgskas voor Geneesheren, Tandartsen en Apothekers - VKG), the Provident Fund for Pharmacists (Dutch: Voorzorgskas voor Apothekers - VKA), the Supplementary Pension Fund for Notaries (Dutch: aanvullend pensioenfonds voor het Notariaat) and the Provident Fund for Lawyers and Process Servers (Dutch: Voorzorgskas voor Advocaten en Gerechtsdeurwaarders).

[23] Financial Services and Markets Authority (previously: Banking, Finance and Insurance Commission), Biennial Report on the Free Supplementary Pension for Self-Employed, 2009 (http://www.fsma.be/nl/Supervision/pensions/ap/apzs/Article/reportszs/bisannual.aspx); the latest figures are obtained from http://www.assuralia.be.

through the continuation of changes set in motion through earlier measures. Four important points deserve attention in this respect, as they set the agenda and contain the information necessary for assessing current evolution.

The first important text is the 1996 Act on the sustainability of pensions[24], which introduced

a) the equalisation of the pension age of men and women (by gradually raising the pension age for women from 60 to 65, by 2009),

b) the introduction of changes in the calculation of pension amounts which benefit women in particular, and

c) an increase in the replacement rate by linking the capped wage that is considered for the pension calculation to the evolution of wages, and through a re-evaluation of the minimum pension and the residual social assistance scheme (guaranteed income for the elderly).

Secondly, the 2001 Act on the institution of the "Silver Fund" (*Zilverfonds*)[25] is to be mentioned. This Fund was created to build financial reserves that can be used to finance the extra obligations of the legal pension system when the "baby boom generation" will reach the legal pension age (between 2010 and 2030), and was meant to be financed by surpluses on the State budget, investments, non-fiscal income and – primarily – savings made through reducing the public debt. This strategy has however clearly failed.

By the same Act, a "Study Committee on Ageing" (*Studiecommissie vergrijzing*) was created and commissioned to deliver yearly reports on the long-term budgetary impact of ageing where it concerns social security and social assistance (not limited to pensions). These yearly findings are important, as they form the basis on which the High Council of Finance[26] (an entity within the Federal Public Service Finance) formulates its own recommendations. The two reports together then form the basis for an appendix to the budget (the "Silver Note" or *Zilvernota*), in which the Government outlines the policy concerning the challenges encountered. The activities of the Study Committee on Ageing are thus institutionalised[27].

Thirdly, the 2003 Act on Supplementary Pensions, which regulates the second pillar pension system (see above).

Lastly, the 2005 Generation Pact[28] contains measures to activate older workers (stricter rules for the system of "bridging pensions" and the emergence of a "pension bonus"), and changes made to the level of the benefits (the so-called "prosperity bonus" or *welvaartsbonus*). Concerning early retirement (from the age of 60 onwards), the Generation Pact of 2005 raised the minimum workspan requirement from 30 years to 35 years. It should be noted that the income one can receive on top of an early retirement pension is much more restricted than it

[24] Wet van 26 juli 1996 tot modernisering van de sociale zekerheid en tot vrijwaring van de leefbaarheid van de wettelijke pensioenstelsels, *Belgisch Staatsblad*, 1 August 1996.

[25] Wet van 5 September 2001 tot waarborging van een voortdurende vermindering van de overheidsschuld en tot oprichting van een Zilverfonds, *Belgisch Staatsblad*, 14 September 2001.

[26] See http://docufin.fgov.be/intersalgen/hrfcsf/onzedienst/Onzedienst.htm.

[27] The 2011 budget law, as submitted to the parliament for vote, does not contain a "Silver Note". See the explanatory note on the 2011 budget: http://www.begroting.be/portal/page/portal/INTERNET_pagegroup/BEGROTING_ONLINE_2010/AT042011.pdf. See also the assessment of the law by the Belgian Court of Audit: http://www.lachambre.be/FLWB/PDF/53/1347/53K1347003.pdf. Note that the fact that there will be a budget made by a caretaker government is, in itself, a unique event.

[28] Wet van 23 December 2005 betreffende het generatiepact, *Belgisch Staatsblad*, December 30, 2005. For a detailed overview of all the measures contained in this law, see http://www.sd.be/site/NR/rdonlyres/DCCB3D2D-0991-4F8B-BDD1-6E2A854C6F32/0/GPwetoverzichtsartikel_NL_060131.pdf.

is for those who wish to work after the legal pension age. The Generation Pact is planned to be thoroughly assessed in the first quarter of 2012. This assessment is an obligation that transpires from the pact itself.

These four policy initiatives and their implementation today constitute the scope of pension reforms in Belgium and are reflected in the policy goals and overall intentions to date. No fundamental changes have been made to the pension system in 2010 and early 2011.

However, some important parametric changes can be noted:

- In April 2010, the system of "bridging pensions" (*brugpensioen*) became more expensive for employers[29]. Before the change, employers were required to pay a fixed-sum contribution on the additional benefit paid to the employee, with no regard to the amount of this benefit. This fixed-sum contribution is now replaced by a percentage which varies according to the age of the employee for which the system is implemented – the younger the employee, the higher the percentage. The goal of this measure is to discourage the use of the "bridging pension" system. However, the benefit for the employee and the conditions under which the system can be used remained untouched.
- Concerning the provision of information towards existing and future pensioners, a new web service by the National Office for Pensions now offers the citizen the opportunity to consult the data that is available in the social security information system[30]. When securely identified using an electronic identity card or a token card, citizens can now see their own file and can make simulations on their pension benefits. This is a vast improvement over the previous system, where citizens had to enter data themselves and were hindered to do so correctly due to the use of specialised administrative terms. Moreover, citizens can now easily assess the effect of decisions to enter retirement or to work longer.
- A small change made in the beginning of 2011 may however prove important. As the Belgian pensions system presumes that one should stop working at the age of 65, income earned beyond that age was not taken into account into the calculation of a pension. In other words, someone who only started working at an age later than twenty could never build up a full pension, which is based on a career of 45 years in length.

  An initiative taken in March 2011 changed this by adding the rule that income gained by persons older than 65 also will be considered for the calculation of a pension. While people are in principle still not allowed to combine a pension benefit and a professional income, at least the years worked will no longer be lost for the pension calculation[31].
- Also worth mentioning is a new "transitory premium" which offers temporary compensation to employees over the age of 50 who change positions within the same

[29] The Belgian "bridging pension" is not a pension as such, but an unemployment benefit granted to older workers who lose their employment and are some years away from the official retirement age. The unemployment benefit is supplemented by an additional benefit paid by the employer, and the worker is no longer expected to take up new employment. The system is meant to "bridge the gap" between the last employment and retirement and is popular as it softens the social consequences of important lay-offs. Attempts made over the years to limit the use of the system have proved inconsequential, creating tension between the goal to keep people at work longer, and the desire to maintain this exception especially in constituencies where big lay-offs and company closures are expected.

[30] www.mypension.be.

[31] An interesting detail is that this change was made on the intitiative of members of parliament of the N-VA and the PS, together.

company (from heavier duties to lighter duties) and who experience a wage reduction as a result[32], and the creation of a new set of notional periods which make sure that employees who saw their working time temporarily reduced through the use of one of the crisis measures, suffer no ill effects when it comes to the calculation of their pension[33].

- Finally, in August 2010, the minimum pension benefit for self-employed was raised by € 20 for a family pension and € 25 for an individual pension. The minimum amounts are however still lower than those in the employee scheme.

2.2.2 Debates and political discourse

The problems with which the Belgian pension system has to cope are well-known. Population ageing is expected to put considerable strain on the system[34], which is not at all equipped to deliver adequate pensions at a reasonable cost. Questions concerning early retirement, the inclusion of periods for which no contributions have been paid, the high cost in terms of solidarity, the adequacy of the benefits, inequalities derived from the different types of pensions, ... are well-documented.

Moreover, the Belgian pension system hardly offers any incentive to work until the age of 65. This is the result of system design, whereby benefits are capped but contributions are not. What is more, the system penalises working beyond the legal pension age by prohibiting the combination of pension benefits and professional income (except when this income does not exceed a limited annual amount).

The only real incentive to work longer than the age of 62, the "pension bonus", had almost silently fallen victim to the political situation. The pension bonus, introduced by the 2005 Generation Pact, offers an extra benefit to those who decide to work longer than the age of 62, or beyond a career of 44 years. The extra benefit is paid on top of the retirement pension and is rather important, at € 2.1648 per day of extra activity, which translates into a top-up of around € 50 gross benefit per month, per extra year of activity.

According to the Generation Pact however, this arrangement will end on 31 December 2012. On 13 April 2011, the Pensions Ombudsman noted in his annual report that the extinction of this measure would have an adverse effect on the real retirement age[35]. Pensioners who would retire after 1 January 2013 would not be able to receive the bonus at all, and would therefore be prompted to retire before that date. As many pensioners request a pension a year before the actual retirement date (to make sure that all calculations are finalised), that would mean that decisions on this basis would be made by the end of 2011.

Asked to remedy this situation, the Minister for Pensions could do nothing other than to respond that this would not be within the powers of a caretaker government. On the initiative

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[32] Royal Decree of 19 April 2010, entering into force from 1 May 2010 onwards, *Belgisch Staatsblad*, 27 April 2010, 23106.

[33] Royal Decree of 6 December 2009, entering into force retroactively from 25 June 2009 onwards, *Belgisch Staatsblad*, 17 May 2010, 27158.

[34] For a recent assessment of the costs and consequences of an ageing population, see the 2009 year report of the Study Committee on Ageing, published in June 2010 and accessible via http://www.plan.be/publications/publication_det.php?lang=nl&TM=30&IS=63&KeyPub=969. In its previous report, the Study Committee on Ageing estimated the cost of ageing at 8.2% of GDP between 2008 and 2060, with the overall decrease in GDP due to the crisis inflating the number. In the 2009 report, the additional cost for the period 2009-2060 is estimated to amount to 6.3% of GDP. Nominally lower, but in effect 0.1% higher when the differences in GDP are taken into account.

[35] "Jaarverslag 2010 van de Ombudsdienst Pensioenen", April 2011 (http://www.ombudsmanpensioenen.be/nl/publications/2010.htm#2010).

of a group of Parliamentarians, a proposal has therefore been tabled to extend the measure by one year. This proposal is supported by all parties present in Parliament, and will surely become law in the months to come[36].

At the same time, the proposal aims to improve the inefficient communication surrounding the Pension Bonus. Data shows that no more than 19% of present and future retirees are aware of the system, and the report of the Ombudsman contains cases where individuals who requested information on their future pension were not even informed of the possibility of working for longer. The project text therefore includes the obligation for pension services to inform citizens about their right to the Pension Bonus.

Like all other measures in the Generation Pact, the Pension Bonus will be evaluated soon. This evaluation is required, by law, to be finished by the second quarter of 2012, at which time the concrete impact of the measure (and whether or not increased visibility made a difference) will become apparent[37].

In the same period and following the same annual report by the Pensions Ombudsman, discussion ensued concerning the Income Guarantee for the Elderly. Eligibility for this benefit is assessed proactively by the Pension Office for those who reach the legal pension age or apply for a pension, and should also be automatically and periodically assessed for those who are already retired. The latter however doesn't appear to occur as much as it should. The publicity has prompted a reply from the Pension Office, promising to catch up and improve in the future[38].

Thorough political debate on the future of the pension system is however remarkably limited. While all political parties have clear ideas, there does not seem to be an effort to compare positions, let alone to discuss how the ideas of one party could complement the ideas of another. Amidst all the positioning, there is not much conversation concerning how changes are to be achieved and, more importantly, what the pension system should become in terms of adequacy and equity. Moreover, the discourse from political parties rarely makes use of creative solutions. In a sense this is logical, as the political situation so far, for various reasons, does not foster the forming of compromise over socio-economic issues.

Societal debate tends to be more explicit, with trade unions, employer organisations and think-tanks taking turns to publish suggestions and sometimes even worked-out solutions. Very recently, the independent but liberal-oriented think-tank Itinera Institute published one such detailed, elaborate and coherent proposal to reform the pension system[39]. One of the proposed solutions is to let go of the obligatory pension age of 65, and to come to an average pension age of 70 by the year 2050. Persons reaching the age of 60 would then be allowed to determine individually how long they would wish to continue working, and to diminish working time to 50%. From 60 years onwards, a half-time pension could be claimed. Full retirement before the age of 65 would be discouraged through a lowering calculation

[36] "Wetsvoorstel tot verlenging van de pensioenbonus voor werknemers en zelfstandigen", 29 April 2011, proposal number 53K1411001, pending (see http://www.dekamer.be/kvvcr/showpage.cfm?section=/flwb&language=nl&rightmenu=right&cfm=flwbn.cfm?lang=N&legislat=53&dossierID=1411).

[37] Figures quoted in the press suggest that the number of pensioners receiving the bonus has risen from 10.9% to 14.5% over the course of four years, which would mean that there is a trend towards working longer. A source for these figures was however not provided.

[38] See the statement published on the website of the Federal Public Service for Social Integration, http://www.mi-is.be/be-nl/doc/armoedebeleid/inkomensgarantie-voor-ouderen.

[39] VAN DE CLOOT, Ivan and HINDRIKS, Jean, "Onze pensioenerfenis. Hoe de pensioenuitdaging aangaan.", May 2011, 180p, accessed on 15 May 2011 at http://www.itinerainstitute.org/upl/1/default/doc/Itinera_binnen_NL_DEF.PDF

mechanism. To allow greater numbers of older people to participate in the labour market, the system whereby higher wages are expected on the grounds of a longer working experience would have to be abandoned[40].

While both supportive and critical reactions were not surprising, the proposal has the merit of being clear, precise and calculated. Equally detailed responses may help to clarify the debate, and to reveal the consequences of choices and positions.

As early as 27 November 2008, government took action to foster the indispensable societal debate. On that date, the **"National Conference for Pensions"** was launched with the ambition to host discussions and to reach wide consensus on the future of the pension system, and in the end to formulate concrete policy advice which would then be taken into account by Government to reform the system.

The mission of the National Conference is two-fold: to reform and enforce the pension system, and to initiate revision of how pensions are calculated (with attention to problems connected to mobility between the different systems) and how it stands up to new challenges concerning ageing and to the specific situation of certain categories of employees (such as part-time workers and non-civil servants working in government service)[41]. The proclaimed time-frame within which conclusions should have been reached was one year.

The wide societal debate however turned out to be limited from the start – only the established social partners, parties from the ruling government, pension administrations and experts were invited to take part. Organisations of pensioners were allowed to comment on only one part of the activities, and others were entirely kept out of the debate.

With the entry of Mr. Michel Daerden as the new Minister for Pensions (July 2009) the National Conference on Pensions (which started under the previous minister, Mrs. Marie Arena) continued its activities. In late March 2010 it finally produced a result, in the form of a Green Paper (*Groenboek*) on the future of pensions[42].

The announcement and presentation of this deliverable was surrounded by controversy and political spectacle. Not because of its content, but because of the way it was announced and communicated. This in itself holds no relevance for this report, except for the fact that these events brought about high media coverage, and a revival of the pension debate by societal actors in the first half of 2010.

The government fell on 22 April 2010, and during the short campaign before the June 2010 elections, the debate was dominated by the difficult question of how (and to what extent) to redistribute powers between the distinct government levels.

The National Conference for Pensions itself, meanwhile, rapidly become irrelevant. The schedule of further activities included a round of presentations and debates in five cities across the country in order to obtain societal input, and the drafting of a "White Paper" which

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[40] This mechanism of higher wages for older workers with longer careers ("ancienniteit") is entrenched in Belgian wage-setting practice and regulation. As a result, older workers often are thought to have become too expensive for employers to hire or maintain.

[41] The political basis for the "National Conference for Pensions" is found in the coalition agreement of March 18, 2008, 13-15. The full text of the coalition agreement can be consulted here: http://www.fedweb.belgium.be/fr/a_propos_de_l_organisation/administration_federale/politique/accord_de_gouvernement/index.jsp (French) and http://www.fedweb.belgium.be/nl/over_de_organisatie/over_de_federale_overheid/Beleid/regeerakkoord/index.jsp (Dutch).

[42] Nationale Pensioenconferentie, Groen Boek – Een toekomst voor onze pensioenen, April 2010, 415 (http://www.pensioenconferentie.be/pdf/NL/groen_boek.pdf); presented to the Council of Ministers on 25 March 2010.

should contain policy recommendations and choices, to be delivered "in the second half of 2010". But as the National Conference only involves the ruling political parties, the administrations and the established social partners, any outcome would hold little legitimacy as a "social consensus" and would in any case be criticised as a caretaker government setting the agenda for a subsequent one. Today, in May 2011, socio-economic themes (of which the pension question is one) are said to finally be on the negotiation agenda. In light of this debate and awaiting the evaluation of the Generation Pact later on, there is little possibility of any real results emerging from the process.

Irrespective of its final results, the National Conference for Pensions has so far disappointed in three important ways.

Firstly, by not fostering true national debate amongst different stakeholders and refusing to involve players outside of the establishment, who have now been left to debate the issue in the press. As a result, the activities of the National Conference for Pensions have proceeded under a veil of non-communication and perceived secrecy, raising suspicions as to its goal.

Secondly, by not fulfilling the expectations one would have from a Green Paper. Indeed, the report does not contain the outlines of planned policy, but only brings together analyses of the current situation, the most problematic points, and data on reforms undertaken in other countries. It contains 130 questions to be answered, but no plan or viewpoint is advanced that could be debated; only a direction in which a solution should be sought.

Thirdly, by setting the boundaries within which answers will be sought (and on which the White Paper should expand) to those solutions that were then acceptable for the parties in the ruling coalition[43]: a return of budgetary equilibrium by 2015, a raise in participation in the labour market (with raising the effective retirement age by 3 years by the year 2030 as a proposed solution), and reviews of the financing mechanisms (i.e. through the "Silver Fund"). These are solutions which have clearly failed in the past, and are not expected to bring solace for the future.

In summary, the pension problem in Belgium does not receive the debate it deserves. The system needs major overhauling, which in turns requires new consensus on what is adequate and what is fair in terms of solidarity versus personal responsibility – a new "Generation Pact". Previous years have shown that the issue is not to be entrusted to the political parties or the social partners alone. However, how thorough, calm and widespread debate is to be organised in the current political climate is unclear.

2.2.3 Impact of EU social policies on the national level

Bearing witness to the trouble in forming a government after the June 2010 elections, the Belgian government has not filed a response to the EU Green Paper on Pensions[44]. Employer and worker organisations have been more vocal. Not surprisingly, the viewpoints of the latter two are quite different and carry elements of the national debate on which compromise eventually will need to be found. The positioning of the two social partners carry clarifications as to their respective wish-lists where it comes to internal (national) reforms,

[43] The activities of the National Conference on Pensions are obviously guided by political considerations. It's conclusions are therefore subject to a kind of "pre-compromise", and thus leave out options that could objectively be defended (e.g. raising the legal retirement age), but do not fit the viewpoint of the different stakeholders.

[44] Note that the consultation period lasted from 7 July 2010 to 15 November 2010. The elections in Belgium were held on 13 June 2010.

and are to a large extent also reflected in the standpoints of political parties, which provides us with a glimpse of the debate as it would be held on that level[45].

The basic premise of the trade unions is that the legal pension system (first pillar system) is the best system to ensure sustainability, adequacy and equity and should be extended. Across-the-board measures such as an increase of the legal pension age or coupling pension rights to life expectancy are undesirable, and more emphasis is put on taking into account the content of individual careers and on automated mechanisms to adopt the benefits themselves to life expectancy, rises in consumer prices and increases in overall wages.

The employer organisations on the other hand perceive the legal system as too costly to widen, presently already adequate enough, and unjust due to a too high level of solidarity. Much more emphasis is put on capital-funded second pillar pension arrangements, which should be made obligatory.

Both the trade unions and the employer organisations remark that the European Union has no business interfering in the national pension system of a Member State, and should limit itself to setting social standards and targets within the boundaries of the principle of subsidiarity. This argument carries more weight for the trade unions, as they emphasise the role of first pillar pension provisions and as they criticise the increased role of economists and the decreased role of social scientists.

This observation also needs to be placed against the backgrounds of a non-acting government and a lingering fear of (or desire for) international markets forcing Belgium to push through harsh reforms. Indeed, as Belgium bears an important sovereign debt for which the cheapest possible financing needs to be found, much of the prudent house-keeping of the caretaker government is inspired by wariness of the reaction of international markets.

Likewise, recent EU policy to keep closer checks on the budgets of the Member States causes discomfort and puts pressure on the negotiations. The suggestion to raise the pension age to 67, on the other hand, was quickly discarded as being irrelevant for the Belgian situation, at least until the real retirement in Belgium has been raised.

2.2.4 Impact assessment

As was the case in previous years, the usual reports by the Study Committee for Ageing, the Silver Fund and the Federal Planning Bureau are also available in 2010. Publications from these organisations offer relevant and important information and are required reading. However, in themselves they offer little news – they describe situations and make projections based on the presumption of unchanged policy. At the same time, nobody doubts that policies need to be changed, and few believe that these changes could be merely parametric.

Any serious debate on systemic changes of course needs to take the current situation into account. It is easy to say that we should all work longer, but less easy to identify how long we work today, why, and how much longer we should work. An important contribution to provide objective information is the Pension Atlas (*Pensioenatlas*)[46], which offers the most

[45] A summary of the viewpoints can be found in the presentation notes accompanying a lecture held at the KU Leuven on 15 March 2011 (see http://www.law.kuleuven.be/leergangpensioenrecht/presentaties.pdf).

[46] BERGHMAN, J., DEBELS, A., VANDENPLAS, H., VERLEDEN, F., MUTSAERTS, A., PEETERS, H. and VERPOORTEN, R. (2010), De Belgische pensioenatlas 2010, FOD Sociale Zekerheid, Brussels, 2010, 138p (http://soc.kuleuven.be/ceso/pensioenbeleid/downloads/pensioenatlas_NL.pdf). The study was commissioned by the Federal Public Service Social Security and performed by researchers from the Catholic University of Leuven.

accurate state of affairs to date of first and second pillar pensions, and how they are distributed over the population.

This publication offers many innovations. For the first time, an overview of the system is available based on reliable and verifiable data (through use of a database which is meant to support the collection of contributions). With the combining of data from the State Register of Persons, conclusions are made possible concerning the situations of families. The study however suffers some limitations: the last available data is from the year 2007, and not all pensions could be researched. Broadly speaking, the study does not contain information on third pillar pensions nor on some of the second pillar pension system.

Nevertheless, the Pension Atlas probably offers the most correct, most complete and most accessible information available today. A separate chapter dealing with international comparison furthermore offers fresh views on conclusions that are sometimes routinely drawn. For example, the study questions the comparability of replacement ratio calculations and shows that the Belgian pension system seems to leave more people in poverty than in other countries, but that the depth of poverty is much less when thus compared. Overall, the data presented in the Pension Atlas shows that the first pillar system is currently inadequate, but also that the correction through the second pillar systems yields very inequitable results.

Another concise and in-depth overview of Belgian first-pillar pensions only, is found in a report by the Federal Planning Bureau of March 2010[47]. The paper looks purely at payments made under the legal pension system (ignoring second and third pillar systems, family situation, or other income) and looks at the evolution of adequacy in terms of prosperity and of poverty lines. The situation mapped out is that on 1 January 2008. A first observation is that the amount of the benefit is quite diverse, in line with the existence of different systems for employees, self-employed and civil servants, and the possible combinations between these systems in case of mixed careers. Moreover, every system uses a different definition of income on which benefits are calculated. The report also statistically illustrates what has been known or suspected already earlier – for example that the average retirement pension benefit for women is lower than that for men, or that older pension benefits are lower than those more recently calculated.

Interestingly, the report allows for assessing the impact of the 2005 Generation Pact, which created a system referred to as the "prosperity bonuses" (*welvaartsbonus*). This structural mechanism creates the obligation for the government to decide every second year on a budget for adapting benefits in the overall social security sector to better match the evolution of wages. The Act contains a minimum amount for this budget, and leaves the decision on which benefits should be adapted first to the social partners (employer and employee organisations). The mechanism was used for the first time in 2006, to decide upon adaptations for 2007 and 2008. The discussed report shows the effect on minimum pensions. While increases were implemented before, irregularly and on the basis of *ad hoc* government decisions, the mechanism of the Generation Pact has lead to an increase in minimum pensions for self-employed and employees which exceeds the real evolution of wages. Moreover, the raise happened faster for pensions in the system for self-employed than for those in the system for employees, which means that the historic gap between these two systems has narrowed considerably.

Nevertheless, minimum pensions are very close to the poverty line. Civil servant minimum pensions are broadly more generous, minimum pensions in the employee system are situated

[47] DE VIL, Greet, De Belgische eerstepijlerpensioenen aan de vooravond van de vergrijzing: doorlichting van bedragen, gerechtigden en adequaatheid, Federal Planning Bureau Working Paper 4-10, March 2010, 31p (http://www.plan.be/admin/uploaded/201004291034230.wp201004_nl.pdf).

just above the relative poverty line, and minimum pensions in the system for self-employed fall between the legal and the relative poverty line. The proximity to poverty lines also implicates that figures concerning pensioners' poverty need to be treated with caution. Measures can easily trigger large migrations below or above these lines.

That it makes economic sense not to abandon the further development of the first pillar system in favour of second pillar schemes is illustrated by a study by Pacolet and Strengs[48], in which the authors attempt to compare the yields of the first pillar system to those of the second and third pillar systems. The starting question is whether or not the other systems really are better equipped to safeguard adequate pensions. Based on an analysis of the situation in Belgium and in other countries, the authors conclude that the first pillar system actually yields better results and has a lower operating cost than the others, adding another element to the debate as to the importance of the different pillars in the sum of pension provisions.

At the end of January 2010, a paper written by a former Minister for Social Affairs Mr. Frank Vandenbroucke received much attention[49]. Meant for the researchers of the Centre for Social Policy Herman Deleeck, the paper provides an opinion on the research topics most relevant for the years to come, from an analysis of future strategic choices for social policy in general. The sharp but serene discourse of where past policies have worked and failed and the outlined priorities for the future make this paper a compelling read for anyone involved or interested in social policy in Belgium. All the more so because of the identity of the writer, who has not only held political responsibility in some capacity since 1989, but is also quite likely to find himself in this position again in the future[50]. Most relevant to the present report is the first part of the note, in which Mr. Vandenbroucke explains with great clarity exactly why strategic choices are imminent and in which he offers distinctions concerning explicit and implicit policy choices. Mr. Vandenbroucke also minutely explains what many experts have expressed for years: that the "budgetary strategy" to tackle the cost of ageing has failed, will be extremely difficult to accomplish, and will in any case not suffice.

2.2.5 Critical assessment of reforms, discussions and research carried out

To say that Belgium, governed by political parties and social partners, handles the pension problem badly, is an understatement. In fact, faced with clear and known challenges, the issue is hardly handled at all. Attention seems to focus on how the current system can be sustained and the solutions which perpetually come back in the official discourse – a return of budgetary equilibrium by 2015 enabling savings for the future, a raise in participation in the labour market, raising the effective retirement age by 2030, and introducing more solidarity into the system – can be considered as failed or at least insufficient strategies. Both the policy of saving for the cost of ageing and the attempt to increase labour market participation of older workers through a set of bonuses have not yielded the desired results. The former

[48] PACOLET, Jozef and STRENGS, Tom, Pensioenrendement vergeleken, HIVA, Leuven, January 2010, 141p (http://www.hiva.be/resources/pdf/publicaties/R1300_Pensioenrendement.pdf).

[49] VANDENBROUCKE, F., Strategische keuzes voor het sociale beleid, 10 February 2010, 34 (http://www.centrumvoorsociaalbeleid.be/index.php?q=node/895).

[50] Mr. Vandenbroucke, despite good electoral results following the 2009 regional elections, failed to secure a position in the current Flemish government. This was unexpected, and the result of controversy within his own political party. Since that event, tensions remain between Mr. Vandenbroucke and the leadership of his party, which helps to explain why his paper (and the seriousness of its content versus the lightness of the overall political debate) has attracted so much attention.

because there simply was no money put into the Silver Fund after 2007[51], the latter because the incentives cost as much as the expected gains.

More than a mere adaptation of the system, however radical, a thorough re-thinking of the system is in order. The inaction in this area carries an implicit choice for an increasingly expensive system in which the adequacy can hardly be maintained and within which the levels of inter-generational solidarity can only increase. This erodes public support for the system, and leaves citizens wondering if they will ever receive a pension at all.

A new social agreement on the functions and legitimacy of the pension system is in order. For this to arise, the issue of pensions deserves a lot more meaningful debate. Political players need to communicate their ideas and the consequences thereof, and these ideas should be considered on an equal footing with the creative solutions presented by other stakeholders.

2.3 Health Care

2.3.1 The system's characteristics and reforms[52]

Health care, as part of the social security system, is a Federal competency. After several rounds of state reform, the overall picture concerning health care in general is however more complicated. In this field, "matters concerning persons" have been transferred to the Communities, who are thus responsible for prevention and health promotion, and for organising health care in hospitals, nursing homes and other institutions, and outside these institutions (such as primary health care and home care).

Action by the Communities is however limited by the framework set out at the Federal level. In summary, the Federal authorities are responsible for the regulation and financing of the compulsory health insurance, create the programmatory and normative framework for the hospitals, govern the rules for recognition of providers, organise the registration of pharmaceuticals and their price control, determine the rules for financing of infrastructure (including costly medical equipment), and arrange for the benefits under the system[53].

Cooperation between the different levels is organised through inter-ministerial conferences, where protocol agreements are formulated.

The main administrator of the system is the National Institute for Health and Disability Insurance (*RIZIV-INAMI*; hereafter: *NIHDI*). Decisions are made with the involvement of the various stakeholders in the system.

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[51] The Silver Fund, long proclaimed to be an instrument to safeguard sustainability, is today often characterised as "an empty box". Meant to be funded by surpluses on the running state budget, the only income for the Silver Fund today (and since 2007) is from interest gained through investments in national government bonds. In the foreword to the 2009 year report of the Fund (published in October 2010), the chairman of the Fund expresses his despair at the prospect of not receiving extra funds before the year 2015 and goes as far as to liken the pension system to the Titanic. See Jaarverslag over de werking van het Zilverfonds in 2009, October 2010, 7 (http://www.zilverfonds.fgov.be/pdf/rpt_2009_NL.pdf). The Silver Fund holds assets to the amount of € 16,9 million, while the yearly cost for pension benefits today is around € 31,000 million.

[52] This chapter offers only a situating overview of the Belgian health care system. For a detailed and updated description of the health care system in Belgium, see GERKENS, S and MERKUR, S, "Belgium: Health system review", Health Systems in Transition, European Observatory on Health Systems and Policies, 2010, 12(5), 266; accessible at http://www.euro.who.int/__data/assets/pdf_file/0014/120425/E94245.PDF and at http://kce.fgov.be/index_en.aspx?SGREF=14851&CREF=17949.

[53] As the different Communities develop different policies which are impossible to summarise in the scope of this report, and as the Federal level is responsible for what is understood under the social security concept of health care, we necessarily limit ourselves to the evolutions at the Federal level.

Financing is obtained through employee and employer contributions and through intervention from the state budget with alternative financing derived from VAT income. The budget for the system is fixed, and evolves along a legally inscribed real growth norm of 4.5% per year (since 2004) which is calculated on top of inflation. Recent austerity measures have not lead to a change in this system. Total health expenditure was 10.2% of GDP in 2007 and 11.1% of GDP in 2008.

Adequate access to health care is ensured by the wide personal scope of the system which also includes persons dependent on insured individuals, by cost-controlling protection for certain vulnerable groups, by measures to maintain high-quality and high-quantity supply, and by measures aimed at prevention meant to combat inequality. Coverage through the statutory system is compulsory and stands at a nearly universal rate of over 99%.

An important development in this respect was the extension of compulsory coverage for self-employed persons from January 2008 onwards. Before this change, the compulsory health insurance for self-employed persons only encompassed what was known as "major risks". Other health care services – the "minor risks"[54] – were not included in the package, but a self-employed person could purchase additional protection on the insurance market. The distinction between these categories of risk is now abolished, meaning that self-employed persons are, under the compulsory scheme, indemnified for the same risks as civil servants or employed persons. This of course also means that the contribution to the health care system made by self-employed persons has increased, from 19.65% to 22%.

In most cases, insured persons pay for medical services themselves and are afterwards reimbursed for the amount paid, minus a personal contribution (*remgeld*)[55]. Reimbursement is arranged through sickness funds which are fully embedded in the overall administration of the system[56]. What is reimbursed is determined on the basis of an official list containing the amount that can officially be charged for the medical service. These official scales consist of a list of treatments and prices agreed between the government services (via the mutual funds), representatives of health care workers and the social partners. In some cases, the real amount paid by the patient may however be higher than the official amount that is taken into account for reimbursement.

In a certain number of cases (for example that of hospital care), the patient is not required to advance the bill but only pays the personal contribution after which the balance is paid directly by the system to the provider (*derde-betaler systeem*).

Additional voluntary private insurance covers health care expenditures that are not covered by the system and reimburses the personal contributions made in case of serious health problems that necessitate hospitalisation. The percentage of people covered by private insurance rose

[54] Minor risks included family doctor interventions, dental care, small surgical interventions (such as stitches, punctions, etc.), ambulant nursery care, orthopaedic aids, many common laboratory tests, prescription medicine, etc.

[55] The out-of-pocket payment depends on the specific service according to a set nomenclatura (for medical dispensations) or list of pharmaceutical specialities, and typically amounts up to 25%. The total out-of-pocket payment as part of total health expenditure per household was estimated to be 20.5% in 2008 (OECD Health Data 2010; Statistics and Indicators - http://www.oecd.org/document/30/0,3746,en_2649_37407_12968734_1_1_1_37407,00.html).

[56] From a practical and administrative point of view, the existence of these sickness funds, or "mutual funds", with a network of offices and agents, means that access to information, administration and further advice is straightforward. Mutual funds arrange payments through the system and offer further services that are widely taken up, including voluntary additional insurance. Individuals are required to register with a sickness fund of their choice.

from 37.9% in 2001 to 49.8% in 2007[57]. All private insurance schemes taken together, the percentage is reported to be 70% in 2010[58].

Patients have the right to choose and change their family doctor and have direct access to specialised medical care. Health care workers are remunerated mainly per treatment.

To discourage "medical shopping", a system called the "Global Medical File" was introduced in 2002 (*Globaal Medisch Dossier*). This mechanism collects all health information for an individual in one place, kept by the patient's primary health care provider. Patients however have to request this themselves. To motivate patients to do so, a reduction in out-of-pocket payments is awarded both for primary health care and for referred specialist care. The system is said to be used by about half of all insured persons[59].

Recent reforms in the system focus on quality, (financial) accessibility and sustainability.

The personal contribution mentioned earlier is intended to deter patients' overconsumption and to avoid excessive use, but could easily become a impediment to taking up medical care and therefore prevent equal access. To avoid this, important measures have been introduced to limit the total amount a patient actually has to pay.

The "Maximum Billing System" (*maximumfactuur*), introduced in 2002, sets a maximum amount of patient fees to be paid, determined per income bracket. Once this amount is reached, health care is reimbursed fully. The maximum billing system (MBS) takes effect per family unit – not per individual. The maximum amounts one has to pay, the composition of the family taken into account, and the specific rules that are applied depend on what type of maximum billing system is used – the social MBS, the income-based MBS or the MBS based on personal entitlement[60]. Although this system is fairly complicated, it bears no difficulty for the patient as it is applied automatically with no additional paperwork involved. With respect to the extended coverage of self-employed persons, it can be noted that they now also fully benefit from the MBS. Previously, only the patient fees for "major risks" were reimbursed fully when the limits were reached.

Specific categories of insured persons receive preferential treatment and are required to pay lower patient fees (before application of the Maximum Billing System). Originally, the system of preferential treatment was restricted to persons of specific social status (pensioners, widow(er)s, persons with disabilities and orphans) for which the gross taxable income of the family did not exceed a yearly-adapted limit. In 1997 and 1998, the benefit of the preferential tariff system was extended to specific groups[61], still conditional on the income limit.

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[57] Derived from the Belgian federation of insurance companies (Assuralia) and cited in VLAYEN, Joan, VANTHOMME, Katrien, CAMBERLIN, Cécile, PIÉRART, Julien, WALCKIERS, Denise, KOHN, Laurence, VINCK, Imgard, DENIS, Alain, MEEUS, Pascal, VAN OYEN, Herman and LÉONARD, Christian, "A first step towards measuring the performance of the Belgian health care system", KCE Reports 128, 2010, 69 (http://www.kce.fgov.be/index_en.aspx?SGREF=14851&CREF=16543).

[58] "Bijna 8 miljoen Belgen hebben hospitalisatieverzekering", De Morgen (newspaper), 17 March 2010. The article reports that the Belgian federation of insurance companies (Assuralia) puts the number of persons benefiting from an additional insurance at 7.8 million. 4 million of those are covered by a group insurance policy (mostly organised through employers), 2.5 million by a contract with their mutual fund, and 1.3 million by a contract with a private insurer (http://www.demorgen.be/dm/nl/996/Economie/article/detail/1081250/2010/03/17/Bijna-8-miljoen-Belgen-hebben-hospitalisatieverzekering.dhtml).

[59] "Helft van Belgen heeft Globaal Medisch Dossier bij huisarts", De Morgen (newspaper), 27 April 2011.

[60] Patient fees are limited to a maximum between € 450 and € 1,800, depending on the family income. The income brackets are adapted each year, while the maximum amounts remain the same. Personal contributions that exceed the maximum amount are reimbursed automatically and in full.

[61] Long-term unemployed, aged 50 and older with at least one year of full unemployment (according to the definition of the employment regulations), and persons entitled to one of the following allowances:

As of 2007, the system is further extended. The newly introduced OMNIO-status, which however has to be applied for, guarantees preferential treatment to all households below a certain income level[62]. The necessity for application however causes low take-up, with only 25% of potential beneficiaries requesting the measure in 2009[63].

Changes in the system on the Federal level over the course of 2010 include:

- the abolition of "room supplements" for all patients in a two-person hospital room – as a result, hospitals can only charge extra fees (borne by the patient) to those who opt to be cared for in a private room;
- adaptations to the reimbursement rules for pharmaceuticals, favouring generic products;
- a change in the remuneration mechanisms for pharmacists, whose fee is from now on largely based on the number of reimbursed products sold, rather than on their price.

Systemic changes have not been made over the course of the reporting period.

2.3.2 Debates and political discourse

The rising cost of **additional private health insurance** continues to be cause for concern.

As the statutory system does not reimburse all costs connected to hospital treatment, additional insurance is popular and in many cases also necessary. Prompted by the observation that additional private insurance was becoming increasingly expensive and that insurers did not hesitate to terminate contracts with those for whom intervention became too costly (usually those who need the insurance the most), the government decided to take action as early as 2007. Legislation passed that year[64] barred insurers from terminating existing contracts and linked increases of the insurance premium to a "medical index" which would reflect the real increases in costs and risks.

This "medical index" was however only established on 1 February 2010[65]. The index is calculated by the Federal Public Service Economy on the basis of data concerning damages paid out by insurance companies, who provide the raw material for the calculation by communicating their payment obligations to the Federal Public Service Economy and the Banking, Finance and Insurance Commission (*CBFA*; now "Financial Services and Markets Authority or *FSMA*[66]). The medical index is in fact not one index, but a group of several

Integration allowance for handicapped persons, Income replacement allowance for handicapped persons, Allowance for assistance for the elderly, Income guarantee for the elderly, Subsistence level income (*leefloon; revenu d'intégration)*, Support from the public municipal welfare centres (OCMW, CPAS).

62 The Omnio statute also allows claiming for derived rights, such as reduced public transport fees, and a reduction in the contribution for the Flemish Care Insurance (see further). See "Het nieuwe Omnio-statuut en de hervorming van de verhoogde tegemoetkoming", RIZIV, 2008 (http://www.riziv.fgov.be/information/nl/studies/study39/pdf/study39.pdf).

63 Steunpunt tot bestrijding van armoede, bestaansonzekerheid en sociale uitsluiting, "Verslag Armoedebestrijding 2008-2009 – Deel 1", 2010, 13 (http://www.armoedebestrijding.be/tweejaarlijksverslag5.htm).

64 Wet van 20 juli 2007 tot wijziging, wat de private ziekteverzekeringsovereenkomsten betreft, van de wet van 25 juni 1992 op de landverzekeringsovereenkomst.

65 Koninklijk besluit tot vaststelling van de specifieke indexcijfers bedoeld in artikel 138bis-4, § 3, van de wet van 25 juni 1992 op de landverzekeringsovereenkomst, Belgisch Staatsblad, 8 February 2010, 7686.

66 As a result of new rules concerning the supervision of the financial sector and whereby the supervision over prudential rules and rules of conduct was split, the CBFA transformed into the "Financial Services and Markets Authority" (FSMA) on 1 April 2011 (http://www.fsma.be/).

indices, with a distinction made between four types of insurance packages and five age groups[67]. The resulting indices are updated every three months[68].

As a result, insurance companies can no longer increase premiums at will, but only under one of three mechanisms: by adapting prices to the normal index of consumer prices, by following the new medical index, or by implementing exceptional increases necessary when the company finds itself in financial difficulties (only possible upon approval by the FSMA).

Neither the insurers nor consumer organisations are happy with the resulting system.

The consumer organisation "Test-Aankoop" has launched legal action against the Royal Decree on the grounds that it legitimises differentiated price increases according to age by introducing different indices by age group, while this different treatment is not based on objective parameters and does not answer to requirements regarding necessity and proportionality. The organisation also seeks to annul the law itself, reasoning that contractually agreed obligations can now be changed as long as there is consent of the FSMA, which surpasses the responsibilities of the latter institution[69]. Finally, specific price increases by an individual insurer that were higher than the now published medical index, are currently still contested before the civil court.

Insurance companies, while not opposed to the idea of an index system, are also lined up in opposition to the current legislation, mostly because they feel the allowed price increases are insufficient – in particular because the development of the index does not take into account the reserves that legally must be established. They further fear that linear price increases will not suffice to account for policy changes in what is covered by the legal insurance system or for delays in compensation decisions[70]. For this reason, they too filed a case before the administrative court, seeking to annul the Royal Decree.

In summary, the hoped-for legal certainty and stability has as of yet not been achieved and complementary private insurance, a factual necessity for the vast majority of the population, has not been guaranteed a future as a secure and affordable commodity. All the while, the underlying issue – the charging of expensive supplements to patients who can afford it or are covered by additional insurance – remains largely undiscussed. Furthermore, connecting the index which governs permissible premium increases to the real cost incurred by the insurers instead of to objective parameters (such as regulated doctor's fees and the price of a hospital day) risks that the costs, both for the insurers and the insured, are merely synchronised instead of kept in check. It should also be noted that this discussion only concerns individual private insurance, and not employer-provided private insurance (for which there are no price protection measures) or the insurances offered by the mutual funds.

A recurring debate is that about the **shortage of medical staff**, most notably of family doctors. The issue is not so much that doctors are not available, but that they are unevenly

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[67] Hospital care in a private room, hospital care in a shared room or a ward, outpatient care, and dental care; ages 0 to 19, 20 to 34, 35 to 49, 50 to 64, and older than 65.

[68] The first set of indices was published on 26 February 2010, allowing an average premium increase by 7,45% (http://statbel.fgov.be/nl/statistieken/cijfers/economie/gezondheidssector/medische_index/index.jsp).

[69] "Hospitalisatieverzekeringen: duur, duurder, duurst", press release, 22 February 2010 (http://www.test-aankoop.be/verzekeringen/hospitalisatieverzekeringen-duur-duurder-duurst-s638893.htm and http://www.standaard.be/artikel/detail.aspx?artikelid=DMF20100222_063). The request for annullment of the 2009 act is registered as case nrs 4846 and 4843 before the Constitutional Court (see Belgisch Staatsblad 4 March 2003, 13841). The proceedings against the Royal Decree are entered before the Council of State (Raad van State), which is the highest administrative court.

[70] "Verzekeraars vechten KB Reynders aan", Trends (magazine), 2 March 2010, http://trends.rnews.be/nl/economie/nieuws/beleid/verzekeraars-vechten-kb-reynders-aan/article-1194668126243.htm.

distributed amongst municipalities. Thus, 206 out of 589 municipalities reported a shortage of family doctors in 2010, 65% more than in 2008. The problem seems to be more pronounced in the French-speaking part of the country[71].

Mechanisms to ensure an adequate supply of health care professionals are described in detail in the "Belgium: Health System Review"[72]. They include extra compensation for nurses working long hours and incentives for general practitioners to take up practice in under-serviced areas, amongst others. Notable in this respect is the ambition, expressed during political negotiations, to raise the effectiveness of some of these measures by transferring them to the Community level, so that efforts can be better fitted to local needs.

Problems in distribution of family doctors impedes the development of a gatekeeper system, where patients are prompted to see a general practitioner before turning to a specialist – something they are free to do today. An important step in this respect has been taken with the creation of the "Global Medical File" (see above).

Concerning health care financing, the **"growth norm"** (*groeinorm*) remains controversial. where all other sectors of social security (with the exception perhaps of unemployment insurance) have received less funding over the course of previous years, the health care budget is still allowed to grow by 4.5% per year until 2030, on top of growth by inflation. All whilst there are no objective indicators to conclude that the sector actually needs this increase. In fact, the budgets of the National Institute for Health and Disability Insurance (*RIZIV*) show that the health care sector actually runs a surplus.

While it is difficult to see clear in the figures, it seems that much of the additional funding received through the application of this mechanism is either returned to the general social security budget or put aside in the sector's reserve fund, the "Future Fund", created in 2007 to build a reserve in the health care system which can be used from 2012 onwards. The Fund is financed from budget surpluses within the health care budget, but official reports on its content and workings appear to be unavailable.

While seen by some as a necessary mechanism to allow for the build-up of much-needed reserves in the health care sector, the existence of the "growth norm" is also feared to minimise responsibility for efficiency within the sector, exemplified by the absence of policy initiatives to tackle the expected cost associated with an ageing population through other means than budgetary operations. It can be expected that the preferential treatment of the health sector cannot be sustained by the important efforts necessary to reach budgetary equilibrium and to reduce government debt, and that the debate of improved efficiency will become more and more important in the years to come[73].

2.3.3 Impact of EU social policies on the national level

The impact of EU policies on health care is today not very explicit. The goal to provide universal access to quality care is a constant concern for Belgian health care policy.

Just about every Belgian is insured under the system, and both the extension of coverage for self-employed and the gradual widening of the OMNIO system work towards improving access.

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[71] "Steeds meer gemeenten kampen met tekort aan huisartsen", Het Nieuwsblad (newspaper), 26 August 2010 (http://www.nieuwsblad.be/article/detail.aspx?articleid=DMF20100826_011).

[72] GERKENS, S. and MERKUR, S., "Belgium: Health system review", Health Systems in Transition, European Observatory on Health Systems and Policies, 2010, 12(5), 206-209; accessible at http://www.euro.who.int/__data/assets/pdf_file/0014/120425/E94245.PDF and at http://kce.fgov.be/index_en.aspx?SGREF=14851&CREF=17949.

[73] See also: OECD, Achieving Better Value for Money in Health Care, November 2009, 164.

Quality of care and patient safety receive ample attention and are increasingly monitored through the establishment of information systems and feed-back mechanisms.

The National Reform Programme remained silent on the issue of health care, with most of the effort dedicated to budgetary strategy and employment policies. Linkage between health and ageing is mainly made through the efforts to guarantee the system's sustainability.

2.3.4 Impact assessment

As is true for pensions and long-term care, measuring the impact of policy in the field of health care is often difficult. The available information is fragmented, and different administrators of the system use different methodologies to treat and present information. The Federal Belgian Health Care Knowledge Centre offers many national reports on specific topics, but an overview of information that allows international comparison, or even a view on how the different parts of the system work together, is not available[74].

An important impetus for change in this respect was given through the signing of the Tallinn Charter on Health Systems in June 2008, whereby Member States of the WHO committed themselves to (among other things) "promote transparency and be accountable for health system performance to achieve measurable results". Monitoring and evaluation of health system performance and balanced cooperation with stakeholders at all levels of governance are essential to carry out this commitment.

From observing that Belgian information submitted to organisations such as the OECD and the WHO is currently not the result of a systematic reflection, the Belgian Health Care Knowledge Centre compiled a methodological report to find out what it would take to come to a sound and correct system of reporting. The resulting publication "A first step towards measuring the performance of the Belgian health care system" of July 2010 is indeed the first step in achieving this[75]. The report looks at the currently available data, adds perspective, and reveals existing gaps.

On the basis of this analysis, a more continuous and systematic measurement can be created. The main challenge will however be to establish cooperation between the different actors in the field, and to supplement the data currently available.

Among the topical reports published in 2010, we highlight the previously mentioned and encompassing health system review, and an interesting report of April 2010 on the influence of the availability of generic medication (medication that contains the same active substances as certain brand medication but is sold more cheaply) on the out-of-pocket costs for socio-economically vulnerable groups[76]. In 2001, Belgium introduced the "Reference Price System" (RPS). When the exclusive rights of a producer for a certain medication have expired, alternative "generic" drugs emerge. In this case, the RPS establishes a common

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[74] For a list of reports published by the Belgian Health Care Knowlegde Centre, see http://kce.fgov.be/index_en.aspx?SGREF=5219.

[75] VLAYEN, Joan, VANTHOMME, Katrien, CAMBERLIN, Cécile, PIÉRART, Julien, WALCKIERS, Denise, KOHN, Laurence, VINCK, Imgard, DENIS, Alain, MEEUS, Pascal, VAN OYEN, Herman and LÉONARD, Christian, "Een eerste stap naar het meten van de performantie van het Belgische gezondheidszorgsysteem", KCE Reports 128, Belgian Health Care Knowledge Centre, 2010, 384p (http://kce.fgov.be/index_en.aspx?SGREF=14851&CREF=16558). Available in English with a summary in Dutch and French. The highlights of the report are summarised in a brochure which is available via http://www.riziv.be/information/all/studies/study48/pdf/performance_health_care_EN.pdf.

[76] VRIJENS, France, VAN DE VOORDE, Carine, FARFAN-PORTET, Maria-Isabel, LE POLAIN, Maïte and LOHEST, Olivier, Het referentieprijssysteem en socio-economische verschillen bij het gebruik van goedkopere geneesmiddelen, KCE Reports 126A, April 2010, 69p (http://kce.fgov.be/index_en.aspx?SGREF=14851&CREF=15339).

reimbursement level for the now existing group of comparable or interchangeable drugs, considering the cheaper alternatives. The health insurance system then only reimburses the cost of the medication to the newly set level, which is typically some 30% lower than that of the original medication cost. A patient who then buys the cheaper alternative only is required to pay the normal out-of-pocket payments, while a patient opting for the more expensive brands will have to also pay the price difference (called the "reference supplement"). Doctors are required to prescribe generic medication to a set minimum percentage of their total volume of prescriptions.

The study shows that this system has prompted producers to lower prices and that fears that certain segments of the population would not buy the cheaper medication because they would be less well informed, is unfounded. Nevertheless, in 2008 reference supplements were paid to the amount of € 60 million, which means that the expensive brands are still popular. To lower this figure, the Knowledge Centre proposes to increase the percentage of generic medication prescribed, to allow pharmacies to substitute prescribed expensive medication for cheaper alternatives on their own initiative, and to ameliorate information provision by showing patients the price difference at the time of purchase.

Note that, in April 2010, some adaptations were made to the "Reference Price System". The reimbursement of original pharmaceutical products that have been in the system for a longer period of time is further reduced – by 32.8% after two years and by 35.2% after four years. Moreover, in the same month, a legal upper limit on the reference supplement was introduced, effectively excluding reimbursement of drugs which have a reference supplement of more than 25% of the reimbursement basis.

In our 2009 report we mentioned the National Cancer Plan, announced on 22 February 2008 by the Minister of Public Health. The plan contains 32 concrete initiatives that cover all aspects of the problem, such as assistance for persons who stop smoking, better information gathering on pathologies, psychological support and the introduction of a reference centre for cancer. In launching this plan, Belgium was not alone. Many EU countries have taken or announced similar initiatives[77].

The National Cancer Plan came to a close at the end of 2010. In an evaluation of the results, offered by the minister responsible before parliament on 23 March 2011[78], the minister calls the plan a 90% success, announcing some initiatives that would run over the course of 2011, but does not offer specific information on the emergence of a new plan for the following years.

An independent evaluation of the Cancer Plan with more detail is found in the 2010 research report of the Flemish League Against Cancer[79]. While the League agrees that the plan was successful, it also notes that out of 32 planned initiatives, only 19 have been fully implemented. Ten initiatives have advanced to various degrees, and in three initiatives there has hardly been any progress. Some initiatives required a cooperative effort by the Federal Authorities and the Communities, but were in fact conceptualised at the Federal level. As a result, especially the preventive measures that form a part of the plan have only been implemented with long delay, or not at all.

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[77] See the overview from the European Cancer Patient Coalition, http://www.ecpc-online.org/health-in-eu/cancer-plans.html.

[78] See the document "Kankerplan. Stand van zaken Maart 2011" (http://www.laurette-onkelinx.be/articles_docs/20110323_-_SVZ_Kankerplan.pdf).

[79] Vlaamse Liga tegen Kanker, Een kritische kijk op het kankerbeleid, Onderzoeksrapport 2010", December 2010, 58-66 (via http://tegenkanker.be/kwaliteit_van_de_kankerzorg).

Also in 2010, five reports were published on the basis of data gathered from a health survey in the year 2008[80]. The results are diverse and are mostly useful as a basis for other studies. One particular conclusion is however remarkable. In 2008, 14% of citizens delayed treatment for financial reasons (a percentage that is up from 10% in 2004 and 8% in 1997). Bearing in mind that the survey was performed during times of economic growth (before the global economic and financial crisis emerged), this result is worrying.

2.3.5 Critical assessment of reforms, discussions and research carried out

Health care in Belgium is accessible and of good quality, which translates in good population health and high life expectancy. Patients are free to choose their provider, and the system does not limit the amount of provisions made available. Overall, the main problems of the health care sector are not related to access or quality, but to the efficiency and sustainability of the system.

The description of the system's characteristics however points to a structural inefficiency. While the powers given to the Communities in 1980 were limited, from a concern to not allow Community policies to affect the basic rules and financing of the system, this setup produces undesirable consequences. As a result of this division of responsibility, there is no direct link between efforts concerning prevention and efficient organisation, and financing. When prevention campaigns by a Community government for example result in a reduction of costly curative care, the financial benefits of this policy fall to the Federal level. Vice versa, inefficiency at the Community level is not translated into fewer resources. This does not offer incentives for cost-effective practices, and in many ways hampers the development of comprehensive policies.

The "National Cancer Plan" is one example where an integrated approach was crucial, and where the current division of powers hampered swift and timely implementation of some of the measures.

Concerning the viability of the system, more attention could go to the role of the family doctor as gatekeeper of the system. Currently, access to specialist care is free, and patients are not required to maintain contact with the same general practitioner. Parametric changes in the system of out-of-pocket payments tend to counteract overconsumption, but arguably not sufficiently. Moreover, free choice makes it difficult to efficiently plan provision. Generalising the use of the "Global Medical File" might help, as might the obligation to register with one family doctor. The family doctor also seems best-placed to provide health prevention and health promotion services, benefiting the different administrators of the system.

For patients, out-of-pocket payments can represent an important cost. For some payments, patients routinely take out additional private insurance. One might wonder to what extent this insurance covers costs that could and should be covered by the compulsory insurance itself, leaving additional insurance necessary only for those costs that can be considered luxurious or objectively unnecessary.

For the most vulnerable groups in society, several social measures such as the OMNIO system have real effect. However, take-up of this measure is low. An automatic granting of this right seems mostly impeded by organisational factors and by inefficient processes of

[80] DEMAREST, S, DRIESKENS, S, GISLE, L, HESSE, E, TAFFOREAU, J, VAN DER HEYDEN, J, "Health Interview Survey, Belgium, 1997 - 2001 - 2004 - 2008", Unit of Epidemiology, Scientific Institute of Public Health, Brussels, Belgium, 2010 (http://www.iph.fgov.be/epidemio/epinl/CROSPNL/HISNL/TABLE08.HTM).

sharing information between different parts of government. Efforts to increase interoperability between different government entities could allow pro-active granting.

Introducing more efficiency in the organisation of health care can surely also provide at least a partial answer to the question of financial sustainability. However, it seems that reforms within the system are not perceived as urgent, because the "growth norm" in any case guarantees sufficient funding. Originally intended to ensure that the health care budget would not grow by more than the set yearly percentage of 4.5% above inflation, the mechanism now seems to have resulted in financing being less based on real needs. This removes the motivation to realise cost-savings through a better organisation of the system.

If, as expressed by some, the growth norm needs to be retained to allow the build up of a reserve fund, this goal would be better served by creating a transparent system which explicitly aims to do just that, and which contains mechanisms that allow rewarding increased efficiency while maintaining a high-quality level of protection.

2.4 Long-term Care

2.4.1 The system's characteristics and reforms

Long-term care is part of an integrated system of health care, complemented by social service provision. As long-term care in Belgium is viewed as a health risk and institutional arrangements reflect a "medical model" of care delivery (as opposed to a "welfare model"), the same observations as under title 2.3 apply[81]. Not unique to Belgium, long-term care is approached as a mix of different services and measures, funded through different sources and organised at different levels.

The organisational landscape of long-term care provisions is fragmented because of a division of competencies between the Federal Government (which provides mainly for medical care) and the Communities (which provide primarily for non-medical care). The focus on health care is illustrated by the fact that there is no specific long-term care legislation at the Federal level. The Communities, in contrast, have issued decrees that regulate a wide range of aspects concerning the provision of long-term care services and that touch topics such as the recognition of providers, integration of services and quality monitoring.

Concerning long-term care there are four major health services: home care, centres for day care, residential homes and rest and nursing homes.

Home care is a service aimed to keep patients at home while they receive care. It can include preventive, curative, palliative or informal care. Homecare nursing, as part of the social security system, is currently reimbursed at the Belgian Federal level through the National Institute for Health and Disability Insurance (NIHDI)[82], but home care services are regulated and organised by the Communities.

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[81] Detailed information on the long-term care system and provisions can be found in CORENS, Dirk, "Belgium. Health system review", Health Systems in Transition, Vol. 9 no. 2 2007, World Health Organisation, 2007; DE LEPELEIRE, J., FALEZ, F., YLIEFF, M., FONTAINE, O., PAQUAY, L., BUNTINX, F., "The evolution of the organisation of homecare in Flanders, Wallonia and Brussels", Arch Public Health, 2004, 62, 197-208.
For another view on long-term care in Belgium, see OECD, "Belgium. Long-term care", country notes and highlights, May 2011, retrieved at http://www.oecd.org/dataoecd/60/55/47877421.pdf.

[82] For more information on the organisation and financing of home care and, specifically, home nursing care, see SERMEUS, Walter, PIRSON, Magali, PAQUAY, Louis, PACOLET, Jozef, FALEZ, Freddy, STORDEUR, Sabine and LEYS, Mark, "Financing of home nursing in Belgium", Belgian Health Care Knowledge Centre, Report 122C, February 2010, 140p (http://kce.fgov.be/Download.aspx?ID=1963).

In the Flemish community, it is coordinated by "Cooperation Initiatives Primary Care" (*SamenwerkingsInitiatieven Eerstelijnsgezondheidszorg* or *SELs*), officially recognised and subsidised by the Flemish Government[83]. In the French community, home care is coordinated by the "Coordination Centres for Home Care and Services" (*Centres de Coordination de Soins et Services a Domicile* or *CSSDs*). Their main task is to guarantee the quality of care and the cooperation between home care workers including GPs, home nurses, accredited services for family aid, aid for the elderly and social work, etc.. Care support and coordination is geared towards keeping patients at home as long as possible.

In 2002, the Federal Government introduced the "Integrated Home Care Services" (*Geintegreerde Diensten Thuiszorg (GDT)/Service Intégré de Soins à Domicile (SISD)*), which are financed by the statutory health insurance system. This structure coordinates all disciplines involved in the care for patients for a specific geographical area[84].

In centres for **day care**, the elderly can be taken care of during the day, but spend the night at home. This is meant for people who do not need intensive medical care, but need care or supervision and aid in the activities of daily living. A fixed daily compensation is paid by the compulsory health insurance.

A **residential home** is a home-replacing environment where the medical responsibility rests with a general practitioner. The cost of stay is paid by the occupant, while medical costs and the cost of care are taken by the compulsory health insurance scheme (based on an objectively assessed degree of care needed).

The elderly who are to an important extent dependent on care but who do not need permanent hospital treatment are admitted in a **rest and nursing home** (*Rust- en verzorgingstehuis* or *RVT*). Each RVT must have a coordinating and advisory physician who is responsible for the coordination of pharmaceutical care, wound care and physiotherapy. Each rest and nursing home must always have a functional link with a hospital. They must cooperate with the geriatric service of the hospital and a specialised service of palliative care. While residents must finance the cost of stay themselves, care is reimbursed by the compulsory health insurance.

In 2008, Belgium's expenditure on long-term nursing care was equivalent to about 2% of GDP, of which 1.7% of GDP is devoted to institutional care. In 2007, 6.6% of people aged 65 and older stayed in a residential home or a rest and nursing home (compared to 5.1% of people over 60 in 2007)[85].

The costs for medical care are reimbursed to the individual by the health insurance system; expenses related to non-medical long-term care are partly covered through the federal monthly allowance for disabled persons and the elderly.

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[83] Before 1 January 2010, home care was coordinated through "*Samenwerkingsinitiatieven Thuiszorg*" (SIT) – or "Cooperation Initiatives Home Care".

[84] To stimulate multidisciplinary cooperation instead of competition, each geographical area can have only one GDT-SISD, with the exception of the Brussels region where both the Flemish and the French communities can accredit GDT-SISDs. The GDT-SISDs main task is to oversee the practical organisation and to support care providers and their activities within the framework of home care. In Flanders, the overlap is now addressed through the emergence in 2010 of "Cooperation Initiatives Primary Care" (SEL), which are the only ones who can gain recognition as GDT.

[85] OECD, "Belgium. Long-term care", country notes and highlights, May 2011, retrieved at http://www.oecd.org/dataoecd/60/55/47877421.pdf. Detailed statistics for Flanders are available on the website of the Flemish Agency for Care and Health (http://www.zorg-en-gezondheid.be/Cijfers/Cijfers-over-zorgaanbod/).

Flanders has introduced an additional "Flemish Care Insurance" (*Zorgverzekering*) in 1999, covering the costs of non-medical help and services borne by people with reduced self-sufficiency. The system is organised as a residence-based compulsory insurance-type scheme: every person residing in Flanders is obligatorily covered; persons residing in Brussels are allowed, but not obliged, to join. Note that the *zorgverzekering* only provides financial benefits; insurance under the scheme is not a requirement for receiving long-term care *services*[86].

The Flemish care insurance model has been fiercely contested within the Belgian context and has come under scrutiny in the context of EU coordination of social security schemes, as far as the rights and obligations of migrant workers are concerned[87].

The initiatives and evolutions in the health care sector are also relevant for the topic of long-term care. The system of the "maximum billing system" (described in chapter 2.3) and the extension of coverage of the health care system for self-employed persons, mean that previously self-employed elderly are now also covered for nursing care in homes for the elderly. In home nursing, co-payments for some services were reduced from 15% to 10% as of February 2010.

The Communities are responsible for issues of long-term care services that fall outside of the scope of the national social security scheme. Policies are therefore different in the different communities.

For the French Community, the "Plan Marshall 2.Vert" sets the policy objectives for the years 2010 to 2014 along six axes[88]. Concerning long-term care, the focus is on investment in infrastructure and on creating caregiver jobs. This policy is approached from an economic and employment logic, from the concern to allow anyone to be professionally active. Increasing the supply side of care therefore is inspired by the need to remove impediments for non-professional caregivers to work, and by the desire to create additional jobs through investment in the sector. By February 2011, € 69 million was invested in the development of 53 projects concerning retirement homes and care homes.

In Flanders, policy is set out through the "Vlaanderen in Actie – Pact 2020" plan which contains twenty targets in five central themes. Measuring progress is facilitated by a "zero-measurement" performed at the plan inception. Here too, the focus is on jobs and on sustainable development. However, as Community and Regional powers in Flanders are united within the same administrative and political structures, the social dimension (a Community package) is developed more separately from the economic dimension (which belongs to the Regions). For long-term care, the specific Flemish care insurance will be enforced, and a mechanism akin to the "maximum billing system" in health care will be

[86] More information on the Flemish care insurance is found in the year reports of the Flemish Care Fund, accessible via http://www.zorg-en-gezondheid.be/Publicaties/Publicaties-Vlaamse-zorgverzekering/. Updated figures are posted on http://www.zorg-en-gezondheid.be/Cijfers/Cijfers-over-de-Vlaamse-zorgverzekering/.

[87] See ECJ April 1, 2008, case C-212/06 – http://www.curia.europa.eu. While strictly speaking only relevant for situations in which citizens move from one country to another, the cases raises interesting questions on the emergence of differentiated social security systems within Belgium, and the lack of coordination of such systems. The case, and an article by Mr. Verschueren, outline the debate (VERSCHUEREN, Herwig, "De regionalisering van de sociale zekerheid in Belgie in het licht van het arrest van het Europese Hof van Justitie inzake de Vlaamse zorgverzekering", Belgisch Tijdschrift voor Sociale Zekerheid, 02/2008, 177-230. Available online: http://socialsecurity.fgov.be/docs/nl/publicaties/btsz/2008/btsz_02_2008_nl.pdf

[88] "Plan Marshall 2.Vert" succeeds the original "Plan Marshall", which ran from 2005 to 2009. The main focus of both plans is to revive Wallonia economically. These plans are conceived on the level of the Walloon Region (competent for economic policy) but contain components meant to strengthen the bond of the Walloon Region with the French-speaking Community in Wallonia and Brussels. The "Plan Marshall 2.Vert" is explained in detail on a dedicated website - http://planmarshall2vert.wallonie.be/.

developed and applied for home care services, putting the focus squarely on this type of long-term care.

2.4.2 Debates and political discourse

For the most part, debate and political discourse concerning long-term care follows that surrounding the health care sector.

The separate policies of the Regions are discussed in terms of initiatives and policy plans tabled by their respective governments, and are developed with involvement of the different stakeholders in the provision of services. Both policies focus on the integration of services. As long-term care is multi-faceted and as there is no universal definition available, it is difficult to identify specific debates. The mechanism whereby assistance to persons is a competency granted to the Communities but where the social security aspects are kept at the Federal level adds to the complexity and opaqueness of the system, making comprehensive comparison a near impossibility.

Here too, the political discussion on the division of competencies between the different state entities goes on, with no resolution in sight. For some, the competency to set programmatory policy, to fix the recognition criteria and to exert price control over the intra-mural care institutions needs to be transferred to the Communities, to allow for planning possibilities, in this field. For others, doing this would lead to a divergence in quality and availability, and would endanger the solidarity between the Regions.

On the Federal level, an interesting study by the Federal Knowledge Centre looks at the financing of home nursing care, but also contains observations on the remuneration, qualification and actual and administrative workload of professional nurses. While no objective quantification of needs versus supply seems to be available, anecdotal evidence of shortages of professional caregivers exists and is given much attention in the policy activities of the Regions.

2.4.3 Impact of EU social policies on the national level

Both the Flemish and French-speaking Community have developed comprehensive action plans, in which it is however difficult to fathom the concrete influence of European social policy – more so as international benchmarking and comparison is not easily applied at sub-national level[89].

Flanders has explicitly made the link with the EU 2020 agenda by formulating its own "Flemish Reform Programme" which links European targets with Flemish ones[90]. As there are no specific targets nor indicators concerning long-term care, no specific reporting is available.

Further explanation for the apparent lack of extensive and focused attention on long-term care in both Communities, is the fact that strategies here are a mix of health promotion and

[89] One should remember that the Communities and Regions are not subordinate to the Belgian Federal government. All entities in Belgium have equal legislative and policy-making power in the domains for which they are competent. In reporting towards the EU, the Federal level is often referred to as "entity 1", while "entity 2" is used to refer to the Regions and Communities.

[90] The process is explained on a website dedicated to the "Vlaanderen in actie – Pact 2020" plans (http://www.vlaandereninactie.be/). The "Flemish Reform Programme" (which is the extended version of the summary added to the Federal National Reform Programme) was adopted on 1 April 2011 and can be found here: http://www.vlaandereninactie.be/nlapps/data/docattachments/VHP%20zonder%20bijlages.pdf.
The intention to develop a "maximum billing system" for home care services mentioned in section 2.4.1 is inscribed in point 5.2.5. of this "Flemish Reform Programme".

prevention, ensuring affordable housing, infrastructure, care services proper, and many other factors.

This fragmentation is of course not unique to Belgium, but it does make it difficult to discover comprehensive and unified policies. It also risks rendering assessment not based on thorough and dedicated analysis incomplete.

2.4.4 Impact assessment

A 2010 report of the Belgian Health Care Knowledge Centre takes a closer look at the financing mechanisms of (medical) home nursing care[91]. These services are currently provided by private non-profit organisations and financed through the federal health care system, either on the basis of services delivered, or through a system of envelope-financing. The report states that these financing mechanisms do not provide a clear view on real costs and prohibits linking with the amount of services a patient objectively requires. It examines other mechanisms in different countries and formulates a series of recommendations and possible policy options such as more attention to quality and "evidence based nursing".

The report however examines more than just financing of this particular form of long-term care. It also makes recommendations as to the whole system and concludes that a profound political reflection is required on the respective roles of different health services functions (hospitals, primary care, home nursing, home care, nursing homes, informal care) and on how these functions connect within the overall context of health services provision. One of the future challenges will be to assess to what extent the developments in tele-monitoring, patient support tools and independent living technologies will affect nursing care, and on how support can be organised and financed. This general debate will require structured negotiations between the different political levels.

Furthermore, the study confirms that little is known about the cost structure of home nursing, and that it is unclear whether or not the fees and tariffs are adequate to cover real costs.

The Federal Planning Bureau from its side issued a report on the Belgian long-term care system, in which it analyses the workings of the system and brings together data concerning funding, quality and demand and supply, including that of informal care within the family[92]. It concludes that, while the current long-term care needs are adequately met by the provision of a diversified package of residential, semi‑residential and home care services, this observation hides important regional differences. Moreover, the system is not focused enough on those persons who need the provisions the most. The report also finds that the efforts to improve care coordination did not remedy the complexity and fragmentation of the system (partly because of the division of responsibilities between the federal and the regional levels). Consequently, the elderly and their relatives may have difficulty in getting the help they need, despite the relative abundance of its potential supply.

2.4.5 Critical assessment of reforms, discussions and research carried out

The long-term care system offers a wide range of services, made affordable for the individual through its close integration with the health care system. The main challenges today are to make sure that the services are well coordinated and that the system remains affordable to

[91] SERMEUS, Walter, PIRSON, Magali, PAQUAY, Louis, PACOLET, Jozef, FALEZ, Freddy, STORDEUR, Sabine and LEYS, Mark, "Financing of home nursing in Belgium", Belgian Health Care Knowledge Centre, Report 122C, February 2010, 140p (http://kce.fgov.be/Download.aspx?ID=1963).

[92] WILLEMĖ, Peter, The Belgian long-term care system, March 2010, 24p, Federal Planning Bureau Working paper 7-10 (http://www.plan.be/publications/Publication_det.php?lang=nl&TM=30&IS=63&KeyPub=931).

financially weaker beneficiaries – a concern that points to the general issue of out-of-pocket payments.

The fragmentation of the system, in which different services organised at different levels and under different schemes need to be brought together, poses challenges. At the same time, the division of competencies between the Federal system and the Regions hampers the emergence of clear policy, and prevents any one entity in fully subscribing to mechanisms where care is offered based on the needs of the individual.

Transparency seems to be lacking, even at the level of objective evaluation of the quality and functioning of the system. While figures are available on the quantity of services, on satisfaction and on its quality, no encompassing evaluations seem to show how all services come together for the recipient, or if everyone receives his or her entitlement based on their respective needs. To find out if the benefits and services offered through the Federal social security system sufficiently and efficiently work together with those offered by the Communities, research is necessary from the perspective of individuals' needs. A first step in such a study would then have to be to agree on the definition of health care versus social care, and to define what constitutes a comparable and relevant total package.

Fragmentation of services in the field of long-term care is of course not unique to Belgium. However, the lack of clear and quantifiable information means that the impact of measures by one state entity is not easily gauged at the level of the other entities. The solution in itself – to bring all competencies regarding long-term care together – seems politically difficult. Creative solutions will however need to be found to allow for the emergence of a sound and solid policy.

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3 Abstracts of Relevant Publications on Social Protection

[R] Pensions
- [R1] General trends: demographic and financial forecasts
- [R2] General organisation: pillars, financing, calculation methods or pension formula
- [R3] Retirement age: legal age, early retirement, etc.
- [R4] Older workers activity: active measures on labour market, unemployment benefit policies, etc.
- [R5] Income and income conditions for senior workers and retired people: level of pensions, accumulation of pensions with earnings from work, etc.

[H] Health
- [H1] Health expenditures: financing, macroeconomic impact, forecasting, etc.
- [H2] Public health policies, anti-addiction measures, prevention, etc.
- [H3] Health inequalities and access to health care: public insurance coverage, spatial inequalities, etc.
- [H4] Governance of the health system: institutional reforms, transfer to local authorities, etc.
- [H5] Management of the health system: HMO, payments system (capitation, reimbursement, etc.)
- [H6] Regulation of the pharmaceutical market
- [H7] Handicap

[L] Long-term care

[R] Pensions

[R] BERGHMAN, J., DEBELS, A., VANDENPLAS, H., VERLEDEN, F., MUTSAERTS, A., PEETERS, H. and VERPOORTEN, R. (2010), De Belgische pensioenatlas 2010, FOD Sociale Zekerheid, 2010, Brussels, 138p/retrieved from:

http://soc.kuleuven.be/ceso/pensioenbeleid/downloads/pensioenatlas_NL.pdf

"The Belgian Pension Atlas 2010"

This publication offers the most accurate state of affairs to date of first and second pillar pensions, and how they are distributed over the population. Use is made of reliable and verifiable data. With the combining of data from the State Register of Persons, conclusions are made possible concerning the situations of families. Moreover, interesting observations are made concerning the comparability on the international level. The study however suffers some limitations: the last available data is from the year 2007, and not all pensions could be researched. Broadly speaking, the study does not contain information on third pillar pensions nor on some of the second pillar pension system.

[R] CANTILLON, B, POPELIER, P and MUSSCHE, N (eds.), "Social Federalism: The creation of a layered welfare state − The Belgian case.", 2011, Cambridge-Antwerp-Portland, 302/retrieved from:

http://www.intersentia.be/searchDetail.aspx?back=reeks&reeksCode=&bookid=101821

In this book, the issue of social federalism in Belgium is discussed. The book gives an overview of the division of powers over the Federal, Regional and European level, and critically assesses the state-of-affairs and aspirations against the background of the major challenge of an ageing population an effective social policy. The book considers at which level the bulk of an effective social policy is best situated, what the role of the sub-national entities can be, and which limitations are imposed by the constitutional and European framework. The various forms of power allocation are considered for social federalism in Belgium. From the perspective of various scientific disciplines and averse to any political dogma, this book pleads for a more nuanced thinking on social federalism in Belgium.

[R2; R5] DE VIL, Greet, "De Belgische eerstepijlerpensioenen aan de vooravond van de vergrijzing: doorlichting van bedragen, gerechtigden en adequaatheid", Federal Planning

Bureau Working Paper 4-10, March 2010, 31p/retrieved from:. http://www.plan.be/admin/uploaded/201004291034230.wp201004_nl.pdf

"Belgian first pillar pensions at the eve of ageing: analysis of amounts, beneficiaries and adequacy"

Examining payments made under the legal pension system per 1 January 2008, this paper looks at the evolution of adequacy in terms of prosperity and poverty lines. The amount of benefits is quite diverse, along the lines of the different existing systems. The Generation Pact has had a definite positive influence on the evolution of minimum pensions. Nevertheless, minimum pensions in Belgium flirt with the legal and relative poverty lines.

[R] NATIONALE PENSIOENCONFERENTIE, "Groen Boek – Een toekomst voor onze pensioenen", April 2010, Brussels, 415p/retrieved from:

http://www.pensioenconferentie.be/pdf/NL/groen_boek.pdf

"Green Book – A future for our pensions"

The first deliverable of the National Conference on Pensions succeeds in mapping out the problems and challenges the pension system is faced with in light of an ageing population. The paper contains extensive data and analysis, and poses questions as to the future of the system. The debate is however steered in the direction of what is deemed to be politically achievable; obvious other possible remedies are omitted from the menu of discussion.

[R2] PACOLET, Jozef and STRENGS, Tom, "Pensioenrendement vergeleken", HIVA, January 2010, Leuven, 141p/retrieved from:

http://www.hiva.be/resources/pdf/publicaties/R1300_Pensioenrendement.pdf

"Pension yields compared"

The Study of Pacolet and Strengs attempts to compare the yields of first pillar versus second and third pillar pension setups. The document does not offer calculation models, but compares the situation in different countries from the question if second pillar pensions are really better at guaranteeing adequate pensions. The conclusion of the authors is that the first pillar system actually displays the best results, and that an enforcement of this pillar in Belgium would be worth pursuing.

[R2] VAN DE CLOOT, Ivan and HINDRIKS, Jean (2011), "Onze pensioenerfenis. Hoe de pensioenuitdaging aangaan. ", May 2011/retrieved from:

http://www.itinerainstitute.org/upl/1/default/doc/Itinera_binnen_NL_DEF.PDF

"Our pension inheritance. How to approach the pension challenge."

This think-tank report proposes comprehensive changes to the Belgian pension system, in order to improve its adequacy, equity and sustainability. One of several proposals published, this report stands out for its documented overview of the challenges and its calculated proposals that allow to assess the concrete impact of changes made to the system.

[H] Health

[H] CANTILLON, B, POPELIER, P and MUSSCHE, N (eds.), "Social Federalism: The creation of a layered welfare state – The Belgian case.", 2011, Cambridge-Antwerp-Portland, 302/retrieved from:

http://www.intersentia.be/searchDetail.aspx?back=reeks&reeksCode=&bookid=101821

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[H] DELAMAIRE, M. and LAFORTUNE, G., "Nurses in Advanced Roles: A Description and Evaluation of Experiences in 12 Developed Countries", OECD Health Working Papers, No. 54, July 2010, 106/retrieved from:

http://dx.doi.org/10.1787/5kmbrcfms5g7-en

The 54th Health Working Paper explores how health care delivery can be improved by reviewing the roles of health professionals, including nurses. The paper reviews the development of advanced practice nurses in 12 countries, amongst which Belgium, with a particular focus on their roles in primary care.

In Belgium, the recognition of advanced practice nurses has not officially occurred, although nurses can perform certain advanced tasks in hospital or in primary care. The most important barrier for change is the position of medical associations. Moreover, doctors in primary care mainly work in solo practices and are paid on a fee-for-service basis, which is not conducive to the development of more advanced nursing roles. Finally, the involvement of many stakeholders in the health system, in the three Communities and the Federal levels, does not facilitate legislative and other changes at the national level.

[H] DEMAREST, S, DRIESKENS, S, GISLE, L, HESSE, E, TAFFOREAU, J, VAN DER HEYDEN, J (2010), "Health Interview Survey, Belgium, 1997 - 2001 - 2004 - 2008", Unit of Epidemiology, Scientific Institute of Public Health, 2010, Brussels/retrieved from:

http://www.iph.fgov.be/epidemio/epinl/CROSPNL/HISNL/TABLE08.HTM)

The Health Interview Survey contains information obtained in 2008, and uncovers (through connected analysis reports) trends in several aspects of health, health care consumption and well-being.

[H] GERKENS, Sophie, MERKUR, Sherry, "Belgium: Health system review", Health Systems in Transition, Vol. 12 nr. 5, European Observatory on Health Systems and Policies, 2010, 266p/retrieved from:

http://www.euro.who.int/en/home/projects/observatory/publications/health-system-profiles-hits/full-list-of-hits/belgium-hit-2010

Part of the series of "Health Systems in Transition" (HiT), this book offers a comprehensive description of the Belgian health care system, including aspects of institutional organisation, framework, process, content, and implementation of health and health care policies. The study highlights current and future challenges and areas that require further in-depth analysis.

This HiT review further presents the evolution of the health system since 2007, and marks the beginning of a more permanent collaboration between the European Observatory on Health Systems and Policies and the Belgian Healthcare Knowledge Centre (KCE) as part of a network of 'national lead institutions' (NLI) to report more systematically on health system developments in European countries.

[H1] SERMEUS, Walter, PIRSON, Magali, PAQUAY, Louis, PACOLET, Jozef, FALEZ, Freddy, STORDEUR, Sabine and LEYS, Mark, "Financiering van de thuisverpleging in België", February 2010, KCE Reports 122A, 121p/retrieved from:

http://kce.fgov.be/index_nl.aspx?SGREF=14842&CREF=14910

"Financing of home nursing care in Belgium"

An evaluation of the current financing mechanisms of medical nursing services delivered to the home (as part of the larger picture of home care). The study concludes that there is no clear picture as far as financing is concerned, hampering an open and objective debate. More coordination between different policy levels is required, and measurement of the actual need for care and the quality of the care provided should be introduced in the financing mechanisms.

[H2] VLAYEN, Joan, VANTHOMME, Katrien, CAMBERLIN, Cécile, PIÉRART, Julien, WALCKIERS, Denise, KOHN, Laurence, VINCK, Imgard, DENIS, Alain, MEEUS, Pascal, VAN OYEN, Herman and LÉONARD, Christian (2010), "A first step towards measuring the performance of the Belgian health care system", KCE Reports 128, 2010, 384p/retrieved from:

http://kce.fgov.be/index_en.aspx?SGREF=14851&CREF=16543

Methodological study, exploring how a system of consistent and comparable data gathering and reporting can be achieved. This report looks at available data, places it in context, and reveals existing gaps. On the basis of this analysis, a more continuous and systematic measurement can be set up. The main challenge will however be to establish cooperation between the different actors in the field, and to supplement the data currently available.

[H3; H5; H6] VRIJENS, France, VAN DE VOORDE, Carine, FARFAN-PORTET, Maria-Isabel, LE POLAIN, Maïte and LOHEST, Olivier, Het referentieprijssysteem en socio-economische verschillen bij het gebruik van goedkopere geneesmiddelen, KCE Reports 126A, April 2010, 69p/retrieved from:

http://kce.fgov.be/index_en.aspx?SGREF=14851&CREF=15339

"The Reference Price System and socio-economic differences in the use of cheaper drugs"

The Reference Price System is meant to reduce the cost for the health care system by setting the reimbursement amount of drugs to the level of cheaper alternatives to certain brand drugs, while the patient is required to pay the difference in price. Doctors however continue to prescribe the expensive variant, which leads to the question if certain socio-economic groups

are lead to pay too much for lack of information and knowledge. The study concludes that this is not the case.

[L] Long-term care

[L] CANTILLON, B, POPELIER, P and MUSSCHE, N (eds.), "Social Federalism: The creation of a layered welfare state – The Belgian case.", 2011, Cambridge-Antwerp-Portland, 302/retrieved from:

http://www.intersentia.be/searchDetail.aspx?back=reeks&reeksCode=&bookid=101821

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[L] COLOMBO, F., LLENA-NOZAL, A., MERCIER, J. and TJADENS, F, "Help Wanted?: Providing and Paying for Long-Term Care", OECD Health Policy Studies, 8 June 2011, 336/retrieved from:

http://www.oecd.org/health/longtermcare/helpwanted

This upcoming publication (of which the separate chapters are however already accessible online) examines the challenges countries are facing with regard to providing and paying for long-term care. With populations ageing and the need for long-term care growing rapidly, the book explores issues such as future demographic trends, policies to support family carers, long-term care workers, financing arrangements, long-term care insurance, and getting better value for money in long-term care. The book does not offer recommendations per country, but the information in the different chapters nevertheless allows to assess the position of each individual countries and the relevance of the observations concerning the specific topic.

[L] DELAMAIRE, M. and LAFORTUNE, G., "Nurses in Advanced Roles: A Description and Evaluation of Experiences in 12 Developed Countries", OECD Health Working Papers, No. 54, July 2010, 106/retrieved from:

http://dx.doi.org/10.1787/5kmbrcfms5g7-en

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stakeholders in the health system, in the three Communities and the Federal levels, does not facilitate legislative and other changes at the national level.

[L] SERMEUS, Walter, PIRSON, Magali, PAQUAY, Louis, PACOLET, Jozef, FALEZ, Freddy, STORDEUR, Sabine and LEYS, Mark, "Financiering van de thuisverpleging in België", February 2010, KCE Reports 122A, 121p/retrieved from:

http://kce.fgov.be/index_nl.aspx?SGREF=14842&CREF=14910

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[L] WILLEMĖ, Peter, "The Belgian long-term care system", Federal Planing Bureau Working paper 7-10, March 2010, 24p/retrieved from:

http://www.plan.be/publications/Publication_det.php?lang=nl&TM=30&IS=63&KeyPub=931

This report contains a detailed description of the long-term care system in Belgium. It discusses its organisation and financing, but also the long-term care usage and needs and the challenges for the future. These challenges include a likely doubling of long-term care needs by 2060 and the implications for its financing. The report also suggests that, while aggregated figures on supply and demand seem to indicate that needs are adequately covered and quality is high, regional and interpersonal differences may very well be hidden by this data, and that the fragmented organisation of services possibly implies that needy individuals are faced with waiting lists and with difficulty to find the right services for their needs.

4 List of Important Institutions

Centrum voor Sociaal Beleid Herman Deleeck (CSB) – Centre for Social Policy Herman Deleeck

Contact person: Dr. Bea Cantillon
Address: Sint-Jacobstraat 2, 4de verd., 2000 Antwerpen,
Webpage: http://www.centrumvoorsociaalbeleid.be/

The Centre for Social Policy Herman Deleeck (CSB) is a research unit within the University of Antwerp. It has been studying social inequality and wealth distribution in the welfare state for over 30 years. The research is empirical and multidisciplinary in nature, and is based largely on survey data. Herman Deleeck, who founded the Centre in 1972, fulfilled a pioneering role in developing social indicators for Flanders and Belgium. The Centre's research activities belong to the tradition of social policy analysis that makes use of sociological, economic and legal paradigms.
The CSB spearheads several research activities, and publishes useful indicators, amongst which the yearly updated Standard Social Security MicroSimulation Model, which makes it possible to simulate the impact of policy initiatives on the different branches of the social security system.

CoViVE, Consortium Vergrijzing in Vlaanderen en Europa – Consortium Ageing in Flanders and Europe

Contact person: Dr. Bea Cantillon
Address: Sint-Jacobstraat 2, 4de verd., 2000 Antwerpen,
Webpage: http://www.covive.be/

CoViVE is an inter-university consortium researching the socio-economic impact of ageing in Flanders and in Europe. Focal points are the spread of economic burden caused by an ageing population between and inside generations, the quality, affordability and accessibility of care, and the participation of older persons in employment and in social life. As cooperation between the Flemish administration and universities, CoViVE is coordinated by the Centre for Social Policy Herman Deleeck (University of Antwerp) and is financed by the Institute for Encouragement of Innovation through Science and Technology in Flanders (IWT).
CoViVE is active through study days, reports, papers and publications in periodicals.

Federaal Kenniscentrum voor de Gezondheidszorg – Belgian Health Care Knowledge Center

Address: Administratief Centrum Kruidtuin, Doorbuilding (10e verdieping), Kruidtuinlaan 55, 1000 Brussel,
Webpage: http://www.kce.fgov.be/

Created in 2003, the KCE is a semi-governmental institution which produces analyses and studies in four different research domains in which decisions must be taken; collecting and disseminating objective information from registered data, literature and current practice; and developing high level scientific expertise in these research domains. The four research domains mentioned are the analysis of clinical practices and the development of practical guidelines on this topic ("Good Clinical Practice"); "Health Technology Assessment"; "Health Services Research", which points to everything that has to do with the organisation and financing of health care; and "Equity and Patient Behaviour", which denotes access to quality care for everybody. The KCE publishes regular reports on these different aspects. It is important to note that, whilst created by government, the KCE is not directly involved in policy setting, or in the execution of policy. As such, it holds an independent position.

Federale Overheidsdienst Volksgehzondheid, Veiligheid van de Voedselketen en Leefmilieu – Federal Public Service Health, Food Chain Safety and Environment

Address: EUROSTATION, bloc 2, Place Victor Horta 40 boite 10, 1060 Bruxelles
Webpage: https://portal.health.fgov.be

The Federal Public Service (FPS) Health, Food Chain Safety and Environment was set up in 2001. Its competencies were transferred from the former Ministry of Social Affairs, Health and Environment and the regionalised Ministry of Agriculture. The following scientific establishments are linked to the FPS and carry out research into policy-supporting matters or issue advisory reports: VAR, Veterinary and Agrochemical Research Centre IPH, Scientific Institute of Public Health, SHC, Superior Health Council. The Federal Agency for Food Chain Security is responsible for all verifications with regard to food safety. The aims of the FPS are developing a transparent, dynamic and scientifically-based policy that takes care of people's health, provides a safe food chain and a better environment for everyone, both today and in the future.

Federale Overheidsdienst Werkgelegenheid, Arbeid en Sociaal Overleg – Federal Public Service Employment, Labour and Social Dialogue

Address: Ernest Blerotstreet 1, 1070 Brussels
Webpage: http://www.employment.belgium.be

The Federal Public Service Employment, Labour and Social Dialogue (FPS) is a public agency and was found in 2003. The tasks of the FPS among others are the preparation, promotion and implementation of policies of collective labour relations, supervision of social dialogue, prevention and reconciliation in social conflicts and the preparation, promotion and implementation of policies on employment, labour market regulation and unemployment plus of policies on equality and of policy on welfare at work. The FPS oversees the abidance of the implemented laws and prosecutes violation of law.

Federaal Planbureau – Federal Planning Bureau

Address: Avenue des Arts, 47-49, 1000, Brussels
Webpage: http://www.plan.be/

The Federal Planning Bureau (FPB) is a public agency. The FPB makes studies and projections on economic, social and environmental policy issues and on their integration within the context of sustainable development. For that purpose, the FPB collects and analyses data, explores plausible evolutions, identifies alternatives, evaluates the impact of policy measures and formulates proposals. Government, parliament, social partners and national and international institutions appeal to the FPB's scientific expertise. The FPB provides a large diffusion of its activities. The public is informed of the results of its research activities, which contributes to the democratic debate.
Most of the FPB's activities are legally defined. Other studies are made at the request of the Government, social partners and parliament. The FPB can also undertake projects at its own initiative or within the framework of research contracts with third parties. All the FPB's studies are published, presented publicly, and widely distributed, via their website. Of particular interest are the planning and forecast documents.

HIVA (Hoger Instituut voor de Arbeid) – Higher Institute of Labour Studies

Contact person: Dr. Jozef Pacolet
Address: Parkstraat 47, B-3000 Leuven
Webpage: http://hiva.be/nl/

The higher Institute of Labour Studies is an inter-faculty research institute, attached to the K.U.Leuven. HIVA conducts policy-oriented inter-disciplinary research into social problems of relevance to workers, underprivileged groups, social organisations and movements.
Its core activity is research and the dissemination of research results, conducted in an academic and policy-oriented manner.

Hoge Raad van Financien – High Council of Finance,
Webpage:
http://docufin.fgov.be/intersalgnl/hrfcsf/onzedienst/onzedienst.htm
The members of the High Council of Finance are high level experts, who analyse and study fundamental budgetary, financial and fiscal issues, and suggest adaptations and reforms. They can act on their own initiative or at the request of the Federal Minister of Finance or the Minister of Budget.
The High Council of Finance publishes two yearly reports, one (in March) containing an assessment of the implementation of the stability programme in Belgium during the previous year, and one annual report (in June), which analyses the borrowing requirement of each of the local governments as well as the budgetary policy to be adopted.
Moreover, it publishes opinions formulated on its own initiative or upon request of the federal Minister of Finance, as to the advisability of restricting the borrowing requirement of one or more authorities.

Instituut voor de gelijkheid van mannen en vrouwen – Institute for the equality of women and men (IGVM
Address: Ernest Blerotstraat 1, 1070 Brussel
Webpage: http://igvm-iefh.belgium.be/
The mission of the Institute for the equality for women and men, a Federal Public Institution created in December 2002, is to guarantee and promote the equality of women and men and to fight against any form of discrimination and inequality based on gender in all aspects of life through the development and implementation of an adequate legal framework, appropriate structures, strategies, instruments and actions.
The institute brings together data on the labour market, and publishes topical reports, its own yearly reports, and a periodic report concerning the wage gap between men and women.

Itinera Institute
Contact person: Dr. Marc De Vos
Address: Boulevard Leopold II Laan 184d, B-1080 Brussels,
Webpage: http://www.itinerainstitute.org/
The Itinera Institute is an independent and non-partisan think-tank and do-tank that identifies and promotes roads for policy reform towards sustained economic growth and social protection, for Belgium and its regions. The institute publishes reports and opinions on different subjects, including ageing and pensions, poverty and inequality, employment and health care.

Nationale Bank van België – National Bank of Belgium
Address: de Berlaimontlaan 14, 1000 Brussel
Webpage: http://www.nbb.be/
The National Bank of Belgium is Belgium's central bank since 1850. The NBB publishes year reports, but also weekly economic indicators, economic reviews, and economic and financial background papers.

Detailed statistical information is offered through the Belgostat service (http://www.belgostat.be/), which makes the National Bank a prime source to access underlying statistical and analytic data on economics and finances.

Steunpunt tot bestrijding van armoede, bestaansonzekerheid en sociale uitsluiting – Service for the fight against poverty, insecurity, and social exclusion

Webpage: http://www.armoedebestrijding.be/

The Service was formed in 1999 on the basis of a recommendation of the 1994 General Report on Poverty, which itself brought together organisations in which the poorest had their say along with local public welfare agencies, social workers from the social assistance and special juvenile assistance sectors, teachers, doctors, employers and labour unions, … The Report requested that a structural tool would be developed for fighting poverty.
The Service is a partnership between the Federal State, the Communities, and the Regions, on the Continuation of the Policy on Poverty. It publishes statistics, notes and background papers concerning poverty. In addition, the organisation publishes bi-annual reports on poverty.

Studiecommissie voor de Vergrijzing – Study Committee on Ageing

Address: Avenue des Arts, 47-49, 1000, Brussels
Webpage: http://www.plan.be/

The Law of 5 September 2001 guaranteeing a continuous reduction in the public debt and the setting up of the Ageing Fund also provided for the creation of the Study Committee on Ageing within the High Council of Finance. This Committee publishes an annual report in which the financial consequences of the population's evolution for the different statutory pension schemes, social security schemes for salaried workers and self-employed workers and the scheme of guaranteed income for the elderly are assessed (see theme 'Population'). The Study Committee can undertake, on its own initiative or at the request of the Government, specific studies related to ageing (poverty, 'second pillar' pension schemes, etc.). The Law entrusts the FPB with the secretariat of the Committee. The FPB thus plays an important role in the drawing up of the necessary assessments and the preparation of the annual report of the Committee.
The department 'Borrowing Requirements of the Public Sector' within the High Council of Finance uses the report of the Study Committee to make recommendations for budgetary policy. On the basis of the work of the Study Committee on Ageing, the federal government draws up a memorandum on population ageing. The document contains an assessment of the additional costs in the social security schemes, describes the general policy in order to meet the consequences of ageing, gives an account overview for the Ageing Fund and describes the evolution of supplementary old-age pensions and of poverty amongst the elderly.

VIVES - Vlaams Instituut voor Economie en Samenleving – Research Centre for Regional Economics

Contact person: Dr. Koen Algoed
Address: Naamsestraat 61 (bus 3510), B-3000 Leuven
Webpage: http://www.econ.kuleuven.be/vives/

VIVES is an independent think-tank which aims to contribute to the debate on the economical and social development of regions, with a focus on Flanders. The Centre is integrated both scientifically and legally within the K.U.Leuven as an inter-faculty research centre.

VIVES cooperates extensively with Research Fellows from other universities, organises symposia and publishes discussion papers, policy papers and press reports.

This publication is financed by the European Community Programme for Employment and Social Solidarity (2007-2013). This programme was established to support the implementation of the objectives of the European Union in the employment and social affairs area, as set out in the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in these fields. The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA and EU candidate and pre-candidate countries. The Programme has six general objectives. These are:

(1) to improve the knowledge and understanding of the situation prevailing in the Member States (and in other participating countries) through analysis, evaluation and close monitoring of policies;
(2) to support the development of statistical tools and methods and common indicators, where appropriate broken down by gender and age group, in the areas covered by the programme;
(3) to support and monitor the implementation of Community law, where applicable, and policy objectives in the Member States, and assess their effectiveness and impact;
(4) to promote networking, mutual learning, identification and dissemination of good practice and innovative approaches at EU level;
(5) to enhance the awareness of the stakeholders and the general public about the EU policies and objectives pursued under each of the policy sections;
(6) to boost the capacity of key EU networks to promote, support and further develop EU policies and objectives, where applicable.

For more information see:
http://ec.europa.eu/social/main.jsp?catId=327&langId=en