Belgium



2016 Country Review

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Chapter 1

Country Overview

Country Overview

BELGIUM

Belgium, located in north-west Europe, is a country of varied topography -- from Flemish lowlands in the north to forests in the south and coastlines along its northwestern edges. Its geographic location has ensured that its has been a significant player throughout history with connections to ancient, Celts, Romans, Huns, Franks, Merovingians, and Carolingians. During the Medieval era, Belgium became a regional player with cities such as Ghent and Brugges taking on significance. Then came the influence of the Burgundian Empire and the flourishing of Belgian arts and culture. The rise of William of Orange marked the start of complex geopolitics in Europe, of which Belgium was to play a notable role. Then, as a European power during the colonial era, Belgium claimed jurisdiction over limited African territory now known as Rwanda, Burudi, and the Democratic Republic of Congo (formerly known as Zaire).

Belgium became independent from the Netherlands in 1830. It was occupied by Germany during the two world wars. In the past 50 years the country has become a prosperous Western European democracy, marked by modernity and technological advancement. Belgium is a member of the European Union (EU), the North Atlantic Treaty Organization (NATO). Indeed, its capital, Brussels, is the headquarters of the EU and NATO. Today, Belgium's small but highly developed market economy has benefited from its central geographic location, advanced transportation system, and varied industrial, services and commercial base. Its charming history, and famous chocolates, beer and culinary delights have made Belgium a popular tourist destination.

That being said, Belgium has had to deal with complicated socio-cultural challenges. The country has been divided into Dutch-speaking Flanders, in the north, and French-speaking Wallonia, in the south. It should be noted that Wallonia is home to a German-speaking minority as well. In recent years, conflict between the Flemish and the Wallonian parties on the distribution of power and revenues between Dutch-speaking Flanders and French-speaking Wallonia has resulted in a philosophical impasse. The Dutch-speaking north of Belgium, known as Flanders, has called for increased regional autonomy for regions, and more control over matters such as social security and taxation. But Francophone Wallonia in the south is not keen on that idea since greater autonomy for Flanders could result in less budgetary allocations to the less wealthy Wallonia and the bilingual capital city of Brussels. Most recently, Flemish versus Walloon dissonance has contributed most recently to political challenges and governing instability.

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Key Data

Key Data	
Region:	Europe
Population:	10453761
Climate:	Temperate climate Cool, mild winters Cool summers; rainy, humid, cloudy
Languages:	Flemish (related to Dutch), Dutch, French, German, bilingualism
Currency:	1 Euro = 100 cents
Holiday:	National Day is 21 July, Guldensporenslag is 11 July
Area Total:	30528
Area Land:	30278
Coast Line:	66

Belgium

Country Map



Europe

Regional Map



Chapter 2

Political Overview

History

Early History

Belgium derives its name from a Celtic tribe, the Belgae, whom Julius Caesar described as the most courageous tribe of Gaul. The Belgae were forced to yield to Roman legions during the first century B.C.E. (Before the Common Era). The Romans named their new territory Gallia Belgica. For some 300 years thereafter, what is now known as Belgium flourished as a province of Rome. That said, Rome's power gradually declined.

In about 300 C.E. (Common Era), Attila the Hun invaded what is now Germany and pushed Germanic tribes into northern Belgium. About 100 years later, the Germanic tribe of the Franks invaded, taking control of Gaul, including the area known today as Belgium. The northern part of present-day Belgium became an overwhelmingly Germanized and Germanic- Frankish-speaking area, whereas in the southern part people continued to be Roman and spoke derivatives of Latin.

By 431, an independent dynasty, known by the name "Merovingian," was established with its capital at Tournai. In the ensuing decades, under the leadership of Clovis I, the Merovingians vanquished the last of the Romans in Gaul. They took control of significant portions of present day France and Belgium, as well as the southwestern part of Germany. Clovis also adopted Christianity, and in so doing, he was able to secure the support of the Church.

Clovis' death ushered in the decline of the Merovingians. The result was the fragmentation of the Frankish lands for centuries until 751, when the rule of Pepin III brought some unified rule to the region. Under Pepin, the Merovingians were deposed and promptly replaced by the Carolingians. The ascendancy of the Carolingians augured the domination of Charlemange.

Charlemagne came to power in 768 and ruled for almost a half century. During that period, he forged a great and mighty empire, which expanded over much (but not all) of continental Europe. During his reign, Charlemagne did not expend all of his attention on political and military pursuits; indeed, he was also championed both the arts and trade. In fact, Charlemange's reign saw the growth and preservation of classical arts and scholarship, as well as the fulcrum of structured trade along Belgium's river ways.

Charlemagne's death saw the fragmentation of his empire. In fact, disputes within the family led to the Treaty of Verdun in 843, under which the empire was split into three areas under the control of the three grandsons of Charlemagne. West Francia, which was placed under the control of Charles the Bold, was the foundation of France. East Francia, which was placed under the control of Louis the German, was the foundation of Germany. The Middle Kingdom, which was placed under the control of Lothair, saw its territorial integrity quickly fragment.

These divisions impacted the formation of present-day Belgium. In fact, a strip of land to the north and west of the River Scheldt within West Francia would become part of Belgium. As well, territory that was included in the Middle Kingdom under Lothair, but which subsequently came under the control of German rulers, also formed part of present-day Belgium.

The Medieval Period

The Medieval Period was marked by the rise of fortresses and towns that come to be well-known cities centuries later. Of note was the ascendancy of the Counts of Flanders in an area to the northwest of Belgium, which nominally fell under French control. Within Flanders, there was the proliferation of towns, such as Ghent, Bruges and Ypres. Meanwhile, the southeastern part of present-day Belgium came to be part of the Duchy of Lorraine, under the control of the German rulers. In 977, Charles, the Duke of Lorraine, constructed a fortress on the Senne River that would later become the Belgian capital of Brussels.

By the turn of the century, Belgium consisted of the cities of Flanders, unified and strengthened under their aegis of the aforementioned Counts, as well as a smattering of towns and cities to the south and east of the River Scheldt. With greater political stability in the kingdoms across Europe, trade and commerce flourished. In Flanders, a burgeoning cloth industry was only one contributor to the area's growth and prosperity. And by 1300, other cities, such as Ghent, Bruges and Ypres, gained political autonomy and became known for their civic and cultural accomplishments.

Since these aforementioned areas were gaining economic, political and cultural strength -- there was a bid to reassert both local power by the Counts, and a bid to reassert claims on Flanders by France. Such attempts were repelled by the cities in 1302, manifest by the defeat of the French aristocracy at the Battle of the Golden Spurs. However, the aristocracy was not deterred and ultimately prevailed against the cities. By 1329, Flanders was once again under the control of France.

The impact of this power shift on the cloth industry was profound -- particularly upon England, which had been supplying raw wool. Hoping to mitigate French power, England ceased its supplies of raw wool. The ultimate result was manifest in a series of wars and conflicts known as the

Hundred Years' War from1337 and lasting until 1453. That period was concurrent with the cities of Flanders' attempts to recoup their autonomy.

Power, Alliances and Ideology

In 1384, Burgundy's alliance with the English against the French contributed to Philip the Bold of Burgundy's rise as ruler of Flanders. Under the rule of Philip the Good from 1419-1467, the Burgundian Empire flourished culturally and economically, and expanded geopolitically, as control extended to areas including Liege, Namur and Brussels. As well, efforts of cities to regain autonomy waned, as rule was increasingly centralized in Brussels and as the economy of the region was consolidated.

The period after Philip's death was marked by the rise of the city of Antwerp as a commercial center, just as trade was moving northward. It should also be noted that art and culture was also flourishing. Indeed, Flemish painters, such as Van Eyck, Breugel, Rubens and Van Dyck, became renowned, and Flemish tapestries gained in popularity, even hanging on the walls of castles across Europe. But amidst this cultural and commercial growth came a period of strife.

The year 1555 saw Philip II ascend to the Spanish throne and the entry to Spanish occupation. The king's advocacy of Catholicism occurred at a time when Protestantism was on the rise in northern Europe. In Flemish cities, Protestantism was not only a religious sect but a political movement, associated with notions of both freedom and resistance to aristocratic domination. The result was something of a sectarian conflict. Philip II responded to the rising social unrest with a military offensive, religious repression, and ultimately, the execution of thousands of Protestants.

In 1565, an organized opposition force was taking shape in the form of the League of Nobility, which was led by William of Orange and the Governor of Flanders. Once again, Philip II responded with military might. The result was William of Orange being rendered powerless, as well as the execution of the Governor of Flanders. A massive popular uprising, centered in the north, followed these actions and the Spanish military leader, the Duke of Alva, was unable to turn back the tides of outrage.

By 1576, William of Orange has recouped his power in the north, which came to be known as the United Provinces. For the next seven decades, the United Provinces attempted to hold on to autonomy, while the Catholic south remained loyal to Spain, even taking the name Spanish Netherlands.

The year 1648 was marked by the signing of the Treaty of Munster, which provided for Spanish recognition of the independence of the United Provinces, but also the closure of the River Scheldt

as a main waterway. The latter provision contributed to the decline of Antwerp, Ghent and Bruges as commercial and trading centers.

The Battleground Period

Over the course of the next century, France emerged as the most powerful entity in Europe. The impact on Belgium was great since France, under the rule of Louis XIV, repeatedly moved to bring the Spanish Netherlands under French control. But French ambitions were not well-regarded by either the Spanish or the Dutch. England also registered its opposition to French expansion when the Dutch ruler William III accepted the English throne. The result was Belgium as a type of battleground for competing powers with shifting alliances.

From 1702 to 1713, the area was marked by the War of the Spanish Succession. With the death of King Charles II of Spain, who had fathered no children, attention turned to his named successor, Philip of Anjou, who was also the grandson of the French King Louis. For his part, the French monarch urged Philip of Anjou to cede the Spanish Netherlands to France. While Philip of Anjou was not about to refuse his relative, the rest of Europe balked at the prospect of French expansion. The intervening years saw France attempt to establish control over the Spanish Netherlands, along with resistance by the Dutch, English, and Austrians. By 1713, French attempts ended with the Treaty of Utrecht, which provided for the Spanish Netherlands to be placed under the control of the Habsburg rulers of Austria.

While Austrian Habsburg has legal control over the region, in actuality, there was an environmental of virtual autonomy. That situation, along with the rise of nationalist sentiment in Europe, resulted in the ascendancy of the notion of Belgian identity at the close of the 18th century. The French Revolution in 1789 stoked the fires of nationalism most profoundly and following a revolt against the Austrians, 1790 saw the declaration of independence. The newly-established country remained deeply divided and, as such, the Austrians had little trouble re-asserting control. But the Austrians could not afford to pay close attention to the situation in Belgium as it was soon at war with France.

In 1795, the victorious French "liberated" Belgium, revitalized commerce and industry, and even established various institutions that would later function as the foundation of modern Belgian government. But French ascendancy was not wholly regarded as positive. The seizure of Belgian assets and the easy exploitation of the people into military service sparked a popular opposition unseen since the resistance to Spanish occupation.

In 1815, after the fall of Napoleon, the Congress of Vienna decreed that Belgium would become a part of the Kingdom of the Netherlands, and be ruled by William of Orange.

But by 1830, the Belgian people rebelled and revolted against Dutch power, ultimately obtaining their independence from the Dutch on January 20, 1831. The year before, it had been sanctioned that the creation of the nation state of Belgium would ensue on the condition that the country remain strictly neutral. A constitutional monarchy was established in 1831, with Leopold, a monarch from the House of Saxe-Coburg Gotha in Germany, at the helm.

Under Leopold I and then his son Leopold II, Belgium once again flourished both economically and culturally. Belgian imperialism was also on the rise during this period with Leopold II acquiring the Congo in Africa as part of its empire. That colony remained part of Belgium until its own independence in 1960.

The Twentieth Century

During the two World Wars Belgium tried, but was unable, to follow a policy of neutrality. The Germans invaded Belgium in 1914 and again in 1940. This legacy made Belgium one of the foremost advocates of collective security within the framework of European integration and the Atlantic partnership. As such, in 1948, Belgium signed the Treaty of Brussels with Great Britain, France, the Netherlands, and Luxembourg, and one year later became one of the founding members of the Atlantic Alliance.

A parliamentary democracy, Belgium has been governed by successive coalitions of two or more political parties. Two major political controversies have marked the postwar years: a dispute over King Leopold III's conduct during World War II (which caused him to abdicate in 1951), and the insistence of the nation's majority linguistic community - the Flemish - upon a reorganization of the state into autonomous regions.

The postwar years witnessed increasing divisions between commercial Flanders and industrial Wallonia. These divisions, in turn, led to calls for changes in the political institutions that governed relations between Flanders and Wallonia. Belgium underwent several institutional changes in the 1960s, 1989, and 1993 that have resulted in the establishment of a federal system. Belgium is divided into ten provinces, three "regions," and three "communities." The three regions are Flanders (northern, Flemish-speaking part of Belgium), Wallonia (southern, French-speaking part of Belgium), and Brussels (the capital city with 19 bilingual communes). Each regional government is responsible for a wide range of socioeconomic matters within its territory. Elected regional assemblies for Flanders, Wallonia, and Brussels exercise legislative powers and elect regional governments.

The communities of Belgium correspond with the three language groups in Belgium: Flemish-speakers, French-speakers, and German-speakers. Belgian members of the European Parliament are elected from the three communities based on the proportion of Belgians in each community.

Under the new federal structure, the central state, the regions, and the language communities each have their own exclusive powers and are not allowed to interfere in matters that are under the jurisdiction of the others.

Note on History: In certain entries, open source content from the State Department Background Notes and Country Guides have been used. A full listing of sources is available in the Bibliography.

Political Conditions

Background

Belgium has the traditional range of political parties normally found in most modern European democracies, from "Greens," through socialist and Christian democratic, to conservative/Liberal parties. In Belgium, however, the three parties that represent the main ideological tendencies (socialist, Christian democratic, conservative), plus the "Greens," have split along linguistic lines into entirely separate parties. For example, there are both Flemish socialists and Francophone (French-speaking) socialists. In addition to the mainstream parties, Flemish and Francophone extreme-right parties also exist. As is the case in many other European countries, anti-immigrant sentiment is present in Belgium and may contribute to the performance of far-right parties in elections.

Political Chronology

The government led by Prime Minister Jean-Luc Dehaene was a coalition comprised of the following: the "Christelijke Volkspartij" (Christian People's Party / Christian Democrats or CVP), the "Socialistische Partij" (Flemish-speaking Socialist Party or SP), the "Parti Socialiste" (Francophone Socialist Party or PS), and the "Parti Social Chrétien" (Francophone Christian Social Party or PSC).

The Dehaene government enjoyed success in pushing through the austerity measures needed for Belgium to obtain acceptance in the Economic and Monetary Union (EMU) of the European Union (EU), and in resolving some of the pressures for devolution. Although Dehaene, as prime minister, enjoyed substantial popularity, the government was beset by a number of scandals.

A bribery scandal involving a Belgian defense contract implicated several important members of the Socialist Party in the mid-1990s. The deputy prime minister and foreign minister were both forced to resign, a former Air Force chief of staff committed suicide, and the Belgian head of NATO, Willy Claes, was also forced to resign.

In 1996, investigations of an international pedophile ring led to investigations of ties between organized crime and senior political figures and the Belgian police as well as further investigations of pedophile rings in Belgium in 1997 and 1998. The Socialist Party was further damaged when some of its members were alleged to have murdered a former deputy prime minister as a means of stifling the reporting of party corruption.

In April 1998, the Dehaene government narrowly survived a parliamentary vote of no confidence after an accused child molester and murderer, Marc Dutroux, escaped from prison. The numerous mistakes by officials associated with the investigation, arrest and escape of Dutroux led to public demands for reform of the police and judicial systems. The interior minister, justice minister, and Belgian chief of police were all forced to resign over the affair. Another incident in September 1998, in which Belgian customs officers killed a Nigerian immigrant, resulted in the resignation of another interior minister and more public protests.

In 1999, the health and agricultural ministers in the Dehaene government were forced to resign in the wake of a major food scandal involving the distribution and sale of dioxin-contaminated poultry, pork, and other food products. The government was blamed for a slow response because it knew of the problem months before going public. Among other reasons for the blame placed on the government was its failure to provide consistent assessments of the extent of the problem.

Predictably, the accumulated public dissatisfaction from the scandals took their toll on the government in the June 13, 1999, elections. Dehaene, though personally popular, resigned both his position as prime minister and his seat in parliament. The political parties that benefited from public dissatisfaction were the Flemish and Walloon liberals and the less traditional parties of the left and right, primarily the ecological parties and the Flemish nationalist parties.

After inter-party negotiations, a new government was formed in July 1999. For the first time in 41 years, the Christian Democrats were not in government. The new 'rainbow coalition' was led by Prime Minister Guy Verhofstadt's Flemish Liberals and Democrats (VLD). The VLD held 23 seats in the Chamber of Deputies. The five other coalition partners were as follows: the French-speaking Socialist Party (PS), with 19 chamber seats; the Flemish-speaking Socialist Party (SP), with 14 seats; the Francophone Liberal Reformist Party (PRL); the Democratic Front of Francophones (FDF) and the Citizens' Movement for Change (MCC), with a combined 18 seats; the Francophone Greens (ECOLO), with 11 seats; and the Flemish Greens (AGALEV), with nine seats.

The government faced the daunting task of dealing with the fallout from the 1999 food products scandal, estimated to have cost Belgium $1.5 billion. Equally problematic was the task of convincing the Belgium public that the corruption and scandal prone Belgian bureaucracy could be cleaned up and made to function properly.

In addition to these difficulties, for several days in September 2000, Belgium was brought to a virtual standstill after Belgian lorry (truck) drivers emulated their French counterparts and protested unusually high fuel prices by blocking major roads in Brussels and other major cities, the ports of Antwerp, Ghent, and Zeebrugge, and road links with Germany and the Netherlands. In the course of the protests, taxi and bus drivers joined the Belgian lorry drivers. The high fuel prices were blamed not only on the high price of crude oil, but more so on the high level of fuel taxes. The Verhofstadt government refused to reduce fuel taxes, but did offer a number of fiscal measures to offset the effects of the high fuel prices on the most vulnerable sectors. The unions representing the lorry drivers and leading the protests accepted the compromise measures.

Despite all of these problems, the "Rainbow Coalition" of Liberal, Green, and Socialist political parties under Prime Minister Guy Verhofstadt enjoyed some successes in a number of its initiatives. The government began to deliver on its promise to lower taxes and under the so-called "Copernicus plan" the government was also beginning to address some of the problems of public service that have plagued Belgium's bureaucracy for years. The higher than usual growth rate also brought down Belgium's perennial budget deficits and suggested a budget surplus in the future. Nevertheless, the government was still faced with Belgium's notoriously high level of public debt. Paying off the debt might well be made easier as the Verhofstadt government considered selling off a number of state-owned businesses and assets.

While the government enjoyed success and growing popularity, mainstream Belgian political parties were upset over the electoral victory of the far right-wing Vlaams Blok in local elections held in October 2000. The Vlaams Blok won 33 percent of the vote in Antwerp, Belgium's second-largest city and over 25 percent of the vote in Mechelen on a platform of anti-immigrant policies and extreme nationalism based on the Flemish identity. The success of the Vlaams Blok mirrored that of the Freedom Party in the Austrian national elections. Many in the Flanders region were upset over the number of immigrants entering Belgium and at the perceived costs to Flanders of subsidizing the Francophone region of Wallonia. Many, however, were also upset over the patterns of coalition politics and the politics of the public sector. The mainstream political parties continued their boycott of the Vlaams Blok by refusing to enter into a coalition government with the party.

The ongoing tensions between Dutch-speaking Flanders and French-speaking Wallonia were somewhat tempered under the Verhofstadt government. In June 2001, the government won parliamentary approval of federal reforms that further devolve power to the different regions. In particular, the regions may now exercise control over some areas of policy previously held by the central government, such as agriculture and trade policy. Additionally, the regions were given

greater fiscal responsibility with limited tax-raising authority.

Beginning in July 2001, the Belgian government took over the six-month rotating presidency of the European Council. This effectively gave the Belgian government agenda-setting powers that influence the policies and issues considered in the European Union during the six-month period. The Belgian presidency culminated in the Laeken summit in December 2001. While the Verhofstadt government did not achieve all of the goals it enumerated for the European Union summit, agreement was reached to form a convention of 105 members tasked to assess the political structure of the European Union and to propose changes-the so-called "Laeken declaration." In particular, the convention is to be given the responsibility of consolidating the European Union treaties into a single document that will serve as an European Union "constitution."

In the aftermath of the terrorist attacks in the United States on Sept. 11, 2001, Belgium, like many other countries in the world, appeared to have suffered economically in the last quarter of the year. Reports from Belgium's national bank suggested that there was a 0.7 percent year-on-year fall in the country's gross domestic product (GDP) from October through December 2001. The GDP contraction, however, was somewhat reversed in the first quarter of 2002, showing an expansion of up to 0.5 percent. The improvement in GDP in Belgium was a first quarter trend reflected in other European countries, which also began using the euro as their new currency. Policy-makers and economic analysts projected continued growth and a healthy economic recovery for all euro zone countries in Europe for the immediate future.

Meanwhile, with regard to domestic issues, the Belgian parliament passed a law in May 2002 partially legalizing euthanasia. The measure distinguished Belgium as only the second country after the Netherlands to forge this path. Like the Dutch law, the Belgian equivalent was highly circumscribed and prescribed specific and detailed conditions for the enactment of assisted patient suicide. That is to say, the patient must be designated terminally ill and must personally make the request for assisted suicide. If these conditions are met, then the doctor who carries out the act of euthanasia will not be absolved from criminal prosecution. The bill was passed in the Belgian parliament with 86 votes in favor of the measure, 51 votes against it, and 10 abstentions. The passage of legislation came in the aftermath of Senatorial approval, which had been given in October of the previous year. Critics of the legislation, however, expressed the belief that it was not sufficiently complex to preclude liberal interpretations and abuses.

In January 2003, Belgium was also distinguished as one of the few countries in the world to legalize same-sex marriages. Following the passage of legislation through the Senate in November 2002, it was approved by 91 of the 122 deputies in the lower house of the Belgian parliament. The legislation provided same-sex couples with almost the same rights as heterosexual couples.

Also in early 2003, international politics took center stage as the world grappled with disarming

Iraq. In this regard, as the United States-led movement toward war accelerated, Belgium made a surprise announcement, which created an unanticipated obstacle for a possible war against Iraq. Specifically, as tens of thousands of United States troops and aircrafts prepared to operate from Turkish bases, Belgium announced it was planning to veto a United States request for NATO military support in regard to Turkey, should a war with Iraq ensue. Indeed, Belgium, aided by France and Germany, decided to block proposals that would begin the process of deploying surveillance aircraft, Patriot missiles, as well as anti-chemical and anti-biological warfare protection teams. The three countries believed that such preparations to defend Turkey would undermine the diplomatic attempts to avert a war in Iraq.

For its part, the United States decried the veto by Belgium, as well as the proposals by Belgium, France and Germany to block military deployment. United States Secretary of State Colin Powell called the tactic "inexcusable" and hoped that the decision would be reversed. United States Secretary of Defense Donald Rumsfeld, who had referred to France and Germany dismissively as "old Europe," condemned the measure as "a disgrace." In response, the Belgian Foreign Minister Louis Michel noted that the Europe of democratic, humanist and Enlightenment values had been insulted by Rumsfeld's "old Europe" reference.

In practical terms, Turkey would have been defended regardless of the decisions within NATO. The real issue at stake was less about the defense of Turkey and more a concern about NATO itself. Faced with the possibility of a veto and the blockage of military deployment, the internal divisions within NATO could well have marked the disintegration of the alliance. Thus, in a measure aimed at precluding such a result, the opposition was withdrawn and agreement was reached on providing defensive aid to Turkey. In order to assuage the concerns of France, Belgium and Germany, NATO noted that the measure was of a defensive nature and not intended to prejudice decisions regarding a possible Iraq war.

Meanwhile, France and Germany put forth a plan aimed at averting a war with Iraq. The plan included a provision tripling the number of United Nations weapons inspectors on the ground in Iraq, the deployment of United Nations peacekeepers, and the establishment of a country-wide "no fly" zone. Russia, which, in addition to France has veto power within the United Nations Security Council, stated it would likely support the Franco-German plan. Belgium also expressed its endorsement of the plan.

Although the United States and its coalition did eventually invade Iraq and topple the regime of Saddam Hussein, Belgium remained in the midst of the Iraq issue. Specifically, Belgium's war crimes apparatus, which allowed for the trial of Israeli Prime Minister Ariel Sharon once he is out of office, was touted as a mechanism for several Iraqi families to sue United States President George W. Bush for violations of human rights within the Belgian court system. Under Belgium's "universal competence" legislation, proceedings against people accused of war crimes, crimes against humanity or genocide, regardless of their nationality or location, could be convened and

held.

With such a possibility in the offing and with possible damage to international relations as a consequence, an amendment was made in regard to the law limiting cases in court to those linked with Belgium. Under the aegis of the new amendment, war crimes trials would only be allowed to proceed in Belgium if they dealt with events in countries without democratic systems or without fair structures of jurisprudence. The amendment was approved by both the upper chamber and the lower house of the Belgian parliament in the spring of 2003.

The changes in the legislation affected by the amendment were decried by many Belgians for restricting the scope of the law. The *Le Soir* newspaper observed that the change in the law was backed by the far-right Vlaams Blok. As such, it was suggested that the divisions within the governing parties in the allocation of votes related to the amendment was a setback of sorts for Prime Minister Verhofstadt's coalition government. The changes in the law were resisted by two parties within Belgium's governing coalition -- the Socialists and Greens -- who expressed the view that the amendment would render the legal provision powerless. Nevertheless, certain former advocates of the law argued it was never intended to target democratic countries and as such, the amendment was needed.

In June 2003, the Belgian government said that it would further modify its 10-year old war crimes legislation so that defendants and victims in war crimes cases would have to be Belgian nationals or residents. At the time, the legislation applied to foreign nationals as well as Belgians for war crimes allegedly committed within or outside of Belgian jurisdiction.

Indeed, the United States threatened to push for a change in NATO's headquarters from Brussels in Belgium if the legislation was not changed. In this regard, there was a halt on spending for the construction of the new NATO headquarters until legislative changes were made. Negotiations between the various political parties in Belgium ensued regarding the actual amendment to the current legislation and was expected to pass in parliament.

Earlier in 2003, as noted just above, Belgium amended the legislation so that cases would be tried in the defendant's home country if it was declared that a fair trial was likely. The change, however, did not prevent further war crimes cases from being filed. The offer of diplomatic immunity for foreign officials visiting Belgium who may have been charged with crimes was not considered an acceptable solution to the United States, hence the more drastic legislative modifications under current review. Human rights advocates, however, criticized the Belgian government for capitulating to the demands of the United States. Nevertheless, in August 2003, the legislation allowing Belgian courts to try foreigners for war and human rights crimes was dropped altogether.

Meanwhile, on the political front, elections were held in May 2003. Prime Minister Verhofstadt's center-left alliance of various parties -- the Flemish and Walloon branches of the Liberal Party

(VLD), the two Socialist Parties (SP and PS), the Reform Movement (RM) and the Greens -- was challenged by the Christian Democrats as well as the far-right parties (Vlaams Blok and National Front).

Only days before the election, the French-speaking Green Party quit the coalition in a row over the route of night flights over Brussels. This was due to the fact that the Dutch-speaking Flemish region in the north and French-speaking Wallonia in the south both wanted the night flights routed over the other community. The result was the withdrawal of the French-speaking Green Party from the alliance.

The actual issues discussed in the electoral campaign focused on economic issues such as tax cuts. Financial and economic considerations were key because growth had been slow and unemployment was high. As a result, Prime Minister Verhofstadt promised to cut taxes, continue the path of balancing the budget and reforming the bureaucracy. Another consideration was the government's record on social legislation such as the legalization of euthanasia.

For its part, the Flemish right-far party, Vlaams Blok, campaigned on the basis of cutting crime and ending immigration. It was counting on support in the city of Antwerp where following the killing of a Muslim teacher, there had been a clash between the police and Muslim immigrants back in 2002.

The actual results of the election gave the biggest gains to the Liberals and the Socialists. The Socialists picked up an extra 11 seats but did not surpass the Liberals, who garnered another eight seats. Together, the Liberals and Socialists secured 97 of the 150 seats in the lower parliamentary house. For its part, Vlaams Blok increased its share of the vote winning three more seats for a total of 18 seats. In the French-speaking southern region of Wallonia, the extreme-right National Front scored 5.2 per cent despite an almost invisible campaign boycotted by public broadcasters. Support for the Greens collapsed with them losing all nine seats in Flanders and seven out of 11 in Wallonia. In the Senate, of the 40 directly elected seats, the alliance of Liberals and Socialists won 25 seats, the Christian Democrats won 6 seats, the Vlaams Blok won 5 seats, the Democrat Center Humanists won 2 seats, the Ecologists won 1 seat and the far-right National Front won 1 seat.

On July 9, 2003, the Liberals and the Socialists forged an agreement to form another governing coalition with Verhofstadt as prime minister. That meant that Prime Minister Verhofstadt was to hold a second term in office.

In 2004, opinion polls showed unfavorable impressions of Verhofstadt's VLD (Flemish Liberals and Democrats). The ruling coalition could, therefore, be challenged. This left one coalition partner, the Reform Movement (MR), which was led by Louis Michel, in an awkward situation. At issue was the matter of whether or not the MR would want to tie its fate to the VLD. Indeed, the situation was complicated by suggestions of a Flemish government without the VLD. Perhaps this

uncertainty led Louis Michel to assert that the agreement with the VLD was only in the context of federal elections and did not apply across the board As a result, media reports indicated that Verhofstadt was unhappy with Michel's position in this regard and a private discussion followed. Perhaps not surprisingly, Michel shifted his perspective and declared at a foreign ministers' council that the VLD and MR remained linked together politically either in government or in the opposition, should a worse case scenario emerge.

By the close of 2004, however, attention was focused less on the government in power and more on the fate of the country's right wing of the political sphere. A high court ruled that the far-right and anti-immigrant political party, the Vlaams Blok, was racist and as such, it was stripped of its funding and its access to media coverage. The ruling and the associated punitive measures effectively rendered the party impotent and as a result, Vlaams Blok was forces to disband. The agenda of the party, however, had not died and so those associated with it regrouped to form a new party called Vlaams Belang or Flemish Interest.

In 2005, the political agenda focused on the regional European realm as the European Union's constitution had to be approved by all member states. Rather than going the route of a national referendum, the government of Belgium chose to approve the document via parliamentary ratification instead. In 2005, the federal and regional parliaments of Belgium approved the draft of the European Union constitution. The ratification process, however, would only be complete following aproval by the monarchy and executive government. On May 23, 2005, Foreign Minister Karel de Gucht said on that an intergovernmental conference should be convened in 2008 to revise the European bloc's key treaties, and that the revised version should be put to a referendum in 2009.

Meanwhile, Belgium's presence loomed large in the European Union as Prime Minister Guy Verhofstadt had been cited as a favored choice to become the new European Commission President. (Note: In the end, Portugal's Jose Manuel Barroso was chosen.)

In October 2005, the domestic political scene took center stage when the public negatively reacted to the government's plans to reform the country's pension program. One central element within the reform plan was the proposal to change the age of retirement from 58 years of age to 60 years of age. The issue spurred national strikes with tens of thousands of people taking to the streets to try to force the government to reconsider the proposal. The first nationwide strike, held on Oct. 7, 2005, brought the country to a virtual standstill. The second one, held on Oct. 28, 2006, had much of the same effect. Socialist union leader, Xavier Verboven, warned on a televised broadcast, "If the government does not respond favourably... the atmosphere will become fiercer." But for his part, Prime Minister Guy Verhofstadt dismissed demands that talks be convened with the unions to discuss the proposed changes to the pension system.

In September 2006, attention turned to the rise of the far right when the police raided both army

barracks and the homes of soldiers as part of a larger investigation into activities involving far-right activists. At issue were allegations that right-wing extremists were planning attacks oriented toward the destabilization of national institutions.

A month later, in October 2006, the rise of the far right remained in the news when the newly-formed anti-immigrant and right-wing party, Vlaams Belang (Flemist Interest), enjoyed significant gains in local elections. Indeed, the party won around 20 percent of the vote share in Flanders. It was unknown if this performance was due to an increase in Flanders of both nationalist interests and anti-immigrant sentiment, or, if it was emblematic of a larger than normal "protest vote." Regardless, there were suggestions that other parties would join forces to keep the far right out of power.

Mitigating against this advance by the far right was the fact that Vlaams Belang slumped from first place finish to second place at the polls in Antwerp. There, the Socialists won the day with dramatic gains, which were attributed to the popular Mayor Patrick Janssen. The Socialists were not as fortunate in Wallonia where they lost ground, presumably due to a corruption scandal. The Christian Democrats were the main beneficiaries in that area.

Meanwhile, the main party within the governing coalition, the Liberal Democrats, fared poorly. Belgian Prime Minister Guy Verhofstadt acknowledged his party's defeat, saying, "The average trend of the Flemish Liberal Democrats is not so good." It was yet to be determined whether this was a sign of the political direction of the country -- essentially, away from the status quo -- in anticipation of new parliamentary elections.

That direction was made clear some months later when the government of Prime Minister Guy Verhofstadt was ousted from office in June 2007 after eight years in power. With most of the votes counted, Verhofstadt took responsibility for his party's poor performance and conceded defeat. He also said that he would offer his resignation to King Albert.

The Flemish Christian Democrats won 30 of the 150 seats at stake. The French-speaking Reform Movement enjoyed a second place finish with 22 seats. The French-speaking Socialists carried 21 seats. Verhofstadt's Flemish Liberal Democrats suffered a fourth place finish with 18 seats -- only one seat more than the far-right Vlaams Belang, which won 17 seats.

In this way, the parliamentary elections of Belgium saw the ascendancy of the Flemish Christian Democrats in the Dutch-speaking area of Flanders. Christian Democratic leader, Yves Leterme, was thus poised to become the new prime minister -- not only because his party gained the plurality of seats in parliament, but also because he garnered more "preference votes" than Verhofstadt in Belgium's political system indicating leadership choice.

Still, having won the plurality of seats in parliament, but not an absolute majority, the Christian

Democrats were set to hold coalition talks aimed at forming a new government. It was expected to be a lengthy process. There was a great deal of speculation about possible partners involved in the formation of a stable coalition government. To that end, some analysts speculated that the Christian Democrats would likely be joined with outgoing Prime Minister Verhofstadt's Flemist Liberals, as well as their Francophone affiliate party, the Reform Movement, in a standpoint center-right government.

Regardless of which parties ultimately joined with the Christian Democrats, the political landscape in Belgium promised to become far more contentious with Leterme at the helm. Soon after claiming victory, Leterme said, "It is time for change. People want a different course." He also called for constitutional changes to devolve power to the regions in a country. In the past, Leterme gained notoriety for characterizing a united Belgium as an "accident of history" with "no intrinsic value."

In December 2007, following the collapse of coalition-building talks, an interim government was officially sworn into office. The inauguration of the new interim government was intended to bring an end to the political crisis that had gripped the country since elections in June of 2007. Since that time, conflict between the Flemish and the Wallonian parties on the distribution of power and revenues between Dutch-speaking Flanders and French-speaking Wallonia resulted in an impasse.

The interim government was to be led by Prime Minister Guy Verhofstadt. The new cabinet was made up of the Flemish Liberals, the Flemish Christian Democrats, the Francophone Socialists, the Francophone Liberals and the Francophone Christian Democrats. Yves Leterme, the leader of the Flemish Christian Democrats, was to be one of the two deputy prime ministers. In late March 2008, power was to be turned over to Leterme since his party won the most seats in parliament.

In mid-March 2008, ahead of Leterme's inauguration, a coalition government was formed. The new government was formed from five parties -- three Francophone and two Flemish.

Only a few months after the formation of the new Belgian coalition was formed, Belgian Prime Minister Yves Leterme offered the resignation of his government to the country's monarch, King Albert II. Yet to be determined was whether or not the king would actually accept Leterme's resignation. The rationale for the resignation was Leterme's failure to break the deadlock between the Dutch and French-speaking communities on the issue of constitutional reform. He had set a July 15, 2008 deadline to resolve the matter but that date passed without concurrence being reached.

King Albert II soon responded to Leterme's move by rejecting the government's resignation. The king asked Leterme to stay on as prime minister while talks were convened between three key politicians to resolve the political crisis. The king asked two ministers of state, Raymond Langendries of the Francophone Christian Democrats and Francois-Xavier de Donnea of the

Francophone Liberals, along with the prime minister of the German-speaking region in eastern Belgium, Karl-Heinz Lambertz, to work together to craft a report on resolving the differences between the country's distinct regions by a deadline of July 31, 2008.

In October 2008, attention was on the national strike, in which workers registered discontent over the rate of inflation. The strike caused disruptions to the transport sectot, effectively resulting in the cancellation of all high speed international rail services in Belgium.

In December 2008, Belgian Prime Minister Yves Leterme offered the resignation of his government due to its alleged interference in judicial affairs.

At issue was a report by president of Belgium's Supreme Court, Ghislain Londers, which argued that the justice minister attempted to block a court ruling, which froze the dismantling of financial group Fortis for 65 days. During the financial crisis that gripped the globe in October 2008 (see "Special Entry" below), the Leterme government brokered a deal in which 75 percent of Fortis' operations in Belgium were sold to a French bank (BNP Paribas), with an eye on saving the enterprise. However, a Brussels court ruled that the partial sale of Fortis to BNP Paribas should not proceed until shareholders were consulted.

Since the findings of the court reached the public purview, Leterme and his government have been under pressure to resign from office. Indeed, the full Belgian opposition in parliament demanded Leterme's resignation on the grounds that the prime minister had violated the principle of the separation of the judiciary and the government.

As noted above, in July 2008, Belgian King Albert II refused to accept Leterme's proposed resignation when the prime minister failed to bridge the political chasm over disagreements between Flemish and Walloon parties to devolve power from the federal government to regions. Thus, six months later, there was speculation as to whether or not the Belgian monarch would accept Leterme's latest offer of resignation. To that end, the king did indeed accept Leterme's resignation although he asked the government to remain in place in a caretaker capacity.

Yet to be determined was who would replace Leterme as head of government. Former Prime Minister Jean-Luc Dehaene was mentioned as a possible contender for the caretaker role. But by the last day of 2008, it was Flemish Christian Democrat Herman Van Rompuy who had been sworn into power by King Albert as Belgium's new head of government. Van Rompuy served as budget minister in the 1990s and was viewed as a budget hawk and an intellectual, according to the European Union Observer. He was to lead a five-party coalition government. The five parties in the coalition included the Flemish Christian Democrat Party, the Flemish Liberal Party, the Francophone Liberal Party, the Francophone Christian Democrats and the Francophone Socialist Party, the same grouping as in the last government.

By November 2009, Prime Minister Rompuy's tenure as prime minister at the head of the aforementioned coalition government came to an end when he stepped down to take on a new role as President of the European Council At that time, Leterme returned to the helm of government for a second term as prime minister.

Special Entry:

Global credit crisis; effects felt in Europe

Summary:

A financial farrago, rooted in the credit crisis, became a global phenomenon by the start of October 2008. In the United States, after failure of the passage of a controversial bail out plan in the lower chamber of Congress, an amended piece of legislation finally passed through both houses of Congress. There were hopes that its passage would calm jitters on Wall Street and restore confidence in the country's financial regime. Meanwhile, across the Atlantic in Europe, with banks also in jeopardy of failing, and with no coordinated efforts to stem the tide by varying countries of the European Union, there were rising anxieties not only about the resolving the financial crisis, but also about the viability of the European bloc.

On September 28, 2008, as the United States was reeling from the unfolding credit crisis, Europe's banking sector was also hit be its own woes when the Dutch operations of the European banking and insurance entity, Fortis, was partly nationalized in an effort to prevent its ultimate demise. Radical action was spurred by anxieties that Fortis was too much of a banking and financial giant to be allowed to fail. The Netherlands, Belgium and Luxembourg forged an agreement to contribute more than 11 billion euros (approximately $16 billion USD) to shore up Fortis, whose share price fell precipitously due to worries about its bad debts.

A day later, the mortgage lender -- Bradford and Bingley -- in the United Kingdom was nationalized when the British government took control of the bank's mortgages and loans. Left out of the nationalization scheme were the savings and branch operations, which were sold off to Santander of Spain. Earlier, the struggling mortgage lender, Northern Rock, had itself been nationalized. The head of the British Treasury, Alistair Darling, indicated that "big steps" that would not normally be taken were in the offing, given the unprecedented nature of the credit crisis.

On the same day, financial woes came to a head in Iceland when the government was compelled to seize control of the country's third-largest bank , Glitnir, due to financial problems and fears that it would go insolvent. Iceland was said to be in serious financial trouble, given the fact that its liabilities were in gross excess of the country's GDP. Further action was anticipated in Iceland, as a result.

On September 30, 2008, another European bank -- Dexia -- was the victim of the intensifying global banking and financial crisis. In order to keep Dexia afloat, the governments of France, Belgium, and Luxembourg convened talks and agreed to contribute close to 6.5 billion euros (approximately $9 billion USD) to keep Dexia from suffering a demise.

Only days later, the aforementioned Fortis bank returned to the forefront of the discussion in Europe. Belgian Prime Minister Yves Leterme said he was hoping to locate a new owner with the aim of restoring confidence in Fortis, and thusly, preventing a further downturn in the markets. Leterme said that the authorities were considering takeover bids for the Belgian operations of the company (the Dutch operations were nationalized as noted above.) Ultimately, by october 2008, Fortis holdings in Belgium and Luxembourg were rescued by French bank BNP Paribas.

Meanwhile, by September 5, 2008, one of Germany's biggest banks, Hypo Real Estate, was at risk of failing. In response, German Chancellor Angela Merkel said that she would exhaust all efforts to save the bank. A rescue plan by the government and banking institutions was eventually agreed upon at a cost of 50 billion euros (approximately $70 billion USD). This agreement involved a higher cost than was previously discussed.

As intimated above, Iceland was enduring further financial shocks to its entire banking system. As such, the government of Iceland was involved in intense discussions aimed at saving the country's financial regime, which were now at severe risk of collapse due to insolvency of the country's commercial banks.

Around the same period, on September 4, 2008, the leaders of key European states -- United Kingdom, France, Germany, and Italy -- met in the French capital city of Paris to discuss the financial farrago and to consider possible action. The talks, which were hosted by French President Nicolas Sarkozy, ended without consensus on what should be done to deal with the credit crisis, which was rapidly becoming a global phenomenon. The only thing that the four European countries agreed upon was that there would not be a grand rescue plan, akin to the type that was initiated in the United States. As well, they jointly called for more greater regulation and a coordinated response. To that latter end, President Nicolas Sarkozy said, "Each government will operate with its own methods and means, but in a coordinated manner."

This call came after Ireland took independent action to deal with the burgeoning financial crisis. Notably, the Irish government decided days earlier to fully guarantee all deposits in the country's major banks for a period of two years. The Greek government soon followed suit with a similar action. These actions by Ireland and Greece raised the ire of other European countries, and evoked questions of whether Ireland and Greece had violated any European Union charters. An investigation by the European Union was pending into whether or not Ireland's guarantee of all savings deposits was anti-competitive in nature.

Nevertheless, as anxieties about the safety of bank deposits rose across Europe, Ireland and

Greece saw an influx of new banking customers from across the continent, presumably seeking the security of knowing their money would be safe amidst a financial meltdown. And even with questions rising about the decisions of the Irish and Greek government, the government of Germany decided to go down a similar path by guaranteeing all private bank accounts. For his part, British Prime Minister Gordon Brown said that his government would increase the limit on guaranteed bank deposits from £35,000 to £50,000.

In these various ways, it was clear that there was no concurrence among some of Europe's most important economies. In fact, despite the meeting in France, which called for coordination among the countries of the European bloc, there was no unified response to the global financial crisis. Instead, that meeting laid bare the divisions within the countries of the European Union, and called into question the very viability of the European bloc. Perhaps that question of viability would be answered at a forthcoming G8 summit, as recommended by those participating in the Paris talks.

In early 2009, according to the European Commission, European banks were in need of as much as several trillion in bailout funding. Impaired or toxic assets factor highly on the European Union bank balance sheets. Economist Nouriel Roubini warned that the economies of Ukraine, Belarus, Hungary, Latvia and Lithuania appeared to be on the brink of disaster. Overall, Eastern European countries borrowed heavily from Western European banks. Thus, even if the currencies on the eastern part of the continent collapse, effects will be felt in the western part of Europe as well. For example, Swiss banks that gave billions of credit to Eastern Europe cannot look forward to repayment anytime soon. As well, Austrian banks have had extensive exposure to Eastern Europe, and can anticipate a highly increased cost of insuring its debt. German Finance Minister Peer Steinbrueck has warned that as many as 16 European Union countries would require assistance. Indeed, his statements suggested the need for a regional rescue effort.

Also in early 2009, with the global financial crisis intensifying, leaders of European Union countries backed sweeping financial regulations. Included in the package of market reforms were sanctions on tax havens, caps on bonus payments to management, greater hedge fund regulation, and increased influence by the International Monetary Fund. European leaders also backed a charter of sustainable economic activity, that would subject all global financial activities to both regulation and accountability by credit rating agencies.

These moves were made ahead of the Group of 20 summit scheduled for April 2, 2009, in London. It was not known whether other countries outside Europe, such as the United States, Japan, India and China, would support the new and aggressive regime of market regulation. That said, German Chancellor Angela Merkel said in Berlin that Europe had a responsibility to chart this track. She said, "Europe will own up to its responsibility in the world."

Greek Debt Crisis and Effects on Euro Zone

Fears of a government debt default in Europe emerged in the first week of February 2010, with all eyes focused on Greece. At issue have been deep anxieties about the country of Greece defaulting on its debt, the rising cost of insuring Greek debt against default, along with subsequent speculation about whether the European Union (EU) and the International Monetary Fund (IMF) would have to step in to prevent such an outcome.

By April 2010, the prospects of Greece resolving the matter without help from some transnational body came to a head when the Papandreou administration formally said it would accept the EU-IMF financial rescue package to ensure debt service.

In May 2010, the European Union (EU) agreed on a euro stability package valued at 500 billion euros, aimed at preventing the Greek debt crisis from deleteriously affecting other countries in the region. Countries within the EU's euro zone would be provided access to loans worth 440 billion euros and emergency funding of 60 billion euros from the EU. As well, the International Monetary Fund (IMF) would earmark an additional 250 billion euros. The European Commission would raise the funds in capital markets, using guarantees from the governments of member states, for the purpose of lending it to countries in economic crisis.

In addition, it was announced that the European Central Bank (ECB) was prepared to participate in exceptional market intervention measures, such as the purchase of euro zone government bonds, for the purpose of shoring up the value and viability of the euro currency.

These moves were aimed at defending the euro, which has seen its value drop precipitously as a result of the Greek debt crisis has gone on, and as anxieties have increased that a similarly disastrous fate could spread to other EU member states, such as Portugal, Spain, Italy and even Ireland. These mostly southern European economies were plagued not only by high deficits but also inherent structural economic weakness. The situation in such European countries focused attention concomitantly on the European Union where countries of the euro zone share currency but not economic policies, and whose collective fates would be affected by a devalued euro.

A year later in May 2011, the Greek debt crisis was ongoing. Athens was in negotiations with the EU and the IMF to receive another tranche of its rescue package. The crisis was seeping outside Greek borders as finance ministers of the euro zone failed to find concurrence on the measures associated with garnering contributions from private creditors towards a second Greek rescue package. Of concern was the potential destabilization of the financial markets as this process played out -- and failed -- in the Belgian capital in Brussels. Now other "secure" countries were being affected as news emerged that Moody's might downgrade some French banks -- BNP Paribas, Credit Agricole and Societe Generaledue -- due to their exposure to Greek debt. With an eye on calming the situation, the French government made it clear that its position was consistent

with that of the European Central Bank (ECB), which warned that the German plan to convince bondholders to share part of the costs in a new Greek aid package could be risky and lead to default. It was also announced that French President Nicolas Sarkozy would meet with German Chancellor Angela Merkel on June 17, 2011, to address and resolve the matter.

Note that in mid-July 2011, at an emergency euro zone summit, German Chancellor Angela Merkel cast the second rescue package for Greece in some degree of doubt when she said that there would be no "spectacular" measures aimed at resolving Greece's debt crisis, such as the restructuring of Greek debt. The German chancellor made it clear that there needed to be a concrete plan for a second Greek rescue package, if there was any hope that the debt crisis in that country would be prevented from spreading across the euro zone. Merkel's statement appeared to reflect an ongoing disagreement between her country and the European Central Bank (ECB) over the matter of private investors sharing the costs of another rescue deal. Germany, backed by Finland and the Netherlands, have made it clear that private investors need to share the pain, rather than only burdening taxpayers. On the other hand, the ECB has held the view that forcing private investors to take losses on their loans would be akin to a default by Greece on its debts. This impasse did not bode well for the core objective in bailing out Greece in the first place -- the prevention of contagion across the euro zone.

Ultimately, though, concurrence was reached on July 21, 2011. Early drafts of the plan indicated that it would entail several proposals to reduce Greece's debt, including exchanging existing bonds for new lower interest rate bonds, and could result in short-term or "partial" default for Greece. To be clear, the plan provides for the Germany-endorsed position that private lenders, including banks, would have to do their part in contributing to the package. Any measures that would allow Greece easier repayment terms could be viewed by credit rating agencies as acknowledgment that its borrowing was unsustainable -- and therefore, "partial default."

By the close of September 2011, the Bundestag, or lower house of parliament in Germany approved the expansion of a rescue fund for Europe's heavily indebted countries, known as the European Financial Stability Facility. The issue has been an extremely contentious one, with the participants of the global economy anxious for action to be taken in response to the debt crisis, but with German stakeholders incensed that they would be the major contributors to the rescue fund that would benefit countries, such as Greece. Indeed, the debt crisis in Europe has led to instability in the international markets and political imbroglios across the euro zone.

As Europe's largest economy, Germany's ratification of the rescue fund for the euro zone was a crucial step on the road to stabilization. The scenario evoked political ramification for German Chancellor Angela Merkel; while Chancellor Merkel received the necessary support in the parliament to approve the bailout fund, the measure left her ruling coalition weakened and could well negatively affect her grip on power in Germany in the future.

Regardless of the domestic political ramifications, the German ratification of the expansion of the European Financial Stability Facility breathed necessary life into the euro stabilization entity. With Austria and Finland also reaching agreements on the matter, only Slovakia was left to approve the measure. In the case of Austria, the approval in that country's parliament came after vituperative debate, with strong disapproval emanating from the right wing of that Austrian parliament. In Finland, approval required more than debate for passage. Finland was seeking collateral as security for its contribution to the euro zone bailout fund, which Greece -- as the main beneficiary -- agreed to provide. With this agreement forged, Finland agreed to withdraw its objections and move forward.

But concurrence on the expansion of the European Financial Stability Facility from Slovakia was not expected to come easily. Instead, one member of the coalition government warned that it would block approval in that country. In a nod to Slovaks who eschew the notion of a less wealthy Central European country having to pay for the mistakes of the more wealthy Greeks, the Freedom and Solidarity Party of Slovakia -- a participant in Prime Minister Radicova's coalition government -- had promised to oppose the move. With Slovakia positioned to be the main holdout in a scheme intended to stabilize the entire euro zone, there were high hopes for a compromise. Nevertheless, on Oct. 11, 2011, the parliament of Slovakia voted down the euro zone bailout expansion plan. Since the vote was also linked to a confidence motion, the center-right government of Prime Minister Iveta Radicova was also toppled in the vote, making the Slovakian government the latest political casualty in the economic debt crisis rocking Europe. A new vote took place two days later, and with support from the left wing opposition, the proposed expansion of the euro zone rescue fund was ratified, and a schedule for snap elections was secured.

Meanwhile, representatives of the International Monetary Fund, the European Union, and the European Central Bank, were set to review Greece's progress in reducing debt levels, and to make a decision on the release of the latest installment of bailout funds for that country. However, before a decision could be made, the finance ministers from the euro zone put the metaphoric "brakes" on the decision-making. After hours of talks in Luxembourg, the finance ministers from the 17-nation euro zone urged Greece to take on greater austerity measures and warned that banks in region should prepare for further challenges.

With a delay on the decision on releasing the latest tranche of bailout funds for Greece, it was yet to be seen if the IMF, EU, and ECB would ultimately recommend the release of bailout funds for Greece. Some deadlines of significance included mid-October 2011, when the decision would finally be made, and the actual release of funds to come (pending approval) at the close of October 2011. However, the current scenario suggested that Greece might not receive its needed installment of rescue funds until November 2011. To that end, as October 2011 entered its final week, finance ministers of the euro zone finally approved the tranche of rescue funds needed for Greece to escape disastrous default. The International Monetary Fund would also have to sign off on the release of the bail out money, but all expectations were that Athens would receive the

much-needed funds by mid-November 2011.

In the backdrop of these developments have been fears that a Greek default could spark another banking crisis. The sense of anxiety was only exacerbated by news that the Franco-Belgian bank, Dexia, was in emergency talks, and that the credit ratings agency, Moody's, was considering downgrading the bank due to exposure to Greek debt.

Should Greece fail to service its debt commitments, there would be deleterious effects for the euro zone, European banks, and at the international level, there could be a seriously damaging influence on the global economy. Chairman of the euro zone finance ministers (known as the euro group), Prime Minister Jean-Claude Juncker of Luxembourg, foreclosed the possibility of a debt default by Greece, while simultaneously warning that Greece's private sector creditors should anticipate further losses on their Greek sovereign debt holdings – indeed, greater than the 21 percent "haircut" that was previously agreed upon months earlier.

It should be noted that there was a growing chorus of complaints about the slow and protracted political response to the debt crisis and concomitant euro zone challenges, which was largely due to the EU's institutional structure. As October 2011 entered its second week, French President Nicolas Sarkozy and German Chancellor Angela Merkel were pledging to do whatever was necessary to protect European banks from the debt crisis. That plan included the recapitalizing of European banks. The two European leaders also agreed to a plan that would amend the euro zone's operational structure to avoid the challenges detailed above. Notably, there would be accelerated economic coordination in the euro zone. Moreover, President Sarkozy and Chancellor Merkel concurred on addressing Greece's debt problems, and the need to restore market confidence.

By the start of December 2011, the leaders of the two biggest players in the euro zone -- French President Nicolas Sarkozy and German Chancellor Angela Merkel -- issued a joint call for serious changes to Europe’s governing treaties, aimed at ameliorated economic governance for the 17 countries that make up the euro currency bloc. French President Sarkozy and German Chancellor Merkel met for talks on the matter in Paris as the euro zone countries continue to grapple with the regional debt crisis, emanating from Greece but extending across the euro bloc.

Included in their proposal were: (1) the creation of a monetary fund for Europe, (2) automatic penalties for countries that exceed European deficit limits, and (3) monthly meetings of European leaders. The proposal entailed compromises by both European leaders. President Sarkozy had to accept the notion of automatic sanctions for countries in violation of debt limit rules, while Chancellor Merkel had to accept that the European Court of Justice will not be empowered with the power of veto over budgets. Meanwhile, the European Stability Mechanism (ESM), which was intended to replace the European Financial Stability Facility in 2013, would be advanced earlier in 2012.

President Sarkozy said that they were looking to March 2012 to complete negotiations on the new treaty. Ideally, the new treaty would be ratified by all 27 member states of the European Union. However, if concurrence at that level proved impossible, then the 17 states of the euro zone would have to approve it. It should also be noted that European Council President Herman Van Rompuy has said that tougher budget rules for the euro zone may not require changing any existing European Union treaties. To that

President Sarkozy emphasized the imperative that such a crisis not re-emerge in the future. He said, "We are conscious of the gravity of the situation and of the responsibility that rests on our shoulders." For her part, Chancellor Merkel said her country, working in concert with France, was "absolutely determined" to maintain a stable euro. She also advocated for "structural changes which go beyond agreements."

While the new measures would certainly go a long way to addressing the issue of improved economic governance in the euro zone, they did not deal with the question of how many euro zone countries would deal with their debt challenges in a climate of low growth. Nevertheless, in the short run, the steadfast and unified message of intent by the two European leaders was, at least. expected to calm markets and facilitate lower borrowing costs for debt-ridden economies such as Italy, Spain, and Portugal.

Meanwhile, on Dec. 5, 2011, the credit ratings agency, Standard and Poor's, placed the countries of the euro zone on a "credit watch" with negative implications. Even power house economies of Germany and France were included in the move, which presaged a downgrade to come in the future. A day later, Standard and Poor's even warned that the euro zone bailout fund -- the European Financial Stability Facility -- could lose its own AAA rating. These moves have raised eyebrows across the world as regards the credibility of the ratings agency, which failed to warn the world of the sub-prime meltdown in 2008 that ultimately let to the global financial crisis. There were suggestions that this downgrade threat to euro zone countries, in conjunction with the downgrade of the United States months earlier following a particularly ferocious debt ceiling debate in that country, were evidence that the credit ratings agency was trying to "save face" by proving its tougher standards at this time. However, Standard and Poor's newly-discovered hard-line stance was being questioned by analysts, who pointed to the timing of the warning against euro zone countries. Indeed, this warning came precisely at a time when France and Germany were leading the charge in the European Union to solve the regional debt crisis, which has left the euro vulnerable, risked fragmenting the currency union, and which could yet imperil the fragile global economic recovery.

Note that as of the start of 2012, Belgium was holding steady with an AA rating.

Government Update:

As discussed above, Yves Leterme, the leader of the Christian Democratic and Flemish party, first took power in March 2008. In July 2008, he tendered his resignation to Belgian KIng Albert II over a failure to bridge the divisions between Flemish and Walloon parties to devolve power from the federal government to regions. At the time, the king refuse to accept his resignation but did so at the close of 2008. By that point, Leterme was being accused of interference in judicial affairs linked with the sale of the bank Fortis a French bank (BNP Paribas). While King Albert II did, indeed, accept Leterme's resignation in this case, he also asked the government to remain in place in a caretaker capacity until a new prime minister took office. To that end, Flemish Christian Democrat Herman Van Rompuy was soon sworn into office at the helm of a reconstituted coalition.

By November 2009, Prime Minister Rompuy's tenure as prime minister at the head of this coalition government came to an end when he stepped down to take on a new role as President of the European Council At that time, Leterme returned to the helm of government for a second term as prime minister.

On April 22, 2010, Belgian Prime Minister Yves Leterme resigned from office following the withdrawal of the Flemish Liberals and Democrats or Open VLD party from the ruling coalition. At issue was Open VLD's claim that it was frustrated by the government's lack of progress in resolving the ongoing dissonance between the country's respective French-speaking and Dutch-speaking communities. With the Flemish party's exit from the governing coalition, Leterme only had control of 76 of the 150 seats of the lower house of parliament. While 76 seats still gave him a razor slim majority, governing would likely prove to be challenging. Accordingly, as noted by Belgian Finance Minister Didier Reynders, there was no choice but for the prime minister to step down from power.

As was the case when Prime Minister Leterme previously tendered his resignation, it was not known whether King Albert II would accept his move to step down. The answer to that question came when King Albert II refused to immediately accept the letter of resignation. On April 24, 2010, he called for urgent negotiations between Dutch-speaking and French-speaking parties, with an eye on reconstituting Prime Minister Leterme's government. According to a statement from the palace, the Belgian monarch requested that Finance Minister Didier Reynders play the role of mediator. The Belgian monarch intimated the generalized anxieties across the country that his country's reputation in the European Union (EU) was at stake, given the fact that Belgium was scheduled to take the reins of the EU's rotating presidency on July 1, 2010. Despite King Albert II's last resort attempt to revive Leterme's government, the endeavor ended in failure when Reynders asked to be relieved of his mediation duties. Accordingly, King Albert II accepted the resignation of Prime Minister Yves Leterme's government, which had been spurred by the collapse of the ruling coalition. Elections were then in the offing.

On June 13, 2010, Belgians went to the polls to cast their votes in fresh parliamentary elections. With the votes cast and counted, it was apparent that the Flemish separatist party, Nieuw-Vlaamse Alliantie or New Flemish Alliance (NVA), was likely to become the largest force in 150-seat parliament, with 27 seats. The French-speaking Socialists were headed for gains of their own with a close second place finish and 26 seats. The result augured negative consequences for Leterme's coalition of Christian Democrats, Liberals and Socialists.

Attention, though, was on the NVA, led by Bart De Wever, who has been a strong advocate of fully dividing the country along linguistic lines between Dutch-speaking Flanders and French-speaking Wallonia. The linguistic debate has dominated the political landscape of Belgium for some time with the country's Flemish majority expressly resentful of the government aid extended to the economically-challenged Wallonia. Consequently, there has been an increasing clamor for systemic reform to address this grievance. The performance of De Wever's NVA at the polls in these 2010 elections gave sanction to the will of majority Flemish population.

That being said, for De Wever to lead a government, he would have to form a coalition with Wallonian parties since Belgian governments must be composed of bilingual coalitions of at least four parties. Such a process promised to be laborious and difficult. Indicating that his preference was for principle or ideology, De Wever suggested that political power was not his objective and that he would not seek the position of prime minister if it required him to tame his separatist inclinations. He has indicated that he would be willing to enter a coalition with the French-speaking Socialists, allowing their leader, Elio Di Rupo, to become the prime minister, in exchange for a devolution deal. It was also possible that NVA could opt not to form a government at all, leaving other parties to try to form a coalition.

As discussed above, the ongoing dissonance between the majority Flemish and minority Walloons has already led to the collapse of a government. Now, with Flemish separatists and French-speaking Socialists almost on equal footing in parliament, these cleavages would become even more pronounced in the political realm. The future of Belgium was, therefore, at the forefront of the minds of the Belgian people with anxieties being spurred about the possible division of the country in its current incarnation. But even with this existential issue looming, Belgium was still expected to assume the rotating presidency of the EU in just weeks. As well, the country was expected to face a debt crisis with the "debt-to-GDP" ration expected to exceed 100 percent over the course of the next year. Consequently, the country was being faced with a number of challenges at a time when simply forming a government could be tortuous, time-consuming, and possibly dangerous for the health of the economy.

On January 6. 2011, Johan Vande Lanotte, tended his resignation as Belgian mediator. Lanotte had been appointed by King Albert II and was entrusted with finding a resolution to the political deadlock gripping the country for several months, since the last elections held in June 2010.

At the time, the Flemish separatist party, Nieuw-Vlaamse Alliantie or New Flemish Alliance (NVA), became the largest force in 150-seat parliament, with the French-speaking Socialists making gains of their own for a close second place finish. The 2010 election result served only to reinforce the political deadlock gripping the country all the way back to the previous elections of 2007. At issue has been the conflict between the Flemish and the Wallonian parties on the distribution of power and revenues between Dutch-speaking Flanders and French-speaking Wallonia, ultimately resulting in a philosophical impasse. While Flanders, has called for increased regional autonomy for regions, and more control over matters such as social security and taxation, less wealthy Wallonia has ought budgetary protection. While advances for Flemish separatists politically would seem to bolster their claims, legally, a Belgian government must be composed of bilingual coalitions of at least four parties. Stated another way, even the NVA with its well-known separatist and nationalist agenda would have to form a coalition with Walloon parties to sit at the helm of government in Belgium. With the country in a state of political deadlock, it was being administered by a caretaker government. Hopes at the time resided with the mediation exercise.

Months later at the start of 2011, it was clear that Lanotte's mediation efforts had been to no avail. Indeed, two of seven political parties rejected his plan to resolve the political crisis. That plan would facilitate further decentralization of power to Belgium's regions, which are split between the Dutch-speaking Flemish population and French-speaking Walloons. The Flemish Christian Democrats wanted further adjustments and the aforementioned NVA said that it had "fundamental" issues with the proposal. Months earlier, NVA leader Bart de Wever made it clear that he would prefer to relinquish a role as prime minister in a future government if it would require "taming" his strongly-held separatist and Flemish nationalist views. Clearly, given De Wever's ideological orientation, compromise was an unlikely quality emanating from his quarters. Bruno Tuybens, the leader of the Flemish Social Democrats [the party to which Lanotte belongs] said: "I think the parties who don't see the note [plan] as a basis for negotiations will have to run for election in a country called Utopia next time." For his part, Lanotte said, "You can lead a horse to water but you can't make it drink."

By mid-January 2011, King Albert II had re-appointed Lanotte to the mediation role with a renewed mandate to find a political resolution. However, NVA leader Bart de Wever was making it clear that he would not participate in protracted negotiations. In an interview on a Dutch-language radio station, the NVA leader said, "I am of the opinion that things must happen quickly, otherwise we should stop. This is my assessment of the situation. Either we have a breakthrough or we must in all honesty acknowledge that it is not working and it will never work."

The political crisis has been exacerbated by the economic conditions. Given the fact that Belgium's sovereign debt was approaching -- even exceeding -- its total gross domestic product, it was crucial for a stable government to be established at the helm, in order to navigate the complicated political and economic waters ahead. While it was yet to be seen if Lanotte's newest efforts would end successfully, rising expectations were that new elections could be afoot.

In mid-September 2011, a group of Flemish and Francophone political parties in Belgium were able to reach a breakthrough over the formation of a new federal government. A joint statement read as follows: "The eight parties have together succeeded in overcoming the obstacles which have created difficulties." One of the key obstacles was the question of splitting the Brussels-Hal-Vilvoorde electoral district, which surrounds Belgian capital Brussels. This has been a key demand of political parties in the Dutch-speaking Flanders region. The development was welcome news since the country has been left without a government since the parliamentary elections more than a year earlier in 2010.

Now, in September 2011, with an agreement forged between eight parties on the contentious issue of splitting the Brussels-Hal-Vilvoorde electoral district, it was apparent that the torturous and protracted negotiation process had finally yielded dividends. Accordingly, the scene was set for the much-anticipated formation of a new government. The new "formateur" entrusted with trying to form a government, Elio Di Rupo of the Francophone Socialist Party, applauded the news of a deal but warned that "the work is far from being finished and numerous debates have to be have to be worked out." He nonetheless noted that the steps taken constituted important progress.

It was expected that a government would be formed including the Socialists, Christian Democrats, and others, but excluding the NVA. Until July 2011, the conservative Christian Democrats had refused to enter into government talks without the nationalist NVA, presumably out of fear of being further downgraded at the polls in future elections at the expense of the other right-wing party.

On Dec. 6, 2011, after more than a year of political deadlock, Belgium finally swore a new government into office. Belgium gained the dubious distinction of being the country that went for the longest period in modern history of being without a government. Indeed, Belgium saw a record-breaking 541 days of political deadlock -- 182 days more than the closest rival for that title, Cambodia. At issue have been a host of issues related to the division of power and resources among Belgium'slinguistic regions.

The new government was to be headed by Elio Di Rupo of the Francophone Socialist Party and would include a 12-member cabinet. Prime Minister Rupo was the first Francophone prime minister in three decades and the first Socialist to become the head of government since 1974. He was to serve at the head of a coalition and would be tasked with stabilizing the political scene at a time when all of Europe was being faced by debt crises and financial instability. Indeed, only a month prior, the credit ratings agency, Standard and Poor's, downgraded Belgium's AA credit rating to AA+, in response to the complicated political and economic terrain in that country. Given the fact that Belgium's sovereign debt was approaching -- even exceeding -- its total gross domestic product, it was crucial for a stable government to be established at the helm, in order to navigate the complicated political and economic waters ahead.

Note that Belgium has been divided into Dutch-speaking Flanders, in the north, and French-speaking Wallonia, in the south. Since the elections in June of 2007, conflict between the Flemish and the Wallonian parties on the distribution of power and revenues between Dutch-speaking Flanders and French-speaking Wallonia has resulted in a philosophical impasse. The Dutch-speaking north of Belgium, known as Flanders, has called for increased regional autonomy for regions, and more control over matters such as social security and taxation. But Francophone Wallonia in the south is not keen on that idea since greater autonomy for Flanders could result in less budgetary allocations to the less wealthy Wallonia and the bilingual capital city of Brussels. Most recently, Flemish versus Walloon dissonance has contributed to political challenges and governing instability, as discussed here.

Miscellany:

In July 2011, a prohibition on women wearing Islamic garb went into effect in Belgium. At issue were the full body burqas and the face coverings, known as the niqabs. Now, those violating the new legislation would face penalties including a $200 fine and a week in jail. Muslim clerics in Belgium dismissed the development saying that of the 400,000 Muslims in the country, less than 300 women were likely to wear either the burqa or the niquab, thus making the legislation more of a political gesture, born out of manufactured controversy. On the other side of the equation, Belgian legislators were eager to preserve Western European values that deem such coverings as misogyny, following on the heels of France's decision to pass similar legislation. The legislation passed through the Belgian parliament overwhelmingly, with only one member of parliament -- a representative of the Green Party -- voting against it.

On Dec. 13, 2011, a gunman opened fire in the center of the Belgian city of Liege, killing at least four people and wounding 123 others. Included among the dead were three teenagers and an elderly woman. The gunman, who was identified as Nordine Amrani, reportedly hurled grenades into the crowded square in front of the Palais de Justice before taking his own life. Amrani, whose criminal record included charges of possession of firearms and drugs, had spent some time in prison. Belgian authorities indicated that despite the nature of the attack in Liege, which were reminiscent of a terror attack, Amrani appeared to have acted independently. In fact, Amrani had been asked by Belgian authorities to come to a police station for an interview in connection with charges against him. According to Belgian prosecutors, Amrani departed his home carrying weapons, which he then used against people gathered at the busy intersection of Saint-Lambert Square.

For his part, Belgian Prime Minister Elio di Rupo characterized the pre-Christmas attack as "horrible," and said, "There are no words to describe this tragedy." The newly-inaugurated head of government conveyed sympathy for the victims and their loved ones saying, "We think first and foremost of the innocent victims, their family and friends. We also think of all the people working

at the scene and more generally of the people of Liege. The whole country shares the pain of the families affected. We share the shock of the population."

Special Entry

King Philippe crowned as Belgian monarch following abdication by King Albert II

At the start of July 2013, King Albert II of Belgium announced his intent to abdicate from the throne. In a national address that was broadcast to the kingdom, King Albert II explained his reason for ending his 20-year rein was largely due to his age and health. He said of his position as reigning monarch: "I realize that my age and my health are no longer allowing me to carry out my duties as I would like to." This explanation notwithstanding, there were some suggestions that ongoing allegations about the outgoing king fathering a child out of wedlock may have fueled Albert II's decision to step down from the throne.

King Albert II said that his abdication was set for July 21, 2013 -- Belgium's national day. The monarchy would, at that time, pass to his son and heir apparent, Prince Philippe. He noted of his heir apparent and son, "Prince Philippe is well prepared to succeed me."

As scheduled, on July 21, 2013, King Albert II abdicated from the throne. In his farewell address as monarch, outgoing King Albert II said that his hope was that Belgium would heal its differences between French-speaking Wallonia and Dutch-speaking Flanders and remain united. King Albert II also paid tribute to his son, Phillipe, the incoming monarch, saying: "You have all the emotional and intellectual qualities to serve our country well." Albert II ended his reign by embracing his son and signing the official abdication documents.

Soon thereafter, Phillipe became king and ruling monarch of Belgium at a coronation ceremony in parliament. The coronation ceremony was marked by pomp and circumstance, including cannon fire and the blare of trumpets. It was also a reflection of Belgium's multi-lingual and multicultural heritage as the new monarch took the oath of office in Belgium's three official languages -- Dutch, French and German. King Phillipe -- an air force pilot who was educated at both Oxford University in the United Kingdom and Stanford University in the United States -- promised to uphold the constitution as demanded by his new post as head of state. Following the coronation ceremony, King Phillipe, flanked by his wide, the new Queen Mathilde, greeted the crowds from the balcony of the royal palace. Belgians waved flags below and cheered the new monarch.

Note that in Belgium, the head of state is the constitutional and hereditary monarch where the king plays a mostly ceremonial role in political affairs. That being said, due to the fractious nature of parliamentary politics, the increasingly divided partisan factions in Belgium, and ongoing dissonance between Belgium's Flemish and French communities, the king's role in resolving such

crises has become increasingly vital.

Primer on 2014 parliamentary elections in Belgium

Parliamentary elections were set to be held in Belgium on May 25, 2014.

Summary

At stake would be the composition of the bicameral "Federaal Parlement / Parlement Fédérale" (Federal Parliament), consisting of the Senate and the Chamber of Deputies. Composed of 71 seats, the Senate is made up of members who are elected to four year terms. Composed of 150 seats, the Chamber of Deputies is made up of members who are popularly elected by proportional representation to four-year terms. Typically, the prime minister is formally appointed by the king and approved by a majority of the "Federaal Parlement / Parlement Fédérale" (Federal Parliament); the prime minister must generally be able to hold a majority in parliament.

Ahead of the elections of 2010, the fate of the Belgian government had been in a state of political uncertainty. Prime Minister Yves Leterne (Nov. 25, 2009 - June 2010) officially resigned but was functioning as the caretaker head of government. In December 2011, more than a year after the elections, a new government was formed under the aegis of Elio Di Rupo of the Francophone Socialist Party (since December 2011). It was to be seen which part would be positioned to gain the most parliamentary control and, thus, form a government. It was also to be seen if the linguistic cleavages between Flemish and Francophone elements would define the political scene in 2014 as it did in the 2010 elections and the ensuing year (2011) of difficult negotiations.

See below for a backgrounder on the 2010-2011 government formation process and an understanding of the dynamics that define the Belgian political scene.

Background

In mid-September 2011, a group of Flemish and Francophone political parties in Belgium were able to reach a breakthrough over the formation of a new federal government. A joint statement read as follows: "The eight parties have together succeeded in overcoming the obstacles which have created difficulties." One of the key obstacles was the question of splitting the Brussels-Hal-Vilvoorde electoral district, which surrounds Belgian capital Brussels. This has been a key demand of political parties in the Dutch-speaking Flanders region.

The development was welcome news since the country has been left without a government since the parliamentary elections more than a year earlier in 2010. To that end, in June 2010, Belgians went to the polls to cast their votes in parliamentary elections. With the votes cast and counted,

the Flemish separatist party, Nieuw-Vlaamse Alliantie or New Flemish Alliance (NVA), became the largest force in 150-seat parliament, with 27 seats. The French-speaking Socialists were headed for gains of their own with a close second place finish and 26 seats. The result augured negative consequences for Prime Minister Yves Leterme's coalition of Christian Democrats, Liberals and Socialists.

Attention, though, was on the NVA, led by Bart De Wever, who has been a strong advocate of fully dividing the country along linguistic lines between Dutch-speaking Flanders and French-speaking Wallonia. The linguistic debate dominated the political landscape of Belgium for some time with the country's Flemish majority expressly resentful of the government aid extended to the economically-challenged Wallonia. While Flanders, has called for increased regional autonomy for regions, and more control over matters such as social security and taxation, less wealthy Wallonia has ought budgetary protection. The result has been a philosophical impasse and gave rise to an increasing clamor for systemic reform to address these grievances.

The advances for Flemish separatists politically would seem to bolster their claims, giving sanction to the will of majority Flemish population. That being said, for De Wever to lead a government, he would have to form a coalition with Wallonian parties since Belgian governments must be composed of bilingual coalitions of at least four parties. Such a process promised to be laborious and difficult. Indicating that his preference was for principle or ideology, De Wever suggested that political power was not his objective and that he would not seek the position of prime minister if it required him to tame his separatist inclinations. He indicated that he would be willing to enter a coalition with the French-speaking Socialists, allowing their leader, Elio Di Rupo, to become the prime minister, in exchange for a devolution deal. It was also possible that NVA could opt not to form a government at all, leaving other parties to try to form a coalition.

The ongoing dissonance between the majority Flemish and minority Walloons had already led to the collapse of a government. Now, with Flemish separatists and French-speaking Socialists almost on equal footing in parliament, these cleavages had become even more pronounced in the political realm. The future of Belgium was, therefore, at the forefront of the minds of the Belgian people with anxieties being spurred about the possible division of the country in its current incarnation. But even with this existential issue looming, Belgium was facing a debt crisis with the "debt-to-GDP" ration expected to exceed 100 percent over the course of 2011. Consequently, the country was being faced with a number of challenges at a time when simply forming a government could be tortuous, time-consuming, and possibly dangerous for the health of the economy.

Months later at the start of 2011, it was clear that mediation efforts to end the political deadlock had been to no avail. Indeed, two of seven political parties rejected a plan to resolve the political crisis. That plan would facilitate further decentralization of power to Belgium's regions, which are split between the Dutch-speaking Flemish population and French-speaking Walloons. The Flemish Christian Democrats wanted further adjustments and the aforementioned NVA said that it had

"fundamental" issues with the proposal. Johan Vande Lanotte, therefore, tended his resignation as Belgian mediator. (Lanotte had been appointed by King Albert II and was entrusted with finding a resolution to the political deadlock.)

By mid-January 2011, King Albert II had re-appointed Lanotte to the mediation role with a renewed mandate to find a political resolution. However, NVA leader Bart de Wever was making it clear that he would not participate in protracted negotiations. In an interview on a Dutch-language radio station, the NVA leader said, "I am of the opinion that things must happen quickly, otherwise we should stop. This is my assessment of the situation. Either we have a breakthrough or we must in all honesty acknowledge that it is not working and it will never work."

In September 2011, with an agreement forged between eight parties on the contentious issue of splitting the Brussels-Hal-Vilvoorde electoral district, it was apparent that the torturous and protracted negotiation process had finally yielded dividends. Accordingly, the scene was set for the much-anticipated formation of a new government. It was expected that a government would be formed including the Socialists, Christian Democrats, and others, but excluding the NVA. Until July 2011, the conservative Christian Democrats had refused to enter into government talks without the nationalist NVA, presumably out of fear of being further downgraded at the polls in future elections at the expense of the other right-wing party.

On Dec. 6, 2011, after more than a year of political deadlock, Belgium finally swore a new government into office. Belgium gained the dubious distinction of being the country that went for the longest period in modern history of being without a government. Indeed, Belgium saw a record-breaking 541 days of political deadlock -- 182 days more than the closest rival for that title, Cambodia. At issue have been a host of issues related to the division of power and resources among Belgium's linguistic regions.

The new government was to be headed by Elio Di Rupo of the Francophone Socialist Party and would include a 12-member cabinet. Prime Minister Rupo was the first Francophone prime minister in three decades and the first Socialist to become the head of government since 1974. He was to serve at the head of a coalition and would be tasked with stabilizing the political scene at a time when all of Europe was being faced by debt crises and financial instability. Indeed, only a month prior, the credit ratings agency, Standard and Poor's, downgraded Belgium's AA credit rating to AA+, in response to the complicated political and economic terrain in that country. Given the fact that Belgium's sovereign debt was approaching -- even exceeding -- its total gross domestic product, it was crucial for a stable government to be established at the helm, in order to navigate the complicated political and economic waters ahead.

Election results:

The election results indicated a strong performance for the New Flemist Alliance (NVA) of Bart de

Wever with 33 seats; Elio Di Rupo's Socialists saw some losses and had 23 seats; the Reformist Movement (Mouvement Réformateur or MR in French) of Charles Michel took 20 seats, while the Christian Democrats and Flemish (Christen-Democratisch en Vlaams in Dutch or CD+V) of Wouter Beke secured 18 seats; Open Flemish Liberals and Democrats of Gwendolyn Rutten garnered 14 seats; and Socialist Party Differently -- an offshoot of the Belgian Socialist Party of Bruno Tobback acquired 13 seats.

New government for Belgium --

On Oct. 11, 2014, a new government was sworn into power in Belgium -- almost five months after the parliamentary elections were held. Those parliamentary elections were held on May 25, 2014, and yielded a complicated outcome, thus precipitating a difficult process of political maneuvering.

To recapitulate the election outcome details -- the May 2014 election results showed a strong performance for the (Flemish nationalist) New Flemist Alliance (NVA) of Bart de Wever with 33 seats; Elio Di Rupo's (leftist) Socialists saw some losses and had 23 seats; the (liberal) Reformist Movement (Mouvement Réformateur or MR in French) of Charles Michel took 20 seats, while the Christian Democrats and Flemish (Christen-Democratisch en Vlaams in Dutch or CD+V) of Wouter Beke secured 18 seats; Open Flemish Liberals and Democrats of Gwendolyn Rutten garnered 14 seats; and Socialist Party Differently -- an offshoot of the Belgian Socialist Party of Bruno Tobback -- acquired 13 seats.

Since the time of the May 2014 elections, a lengthy process of coalition building and government building has been underway. In June 2014, a month after the elections had taken place, there were suggestions that the new Belgian government would not include Wever's New Flemist Alliance. Wever actually had the right to try to form a government since his party won the most seats; however, as was the case following the previous elections, his hardline Flemish stances evoked skepticism in various potential coalition partners. It was possible that the Elio Di Rupo, the outgoing prime minister, would receive a mandate to commence coalition talks of his own, with the possibility of a renewed coalition of Socialists, liberals, and Christian Democrats in the offing. However, such a suggestion was simply a matter of speculation in mid-2014.

Finally, in October 2014, a new government, composed of a center-right coalition of liberals from the Reformist Movement, Christian Democrats, and Flemish nationalists and separatists from the New Flemist Alliance, was advanced and approved by the monarchy. The new government would be led by the young leader of the liberals, Francophone Charles Michel. The agenda for the incoming center-right government would be reductions of government spending and balancing the national budget. It was to be seen how an austerity agenda would resonate with the Belgian public.

The inclusion of the Bart de Wever's New Flemish Alliance in the coalition was something of a surprise, but apparently an accommodation was made so that the party would soften some of its

hardline demands for Flemish autonomy, while the Socialists would be left out of the new coalition. Also of note was the lack of more Francophones in government (Charles Michel -- the leader of the Reformist Movement liberals being an exception). While the nationalist/separatist New Flemish Alliance would clearly hold ministerial portfolios in the government, the party's leader, Bart De Wever, would not participate in the incoming administration and, instead, retain his post as the mayor of Antwerp.

The Socialists of outgoing Prime Minister Elio Di Rupo, who were excluded from government for the first time in decades, described the new administration in unflattering terms as "antisocial," with a vision of Belgians working harder for less money, and dominated by Flemish separatists.

Note: Charles Michel of the (liberal) Reformist Movement (Mouvement Réformateur or MR in French) was ultimately inaugurated into office as Belgium's prime minister and head of government at the helm of a center-right coalition government that included liberals from the Reformist Movement, Christian Democrats, and Flemish nationalists and separatists from the New Flemist Alliance. He was sworn into power in the presence of King Philippe at the Brussels Royal Palace in Brussels on Oct. 11, 2014. At the age of 38, Charles Michel was Belgium's youngest prime minister since 1841.

Security Alert:

Counter-terrorism raid in Belgium leaves terror suspects dead while foiling apparent terror plot; connections to French attack --

In mid-January 2015, Belgian authorities carried out a series of counter-terrorism raids across the country. One particularly dramatic counter-terrorism raid was reported to have taken place in the eastern city of Verviers. A handful of terror suspects opened fire using military-style weaponry and handguns on police, who responded by returning fire and killing them. Several arrests were made and Belgian authorities announced that they had managed to foil a massive terror plot.

Belgian authorities did not immediately relay details of this plot to the public. Nevertheless, they made clear that the suspects were at the point of launching "terrorist attacks on a grand scale." In the days that followed the counter-terrorism operation, some disturbing information began to make it through to the public sphere. Of note was the fact that police uniforms, explosives, weaponry including AK-47 assault rifles, were discovered at the home of two of the suspects killed during the aforementioned raids. Eric Van Der Sypt, a spokesperson for the Belgian prosecutors' office, said, "This group was on the point of carrying out terrorist attacks aiming to kill police officers in the streets and in police stations." He stopped short of confirming alarming media reports that the terror plotters intended to abduct a police chief and behead him.

It should be noted that Belgium was home to a significant Muslim population, with a disproportionate number of Muslim youth becoming radicalized and quite possibly posing a Jihadist threat to national security. In fact, on a proportional basis, Belgium had the dubious distinction of being the European country from where the highest number of citizens have gone to fight with Islamic State terrorists in Syria. Given the threat to national security posed by this reality, Belgian Prime Minister Charles Michel raised the national threat alert level, saying, "In the situation we can consider it is useful to raise the level of prudence and vigilance."

Belgian security forces were reported to be present and on patrol at public buildings, police stations, and Jewish institutions.

While the Paris attacks may have acted as a catalyst for the raids in Belgium, there was no direct link between the Belgian counter-terrorism operation, or the foiled plot to take place on Belgian soil, with the terror attacks that took place 10 days prior in France. However, there was an indirect connnection as it was soon announced that the weapons procured by the Paris kosher shop terrorist, Amedy Coulibaly, came from a Belgian arms dealer.

In France, police were rounding up and interrogating individuals suspected of helping the Islamist terorists behind Charlie Hebdo and kosher shop attacks in Paris. French Prime Minister Manuel Valls said of that the action was being taken in response to the prevailing "terrorist offensive."

Meanwhile, President Hollande -- suffering for some time from abysmal approval ratings -- saw his poll rating skyrocket more than 20 points in the aftermath of the Paris attacks and the burgeoning threat of Jihadist Islamist terrrorism. An Ifop telephone survey for Paris Match and Sud Radio showed Hollande sporting a 50 percent approval rating -- the highest level in two years. Ifop's research team concluded that French citizens saw Hollande responding appropriately to the terror threat to the French homeland and were duly rewarding him. A similar rise in the president's Socialist Party was also being registered. Polling data by BVA showed that Hollande's Socialist Party gained four points to 30 percent -- ahead of Marine Le Pen's ultra-right National Front, which most analysts believed would actually benefit from the threat to the French homeland. Instead, Hollande and th Socialists were being regarded -- at least for the moment -- as being up to the task of leadership.

At the foreign relations level, United States Secretary of State John Kerry traveled to France in the third week of January 2015 to lay wreaths to mark the tragic deaths of victims at the two main Paris attack sites. He also went to the Elysee presidential palace to offer personal condolences to President Francois Hollande and to offer a fulsome apology for the absence of a senior United States official at the unity and free speech rally held in Paris, which was attended by other heads of state and leading officials from some 40 countries. Speaking in French, Secretary of State Kerry said, "Today, I wanted to be here, at home with you, among you. I wanted to tell you personally of the horror and revulsion that all Americans felt at these cowardly and despicable attacks against

innocent victims and fundamental values."

Belgian court sentences 45 members of "Sharia4Belgium" terror group to jail

In the second week of February 2015, a Belgian court found a group of Jihadists guilty of terror-related offenses and sentenced 45 of themm to jail. The members of the "Sharia4Belgium" group were subject to sentences ranging from three to 12 years, with the judge in charge of the case calling them part of a "terrorist group." Indeed, Sharia4Belgium was centered on recruiting Jihadists for terror groups, such as Islamic State. Only seven of the 45 were in the court for the sentencing; the vast majority were sentenced in absentia and believed to be either fighting in Syria or already deceased due to their activities there. It was the latest manifestation of the security and terror threat emananting from Belgium.

Going back to January 2015, Belgian authorities carried out a series of counter-terrorism raids across the country. One particularly dramatic counter-terrorism raid was reported to have taken place in the eastern city of Verviers. A handful of terror suspects opened fire using military-style weaponry and handguns on police, who responded by returning fire and killing them. Several arrests were made and Belgian authorities announced that they had managed to foil a massive terror plot.

Belgian authorities did not immediately relay details of this plot to the public. Nevertheless, they made clear that the suspects were at the point of launching "terrorist attacks on a grand scale." In the days that followed the counter-terrorism operation, some disturbing information began to make it through to the public sphere. Of note was the fact that police uniforms, explosives, weaponry including AK-47 assault rifles, were discovered at the home of two of the suspects killed during the aforementioned raids. Eric Van Der Sypt, a spokesperson for the Belgian prosecutors' office, said, "This group was on the point of carrying out terrorist attacks aiming to kill police officers in the streets and in police stations." He stopped short of confirming alarming media reports that the terror plotters intended to abduct a police chief and behead him.

It should be noted that Belgium was home to a significant Muslim population, with a disproportionate number of Muslim youth becoming radicalized and quite possibly posing a Jihadist threat to national security. In fact, on a proportional basis, Belgium had the dubious distinction of being the European country from where the highest number of citizens have gone to fight with Islamic State terrorists in Syria. Given the threat to national security posed by this reality, Belgian Prime Minister Charles Michel raised the national threat alert level, saying, "In the situation we can consider it is useful to raise the level of prudence and vigilance." Belgian security forces were reported to be present and on patrol at public buildings, police stations, and Jewish institutions.

Now, in February 2015, the terror threat in Belgium was again in the public purview with a Belgian court in Antwerp ruling that the group of Jihadists from "Sharia4Belgium" guilty of terror-

related offenses and sentencing 45 of them to jail. The "Sharia4Belgium" group members were subject to sentences ranging from three to 12 years, with the judge in charge of the case calling them part of a "terrorist group." Indeed, Sharia4Belgium was centered on recruiting Jihadists for terror groups, such as Islamic State. Only seven of the 45 were in the court for the sentencing; the vast majority were sentenced in absentia and believed to be either fighting in Syria or already deceased due to their activities there.

Among those found guilty and sentenced to 40 months in jail was Jejoen Bontinck, whose father was publicized in the media for traveling all the way to Syria to bring his son back home to Belgium. Bontinck then became a key prosecution witness in the case at stake. His father, however, was not pleased about the verdict and jail sentence, saying in an interview with the media, "I didn't go and pick up my son in Syria, only to see him thrown in jail here." The elder Bontinck has said that the group brainwashes young people who are vulnerable and grappling with insecurities.

Special Security Report

Terrorist sweeps being conducted in Belgium as country flagged as fertile ground for Islamist radicalization

On Nov. 21, 2015 -- a week after the French capital of France was struck by a spate of horrific terror attacks -- authorities in Belgium placed the country's capital city of Brussels on lockdown due an imminent terror threat. The Belgian government closed the Brussels underground train system, schools, and universities, and issued warnings for citizens to remain at home and avoid crowds. Police were deployed to patrol the city. According to Belgian Prime Minister Charles Michel, there was reason to be concerned that "several individuals with arms and explosives could launch an attack." The concerns of the Belgian prime minister were derived from intelligence indicating that one of the terrorists from the Paris attacks -- Salah Abdeslam -- might be seeking to carry out a suicide attack. However, Belgian Interior Minister Jan Jambon emphasized the fact that the threat was not limited to Abdeslam alone, as he said, "The threat is broader than the one suspected terrorist."

Of note was the fact that Abdelslam -- a Belgian-born French national and one of the terrorists at the Bataclan concert venue in Paris -- fled the scene and escaped across the border into Belgium. In fact, Abdeslam was actually stopped at the Belgian border with two other individuals, but was released in what could only be understood as a missed opportunity. It was only after that incident that he was flagged by French authorities in connection with the terror attacks.

Abdeslam could be viewed in November 2015 as the most wanted man in the world. The evolving theory was that he was supposed to commit a suicide attack but instead fled the scene. As a result,

not only was he wanted by international security authorities for his active role in the terror attacks in Paris, but also by Islamic State, which was likely displeased that he failed to detonate his suicide belt. Now, however, there were fears in Belgium that Abdeslam might seek to finally use that suicide belt; as a result, Belgian authorities placed the country's capital on lockdown.

On Nov. 22, 2015, Belgian authorities announced there was a series of anti-terrorism raids going on across the capital of Brussels. The Paris attacks a week before shone unwelcome light on Belgian authorities for failing to effectively deal with its internal security issues, and particularly, the fact that the Molenbeek suburb of Brussels was allowed to become a known breeding ground for nefarious and extremist Islamist terrorists. Indeed, the Molenbeek suburb was believed to be the place where the Paris terrorists plotted major aspects of their attacks. Now, after the horror of Paris and with Brussels in the crosshairs, Belgian authorities were taking some action.

Of significance was the fact that Belgium has been know, for some time, to be fertile ground for terrorists. Indeed, Belgium was home to a significant Muslim population, with a disproportionate number of Muslim youth becoming radicalized and quite possibly posing a Jihadist threat to national security. In fact, on a proportional basis, Belgium had the dubious distinction of being the European country from where the highest number of citizens have gone to fight with Islamic State terrorists in Syria. While the aforementioned suburb of Molenbeek was a clear focus, the problem was wider that one area in the capital.

Going back to January 2015, Belgian authorities carried out a series of counter-terrorism raids across the country. One particularly dramatic counter-terrorism raid was reported to have taken place in the eastern city of Verviers. A handful of terror suspects opened fire using military-style weaponry and handguns on police, who responded by returning fire and killing them. Several arrests were made and Belgian authorities announced that they had managed to foil a massive terror plot. Of note was the fact that police uniforms, explosives, weaponry including AK-47 assault rifles, were discovered at the home of two of the suspects killed during the aforementioned raids. Eric Van Der Sypt, a spokesperson for the Belgian prosecutors' office, said, "This group was on the point of carrying out terrorist attacks aiming to kill police officers in the streets and in police stations." He stopped short of confirming alarming media reports that the terror plotters intended to abduct a police chief and behead him.

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Fast-forward to November 2015 and the Islamist Jihadist threat was surfacing in disturbing form once again in Belgium. Unlike earlier in the year though, it was not in the context of successful counter-terrorism efforts, but in the shadow of the appalling horror of the Paris attacks.

A terrorist sweep was undertaken on Nov. 22, 2015 and had resulted in the arrests of several people; however, the Paris terrorist Abdesalam remained at large.

In December 2015, the anti-terrorism effort in Belgium was ongoing and an additional two persons had been arrested in connection with the Paris attacks. One of the individuals was intercepted at the Zaventem airport as he sought to travel to Morocco; he was said to have been a stalwart of Bilal Fadfi who was one of the terrorists carrying out a suicide bombing at the Stade de France. A second suspect was arrested in the Molenbeek area of Brussels known to be a hotbed of Islamist Jihadists. Both were arrested for "participating in the activities of a terrorist organization."

Fugitive terrorist from Paris attacks apprehended in Belgium

On March 18, 2016, the fugitive terrorist from the horrific Paris terror attacks was arrested during a clash with police in the Belgian capital city of Brussels. Going back to Nov. 13, 2015, Islamist terrorists aligned with Islamic State carried out an appalling assault on democratic freedom as France's capital city. Suicide bombers and gunmen carried out simultaneous assaults on popular restaurants, cafes, bars, a football stadium, and a concert hall across Paris, killing close to 130 people in what could only be understood as a massacre in Europe's City of Lights.

All but one assailant died in the attacks while the surviving terror suspect, Salah Abdeslam, was believed to have fled the scene for Belgium, despite being stopped and then allowed to move on as he departed in a car with two other individuals. In the months that followed the Paris attacks, French and Belgian authorities have carried out crackdowns in both countries aimed at apprehending the world's most-wanted fugitive along with other Islamist terror cells. The general consensus, though, was that Abdeslam was very likely either in Belgium or had escaped to Syria.

Now, in March 2016, that effort saw success with the arrest of Abdeslam, who was wounded in a shoot-out with police in the Molenbeek area of Brussels, which was known to be a hotbed of Islamist extremists. Belgian Prime Minister Charles Michel hailed the capture of Abdeslam and two other individuals as "a very important result in the battle for democracy." French President Francois Hollande said that he hoped Abdeslam would be extradited to France to face justice. Along that same vein, French Interior Minister Bernard Cazeneuve said "Abdeslam will have to answer to French justice for his acts."

It should be noted that French and Belgian authorities have long speculated that Abdeslam had second thoughts or a suicide very malfunction that prevented him from carrying out his part in the

attacks, and the fleeing the scene. Once he was securely in police custody, reports indicated that Abdeslam, who was supposed to blow himself up at the sports stadium terror site changed his mind. In an interview with Reuters News, French investigator, Francois Molins. said, "He wanted to blow himself up at the Stade de France and ... backed out." Of note was the fact that he sought refuge with individuals linked with another terror cell and was likely aware of other terror plots being planned this network of terrorists.

Note that on March 31, 2016 it was reported that Abdelslam would be extradited from Belgium to France to face justice.

Days after apprehending Paris fugitive terrorist Belgium rocked by terror attacks; ISIL claims responsibility

On March 22, 2016, the notorious terror group, Islamic State in the Levant (ISIL) claimed responsibility for brutal attacks at the Zaventem Airport and at the Maelbeek metropolitan train station in the Belgian capital of Brussels. At least 30 people were reported to have been killed as a result, while more than 230 others were injured -- many of them grievously so. The Brussels airport and public transportation was shut down following these attacks.

According to ISIL in its claim of responsibility, the attacks were carried out by its suicide bombers who had explosive belts strapped to their bodies. The statement from ISIL read as follows: "Islamic State fighters opened fire inside Zaventem Airport, before several of them detonated their explosive belts, as a martyrdom bomber detonated his explosive belt in the Maalbeek metro station." This statement indicated that the terror plot actually involved a shoot out prior to the suicide bombings; however, in actuality, there was no such gunfire at the Zaventem Airport although at least one Kalashnikov assault rifle was found next to the body of one of the assailants after the attack there. Another complication was the fact that there were some suggestions that the carnage was not caused by explosive belts at all but possibly by bombs packed in luggage. With most of the victims being hit in the lower extremities (legs), it was possible that the explosions emanated from bombs packed in baggage sitting on the floor of the departure lounge.

It also should be noted that Belgian law enforcement released videotaped footage from the scene at the departure lounge in Brussels airport supposedly showing three of the assailants at that site. Since only two bombs were detonated and an unused explosive belt was found at the scene, Belgian authorities indicated that the hunt was on for the third airport suspect who had not detonated his bomb.

For his part, Belgian Prime Minister Charles Michel condemned the attacks, saying that they marked a "black moment" for Belgium. He added, "What we had feared has come to pass." To that end, there have long been fears that the many extremist Islamists who call the Brussels

suburbs home would heed the call of Islamic State and eventually carry out attacks there. As well, there had been prevailing fears that after the capture of the Paris fugitive terrorist, Saleh Abdeslam, only days before, several terror cells might accelerate their plot schedules. As noted by Belgium's Interior Minister, Jan Jambon, "We know that stopping one cell can ... push others into action. We are aware of it in this case."

French Prime Minister Manuel Valls addressed the regional threat of extremist Islam on Europe, saying, “We are at war and we have been subjected to acts of war in Europe for the last few months." Meanwhile, the United States officials acknowledged that they believed it was possible that a terror attack by Islamic State might hit Brussels. Nevertheless, there was no specific intelligence to work with, particularly with regard to targets, locations, and timing.

The attacks in Belgium reverberated internationally, with security being heightened across the world, particularly in Europe. As well, there were statement of solidarity and support from allied countries. United States President Barack Obama, who was on a historic trip to Cuba, expressed support to Belgian Prime Minister Charles Michel. In a speech from Cuba, the United States leader said, "We must be together regardless of nationality or race or faith in fighting against the scourge of terrorism. We can and we will defeat those who threaten the safety and security of people all around the world."

Editor's Note:

Note that Belgium has been divided into Dutch-speaking Flanders, in the north, and French-speaking Wallonia, in the south. Since the elections in June of 2007, conflict between the Flemish and the Wallonian parties on the distribution of power and revenues between Dutch-speaking Flanders and French-speaking Wallonia has resulted in a philosophical impasse. The Dutch-speaking north of Belgium, known as Flanders, has called for increased regional autonomy for regions, and more control over matters such as social security and taxation. But Francophone Wallonia in the south is not keen on that idea since greater autonomy for Flanders could result in less budgetary allocations to the less wealthy Wallonia and the bilingual capital city of Brussels. Most recently, Flemish versus Walloon dissonance has contributed to political challenges and governing instability, as discussed above.

-- April 2016

Written by Dr. Denise Youngblood Coleman, Editor in Chief, www.countrywatch.com. Full research sources listed in Bibliography. Supplementary sources include: The BBC News; Le Soir; The Financial Times; Zarate's Political Collections. European Governments. Belgium.

Political Risk Index

Political Risk Index

The **Political Risk Index** is a proprietary index measuring the level of risk posed to governments, corporations, and investors, based on a myriad of political and economic factors. The Political Risk Index is calculated using an established methodology by CountryWatch's Editor-in-Chief and is based on varied criteria* including the following consideration: political stability, political representation, democratic accountability, freedom of expression, security and crime, risk of conflict, human development, jurisprudence and regulatory transparency, economic risk, foreign investment considerations, possibility of sovereign default, and corruption. Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the highest political risk, while a score of 10 marks the lowest political risk. Stated differently, countries with the lowest scores pose the greatest political risk. A score of 0 marks the most dire level of political risk and an ultimate nadir, while a score of 10 marks the lowest possible level of political risk, according to this proprietary index. Rarely will there be scores of 0 or 10 due to the reality that countries contain complex landscapes; as such, the index offers a range of possibilities ranging from lesser to greater risk.

Country	Assessment
Afghanistan	2
Albania	4
Algeria	6

Andorra	9
Angola	4
Antigua	8
Argentina	4
Armenia	4-5
Australia	9.5
Austria	9.5
Azerbaijan	4
Bahamas	8.5
Bahrain	6
Bangladesh	3.5
Barbados	8.5-9
Belarus	3
Belgium	9
Belize	8
Benin	5
Bhutan	5
Bolivia	5

Bosnia-Herzegovina	4
Botswana	7
Brazil	7
Brunei	7
Bulgaria	6
Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	3
Cambodia	4
Cameroon	5
Canada	9.5
Cape Verde	6
Central African Republic	3
Chad	4
Chile	9
China	7
China: Hong Kong	8
China: Taiwan	8

Colombia	7
Comoros	5
Congo DRC	3
Congo RC	4
Costa Rica	8
Cote d'Ivoire	4.5
Croatia	7
Cuba	4-4.5
Cyprus	5
Czech Republic	8
Denmark	9.5
Djibouti	4.5
Dominica	7
Dominican Republic	6
East Timor	5
Ecuador	6
Egypt	5
El Salvador	7

Equatorial Guinea	4
Eritrea	3
Estonia	8
Ethiopia	4
Fiji	5
Finland	9
Fr.YugoslavRep.Macedonia	5
France	9
Gabon	5
Gambia	4
Georgia	5
Germany	9.5
Ghana	6
Greece	4.5-5
Grenada	8
Guatemala	6
Guinea	3.5
Guinea-Bissau	3.5

Guyana	4.5
Haiti	3.5
Holy See (Vatican)	9
Honduras	4.5-5
Hungary	7
Iceland	8.5-9
India	7.5-8
Indonesia	6
Iran	3.5-4
Iraq	2.5-3
Ireland	8-8.5
Israel	8
Italy	7.5
Jamaica	6.5-7
Japan	9
Jordan	6.5
Kazakhstan	6
Kenya	5

Kiribati	7
Korea, North	1
Korea, South	8
Kosovo	4
Kuwait	7
Kyrgyzstan	4.5
Laos	4.5
Latvia	7
Lebanon	5.5
Lesotho	6
Liberia	3.5
Libya	2
Liechtenstein	9
Lithuania	7.5
Luxembourg	9
Madagascar	4
Malawi	4
Malaysia	8

Maldives	4.5
Mali	4
Malta	8
Marshall Islands	6
Mauritania	4.5-5
Mauritius	7
Mexico	6.5
Micronesia	7
Moldova	5
Monaco	9
Mongolia	5
Montenegro	6
Morocco	6.5
Mozambique	4.5-5
Namibia	6.5-7
Nauru	6
Nepal	4
Netherlands	9.5

New Zealand	9.5
Nicaragua	5
Niger	4
Nigeria	4.5
Norway	9.5
Oman	7
Pakistan	3.5
Palau	7
Panama	7.5
Papua New Guinea	5
Paraguay	6.5-7
Peru	7
Philippines	6
Poland	8
Portugal	7.5
Qatar	7.5
Romania	5.5
Russia	5.5

Rwanda	5
Saint Kitts and Nevis	8
Saint Lucia	8
Saint Vincent and Grenadines	8
Samoa	7
San Marino	9
Sao Tome and Principe	5.5
Saudi Arabia	6
Senegal	6
Serbia	5
Seychelles	7
Sierra Leone	4.5
Singapore	9
Slovak Republic (Slovakia)	8
Slovenia	8
Solomon Islands	6
Somalia	2
South Africa	7

Spain	7.5
Sri Lanka	5
Sudan	3.5
Suriname	5
Swaziland	5
Sweden	9.5
Switzerland	9.5
Syria	2
Tajikistan	4.5
Tanzania	6
Thailand	6.5
Togo	4.5
Tonga	7
Trinidad and Tobago	8
Tunisia	6
Turkey	7
Turkmenistan	4.5
Tuvalu	7

Uganda	6
Ukraine	3.5-4
United Arab Emirates	7
United Kingdom	9
United States	9.5
Uruguay	8
Uzbekistan	4
Vanuatu	7
Venezuela	4
Vietnam	5
Yemen	3
Zambia	4.5
Zimbabwe	3

*Methodology

The Political Risk Index is calculated by CountryWatch's Editor-in-Chief and is based on the combined scoring of varied criteria as follows --

1. political stability (record of peaceful transitions of power, ability of government to stay in office and carry out policies as a result of productive executive-legislative relationship, perhaps with popular support vis a vis risk of government collapse)

2. political representation (right of suffrage, free and fair elections, multi-party participation, and

influence of foreign powers)

3. democratic accountability (record of respect for political rights, human rights, and civil liberties, backed by constitutional protections)

4. freedom of expression (media freedom and freedom of expression, right to dissent or express political opposition, backed by constitutional protections)

5. security and crime (the degree to which a country has security mechanisms that ensures safety of citizens and ensures law and order, without resorting to extra-judicial measures)

6. risk of conflict (the presence of conflict; record of coups or civil disturbances; threat of war; threats posed by internal or external tensions; threat or record of terrorism or insurgencies)

7. human development (quality of life; access to education; socio-economic conditions; systemic concern for the status of women and children)

8. jurisprudence and regulatory transparency (the impartiality of the legal system, the degree of transparency within the regulatory system of a country and the durability of that structure)

9. economic conditions (economic stability, investment climate, degree of nationalization of industries, property rights, labor force development)

10. corruption (the degree of corruption in a country and/or efforts by the government to address graft and other irregularities)

Editor's Note:

As of 2015, the current climate of upheaval internationally -- both politically and economically -- has affected the ratings for several countries across the world.

North Korea, Afghanistan, Somalia, and Zimbabwe -- retain their low rankings.

Several Middle Eastern and North African countries, such as Tunisia, Egypt, Libya, Syria, Iraq and Yemen were downgraded in recent years due to political instability occurring in the "season of unrest" sweeping the region since 2011 and continuing today. The worst downgrades affected Syria where civil war is at play, along with the rampage of terror being carried out by Islamist terrorists who have also seized control over part of Syrian territory. Iraq has been further downgraded due to the rampage of Islamist terrorists and their takeover of wide swaths of Iraqi territory. Libya has also been downgraded further due to its slippage into failed state status; at

issue in Libya have been an ongoing power struggle between rival militias. Yemen continues to hold steady with a poor ranking due to continued unrest at the hands of Houthi rebels, secessinionists, al-Qaida in the Arabian Peninsula, and Islamic State. Its landscape has been further complicated by the fact that it is now the site of a proxy war between Iran and Saudi Arabia. Conversely, Tunisia and Egypt have seen slight upgrades as these countries stabilize.

In Africa, Zimbabwe continues to be one of the bleak spots of the world with the Mugabe regime effectively destroying the country's once vibrant economy, and miring Zimbabwe with an exceedingly high rate of inflation, debilitating unemployment, devolving public services, and critical food shortages; rampant crime and political oppression round out the landscape. Somalia also sports a poor ranking due to the continuing influence of the terror group, al-Shabab, which was not operating across the border in Kenya. On the upside, Nigeria, which was ineffectively dealing with the threat posed by the terror group, Boko Haram, was making some strides on the national security front with its new president at the helm. Mali was slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. But the Central African Republic was downgraded due to the takeover of the government by Muslim Seleka rebels and a continued state of lawlessness in that country. South Sudan -- the world's newest nation state -- has not been officially included in this assessment; however, it can be unofficially assessed to be in the vicinity of "3" due to its manifold political and economic challenges. Burkina Faso, Burundi and Guinea have been downgraded due to political unrest, with Guinea also having to deal with the burgeoning Ebola crisis.

In Europe, Ukraine was downgraded due to the unrest facing that country following its Maidan revolution that triggered a pro-Russian uprising in the eastern part of the country. Russia was also implicated in the Ukrainian crisis due to its intervention on behalf of pro-Russian separatists, as well as its annexation of the Ukrainian territory of Crimea. Strains on the infrastructure of southern and eastern European countries, such as Serbia, Croatia, and Hungary, due to an influx of refugees was expected to pose social and economic challenges, and slight downgrades were made accordingly. So too, a corruption crisis for the Romanian prime minister has affected the ranking of that country. Meanwhile, the rankings for Spain, Portugal, Ireland, and Italy were maintained due to debt woes and the concomitant effect on the euro zone. Greece, another euro zone nation, was earlier downgraded due to its sovereign debt crisis; however, no further downgrade was added since the country was able to successfully forge a bailout rescue deal with creditor institutions. Cyprus' exposure to Greek banks yielded a downgrade in its case.

In Asia, Nepal was downgraded in response to continuous political instability and a constitutional crisis that prevails well after landmark elections were held. Both India and China retain their rankings; India holds a slightly higher ranking than China due to its record of democratic representation and accountability. Increasing violence and political instability in Pakistan resulted in a downgrade for this country's already low rating. Meanwhile, Singapore retained its strong rankings due to its continued effective stewardship of the economy and political stability.

In the Americas, ongoing political and economic woes, as well as crime and corruption have affected the rankings for Mexico , Guatemala, and Brazil. Argentina was downgraded due to its default on debt following the failure of talks with bond holders. Venezuela was downgraded due to its mix of market unfriendly policies and political oppression. For the moment, the United States maintains a strong ranking along with Canada, and most of the English-speaking countries of the Caribbean; however, a renewed debt ceiling crisis could cause the United States to be downgraded in a future edition. Finally, a small but significant upgrade was attributed to Cuba due to its recent pro-business reforms and its normalization of ties with the Unitd States.

Source:

Dr. Denise Youngblood Coleman, Editor in Chief, CountryWatch Inc. www.countrywatch.com

Updated:

2015

Political Stability

Political Stability

The **Political Stability Index** is a proprietary index measuring a country's level of stability, standard of good governance, record of constitutional order, respect for human rights, and overall strength of democracy. The Political StabilityIndex is calculated using an established methodology* by CountryWatch's Editor-in-Chief and is based on a given country's record of peaceful transitions of power, ability of a government to stay in office and carry out its policies vis a vis risk credible risks of government collapse. Threats include coups, domestic violence and instability, terrorism, etc. This index measures the dynamic between the quality of a country's government and the threats that can compromise and undermine stability. Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of political stability and an ultimate nadir, while a score of 10 marks the highest level of political stability possible, according to this proprietary index. Rarely will there be scores of 0 or 10 due to the reality that countries contain complex landscapes; as such, the index offers a range of possibilities ranging from lesser to greater stability.

Country	Assessment
Afghanistan	2
Albania	4.5-5
Algeria	5
Andorra	9.5
Angola	4.5-5
Antigua	8.5-9
Argentina	7
Armenia	5.5
Australia	9.5
Austria	9.5
Azerbaijan	5
Bahamas	9
Bahrain	6
Bangladesh	4.5
Barbados	9
Belarus	4

Belgium	9
Belize	8
Benin	5
Bhutan	5
Bolivia	6
Bosnia-Herzegovina	5
Botswana	8.5
Brazil	7
Brunei	8
Bulgaria	7.5
Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	4
Cambodia	4.5-5
Cameroon	6
Canada	9.5
Cape Verde	6
Central African Republic	3

Chad	4.5
Chile	9
China	7
China: Hong Kong	8
China: Taiwan	8
Colombia	7.5
Comoros	5
Congo DRC	3
Congo RC	5
Costa Rica	9.5
Cote d'Ivoire	3.5
Croatia	7.5
Cuba	4.5
Cyprus	8
Czech Republic	8.5
Denmark	9.5
Djibouti	5
Dominica	8.5

Dominican Republic	7
East Timor	5
Ecuador	7
Egypt	4.5-5
El Salvador	7.5-8
Equatorial Guinea	4.5
Eritrea	4
Estonia	9
Ethiopia	4.5
Fiji	5
Finland	9
Fr.YugoslavRep.Macedonia	6.5
France	9
Gabon	5
Gambia	4.5
Georgia	5
Germany	9.5
Ghana	7

Greece	6
Grenada	8.5
Guatemala	7
Guinea	3.5-4
Guinea-Bissau	4
Guyana	6
Haiti	3.5-4
Holy See (Vatican)	9.5
Honduras	6
Hungary	7.5
Iceland	9
India	8
Indonesia	7
Iran	3.5
Iraq	2.5
Ireland	9.5
Israel	8
Italy	8.5-9

Jamaica	8
Japan	9
Jordan	6
Kazakhstan	6
Kenya	5
Kiribati	8
Korea, North	2
Korea, South	8.5
Kosovo	5.5
Kuwait	7
Kyrgyzstan	5
Laos	5
Latvia	8.5
Lebanon	5.5
Lesotho	5
Liberia	3.5-4
Libya	2
Liechtenstein	9

Lithuania	9
Luxembourg	9.5
Madagascar	4
Malawi	5
Malaysia	8
Maldives	4.5-5
Mali	4.5-5
Malta	9
Marshall Islands	8
Mauritania	6
Mauritius	8
Mexico	6.5-7
Micronesia	8
Moldova	5.5
Monaco	9.5
Mongolia	6.5-7
Montenegro	8
Morocco	7

Mozambique	5
Namibia	8.5
Nauru	8
Nepal	4.5
Netherlands	9.5
New Zealand	9.5
Nicaragua	6
Niger	4.5
Nigeria	4.5
Norway	9.5
Oman	7
Pakistan	3
Palau	8
Panama	8.5
Papua New Guinea	6
Paraguay	8
Peru	7.5
Philippines	6

Poland	9
Portugal	9
Qatar	7
Romania	7
Russia	6
Rwanda	5
Saint Kitts and Nevis	9
Saint Lucia	9
Saint Vincent and Grenadines	9
Samoa	8
San Marino	9.5
Sao Tome and Principe	7
Saudi Arabia	6
Senegal	7.5
Serbia	6.5
Seychelles	8
Sierra Leone	4.5
Singapore	9.5

Slovak Republic (Slovakia)	8.5
Slovenia	9
Solomon Islands	6.5-7
Somalia	2
South Africa	7.5
Spain	9
Sri Lanka	5
Sudan	3
Suriname	5
Swaziland	5
Sweden	9.5
Switzerland	9.5
Syria	2
Tajikistan	4.5
Tanzania	6
Thailand	6
Togo	5
Tonga	7

Trinidad and Tobago	8
Tunisia	5
Turkey	7.5
Turkmenistan	5
Tuvalu	8.5
Uganda	6
Ukraine	3.5-4
United Arab Emirates	7
United Kingdom	9
United States	9
Uruguay	8.5
Uzbekistan	4
Vanuatu	8.5
Venezuela	4.5-5
Vietnam	4.5
Yemen	2.5
Zambia	5
Zimbabwe	3

*Methodology

The Political Stability Index is calculated by CountryWatch's Editor-in-Chief and is based on the combined scoring of varied criteria as follows --

1. record of peaceful transitions of power (free and fair elections; adherence to political accords)

2. record of democratic representation, presence of instruments of democracy; systemic accountability

3. respect for human rights; respect for civil rights

4. strength of the system of jurisprudence, adherence to constitutional order, and good governance

5. ability of a government to stay in office and carry out its policies vis a vis risk credible risks of government collapse (i.e. government stability versus a country being deemed "ungovernable")

6. threat of coups, insurgencies, and insurrection

7. level of unchecked crime and corruption

8. risk of terrorism and other threats to national security

9. relationship with regional powers and international community; record of bilateral or multilateral cooperation

10. degree of economic strife (i.e. economic and financial challenges)

Editor's Note:

As of 2015, the current climate of upheaval internationally -- both politically and economically -- has affected the ratings for several countries across the world. The usual suspects -- North Korea, Afghanistan, and Somalia -- retain their low rankings. The reclusive and ultra-dictatorial North Korean regime, which has terrified the world with its nuclear threats, has exhibited internal instability. Of note was a cut-throat purge of hundreds of high ranking officials deemed to be a threat to Kim Jung-un. Despite their attempts to recover from years of lawlessness, war, and warlordism, both Afghanistan and Somalia continue to be beset by terrorism and turmoil. In Afghanistan, while international forces have seen success in the effort against the terror group, al-

Qaida, the other Islamist extremist group, the Taliban, continues to carry out a vicious insurgency using terrorism. In Somalia, while the government attempts to do the nation's business, the terror group, al-Shabab continues to make its presence known not only in Somalia, but across the border into Kenya with devastating results/ Also in this category is Iraq, which continues to be rocked by horrific violence and terrorism at the hands of Islamic State, which has taken over wide swaths of Iraqi territory.

Syria, Libya, and Yemen have been added to this unfortunate echelon of the world's most politically unstable countries. Syria has been mired by the twin hazards of 1. a civil war as rebels oppose the Assad regime; and 2. the rampage of terror being carried out by Islamic State, which also seized control over vast portions of Syrian territory. Meanwhile, the post-Qaddhafi landscape of Libya has devolved into chaos as rival militias battle for control -- the elected government of the country notwithstanding. Rounding out this grim triad is Yemen, which was dealing with a Houthi rebellion, secesionists in the south, as well as the threat of terrorism from al-Qaida in the Arabian Peninsula as well as Islamic State, while also being the site of a proxy war between Shi'a Iran and Sunni Saudi Arabia.

Meanwhile, several Middle Eastern and North African countries, such as Tunisia, Egypt, and Bahrain were downgraded in recent years due to political instability occurring in the "season of unrest" sweeping the region since 2011 and continuing today. All three of these countries have stabilized in recent years and have been upgraded accordingly. In Bahrain, the landscape had calmed. In Egypt, the secular military-backed government has generated criticism for its crackdown on the Muslim Brotherhood; however, the country had ratified the presidency via democratic elections and were on track to hold parliamentary elections as the country moved along the path of democratization. Perhaps the most impressive story was coming out of Tunisia -- the country whose Jasmine Revolution sparked the entire Arab Spring -- and where after a few years of strife, a new progressive constitution was passed into law and a secular government had been elected to power. Tunisia, Egypt, and Bahrain have seen slight upgrades as these countries stabilize.

In Africa, the Central African Republic was downgraded the previous year due to the takeover of the government by Muslim Seleka rebels. Although the country has been trying to emerge from this crisis, the fact of the matter was that it was difficult to halt the precipitous decline into lawlessness in that country. Zimbabwe has maintained its consistently poor ranking due to the dictatorial regime of Mugabe, who continues to hold a tight grip on power, intimidates the opposition, squashes dissent, and oppresses the white farmer population of the country. Moving in a slightly improved direction is Nigeria, which has sported abysmal ratings due to the government's fecklessness in dealing with the threat posed by the Islamist terror group, Boko Haram. Under its newly-elected government, there appears to be more of a concerted effort to make national security a priority action item. Mali was also slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and

Islamists. Political instability has visited Burkina Faso and Burundi as the leaders of those countries attempted to side-step constitutional limits to hold onto power. In Burundi, an attempted coup ensued but quelled, and the president won a (questionable) new term in office; unrest has since punctuated the landscape. In Burkina Faso, the political climate has turned stormy as a result of a successful coup that ended the rule of the president, and then a putsch against the transitional government. These two African countries have been downgraded as a result.

It should be noted that the African country of South Sudan -- the world's newest nation state -- has not been officially included in this assessment; however, it can be unofficially assessed to be in the vicinity of "3" due to its manifold political and economic challenges. Guinea has endured poor rankings throughout, but was slightly downgraded further over fears of social unrest and the Ebola heath crisis.

In Europe, Ukraine was downgraded due to the unrest facing that country following its Maidan revolution that triggered a pro-Russian uprising in the eastern part of the country. Russia was also implicated in the Ukrainian crisis due to its intervention on behalf of pro-Russian separatists, as well as its annexation of the Ukrainian territory of Crimea. Serbia and Albania were slightly downgraded due to eruptions of unrest, while Romania was slightly downgraded on the basis of corruption charges against the prime minister. Spain, Portugal, Ireland, and Italy were downgraded due to debt woes and the concomitant effect on the euro zone. Greece, another euro zone nation, was downgraded the previous year due to its sovereign debt crisis; however, the country successfully forged a rescue deal with international creditors and stayed within the Euro zone. Greek voters rewarded the hitherto unknown upstart party at the polls for these efforts. As a result, Greece was actually upgraded slightly as it proved to the world that it could endure the political and economic storms. Meanwhile, Germany, France, Switzerland, the United Kingdom, the Netherlands, and the Scandinavian countries continue to post impressive ranking consistent with these countries' strong records of democracy, freedom, and peaceful transfers of power.

In Asia, Nepal was downgraded in response to continuous political instability well after landmark elections that prevails today. Cambodia was very slighly downgraded due to post-election instability that has resulted in occasional flares of violence. Despite the "trifecta of tragedy" in Japan in 2011 -- the earthquake, the ensuing tsunami, and the resulting nuclear crisis -- and the appreciable destabilization of the economic and political terrain therein, this country has only slightly been downgraded. Japan's challenges have been assessed to be transient, the government remains accountable, and there is little risk of default. Both India and China retain their rankings; India holds a slightly higher ranking than China due to its record of democratic representation and accountability. Increasing violence and political instability in Pakistan resulted in a downgrade for this country's already low rating.

In the Americas, Haiti retained its downgraded status due to ongoing political and economic woes. Mexico was downgraded due to its alarming rate of crime. Guatemala was downgraded due to

charges of corruption, the arrest of the president, and uncertainty over the outcome of elections. Brazil was downgraded due to the corruption charges erupting on the political landscape, the stalling of the economy, and the increasingly loud calls for the impeachment of President Rousseff. Argentina was downgraded due to its default on debt following the failure of talks with bond holders. Venezuela was downgraded due to the fact that the country's post-Chavez government is every bit as autocratic and nationalistic, but even more inclined to oppress its political opponents. Colombia was upgraded slightly due to efforts aimed at securing a peace deal with the FARC insurgents. A small but significant upgrade was attributed to Cuba due to its recent pro-business reforms and its normalization of ties with the Unitd States. Meanwhile, the United States, Canada, Costa Rica, Panama, and most of the English-speaking countries of the Caribbean retain their strong rankings due to their records of stability and peaceful transfers of power.

In the Pacific, Fiji was upgraded due to its return to constitutional order and democracy with the holding of the first elections in eight years.

In Oceania, Maldives has been slightly downgraded due to the government's continued and rather relentless persecution of the country's former pro-democracy leader - former President Nasheed.

Source:

Dr. Denise Youngblood Coleman, Editor in Chief, CountryWatch Inc. www.countrywatch.com

Updated:

2015

Freedom Rankings

Freedom Rankings

Freedom in the World

Editor's Note: This ranking by Freedom House quantifies political freedom and civil liberties into a single combined index on each sovereign country's level of freedom and liberty. The initials "PR" and "CL" stand for Political Rights and Civil Liberties, respectively. The number 1 represents the most free countries and the number 7 represents the least free. Several countries fall in the continuum in between. The freedom ratings reflect an overall judgment based on survey results.

Country	PR	CL	Freedom Status	Trend Arrow
Afghanistan	6 ?	6	Not Free	
Albania*	3	3	Partly Free	
Algeria	6	5	Not Free	
Andorra*	1	1	Free	
Angola	6	5	Not Free	
Antigua and Barbuda*	3 ?	2	Free	
Argentina*	2	2	Free	
Armenia	6	4	Partly Free	
Australia*	1	1	Free	
Austria*	1	1	Free	
Azerbaijan	6	5	Not Free	
Bahamas*	1	1	Free	
Bahrain	6 ?	5	Not Free ?	

Bangladesh*	3 ?	4	Partly Free	
Barbados*	1	1	Free	
Belarus	7	6	Not Free	
Belgium*	1	1	Free	
Belize*	1	2	Free	
Benin*	2	2	Free	
Bhutan	4	5	Partly Free	
Bolivia*	3	3	Partly Free	
Bosnia-Herzegovina*	4	3	Partly Free	
Botswana*	3 ?	2	Free	
Brazil*	2	2	Free	
Brunei	6	5	Not Free	
Bulgaria*	2	2	Free	
Burkina Faso	5	3	Partly Free	
Burma	7	7	Not Free	
Burundi*	4	5	Partly Free	⇑
Cambodia	6	5	Not Free	⇓
Cameroon	6	6	Not Free	

Canada*	1	1	Free	
Cape Verde*	1	1	Free	
Central African Republic	5	5	Partly Free	
Chad	7	6	Not Free	
Chile*	1	1	Free	
China	7	6	Not Free	
Colombia*	3	4	Partly Free	
Comoros*	3	4	Partly Free	
Congo (Brazzaville)	6	5	Not Free	⇓
Congo (Kinshasa)	6	6	Not Free	⇓
Costa Rica*	1	1	Free	
Cote d'Ivoire	6	5	Not Free	
Croatia*	1 ?	2	Free	
Cuba	7	6	Not Free	
Cyprus*	1	1	Free	
Czech Republic*	1	1	Free	
Denmark*	1	1	Free	
Djibouti	5	5	Partly Free	

Dominica*	1	1	Free	
Dominican Republic*	2	2	Free	⇓
East Timor*	3	4	Partly Free	
Ecuador*	3	3	Partly Free	
Egypt	6	5	Not Free	
El Salvador*	2	3	Free	
Equatorial Guinea	7	7	Not Free	
Eritrea	7	7 ?	Not Free	
Estonia*	1	1	Free	
Ethiopia	5	5	Partly Free	⇓
Fiji	6	4	Partly Free	
Finland*	1	1	Free	
France*	1	1	Free	
Gabon	6	5 ?	Not Free ?	
The Gambia	5	5 ?	Partly Free	
Georgia	4	4	Partly Free	
Germany*	1	1	Free	
Ghana*	1	2	Free	

Greece*	1	2	Free	
Grenada*	1	2	Free	
Guatemala*	4 ?	4	Partly Free	
Guinea	7	6 ?	Not Free	
Guinea-Bissau*	4	4	Partly Free	
Guyana*	2	3	Free	
Haiti*	4	5	Partly Free	
Honduras	4 ?	4 ?	Partly Free	
Hungary*	1	1	Free	
Iceland*	1	1	Free	
India*	2	3	Free	
Indonesia*	2	3	Free	
Iran	6	6	Not Free	⇓
Iraq	5 ?	6	Not Free	
Ireland*	1	1	Free	
Israel*	1	2	Free	
Italy*	1	2	Free	
Jamaica*	2	3	Free	

Japan*	1	2	Free	
Jordan	6 ?	5	Not Free ?	
Kazakhstan	6	5	Not Free	⇓
Kenya	4	4 ?	Partly Free	
Kiribati*	1	1	Free	
Kosovo	5 ?	4 ?	Partly Free ?	
Kuwait	4	4	Partly Free	
Kyrgyzstan	6 ?	5 ?	Not Free ?	
Laos	7	6	Not Free	
Latvia*	2	1	Free	
Lebanon	5	3 ?	Partly Free	
Lesotho*	3 ?	3	Partly Free ?	
Liberia*	3	4	Partly Free	
Libya	7	7	Not Free	
Liechtenstein*	1	1	Free	
Lithuania*	1	1	Free	
Luxembourg*	1	1	Free	
Macedonia*	3	3	Partly Free	⇑

Madagascar	6 ?	4 ?	Partly Free	
Malawi*	3 ?	4	Partly Free	
Malaysia	4	4	Partly Free	
Maldives*	3 ?	4	Partly Free	
Mali*	2	3	Free	
Malta*	1	1	Free	⇓
Marshall Islands*	1	1	Free	
Mauritania	6	5	Not Free	
Mauritius*	1	2	Free	
Mexico*	2	3	Free	
Micronesia*	1	1	Free	
Moldova*	3 ?	4	Partly Free	
Monaco*	2	1	Free	
Mongolia*	2	2	Free	⇑
Montenegro*	3	2 ?	Free ?	
Morocco	5	4	Partly Free	⇓
Mozambique	4 ?	3	Partly Free	
Namibia*	2	2	Free	

Nauru*	1	1	Free	
Nepal	4	4	Partly Free	
Netherlands*	1	1	Free	
New Zealand*	1	1	Free	
Nicaragua*	4	4 ?	Partly Free	
Niger	5 ?	4	Partly Free	
Nigeria	5	4	Partly Free	⇓
North Korea	7	7	Not Free	⇓
Norway*	1	1	Free	
Oman	6	5	Not Free	
Pakistan	4	5	Partly Free	
Palau*	1	1	Free	
Panama*	1	2	Free	
Papua New Guinea*	4	3	Partly Free	
Paraguay*	3	3	Partly Free	
Peru*	2	3	Free	
Philippines	4	3	Partly Free	⇓
Poland*	1	1	Free	

Portugal*	1	1	Free	
Qatar	6	5	Not Free	
Romania*	2	2	Free	
Russia	6	5	Not Free	⇓
Rwanda	6	5	Not Free	
Saint Kitts and Nevis*	1	1	Free	
Saint Lucia*	1	1	Free	
Saint Vincent and Grenadines*	2	1	Free	
Samoa*	2	2	Free	
San Marino*	1	1	Free	
Sao Tome and Principe*	2	2	Free	
Saudi Arabia	7	6	Not Free	
Senegal*	3	3	Partly Free	
Serbia*	2 ?	2	Free	
Seychelles*	3	3	Partly Free	
Sierra Leone*	3	3	Partly Free	
Singapore	5	4	Partly Free	
Slovakia*	1	1	Free	⇓

Slovenia*	1	1	Free	
Solomon Islands	4	3	Partly Free	
Somalia	7	7	Not Free	
South Africa*	2	2	Free	
South Korea*	1	2	Free	
Spain*	1	1	Free	
Sri Lanka*	4	4	Partly Free	
Sudan	7	7	Not Free	
Suriname*	2	2	Free	
Swaziland	7	5	Not Free	
Sweden*	1	1	Free	
Switzerland*	1	1	Free	⇓
Syria	7	6	Not Free	
Taiwan*	1 ?	2 ?	Free	
Tajikistan	6	5	Not Free	
Tanzania	4	3	Partly Free	
Thailand	5	4	Partly Free	
Togo	5	4 ?	Partly Free	

Tonga	5	3	Partly Free	
Trinidad and Tobago*	2	2	Free	
Tunisia	7	5	Not Free	
Turkey*	3	3	Partly Free	⇓
Turkmenistan	7	7	Not Free	
Tuvalu*	1	1	Free	
Uganda	5	4	Partly Free	
Ukraine*	3	2	Free	
United Arab Emirates	6	5	Not Free	
United Kingdom*	1	1	Free	
United States*	1	1	Free	
Uruguay*	1	1	Free	
Uzbekistan	7	7	Not Free	
Vanuatu*	2	2	Free	
Venezuela	5 ?	4	Partly Free	
Vietnam	7	5	Not Free	⇓
Yemen	6 ?	5	Not Free ?	
Zambia*	3	4 ?	Partly Free	

Zimbabwe	6 ?	6	Not Free	

Methodology:
PR and CL stand for political rights and civil liberties, respectively; 1 represents the most free and 7 the least free rating. The ratings reflect an overall judgment based on survey results.

? ? up or down indicates a change in political rights, civil liberties, or status since the last survey.
⇑ ⇓ up or down indicates a trend of positive or negative changes that took place but that were not sufficient to result in a change in political rights or civil liberties ratings of 1-7.

* indicates a country's status as an electoral democracy.

Source:

This data is derived from the latest edition of Freedom House's Freedom in the World 2010 edition.
Available at URL: http://www.freedomhouse.org

Updated:

Reviewed in 2015

Human Rights

Overview of Human Rights in Belgium

Belgium is a parliamentary democracy. The government of Belgium generally respects the civil and human rights of its citizens, with a few notable exceptions. A recent report by the United Nations Human Rights Committee examined human rights abuses in Belgium. Included in the report's stated concerns were escalating racist activity by both societal and governmental units against Jews and Muslims, police brutality, failure to respect the basic rights of asylum-seekers and the mentally ill, and insufficient help to the victims of human trafficking. The report also expressed concern about the definition of "terrorism" in the December 2003 Terrorist Offenses Act. It stated the definition was not in line with the International Covenant on Civil and Political Rights. That

said, Belgium has a good record of human rights. Indeed, the government works diligently to respect the basic freedoms afforded to its citizens such as speech, press, assembly, association, and travel.

Human Development Index (HDI) Rank:

See listing in the "Social Overview" of this Country Review

Human Poverty Index Rank:

13th out of 17
Note-Belgium is ranked on the HPI-2 scale with is only for the OECD countries, Eastern Europe and the CIS

Gini Index:

25.0

Life Expectancy at Birth (years):

See "People" sub-section of "Social Overview"

Unemployment Rate:

8.4%

Population living on $1 a day (%):

less than 1%

Population living on $2 a day (%):

N/A

Population living beneath the Poverty Line (%):

4%

Internally Displaced People:

N/A
Note-There are some 13,000 refugees in Belgium

Total Crime Rate (%):

21.4%

Health Expenditure (% of GDP):

Public: 6.5%

% of GDP Spent on Education:

6.3%

Human Rights Conventions Party to:

• International Convention on the Prevention and Punishment and Punishment of the Crime of Genocide
• International Convention on the Elimination of All Forms of Racial Discrimination
• International Covenant on Civil and Political Rights
• International Covenant on Economic, Social and Cultural Rights
• Convention on the Elimination of All Forms of Discrimination against Women
• Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
• Conventions on the Rights of the Child
• Convention relating to the Status of Refugees
• Rome Statute of the International Criminal Court

*Human Development Index (HDI) is a composite index that measures the level of well-being in 177 nations in the world. It uses factors such as poverty, literacy, life-expectancy, education, gross domestic product, and purchasing power parity to assess the average achievements in each nation.

It has been used in the United Nation's Human Development Report since 1993.

*Human Poverty Index Ranking is based on certain indicators used to calculate the Human Poverty Index. Probability at birth of not surviving to age 40, adult literacy rate, population without sustainable access to an improved water source, and population below income poverty line are the indicators assessed in this measure.

*The Gini Index measures inequality based on the distribution of family income or consumption. A value of 0 represents perfect equality (income being distributed equally), and a value of 100 perfect inequality (income all going to one individual).

*The calculation of the total crime rate is the % of the total population which has been effected by property crime, robbery, sexual assault, assault, or bribery (corruption) related occurrences.

Government Functions

Constitution

The Belgian constitution was put into effect in 1831. Several amendments reflect the tradition of a constitutional monarchy with a parliamentary system of government. The constitution was revised in 1993 to create a federal state. The constitution also reflects the linguistic and regional bases of Belgian political cleavages by stipulating a number of power-sharing arrangements and federal divisions of political authority. These grant limited autonomy in certain policy areas to the main linguistic and regional groups and guarantee that the groups are represented in bodies that consider the policy areas that are decided at the federal level. The constitution recognizes three "communities," the French community, the Flemish community, and the German-speaking community. Also, the constitution stipulates that there are three "regions." The three "regions" are Flanders (northern, Flemish-speaking Belgium), Wallonia (southern, French-speaking Belgium), and Brussels (the capital with 19 bilingual communes).

Executive Authority

The monarch is the Belgian head of state, and as such, represents Belgium in its international relations in addition to serving as the commander-in-chief of the armed forces. The monarch has

very little real political power and is only nominally the political executive. Formally, the monarch appoints the prime minister and other ministers, though in practice these appointments follow a government formation process and reflect the partisan balances in the parliament. The monarch can, under limited conditions, dissolve the parliament and call early elections.

Executive authority is, in practice, vested in a government (cabinet) composed of the prime minister and other ministers. The government is responsible for developing and implementing the domestic and foreign policies of Belgium. The monarch formally appoints the prime minister and other ministers. In practice, the ministers are appointed after a government formation process in which the political parties bargain on the basis of their seat totals in the parliament - which reflect the support that a proposed government can have in the parliament. The constitution stipulates that with the exception of the prime minister, there must be an equal number of Dutch- and French-speaking members in the government. The government is responsible to the parliament and can be dismissed by motions of no-confidence. The government shares the authority to introduce legislation with both houses of the parliament.

Legislative Authority

Legislative authority is vested in the bicameral "Federale Parlement/ Parlement Fédérale/ Föderales Parlament" (Federal Parliament) composed of the "Kamer van Volksvertegenwoordigers/ Chambre des Représentants/ Abgeordnetenkammer" (Chamber of People's Representatives) and the "Senaat/ Sénat/ Senat" (Senate). The Chamber of People's Representatives has 150 members elected for maximum four-year terms according to a proportional representation formula. After a general election, the members of the Chamber of People's Representatives divide into Dutch- and French-speaking groups. Most legislative authority rests with the Chamber of People's Representatives which can pass motions of no-confidence against the government forcing it to resign. The Chamber of People's Representatives shares the authority to introduce legislation with the government and the Senate. The Senate has 71 members elected for maximum four-year terms with 25 members elected by the Flemish electoral college, 15 by the Walloon electoral college, ten members appointed by and from the Council of the Flemish Community, ten members appointed by and from the Council of the French Community, one member appointed by and from the Council of the German-speaking Community, six additional members to be appointed by the 35 Flemish members, and four additional members to be appointed by the 25 French-speaking members. The Senate can offer amendments, which may be rejected, to legislation passed by the Chamber of People's Representatives but has no veto over legislation. The Senate shares the authority to introduce legislation with the government and the Chamber of People's Representatives.

Judicial Authority

Judicial authority is vested in lower courts, tribunals, courts of appeal, and the Court of Cassation. The monarch appoints magistrates and judges for life.

Administrative Divisions

There is a combined regional assembly and government for the Flanders region and the Flemish-speaking community. There are also separate assemblies and governments for the Wallonia and Brussels regions as well as for the French- and German-speaking communities. These regional and linguistic bodies have autonomy over cultural and some educational matters.

Government Structure

Name:
conventional long form:
Kingdom of Belgium
conventional short form:
Belgium

Type:
Constitutional monarchy since 1830; parliamentary system

Executive Branch:
Head of state:
King PHILIPPE, son of the King Albert II (ascended to the throne in August 2013 following abdication of King Albert II, as discussed in Special Note below).

Special Note on Monarch
King Philippe crowned as new monarch of Belgium following abdication by King Albert II --

At the start of July 2013, King Albert II of Belgium announced his intent to abdicate from the throne. In a national address that was broadcast to the kingdom, King Albert II explained his

reason for ending his 20-year rein was largely due to his age and health. He said of his position as reigning monarch: "I realize that my age and my health are no longer allowing me to carry out my duties as I would like to." This explanation notwithstanding, there were some suggestions that ongoing allegations about the outgoing king fathering a child out of wedlock may have fueled Albert II's decision to step down from the throne.

King Albert II said that his abdication was set for July 21, 2013 -- Belgium's national day. The monarchy would, at that time, pass to his son and heir apparent, Prince Philippe. He noted of his heir apparent and son, "Prince Philippe is well prepared to succeed me."

As scheduled, on July 21, 2013, King Albert II abdicated from the throne. In his farewell address as monarch, outgoing King Albert II said that his hope was that Belgium would heal its differences between French-speaking Wallonia and Dutch-speaking Flanders and remain united. King Albert II also paid tribute to his son, Phillipe, the incoming monarch, saying: "You have all the emotional and intellectual qualities to serve our country well." Albert II ended his reign by embracing his son and signing the official abdication documents.

Soon thereafter, Phillipe became king and ruling monarch of Belgium at a coronation ceremony in parliament. The coronation ceremony was marked by pomp and circumstance, including cannon fire and the blare of trumpets. It was also a reflection of Belgium's multi-lingual and multicultural heritage as the new monarch took the oath of office in Belgium's three official languages -- Dutch, French and German. King Phillipe -- an air force pilot who was educated at both Oxford University in the United Kingdom and Stanford University in the United States -- promised to uphold the constitution as demanded by his new post as head of state. Following the coronation ceremony, King Phillipe, flanked by his wide, the new Queen Mathilde, greeted the crowds from the balcony of the royal palace. Belgians waved flags below and cheered the new monarch.

Note that in Belgium, the head of state is the constitutional and hereditary monarch where the king plays a mostly ceremonial role in political affairs. That being said, due to the fractious nature of parliamentary politics, the increasingly divided partisan factions in Belgium, and ongoing dissonance between Belgium's Flemish and French communities, the king's role in resolving such crises has become increasingly vital.

Head of government:

The prime minister is formally appointed by the king and approved by a majority of the "Federaal Parlement / Parlement Fédérale" (Federal Parliament); the prime minister must generally be able to hold a majority in parliament.

Following the 2014 parliamentary elections, Charles Michel of the (liberal) Reformist Movement (Mouvement Réformateur or MR in French) was ultimately inaugurated into office as Belgium's prime minister and head of government at the helm of a center-right coalition government that

included liberals from the Reformist Movement, Christian Democrats, and Flemish nationalists and separatists from the New Flemist Alliance. He was sworn into power in the presence of King Philippe at the Brussels Royal Palace in Brussels on Oct. 11, 2014. At the age of 38, Charles Michel was Belgium's youngest prime minister since 1841.

Please see 2014 Elections Primer below for details about the parliamentary contest as well as the government formation process.

Cabinet:
Nominated by the prime minister; must be approved by a majority of the parliament; then formally sworn in by the king

Note:
The government (prime minister and cabinet) must retain the approval of a majority of the parliament to remain in office.

Primer on 2014 parliamentary elections in Belgium:
Parliamentary elections were set to be held in Belgium on May 25, 2014.

Summary

At stake would be the composition of the bicameral "Federaal Parlement / Parlement Fédérale" (Federal Parliament), consisting of the Senate and the Chamber of Deputies. Composed of 71 seats, the Senate is made up of members who are elected to four year terms. Composed of 150 seats, the Chamber of Deputies is made up of members who are popularly elected by proportional representation to four-year terms. Typically, the prime minister is formally appointed by the king and approved by a majority of the "Federaal Parlement / Parlement Fédérale" (Federal Parliament); the prime minister must generally be able to hold a majority in parliament.

Ahead of the elections of 2010, the fate of the Belgian government had been in a state of political uncertainty. Prime Minister Yves Leterne (Nov. 25, 2009 - June 2010) officially resigned but was functioning as the caretaker head of government. In December 2011, more than a year after the elections, a new government was formed under the aegis of Elio Di Rupo of the Francophone Socialist Party (since December 2011). It was to be seen which part would be positioned to gain the most parliamentary control and, thus, form a government. It was also to be seen if the linguistic cleavages between Flemish and Francophone elements would define the political scene in 2014 as it did in the 2010 elections and the ensuing year (2011) of difficult negotiations.

See below for a backgrounder on the 2010-2011 government formation process and an understanding of the dynamics that define the Belgian political scene.

Background

In mid-September 2011, a group of Flemish and Francophone political parties in Belgium were able to reach a breakthrough over the formation of a new federal government. A joint statement read as follows: "The eight parties have together succeeded in overcoming the obstacles which have created difficulties." One of the key obstacles was the question of splitting the Brussels-Hal-Vilvoorde electoral district, which surrounds Belgian capital Brussels. This has been a key demand of political parties in the Dutch-speaking Flanders region.

The development was welcome news since the country has been left without a government since the parliamentary elections more than a year earlier in 2010. To that end, in June 2010, Belgians went to the polls to cast their votes in parliamentary elections. With the votes cast and counted, the Flemish separatist party, Nieuw-Vlaamse Alliantie or New Flemish Alliance (NVA), became the largest force in 150-seat parliament, with 27 seats. The French-speaking Socialists were headed for gains of their own with a close second place finish and 26 seats. The result augured negative consequences for Prime Minister Yves Leterme's coalition of Christian Democrats, Liberals and Socialists.

Attention, though, was on the NVA, led by Bart De Wever, who has been a strong advocate of fully dividing the country along linguistic lines between Dutch-speaking Flanders and French-speaking Wallonia. The linguistic debate dominated the political landscape of Belgium for some time with the country's Flemish majority expressly resentful of the government aid extended to the economically-challenged Wallonia. While Flanders, has called for increased regional autonomy for regions, and more control over matters such as social security and taxation, less wealthy Wallonia has ought budgetary protection. The result has been a philosophical impasse and gave rise to an increasing clamor for systemic reform to address these grievances.

The advances for Flemish separatists politically would seem to bolster their claims, giving sanction to the will of majority Flemish population. That being said, for De Wever to lead a government, he would have to form a coalition with Wallonian parties since Belgian governments must be composed of bilingual coalitions of at least four parties. Such a process promised to be laborious and difficult. Indicating that his preference was for principle or ideology, De Wever suggested that political power was not his objective and that he would not seek the position of prime minister if it required him to tame his separatist inclinations. He indicated that he would be willing to enter a coalition with the French-speaking Socialists, allowing their leader, Elio Di Rupo, to become the prime minister, in exchange for a devolution deal. It was also possible that NVA could opt not to form a government at all, leaving other parties to try to form a coalition.

The ongoing dissonance between the majority Flemish and minority Walloons had already led to the collapse of a government. Now, with Flemish separatists and French-speaking Socialists almost on equal footing in parliament, these cleavages had become even more pronounced in the political

realm. The future of Belgium was, therefore, at the forefront of the minds of the Belgian people with anxieties being spurred about the possible division of the country in its current incarnation. But even with this existential issue looming, Belgium was facing a debt crisis with the "debt-to-GDP" ration expected to exceed 100 percent over the course of 2011. Consequently, the country was being faced with a number of challenges at a time when simply forming a government could be tortuous, time-consuming, and possibly dangerous for the health of the economy.

Months later at the start of 2011, it was clear that mediation efforts to end the political deadlock had been to no avail. Indeed, two of seven political parties rejected a plan to resolve the political crisis. That plan would facilitate further decentralization of power to Belgium's regions, which are split between the Dutch-speaking Flemish population and French-speaking Walloons. The Flemish Christian Democrats wanted further adjustments and the aforementioned NVA said that it had "fundamental" issues with the proposal. Johan Vande Lanotte, therefore, tended his resignation as Belgian mediator. (Lanotte had been appointed by King Albert II and was entrusted with finding a resolution to the political deadlock.)

By mid-January 2011, King Albert II had re-appointed Lanotte to the mediation role with a renewed mandate to find a political resolution. However, NVA leader Bart de Wever was making it clear that he would not participate in protracted negotiations. In an interview on a Dutch-language radio station, the NVA leader said, "I am of the opinion that things must happen quickly, otherwise we should stop. This is my assessment of the situation. Either we have a breakthrough or we must in all honesty acknowledge that it is not working and it will never work."

In September 2011, with an agreement forged between eight parties on the contentious issue of splitting the Brussels-Hal-Vilvoorde electoral district, it was apparent that the torturous and protracted negotiation process had finally yielded dividends. Accordingly, the scene was set for the much-anticipated formation of a new government. It was expected that a government would be formed including the Socialists, Christian Democrats, and others, but excluding the NVA. Until July 2011, the conservative Christian Democrats had refused to enter into government talks without the nationalist NVA, presumably out of fear of being further downgraded at the polls in future elections at the expense of the other right-wing party.

On Dec. 6, 2011, after more than a year of political deadlock, Belgium finally swore a new government into office. Belgium gained the dubious distinction of being the country that went for the longest period in modern history of being without a government. Indeed, Belgium saw a record-breaking 541 days of political deadlock -- 182 days more than the closest rival for that title, Cambodia. At issue have been a host of issues related to the division of power and resources among Belgium's linguistic regions.

The new government was to be headed by Elio Di Rupo of the Francophone Socialist Party and would include a 12-member cabinet. Prime Minister Rupo was the first Francophone prime

minister in three decades and the first Socialist to become the head of government since 1974. He was to serve at the head of a coalition and would be tasked with stabilizing the political scene at a time when all of Europe was being faced by debt crises and financial instability. Indeed, only a month prior, the credit ratings agency, Standard and Poor's, downgraded Belgium's AA credit rating to AA+, in response to the complicated political and economic terrain in that country. Given the fact that Belgium's sovereign debt was approaching -- even exceeding -- its total gross domestic product, it was crucial for a stable government to be established at the helm, in order to navigate the complicated political and economic waters ahead.

Election results:

The election results indicated a strong performance for the New Flemist Alliance (NVA) of Bart de Wever with 33 seats; Elio Di Rupo's Socialists saw some losses and had 23 seats; the Reformist Movement (Mouvement Réformateur or MR in French) of Charles Michel took 20 seats, while the Christian Democrats and Flemish (Christen-Democratisch en Vlaams in Dutch or CD+V) of Wouter Beke secured 18 seats; Open Flemish Liberals and Democrats of Gwendolyn Rutten garnered 14 seats; and Socialist Party Differently -- an offshoot of the Belgian Socialist Party of Bruno Tobback acquired 13 seats.

New government for Belgium --

On Oct. 11, 2014, a new government was sworn into power in Belgium -- almost five months after the parliamentary elections were held. Those parliamentary elections were held on May 25, 2014, and yielded a complicated outcome, thus precipitating a difficult process of political maneuvering.

To recapitulate the election outcome details -- the May 2014 election results showed a strong performance for the (Flemish nationalist) New Flemist Alliance (NVA) of Bart de Wever with 33 seats; Elio Di Rupo's (leftist) Socialists saw some losses and had 23 seats; the (liberal) Reformist Movement (Mouvement Réformateur or MR in French) of Charles Michel took 20 seats, while the Christian Democrats and Flemish (Christen-Democratisch en Vlaams in Dutch or CD+V) of Wouter Beke secured 18 seats; Open Flemish Liberals and Democrats of Gwendolyn Rutten garnered 14 seats; and Socialist Party Differently -- an offshoot of the Belgian Socialist Party of Bruno Tobback -- acquired 13 seats.

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possibility of a renewed coalition of Socialists, liberals, and Christian Democrats in the offing. However, such a suggestion was simply a matter of speculation in mid-2014.

Finally, in October 2014, a new government, composed of a center-right coalition of liberals from the Reformist Movement, Christian Democrats, and Flemish nationalists and separatists from the New Flemist Alliance, was advanced and approved by the monarchy. The new government would be led by the young leader of the liberals, Francophone Charles Michel. The agenda for the incoming center-right government would be reductions of government spending and balancing the national budget. It was to be seen how an austerity agenda would resonate with the Belgian public.

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The Socialists of outgoing Prime Minister Elio Di Rupo, who were excluded from government for the first time in decades, described the new administration in unflattering terms as "antisocial," with a vision of Belgians working harder for less money, and dominated by Flemish separatists.

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Legislative Branch:

Bicameral "Federaal Parlement / Parlement Fédérale" (Federal Parliament):
Consists of the Senate and the Chamber of Deputies

Senate (Flemish - "Senaat," French - "Sénat"):
71 members; elected for four-year terms; 40 members elected by popular vote by proportional representation; 31 additional members then chosen by the popularly elected members of the Senate

Chamber of Deputies (Flemish - "Kamer van Volksvertegenwoordigers," French - "Chambre des Représentants"):
150 members; popularly elected by proportional representation; maximum four-year terms

Primer on parliamentary elections in Belgium:
May 25, 2014 --

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Judicial Branch:
Supreme Court of Justice (Flemish - "Hof van Cassatie," French - "Cour de Cassation); judges appointed for life by the Belgian monarch

Constitution:
Feb. 7, 1831, last revised July 14, 1993; parliament approved a constitutional reform proposal to create a federal state

Note:
As a result of the 1993 constitutional revision that furthered devolution into a federal state, there are now three levels of government (federal, regional, and linguistic community) with a complex division of responsibilities; this reality leaves six governments each with its own legislative assembly

Legal System:
Civil law system influenced by English constitutional theory; judicial review of legislative acts; accepts compulsory ICJ jurisdiction, with reservations

Administrative Divisions:
3 regions (French: regions, singular - region; Dutch: gewesten, singular - gewest); Brussels-Capital Region, also known as Brussels Hoofdstedelijk Gewest (Dutch), Region de Bruxelles-Capitale (French long form), Bruxelles-Capitale (French short form); Flemish Region (Flanders), also known as Vlaams Gewest (Dutch long form), Vlaanderen (Dutch short form), Region Flamande (French long form), Flandre (French short form); Walloon Region (Wallonia), also known as Region Wallone (French long form), Wallonie (French short form), Waals Gewest (Dutch long form), Wallonie (Dutch short form)

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As a result of the 1993 constitutional revision that furthered devolution into a federal state, there are now three levels of government (federal, regional, and linguistic community) with a complex division of responsibilities

Political Parties:
As follows --

Flemish parties:
Christian Democratic and Flemish or CD&V [Wouter BEKE]
Flemish Liberals and Democrats or Open VLD [Gwendolyn RUTTEN]
Groen! [Meyrem ALMACI] (formerly AGALEV, Flemish Greens)
Libertarian, Direct, Democratic or LDD (formerly Dedecker's List) [Jean-Marie DEDECKER]
New Flemish Alliance or N-VA [Bart DE WEVER]
Social Progressive Alternative or SP.A [John CROMBEZ]
Vlaams Belang (Flemish Interest) or VB [Tom VAN GRIEKEN]

Francophone parties:
Ecolo (Francophone Greens) [Patrick DUPRIEZ and Zakia KHATTABI]
Francophone Federalist Democrats or FDF [Olivier MAINGAIN]
Humanist and Democratic Center or CDH [Benoit LUTGEN]
People's Party or PP [Mischael MODRIKAMEN]
Reform Movement or MR [Olivier CHASTEL]
Socialist Party or PS [Paul MAGNETTE]
Workers' Party [Peter Mertens]
other minor parties

-- There are other minor parties --

Note:
Political parties, their leaders, as well as cabinet lists, are subject to sudden changes. The listings offered come from published government sources and reflect the published government data available at the time of writing.

Suffrage:
18 years of age; universal and compulsory

Principal Government Officials

Executive Branch of Government:

King
PHILIPPE
Prime Min.
Charles Yvon MICHEL
Dep. Prime Min.
Alexander DE CROO
Dep. Prime Min.
Jan JAMBON
Dep. Prime Min.
Kris PEETERS
Dep. Prime Min.
Didier REYNDERS
Min. of Budget
Sophie WILMES
Min. of Defense & Civil Service
Steven VANDEPUT
Min. of Development Cooperation, Digital Agenda, Telecommunication, & Postal Services
Alexander DE CROO

Min. of Employment, Economy, & Consumer Affairs
Kris PEETERS
Min. of Energy, Environment, & Sustainable Development
Marie-Christine MARGHEM
Min. of Finance
Johan VAN OVERTVELDT
Min. of Foreign & European Affairs
Didier REYNDERS
Min. of Justice
Koen GEENS
Min. of the Middle Class, Self-Employed, Small & Medium-Sized Enterprises, Agriculture, & Social Integration
Willy BORSUS
Min. of Mobility
Jacqueline GALANT
Min. of Pensions
Daniel BACQUELAINE
Min. of Security & Interior
Jan JAMBON
Min. of Social Affairs & Public Health
Maggie DE BLOCK
Governor, National Bank of Belgium
Luc COENE
Ambassador to the US
Johan VERBEKE
Permanent Representative to the UN, New York
Benedicte FRANKINET

-- as of 2016

Leader Biography

Leader Biography

The Monarch of Belgium

King Philippe crowned as new monach of Belgium following abdication by King Albert II --

At the start of July 2013, King Albert II of Belgium announced his intent to abdicate from the throne. In a national address that was broadcast to the kingdom, King Albert II explained his reason for ending his 20-year rein was largely due to his age and health. He said of his position as reigning monarch: "I realize that my age and my health are no longer allowing me to carry out my duties as I would like to." This explanation notwithstanding, there were some suggestions that ongoing allegations about the outgoing king fathering a child out of wedlock may have fueled Albert II's decision to step down from the throne.

King Albert II said that his abdication was set for July 21, 2013 -- Belgium's national day. The monarchy would, at that time, pass to his son and heir apparent, Prince Philippe. He noted of his heir apparent and son, "Prince Philippe is well prepared to succeed me."

As scheduled, on July 21, 2013, King Albert II abdicated from the throne. In his farewell address as monarch, outgoing King Albert II said that his hope was that Belgium would heal its differences between French-speaking Wallonia and Dutch-speaking Flanders and remain united. King Albert II also paid tribute to his son, Phillipe, the incoming monarch, saying: "You have all the emotional and intellectual qualities to serve our country well." Albert II ended his reign by embracing his son and signing the official abdication documents.

Soon thereafter, Phillipe became king and ruling monarch of Belgium at a coronation ceremony in parliament. The coronation ceremony was marked by pomp and circumstance, including cannon fire and the blare of trumpets. It was also a reflection of Belgium's multi-lingual and multicultural heritage as the new monarch took the oath of office in Belgium's three official languages -- Dutch, French and German. King Phillipe -- an air force pilot who was educated at both Oxford University in the United Kingdom and Stanford University in the United States -- promised to uphold the constitution as demanded by his new post as head of state. Following the coronation

ceremony, King Phillipe, flanked by his wide, the new Queen Mathilde, greeted the crowds from the balcony of the royal palace. Belgians waved flags below and cheered the new monarch.

Note that in Belgium, the head of state is the constitutional and hereditary monarch where the king plays a mostly ceremonial role in political affairs. That being said, due to the fractious nature of parliamentary politics, the increasingly divided partisan factions in Belgium, and ongoing dissonance between Belgium's Flemish and French communities, the king's role in resolving such crises has become increasingly vital.

Foreign Relations

General Relations

Belgium is a member of numerous international organizations including the United Nations and many of its specialized and regional agencies, the International Bank for Reconstruction and Development (World Bank), the International Monetary Fund (IMF), the World Trade Organization (WTO), and the Organization for Economic Cooperation and Development (OECD).

Belgium is also a member of the European Union (EU), the North Atlantic Treaty Organization (NATO), the European Bank for Reconstruction and Development (EBRD), the Organization for Security and Cooperation in Europe (OSCE), and the Council of Europe. In addition, Belgium is a member of the Western European Union (WEU).

Belgium's primary foreign policy concerns are relations with its fellow Benelux states, Luxembourg and the Netherlands; relations with the rest of Western Europe, in particular through its membership in the European Union (EU); relations with its fellow NATO members; and relations with the Baltic states and Central and Eastern European states hoping to join the EU.

Indeed, Belgium actively seeks improved relations with the new democracies of central and eastern Europe through such fora as the Organization for Security and Cooperation in Europe, European Union (EU) association agreements, and NATO's Partnership for Peace with the former Warsaw Pact countries and several others.

Both NATO and the EU have their headquarters in Brussels; SHAPE (Supreme Headquarters Allied Powers Europe) is in the south of the country, near Mons. Since January 1993, the WEU has been headquartered in Brussels.

Additional Note:

In 2006, Belgium sent about 400 peacekeepers to Lebanon in support of the United Nations mission there.

Regional Relations

The Concert of Nations sanctioned the creation of Belgium in 1830 on the condition that the country remains strictly neutral. During the two World Wars, Belgium tried but was unable to follow a policy of neutrality due to the German invasions. In 1948, Belgium signed the Treaty of Brussels with Great Britain, France, the Netherlands, and Luxembourg, and a year later became one of the founding members of NATO.

Belgium remains a strong proponent of both NATO and European defense efforts. Belgium also is a strong advocate of strengthening economic and political integration within the EU. Having federalized their own country, many Belgians view themselves as the ultimate "European federalists."

Both NATO (since 1966) and the EU have their headquarters in Brussels; SHAPE (Supreme Headquarters Allied Powers Europe, NATO's military headquarters) is in the south of the country, near Mons.

Belgium supported the expansion of NATO and EU membership to the new democracies of central and eastern Europe and is actively engaged in the Organization for Security and Cooperation (OSCE) in Europe. Belgium served as the Chair-in-Office of the OSCE in 2006. Belgium sat on the United Nations Security Council during 2007-2008 and will serve as President of the EU in the latter half of 2010.

Note on relations with neighboring countries

Belgium has very close ties to the Netherlands and Luxembourg. The Belgium-Luxembourg Economic Union (BLEU) was established in 1921. The two states agreed to eliminate border controls between them; maintain their currencies (the Belgian franc and the Luxembourg franc) at parity; establish a common customs regime; and hold their gold and foreign reserves in common. BLEU still exists within Benelux.

Benelux is the Customs Union formed by Belgium, Luxembourg, and the Netherlands in 1948.

The union's goal was to promote economic cooperation and integration among the three states through the free movement of people, goods, services, and capital. Benelux served as the model for the European Community, and, in large part, has been subsumed within the broader arrangement. When their fellow Europeans have expressed reservations about the form or pace of integration, the Benelux countries consistently have asserted the need for further integration and cooperation. For example, it was the Benelux states, in particular, that urged European Union (EU)-wide acceptance of the Schengen agreement

Relations with the European Union (EU)

Editor's Summary of the European Union:

The European Community's original member states were Belgium, Netherlands, Luxembourg, France, Italy and West Germany. Then, in 1973, United Kingdom, Denmark and Ireland joined the grouping. In the 1980s, Greece, Spain and Portugal joined in the 1980s. The European Union was officially established in 1993 under the Maastricht Treaty. Two years later, Austria, Sweden and Finland joined the European bloc. In 2002, the euro was introduced in 12 member states; since then, the euro zone expanded to include 16 countries. In 2004, the new entrants to the EU were the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Bulgaria and Romania joined in 2007. To date, entry talks have been ongoing for Croatia, accession talks have been ongoing for Turkey, and the Former Yugoslav Republic of Macedonia has submitted a request to join.

Meanwhile, in 2005, the EU moved in the direction of official endorsement of the body's constitution. Ratification votes against that draft document in various countries (France and Netherlands) placed it in doubt. A new Reform Treaty emerged in 2007, which was later known as the Lisbon Treaty because it was signed in the Portuguese capital. It was intended to be the new operational foundation of European Union. Indeed, the Lisbon Treaty contains provisions for dealing with the European body's expansion into the eastern part of the continent and was intended to replace the European constitution. It also created two new posts -- a permanent European Union President and a foreign policy chief -- for the purpose of augmenting the influence of the regional bloc on the international stage.

Supporters see the Lisbon Treaty as fundamental to the European Union's success, explaining that without it, the body's processes would remain cumbersome. For example, contained within it is a provision for more decisions to be made by majority vote instead of unanimity. But detractors have argued that the Lisbon Treaty is part of a federalist agenda and that it is threatening to the sovereignty of nation states.

The Lisbon Treaty was originally scheduled to become effective at the start of 2009; however, its

fate was placed in doubt in 2008 when Irish voters decisively rejected the accord. Irish ratification in 2009 finally took place and revitalized the process. Problems with the ratification process in Poland, and legal challenges in the Czech Republic, led to the renewed risk of collapse. Ultimately, the Lisbon Treaty could not be have been implemented unless it was approved by all 27 EU states. With that prerequisite fulfilled, the stage was set for the treaty to go into force before Jan. 1, 2010. To that end, a signing ceremony took place in the city of Lisbon on Dec. 1, 2009.

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Belgium is the site of numerous European Union (EU) institutions and organizations and Brussels refers to itself as the capital of Europe. The Commission of the European Union, the Council of Ministers, and the primary work location of the European Parliament are all located in Brussels. Additionally, thousands of people and organizations that operate at the European level are based in Brussels.

Belgium was one of the six founding members of the European Coal and Steel Community (ECSC) in 1951 and continued to play a key role in European integration as the ECSC evolved into the European Communities (EC). The most important of the three communities in the EC was the European Economic Community (EEC) which created a common market that abolished tariffs between the member states. The EC has experienced several major institutional developments since the Treaty of Paris establishing the ECSC in 1951 including:

- the introduction of direct elections to the European Parliament in 1979
- the Single Europe Act of 1986-which sought to create a single market in goods and services
- the Maastricht Treaty of 1992-which renamed the EC to the European Union (EU), altered relations between the EU's legislative institutions, set a timeline for the adoption of a single EU-wide currency, and established the criteria that the member-states had to meet in order to join the single currency
- the Amsterdam Treaty of 1997-which further altered relations between the EU's institutions
- the launch of the single currency, the euro, in 1999
- proposals for the development of common foreign and security policies (CFSP) within the EU

As a small, West European country, Belgium has long viewed common European institutions as necessary for economic and security reasons. As a Benelux country and one of the founding countries of the EC, it is also one of the principal advocates of greater European political and economic integration. Belgium was a key supporter of each of the EC/EU's institutional changes including the Single Europe Act and the Maastricht and Amsterdam treaties.

In May 1998, the European Council defined the list of countries participating in the Economic and

Monetary Union (EMU): Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. Greece became a participating member in 2001. The euro was launched on Jan. 1, 1999; conversion rates of all EMU member states' currencies to the euro were irrevocably fixed. As of Jan. 1, 2002, euro banknotes and coins became legal tender in Belgium; the Belgian franc ceased to be legal tender on Feb. 28, 2002.

Belgium is also a signatory to the Schengen Agreement of 1990, concerning the free movement of people across the borders of the European Union (EU) member states. From 1990 to May 1999, Schengen was an intergovernmental agreement among signatories and was not European Union law. When the Treaty of Amsterdam entered into force on May 1, 1999, the agreement was supposed to become part of EU law; however, various implementation problems are currently being addressed. Not all EU members are signatories to the Schengen Agreement. The United Kingdom and Ireland are not participants in any part of the accord. Greece, Sweden, Denmark and Finland have signed but are not full members. Austria, Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Portugal and Spain are full members. This is supposed to mean the complete removal of internal air, land, and sea border controls between the members and cooperation among their respective police forces in criminal matters.

The Treaty of Amsterdam was signed on Oct. 2, 1997; it entered into force on May 1, 1999. The treaty makes significant changes to the way in which the "three pillars" of the European Union will be dealt with in the future. These "three pillars" are first, the single common market; second, common foreign and security policy; and third, justice and home affairs.

The treaty extends the co-decision procedure (in which the European Parliament wields significant amendment and veto powers) to 38 policy areas, that is, most of the policy areas concerning the promotion of the European common market, and therefore, most areas of European Union legislation. It also grants the European Parliament the power to approve or disapprove the choice (made by member governments) of Commission president. (The new president, Romano Prodi, was approved under this procedure). For the Council of Ministers, the treaty extends the areas in which qualified majority voting (QMV) applies. This makes it less likely for single countries to veto policy proposals. The treaty also moves certain policy areas of the "third pillar" of justice and home affairs, which previously have been decided by intergovernmental bargaining without influence from the Commission or the European Parliament, to the 'first pillar' of single market issues. This change should increase the policy-making influence of the Commission and the Parliament. The Schengen Agreement falls into this category. Finally, the treaty calls for the creation of a "High Representative" for common foreign and security policy. Javier Solana, former secretary-general of NATO, has been appointed as the first high representative. To date, this "second pillar" has been a matter of intergovernmental bargaining, though with QMV. The belief is that the EU will have greater international influence if it is able to speak with one voice on matters of foreign policy including European security and defense. This matter remains a challenge for EU states.

With regard to a "European Security and Defense Identity" (ESDI), in December 1998, British Prime Minister Tony Blair and French President Jacques Chirac issued what became known as the "St. Malo Declaration," stating that the European Union should have the capability to act autonomously in security matters. This has long been a stated objective by various European leaders and has given rise to various failed attempts at security/defense cooperation. Examples include the European Defense Community (done away with at the draft stage) and the less ambitious Western European Union (which includes some NATO and non-NATO members and some EU and non-EU members).

The problems have been the lack of a common foreign policy (without which a common security policy is not possible); the so-called "special relationship" between the US and the UK; and the lack of consolidation in the European defense industry. That Prime Minister Blair advocated a common security arrangement within the EU was seen as a major breakthrough. Other NATO members subsequently supported this at the April 1999 50th anniversary summit (including, most importantly, the U.S. and hesitantly, Turkey).

At the June 1999 EU Summit in Cologne, Germany, EU leaders agreed on a common defense/security program. In brief, the WEU was incorporated into the EU by the end of 2000. It has been suggested that the new institution will be able to use NATO equipment without necessarily having other NATO members involved. Other NATO members would be consulted, however. Problems could arise because of non-overlapping memberships (see listing below).

Joint Members in the EU, WEU, and NATO:

- Belgium, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Spain, UK·

EU and NATO Member and WEU Observer:

- Denmark

EU Members and WEU Observers:

- Austria, Finland, Ireland, Sweden

NATO Members and WEU Associate Members:

- Czech Republic, Hungary, Iceland, Norway, Poland, Turkey

WEU Associate Partners:

- Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, Slovenia

In late 2000, the EU agreed to create a "rapid reaction force" consisting of approximately 60,000 troops to be deployed on humanitarian missions, peacekeeping missions, and in crisis situations, more generally. Serious concerns remain on the part of EU member states and non-EU members of NATO (particularly, the United States and Turkey) about the nature and command of this force - and its compatibility with NATO. At the December 2001 Laeken Summit, the EU governments declared the proposed rapid reaction force, which eventually will number 60,000 troops, to be operational.

Throughout 2000, the member states of the EU were engaged in an intergovernmental conference (IGC) tasked with designing a new treaty that prepares the EU for eventual enlargement that will nearly double the number of member countries in the EU. Enlargement will initially include Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia. Six more countries are expected to follow; they are: Bulgaria, Latvia, Lithuania, Malta, Romania and Slovakia. Turkey has also been asked to begin negotiations for future accession to the EU. The larger membership necessarily requires changes in the EU institutions, which were designed for a far smaller number of member states.

In particular, the IGC was focused on three primary institutional decisions. The first issue was how to limit the size of the European Commission, the EU's executive branch, and how to distribute the commission's positions among the member states. Currently, France, Germany, Italy, Spain, and the United Kingdom obtain two commission positions each while the other 10 countries each receive one commission position. The second institutional issue concerned reformulating the voting procedure in the Council of Ministers, the EU legislature responsible for representing the member states' governments, to better reflect the population size of the member states. Currently, the smaller states are favored in the Council of Ministers' system of weighted votes. The third issue was altering the treaties to allow for more majority voting, based on weighted votes, in the Council of Ministers. Enlargement will make it more difficult to pass legislation in those issue areas that currently require unanimity in the Council of Ministers by granting even more countries the ability to single-handedly stop changes in EU policy. Treaty changes, which would allow for majority voting in some of these areas, would significantly facilitate the EU's legislative process.

The IGC concluded at a summit in Nice, France with France holding the six-month rotating presidency of the Council of the European Union. While French president Chirac claimed success, many analysts noted that the IGC was the longest and one of the most contentious summits in the EU's history with much of the controversy surrounding the re-weighting of votes in the Council of Ministers. The so-called Franco-German axis was threatened by the French refusal to give up voting power parity with Germany, even though Germany has a substantially larger population and economy. Additionally, large states were pitted against small states as the larger states sought to have the weight of votes more accurately reflect the population size of the member-states. In the end, an even more complicated weighting of votes was devised which increased the voting power of the larger states relative to that of the smaller states. In addition to re-weighting, the new rules

for calculating a qualified majority, which will go into effect after enlargement, contain two new elements: a qualified majority in the Council of Ministers, according to vote weights, must also represent at least one-half of the member-states and 62 percent of the EU total population.

The other two institutional questions addressed at the Nice summit concerned the size of the European Commission and increasing the number of policy areas where qualified majority voting in the Council is applied. On the first question, the large states, which currently have two members in the Commission, agreed to give up their second member by 2005. Also, agreement was reached to limit the total size of the Commission to 27 members after enlargement. On the second question, qualified majority was extended to 39 new policy areas, which means that the vast majority of policy made at the European level is now covered by the qualified majority rule in the Council of Ministers, though countries retain vetoes over certain sensitive issue areas. In addition to agreeing to some institutional reforms, the participants at Nice signed a Charter of Fundamental Rights, which codifies a number of civil, political, and social rights for EU citizens. However, the leaders of the 15 member-states did not include the charter in the Nice Treaty, thereby weakening the charter's legal force.

As mentioned above, from July 2001 to December 2001, the Belgian government took over the six-month rotating presidency of the European Council. This effectively gave the Belgian government agenda-setting powers over what policies and issues the European Union considered during the six-month period. The Belgian presidency culminated in the Laeken summit of December 2001. The principal outcome of the "Laeken declaration" was an agreement to establish a 105-member convention with the responsibility to assess problems with the EU's political structure and to propose possible changes. Many have likened the proposed convention to a constitutional convention with a responsibility to consolidate the existing treaties that form the basis of the EU into a single document with constitutional force.

In 2004, the EU successfully completed an enlargement process welcoming several new European countries into the fold.

In 2005, the political agenda focused on the regional European realm as the European Union's constitution had to be approved by all member states. Rather than going the route of a national referendum, the government of Belgium chose to approve the document via parliamentary ratification instead. In 2005, the federal and regional parliaments of Belgium approved the draft of the European Union constitution. The ratification process, however, would only be complete following approval by the monarchy and executive government. On May 23, 2005, Foreign Minister Karel de Gucht said on that an intergovernmental conference should be convened to revise the European bloc's key treaties, and that the revised version should be put to a referendum.

A new Reform Treaty emerged in 2007, as discussed above, which was later known as the Lisbon Treaty because it was signed in the Portuguese capital. It was aimed at operating as the operational

foundation of European Union. The Lisbon Treaty's fate was placed in doubt in 2008 when Irish voters decisively rejected the accord. Irish ratification in 2009 finally took place and revitalized the process. Problems with the ratification process in Poland, and legal challenges in the Czech Republic, led to the renewed risk of collapse.

That being said, once support from all member states was finalized, the Lisbon Treaty -- the foundation of the new decision-making process of the European Union -- went into force on Dec. 1, 2009. The signing ceremony took place in the city of Lisbon where the treaty was originally signed two years earlier. Jose Manuel Barroso, the president of the European Commission, said: "The Treaty of Lisbon puts citizens at the center of the European project." He continued, "I'm delighted that we now have the right institutions to act and a period of stability, so that we can focus all our energy on delivering what matters to our citizens."

Meanwhile, Belgium's presence loomed large in the European Union as Prime Minister Guy Verhofstadt had been cited as a favored choice to become the new European Commission President. (Note: In the end, Portugal's Jose Manuel Barroso was chosen.) Belgium was to serve as President of the EU in the latter half of 2010. In 2009, Belgian Prime Minister Herman Van Rompuy and British Trade Commissioner Catherine Ashton were chosen for the newly-established positions of permanent European Union president and foreign policy chief respectively.

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NOTE: The stability of the euro zone and the European Union has become a major concern in recent years, largely emanating from the Greek debt crisis, but extending regionally. Indeed, in late 2011, there were calls for serious changes to Europe's governing treaties, aimed at ameliorated economic governance for the 17 countries that make up the euro currency bloc. Included in their proposal were: (1) the creation of a monetary fund for Europe, (2) automatic penalties for countries that exceed European deficit limits, and (3) monthly meetings of European leaders. Meanwhile, the European Stability Mechanism (ESM), which was intended to replace the European Financial Stability Facility in 2013 (an entity intended as a rescue mechanism for struggling European economies), would be advanced earlier in 2012. Ideally, the new treaty would be ratified by all 27 member states of the European Union. However, if concurrence at that level proved impossible, then the 17 states of the euro zone would have to approve it. Please see the "Political Conditions" and the "Economic Overview" of this Country Review for more details related to these developments.

Other Significant Relations

The United States and Belgium are good friends and allies, despite occasional disagreements on a limited number of foreign policy issues. Good will and affection for Americans continues as a result

of the U.S. role during and after the two World Wars, which was exhibited in 2004 during the 60th anniversary commemorations of the Battle of the Bulge and the liberation of Belgium. Continuing to celebrate cooperative U.S. and Belgian relations, 2007 marked the 175th anniversary of the nations' relationship.

Belgium remains a strong proponent of NATO and cooperates closely with the United States within the alliance framework. In the aftermath of the Sept. 11, 2001, terrorist attacks in the United States, NATO expressed the position that an attack such as that of September 11 would be regarded as an attack upon NATO itself. Specifically, NATO Secretary-General Lord Robertson invoked Article 5 of the Washington Treaty, noting that the terrorist attacks on the World Trade Center and the Pentagon would be considered as an "armed attack" on one member state of NATO directed from abroad, which in turn would be regarded as an attack on all members of the Alliance.

Meanwhile, the European Union, which includes Belgium, expressed solidarity and cooperation with the United States in the war against terrorism in 2001.

Divisions between Belgium and other members of both the European Union and NATO emerged in regard to the United States-led war against Iraq in 2003. Indeed, as the United States-led movement to war accelerated, Belgium made a surprise announcement, which created an unanticipated obstacle for a possible war against Iraq. Specifically, as tens of thousands of United States troops and aircrafts prepared to operate from Turkish bases, Belgium announced it was planning to veto a United States request for NATO military support in regard to Turkey, should a war with Iraq ensue.

Indeed, Belgium, aided by France and Germany, decided to block proposals that would begin the process of deploying surveillance aircraft, Patriot missiles, as well as anti-chemical and anti-biological warfare protection teams. The three countries believe that such preparations to defend Turkey would undermine the diplomatic attempts to avert a war in Iraq. For its part, the United States decried the veto by Belgium, as well as the proposals by Belgium, France and Germany to block military deployment. Faced with the possibility of a veto and the blockage of military deployment, the internal divisions within NATO could well have marked the disintegration of the alliance. Thus, in a measure aimed at precluding such a result, the opposition was withdrawn and agreement was reached on providing defensive aid to Turkey. In order to assuage the concerns of France, Belgium and Germany, NATO noted that the measure was of a defensive nature and not intended to prejudice decisions regarding a possible Iraq war. The issue of the war against Iraq created many trans-Atlantic tensions of this sort.

See "Political Conditions" for more details.

The U.S. appreciates Belgian activism in international affairs, including its participation in the International Security Assistance Force in Afghanistan, its reconstruction and development

assistance to Iraq, its peacekeeping missions in the Balkans and Lebanon, its frequent provision of airlift in international crises, and its hosting of 2005 and 2007 transatlantic dialogues between European foreign ministers and the Secretary of State. During the January 17, 2006 visit by Prime Minister Verhofstadt, President Bush thanked him for his "leadership" in helping "the people of the Congo realize their full potential." Yet to be seen was the matter of how bilateral relations would evolve with President Barack Obama in the United States since 2009 to the present.

As an outward-looking nation, Belgium works closely with the United States bilaterally and in international and regional organizations to encourage economic and political cooperation and assistance to developing countries. Belgium has welcomed hundreds of U.S. firms to its territory, many of which have their European headquarters there.

Special Security Entries; International Terrorism Connectons

Counter-terrorism raid in Belgium leaves terror suspects dead while foiling apparent terror plot; connections to French attack --

In mid-January 2015, Belgian authorities carried out a series of counter-terrorism raids across the country. One particularly dramatic counter-terrorism raid was reported to have taken place in the eastern city of Verviers. A handful of terror suspects opened fire using military-style weaponry and handguns on police, who responded by returning fire and killing them. Several arrests were made and Belgian authorities announced that they had managed to foil a massive terror plot.

Belgian authorities did not immediately relay details of this plot to the public. Nevertheless, they made clear that the suspects were at the point of launching "terrorist attacks on a grand scale." In the days that followed the counter-terrorism operation, some disturbing information began to make it through to the public sphere. Of note was the fact that police uniforms, explosives, weaponry including AK-47 assault rifles, were discovered at the home of two of the suspects killed during the aforementioned raids. Eric Van Der Sypt, a spokesperson for the Belgian prosecutors' office, said, "This group was on the point of carrying out terrorist attacks aiming to kill police officers in the streets and in police stations." He stopped short of confirming alarming media reports that the terror plotters intended to abduct a police chief and behead him.

It should be noted that Belgium was home to a significant Muslim population, with a disproportionate number of Muslim youth becoming radicalized and quite possibly posing a Jihadist threat to national security. In fact, on a proportional basis, Belgium had the dubious distinction of being the European country from where the highest number of citizens have gone to fight with Islamic State terrorists in Syria. Given the threat to national security posed by this reality, Belgian Prime Minister Charles Michel raised the national threat alert level, saying, "In the situation we can consider it is useful to raise the level of prudence and vigilance."

Belgian security forces were reported to be present and on patrol at public buildings, police stations, and Jewish institutions.

While the Paris attacks may have acted as a catalyst for the raids in Belgium, there was no direct link between the Belgian counter-terrorism operation, or the foiled plot to take place on Belgian soil, with the terror attacks that took place 10 days prior in France. However, there was an indirect connnection as it was soon announced that the weapons procured by the Paris kosher shop terrorist, Amedy Coulibaly, came from a Belgian arms dealer.

In France, police were rounding up and interrogating individuals suspected of helping the Islamist terorists behind Charlie Hebdo and kosher shop attacks in Paris. French Prime Minister Manuel Valls said of that the action was being taken in response to the prevailing "terrorist offensive."

Meanwhile, President Hollande -- suffering for some time from abysmal approval ratings -- saw his poll rating skyrocket more than 20 points in the aftermath of the Paris attacks and the burgeoning threat of Jihadist Islamist terrrorism. An Ifop telephone survey for Paris Match and Sud Radio showed Hollande sporting a 50 percent approval rating -- the highest level in two years. Ifop's research team concluded that French citizens saw Hollande responding appropriately to the terror threat to the French homeland and were duly rewarding him. A similar rise in the president's Socialist Party was also being registered. Polling data by BVA showed that Hollande's Socialist Party gained four points to 30 percent -- ahead of Marine Le Pen's ultra-right National Front, which most analysts believed would actually benefit from the threat to the French homeland. Instead, Hollande and th Socialists were being regarded -- at least for the moment -- as being up to the task of leadership.

At the foreign relations level, United States Secretary of State John Kerry traveled to France in the third week of January 2015 to lay wreaths to mark the tragic deaths of victims at the two main Paris attack sites. He also went to the Elysee presidential palace to offer personal condolences to President Francois Hollande and to offer a fulsome apology for the absence of a senior United States official at the unity and free speech rally held in Paris, which was attended by other heads of state and leading officials from some 40 countries. Speaking in French, Secretary of State Kerry said, "Today, I wanted to be here, at home with you, among you. I wanted to tell you personally of the horror and revulsion that all Americans felt at these cowardly and despicable attacks against innocent victims and fundamental values."

Belgian court sentences 45 members of "Sharia4Belgium" terror group to jail

In the second week of February 2015, a Belgian court found a group of Jihadists guilty of terror-related offenses and sentenced 45 of themm to jail. The members of the "Sharia4Belgium" group were subject to sentences ranging from three to 12 years, with the judge in charge of the case

calling them part of a "terrorist group." Indeed, Sharia4Belgium was centered on recruiting Jihadists for terror groups, such as Islamic State. Only seven of the 45 were in the court for the sentencing; the vast majority were sentenced in absentia and believed to be either fighting in Syria or already deceased due to their activities there. It was the latest manifestation of the security and terror threat emananting from Belgium.

Going back to January 2015, Belgian authorities carried out a series of counter-terrorism raids across the country. One particularly dramatic counter-terrorism raid was reported to have taken place in the eastern city of Verviers. A handful of terror suspects opened fire using military-style weaponry and handguns on police, who responded by returning fire and killing them. Several arrests were made and Belgian authorities announced that they had managed to foil a massive terror plot.

Belgian authorities did not immediately relay details of this plot to the public. Nevertheless, they made clear that the suspects were at the point of launching "terrorist attacks on a grand scale." In the days that followed the counter-terrorism operation, some disturbing information began to make it through to the public sphere. Of note was the fact that police uniforms, explosives, weaponry including AK-47 assault rifles, were discovered at the home of two of the suspects killed during the aforementioned raids. Eric Van Der Sypt, a spokesperson for the Belgian prosecutors' office, said, "This group was on the point of carrying out terrorist attacks aiming to kill police officers in the streets and in police stations." He stopped short of confirming alarming media reports that the terror plotters intended to abduct a police chief and behead him.

It should be noted that Belgium was home to a significant Muslim population, with a disproportionate number of Muslim youth becoming radicalized and quite possibly posing a Jihadist threat to national security. In fact, on a proportional basis, Belgium had the dubious distinction of being the European country from where the highest number of citizens have gone to fight with Islamic State terrorists in Syria. Given the threat to national security posed by this reality, Belgian Prime Minister Charles Michel raised the national threat alert level, saying, "In the situation we can consider it is useful to raise the level of prudence and vigilance." Belgian security forces were reported to be present and on patrol at public buildings, police stations, and Jewish institutions.

Now, in February 2015, the terror threat in Belgium was again in the public purview with a Belgian court in Antwerp ruling that the group of Jihadists from "Sharia4Belgium" guilty of terror-related offenses and sentencing 45 of them to jail. The "Sharia4Belgium" group members were subject to sentences ranging from three to 12 years, with the judge in charge of the case calling them part of a "terrorist group." Indeed, Sharia4Belgium was centered on recruiting Jihadists for terror groups, such as Islamic State. Only seven of the 45 were in the court for the sentencing; the vast majority were sentenced in absentia and believed to be either fighting in Syria or already deceased due to their activities there.

Among those found guilty and sentenced to 40 months in jail was Jejoen Bontinck, whose father was publicized in the media for traveling all the way to Syria to bring his son back home to Belgium. Bontinck then became a key prosecution witness in the case at stake. His father, however, was not pleased about the verdict and jail sentence, saying in an interview with the media, "I didn't go and pick up my son in Syria, only to see him thrown in jail here." The elder Bontinck has said that the group brainwashes young people who are vulnerable and grappling with insecurities.

Terrorist sweeps being conducted in Belgium as country flagged as fertile ground for Islamist radicalization

On Nov. 21, 2015 -- a week after the French capital of France was struck by a spate of horrific terror attacks -- authorities in Belgium placed the country's capital city of Brussels on lockdown due an imminent terror threat. The Belgian government closed the Brussels underground train system, schools, and universities, and issued warnings for citizens to remain at home and avoid crowds. Police were deployed to patrol the city. According to Belgian Prime Minister Charles Michel, there was reason to be concerned that "several individuals with arms and explosives could launch an attack." The concerns of the Belgian prime minister were derived from intelligence indicating that one of the terrorists from the Paris attacks -- Salah Abdeslam -- might be seeking to carry out a suicide attack. However, Belgian Interior Minister Jan Jambon emphasized the fact that the threat was not limited to Abdeslam alone, as he said, "The threat is broader than the one suspected terrorist."

Of note was the fact that Abdelslam -- a Belgian-born French national and one of the terrorists at the Bataclan concert venue in Paris -- fled the scene and escaped across the border into Belgium. In fact, Abdeslam was actually stopped at the Belgian border with two other individuals, but was released in what could only be understood as a missed opportunity. It was only after that incident that he was flagged by French authorities in connection with the terror attacks.

Abdeslam could be viewed in November 2015 as the most wanted man in the world. The evolving theory was that he was supposed to commit a suicide attack but instead fled the scene. As a result, not only was he wanted by international security authorities for his active role in the terror attacks in Paris, but also by Islamic State, which was likely displeased that he failed to detonate his suicide belt. Now, however, there were fears in Belgium that Abdeslam might seek to finally use that suicide belt; as a result, Belgian authorities placed the country's capital on lockdown.

On Nov. 22, 2015, Belgian authorities announced there was a series of anti-terrorism raids going on across the capital of Brussels. The Paris attacks a week before shone unwelcome light on Belgian authorities for failing to effectively deal with its internal security issues, and particularly, the fact that the Molenbeek suburb of Brussels was allowed to become a known breeding ground for nefarious and extremist Islamist terrorists. Indeed, the Molenbeek suburb was believed to be the

place where the Paris terrorists plotted major aspects of their attacks. Now, after the horror of Paris and with Brussels in the crosshairs, Belgian authorities were taking some action.

Of significance was the fact that Belgium has been know, for some time, to be fertile ground for terrorists. Indeed, Belgium was home to a significant Muslim population, with a disproportionate number of Muslim youth becoming radicalized and quite possibly posing a Jihadist threat to national security. In fact, on a proportional basis, Belgium had the dubious distinction of being the European country from where the highest number of citizens have gone to fight with Islamic State terrorists in Syria. While the aforementioned suburb of Molenbeek was a clear focus, the problem was wider that one area in the capital.

Going back to January 2015, Belgian authorities carried out a series of counter-terrorism raids across the country. One particularly dramatic counter-terrorism raid was reported to have taken place in the eastern city of Verviers. A handful of terror suspects opened fire using military-style weaponry and handguns on police, who responded by returning fire and killing them. Several arrests were made and Belgian authorities announced that they had managed to foil a massive terror plot. Of note was the fact that police uniforms, explosives, weaponry including AK-47 assault rifles, were discovered at the home of two of the suspects killed during the aforementioned raids. Eric Van Der Sypt, a spokesperson for the Belgian prosecutors' office, said, "This group was on the point of carrying out terrorist attacks aiming to kill police officers in the streets and in police stations." He stopped short of confirming alarming media reports that the terror plotters intended to abduct a police chief and behead him.

In February 2015, a Belgian court found a group of Jihadists guilty of terror-related offenses and sentenced 45 of them to jail. The members of the "Sharia4Belgium" group were subject to sentences ranging from three to 12 years, with the judge in charge of the case calling them part of a "terrorist group." Indeed, Sharia4Belgium was centered on recruiting Jihadists for terror groups, such as Islamic State. Only seven of the 45 were in the court for the sentencing; the vast majority were sentenced in absentia and believed to be either fighting in Syria or already deceased due to their activities there.

Fast-forward to November 2015 and the Islamist Jihadist threat was surfacing in disturbing form once again in Belgium. Unlike earlier in the year though, it was not in the context of successful counter-terrorism efforts, but in the shadow of the appalling horror of the Paris attacks. A terrorist sweep was undertaken on Nov. 22, 2015 and had resulted in the arrests of several people; however, the Paris terrorist Abdesalam remained at large. In the first week of December 2015, the anti-terrorism effort in Belgium was ongoing and an additional two persons had been arrested in connection with the Paris attacks. One of the individuals was intercepted at the Zaventem airport as he sought to travel to Morocco; he was said to have been a stalwart of Bilal Fadfi who was one of the terrorists carrying out a suicide bombing at the Stade de France. A second suspect was arrested in the Molenbeek area of Brussels known to be a hotbed of Islamist Jihadists. Both were

arrested for "participating in the activities of a terrorist organization."

Written by Dr. Denise Youngblood Coleman, Editor in Chief, www.countrywatch.com; see Bibliography for research sources.

National Security

External Threats

Belgium faces no immediate threats from foreign nations.

Crime

While Belgiumis generally a very safe country, criminal elements there have perpetuated the growth of an illicit substance industry. In addition to producing synthetic drugs, they facilitate the export of ecstasy to the United States. Belgium is also a source of precursor chemicals used in the production of South American cocaine and a transit point for cocaine, heroin, hashish, and marijuana bound for other destinations in Western Europe. Money laundering related to the trafficking of drugs, automobiles, alcohol, and tobacco is also a growing concern.

Insurgencies

There are no insurgent movements in Belgium. There has traditionally been tension between Dutch-speaking Flemings of the north and the French-speaking Walloons of the south. There are even political parties drawn along ethnic lines. The right-wing Vlaams Blok (VB-Flemish Bloc), the most militant Flemish regional party, openly advocates Flemish independence from Belgiumand the creation of a separate state. It has continued to gain popularity in federal elections since 1991, particularly in Antwerp. In 2004, however, a high court ruled that the Vlaams Blok, was racist and as such, it was stripped of its funding and its access to media coverage. The ruling and the associated punitive measures effectively rendered the party impotent and it was forces to disband. Those associated with the party regrouped to form a new party called Vlaams Belang or Flemish Interest. It is yet unknown as to how this new group will be viewed. The Francophone equivalent

of the Vlaams Blok, the National Front (FN) party, similarly espouses Walloon independence, but enjoys less support than the VB.

Terrorism

Belgiumis not a traditional target of terrorist violence. Like other members of the Schengen Agreement of free cross-border movement, however, its open borders facilitate movement into and out of the country with anonymity, a weakness that terrorist organizations can exploit. In September 2001, Belgian authorities arrested a Tunisian national, Nizar Trabelisi, for his alleged role in a plot to bomb the U.S. Embassy in Paris. The suspect later claimed he had intended to mount an attack against Kleine Brogel airbase in Belgium, where more than 100 U.S.personnel are stationed. In December 2001, terrorism suspect Richard Reid stayed at a hotel in Brusselsshortly before boarding American Airlines Flight 63, which he tried to down with a shoe bomb. Belgian authorities arrested a Tunisian-born Belgian national that same month for allegedly providing false passports to the two assassins of Northern Alliance commander, Ahmad Shah Massoud, who at the time was waging a fierce campaign against Afghanistan's Taliban.

Belgium is stepping up its counter-terrorism capabilities that increase its ability to prevent acts of terrorism or respond quickly to terrorist acts. The government is also assisting other nations in investigating suspected acts of terrorism. The law enforcement and security agents are fully cooperative with their counterparts both at home and abroad. The United States (U.S.) Department of State reports that Belgium has cooperated closely with the United Stateson counter-terrorism initiatives. Even prior to the attacks of September 11, Belgiumhad created an Anti-Terrorism Unit (ATU). Per United Nations Security Council Resolution 1267, the Belgian government has moved to freeze the assets of those associated with Osama Bin Laden, al-Qaida and the Taliban. In 2004, a terrorist related trial resulted in guilty verdicts for eight suspects accused of either being involved in al-Qaida or aiding those who were.

Belgium continues to increase its counter-terrorism capabilities by adding domestic legislative, judicial, intelligence, and law enforcement tools that increase its ability to prevent or respond to terrorism. The government also cooperates closely with other European states and the United States in investigating cases of international terrorism. Belgium operates within United Nations and European Union frameworks concerning the freezing of terrorist assets, and in 2007 enacted a domestic legal framework to act independently.

Security Alert

Counter-terrorism raid in Belgium leaves terror suspects dead while foiling apparent terror plot; connections to French attack --

In mid-January 2015, Belgian authorities carried out a series of counter-terrorism raids across the country. One particularly dramatic counter-terrorism raid was reported to have taken place in the eastern city of Verviers. A handful of terror suspects opened fire using military-style weaponry and handguns on police, who responded by returning fire and killing them. Several arrests were made and Belgian authorities announced that they had managed to foil a massive terror plot.

Belgian authorities did not immediately relay details of this plot to the public. Nevertheless, they made clear that the suspects were at the point of launching "terrorist attacks on a grand scale." In the days that followed the counter-terrorism operation, some disturbing information began to make it through to the public sphere. Of note was the fact that police uniforms, explosives, weaponry including AK-47 assault rifles, were discovered at the home of two of the suspects killed during the aforementioned raids. Eric Van Der Sypt, a spokesperson for the Belgian prosecutors' office, said, "This group was on the point of carrying out terrorist attacks aiming to kill police officers in the streets and in police stations." He stopped short of confirming alarming media reports that the terror plotters intended to abduct a police chief and behead him.

It should be noted that Belgium was home to a significant Muslim population, with a disproportionate number of Muslim youth becoming radicalized and quite possibly posing a Jihadist threat to national security. In fact, on a proportional basis, Belgium had the dubious distinction of being the European country from where the highest number of citizens have gone to fight with Islamic State terrorists in Syria. Given the threat to national security posed by this reality, Belgian Prime Minister Charles Michel raised the national threat alert level, saying, "In the situation we can consider it is useful to raise the level of prudence and vigilance."

Belgian security forces were reported to be present and on patrol at public buildings, police stations, and Jewish institutions.

While the Paris attacks may have acted as a catalyst for the raids in Belgium, there was no direct link between the Belgian counter-terrorism operation, or the foiled plot to take place on Belgian soil, with the terror attacks that took place 10 days prior in France. However, there was an indirect connnection as it was soon announced that the weapons procured by the Paris kosher shop terrorist, Amedy Coulibaly, came from a Belgian arms dealer.

In France, police were rounding up and interrogating individuals suspected of helping the Islamist terorists behind Charlie Hebdo and kosher shop attacks in Paris. French Prime Minister Manuel Valls said of that the action was being taken in response to the prevailing "terrorist offensive."

Meanwhile, President Hollande -- suffering for some time from abysmal approval ratings -- saw his poll rating skyrocket more than 20 points in the aftermath of the Paris attacks and the burgeoning threat of Jihadist Islamist terrrorism. An Ifop telephone survey for Paris Match and Sud Radio

showed Hollande sporting a 50 percent approval rating -- the highest level in two years. Ifop's research team concluded that French citizens saw Hollande responding appropriately to the terror threat to the French homeland and were duly rewarding him. A similar rise in the president's Socialist Party was also being registered. Polling data by BVA showed that Hollande's Socialist Party gained four points to 30 percent -- ahead of Marine Le Pen's ultra-right National Front, which most analysts believed would actually benefit from the threat to the French homeland. Instead, Hollande and th Socialists were being regarded -- at least for the moment -- as being up to the task of leadership.

At the foreign relations level, United States Secretary of State John Kerry traveled to France in the third week of January 2015 to lay wreaths to mark the tragic deaths of victims at the two main Paris attack sites. He also went to the Elysee presidential palace to offer personal condolences to President Francois Hollande and to offer a fulsome apology for the absence of a senior United States official at the unity and free speech rally held in Paris, which was attended by other heads of state and leading officials from some 40 countries. Speaking in French, Secretary of State Kerry said, "Today, I wanted to be here, at home with you, among you. I wanted to tell you personally of the horror and revulsion that all Americans felt at these cowardly and despicable attacks against innocent victims and fundamental values."

Belgian court sentences 45 members of "Sharia4Belgium" terror group to jail

In the second week of February 2015, a Belgian court found a group of Jihadists guilty of terror-related offenses and sentenced 45 of themm to jail. The members of the "Sharia4Belgium" group were subject to sentences ranging from three to 12 years, with the judge in charge of the case calling them part of a "terrorist group." Indeed, Sharia4Belgium was centered on recruiting Jihadists for terror groups, such as Islamic State. Only seven of the 45 were in the court for the sentencing; the vast majority were sentenced in absentia and believed to be either fighting in Syria or already deceased due to their activities there. It was the latest manifestation of the security and terror threat emananting from Belgium.

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including AK-47 assault rifles, were discovered at the home of two of the suspects killed during the aforementioned raids. Eric Van Der Sypt, a spokesperson for the Belgian prosecutors' office, said, "This group was on the point of carrying out terrorist attacks aiming to kill police officers in the streets and in police stations." He stopped short of confirming alarming media reports that the terror plotters intended to abduct a police chief and behead him.

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Now, in February 2015, the terror threat in Belgium was again in the public purview with a Belgian court in Antwerp ruling that the group of Jihadists from "Sharia4Belgium" guilty of terror-related offenses and sentencing 45 of them to jail. The "Sharia4Belgium" group members were subject to sentences ranging from three to 12 years, with the judge in charge of the case calling them part of a "terrorist group." Indeed, Sharia4Belgium was centered on recruiting Jihadists for terror groups, such as Islamic State. Only seven of the 45 were in the court for the sentencing; the vast majority were sentenced in absentia and believed to be either fighting in Syria or already deceased due to their activities there.

Among those found guilty and sentenced to 40 months in jail was Jejoen Bontinck, whose father was publicized in the media for traveling all the way to Syria to bring his son back home to Belgium. Bontinck then became a key prosecution witness in the case at stake. His father, however, was not pleased about the verdict and jail sentence, saying in an interview with the media, "I didn't go and pick up my son in Syria, only to see him thrown in jail here." The elder Bontinck has said that the group brainwashes young people who are vulnerable and grappling with insecurities.

Special Report

Belgian authorities place capital of Brussels on lockdown due to fears of imminent threat

On Nov. 21, 2015 -- a week after the French capital of France was struck by a spate of horrific terror attacks -- authorities in Belgium placed the country's capital city of Brussels on lockdown due an imminent terror threat. The Belgian government closed the Brussels underground train system, schools, and universities, and issued warnings for citizens to remain at home and avoid

crowds. Police were deployed to patrol the city. According to Belgian Prime Minister Charles Michel, there was reason to be concerned that "several individuals with arms and explosives could launch an attack." The concerns of the Belgian prime minister were derived from intelligence indicating that one of the terrorists from the Paris attacks -- Salah Abdeslam -- might be seeking to carry out a suicide attack. However, Belgian Interior Minister Jan Jambon emphasized the fact that the threat was not limited to Abdeslam alone, as he said, "The threat is broader than the one suspected terrorist."

Of note was the fact that Abdelslam -- a Belgian-born French national and one of the terrorists at the Bataclan concert venue in Paris -- fled the scene and escaped across the border into Belgium. In fact, Abdeslam was actually stopped at the Belgian border with two other individuals, but was released in what could only be understood as a missed opportunity. It was only after that incident that he was flagged by French authorities in connection with the terror attacks.

Abdeslam could be viewed in November 2015 as the most wanted man in the world. The evolving theory was that he was supposed to commit a suicide attack but instead fled the scene. As a result, not only was he wanted by international security authorities for his active role in the terror attacks in Paris, but also by Islamic State, which was likely displeased that he failed to detonate his suicide belt. Now, however, there were fears in Belgium that Abdeslam might seek to finally use that suicide belt; as a result, Belgian authorities placed the country's capital on lockdown.

On Nov. 22, 2015, Belgian authorities announced there was a series of anti-terrorism raids going on across the capital of Brussels. The Paris attacks a week before shone unwelcome light on Belgian authorities for failing to effectively deal with its internal security issues, and particularly, the fact that the Molenbeek suburb of Brussels was allowed to become a known breeding ground for nefarious and extremist Islamist terrorists. Indeed, the Molenbeek suburb was believed to be the place where the Paris terrorists plotted major aspects of their attacks. Now, after the horror of Paris and with Brussels in the crosshairs, Belgian authorities were taking some action.

Of significance was the fact that Belgium has been know, for some time, to be fertile ground for terrorists. Indeed, Belgium was home to a significant Muslim population, with a disproportionate number of Muslim youth becoming radicalized and quite possibly posing a Jihadist threat to national security. In fact, on a proportional basis, Belgium had the dubious distinction of being the European country from where the highest number of citizens have gone to fight with Islamic State terrorists in Syria. While the aforementioned suburb of Molenbeek was a clear focus, the problem was wider that one area in the capital.

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arrests were made and Belgian authorities announced that they had managed to foil a massive terror plot. Of note was the fact that police uniforms, explosives, weaponry including AK-47 assault rifles, were discovered at the home of two of the suspects killed during the aforementioned raids. Eric Van Der Sypt, a spokesperson for the Belgian prosecutors' office, said, "This group was on the point of carrying out terrorist attacks aiming to kill police officers in the streets and in police stations." He stopped short of confirming alarming media reports that the terror plotters intended to abduct a police chief and behead him.

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Now, in November 2015, the Islamist Jihadist threat was surfacing in disturbing form once again in Belgium. Unlike earlier in the year though, it was not in the context of successful counter-terrorism efforts, but in the shadow of the appalling horror of the Paris attacks. At the time of writing, the terrorist sweep undertaken on Nov. 22, 2015 had resulted in the arrests of several people; however, the Paris terrorist Abdesalam remained at large.

Defense Forces

Military Data

Military Branches:

BelgiumArmed Forces: Land, Naval and Air Operations Command

Eligible age to enter service:

18

Mandatory Service Terms:

No conscription

Manpower in general population-fit for military service:

Males age 16-49: 1,934,957

Females age 16-49: 1,877,268

Manpower reaching eligible age annually:

Males age 18-49: 59,665

Females age 16-49: 57,142

Military Expenditures, Percent of GDP:

1%

Chapter 3

Economic Overview

Economic Overview

Overview

Belgium is a relatively small and affluent European country with a per capita GDP of over US$40,000, ranked among the world's highest. With a highly developed market economy, Belgium has benefited from its central geographic location, advanced transportation system and varied industrial, services and commercial base. The Belgian economy was one of the first in Europe to industrialize, and most traditional industrial sectors are still represented in today's economy, including steel, textiles, refining, chemicals, food processing, pharmaceuticals, automobiles, and machinery. Sound economic policies, particularly fiscal consolidation and the strengthening of the financial sector, along with a favorable external environment, contributed to Belgium's good economic performance in recent years.

However, hit by the global financial crisis and economic downturn, Belgium's small open economy experienced an abrupt and severe contraction in late 2008 and the first half of 2009. Sizable financial wealth losses of households and corporations contributed to plummeting consumer and business confidence; exports declined rapidly due to the sharp drop in world trade and also reflecting spillover effects from the slump in the euro area. In response to the crisis, the Belgian government took measures to support the financial sector and implemented a moderate stimulus plan. While these actions have helped stabilize the financial sector and halt the economic downturn, the government has lost ground in addressing the high public debt and the spending pressures related to population aging, and in strengthening competitiveness and pursuing labor and product market reforms. Belgian banks were significantly impacted by the global financial crisis with three major banks receiving capital injections from the government. But the government faced many problems of its own in 2010. In April, the country's prime minister resigned. Effectively, the ongoing dissonance between the country's majority Flemish and minority Walloons had led to the collapse of a government and the country faced new parliamentary elections in June 2010. The 2010 election result served only to reinforce the political deadlock gripping the country since to the previous elections of 2007.

Besides restoring its government, the main post-crisis challenges faced by the Belgian government were to prepare for an orderly exit from the counter-cyclical measures as the recovery gains strength, while laying the ground for high and sustained growth over the medium term. To that end, it was important to take early actions to restore investor confidence, to strengthen financial stability, restore fiscal sustainability, and improve the functioning of labor and product markets to boost competitiveness and economic growth. Indeed, in late December 2010, ratings agency

Standard and Poor's said it may be forced to downgrade the country if its inability to form a government threatened deficit- and debt-reduction goals. In February 2011, Belgium hit 249 days without a government, breaking a world record. Ratings agency Standard & Poor's in November 2011 downgraded Belgium's credit rating to AA from AA+. By December 2011, Belgium finally swore in a new government, ending a record-breaking 541 days of political deadlock. New Prime Minister Elio Di Rupo was sworn in by King Albert II at the royal palace along with his 12 cabinet ministers and six secretaries of state. At the time, the new government agreed to a package of measures, including raising the effective retirement age and increasing taxes on company cars. But that was just the beginning. In March 2012, Belgium said it would extend austerity measures by $2.39 billion to help keep its budget deficit within EU limits. The country planned to raise tax on tobacco and investment products. It also hoped to save by postponing delivery of army helicopters, promoting generic medicines and giving less aid. The country plans to bring its public sector budget into balance by 2015. The Belgian economy grew and the unemployment rate declined slightly in 2011. Still, despite the relative improvement in Belgium's budget deficit, public debt hovers near 100 percent of GDP, a factor that has contributed to investor perceptions that the country is increasingly vulnerable to spillover from the euro-zone crisis. Looking ahead, Belgium's central bank forecast a contraction of 0.1 percent in 2012.

As expected, Belgium recorded a contraction in 2012 and by year's end was on the brink of a possible recession. In late March 2013, the country landed in the No. 44 spot out of 185 economies on the World Bank's ranking on the ease of starting a company compared. This was eight places lower than in 2012. When it came to the ease of doing business, it slid two spots to 33th place. "Belgium must decide whether it is part of northern or southern Europe," Jo Libeer, the head of the business chamber in Flanders, was quoted as saying in a Reuters article. Companies such as Ford Motor Co. and Caterpillar were closing factories and cutting jobs as they sought less expensive labor.

On the plus side, the government seemed close to meeting its budget deficit goal by the end of 2012. Still, Belgium's economy was expected to shrink for the second consecutive year in 2013. Compared to regional peers, the country's wage gap was higher and widening, according to the Federal Planning Bureau. National unemployment as of late March 2013 was at a 15-year-high.

In late 2013, Belgium's economy expanded in the fourth quarter by 0.4 percent - its fastest pace in almost three years, according to the National Bank of Belgium. The Belgian economy was estimated to have grown modestly for all of 2013. Still, high unemployment persisted and actually increased to 8.8 percent from 7.6 percent in 2012. The government was able to reduce the budget deficit to 3.2 percent of GDP from a peak of 6 percent of GDP in 2009. Despite that relative improvement, public debt continued to hover around 100 percent of GDP. Overall, the euro area was showing more and more positive signals as the economy gathered momentum after the longest recession since the debut of the euro. Looking ahead, the IMF was predicting real GDP growth of about 1 percent for Belgium in 2014.

Meanwhile, the World Economic Forum's (WEF) 'Global Competitiveness Report 2013-2014' ranked Belgium as the 17th most competitive country in the world for the second year in a row.

Things went downhill in 2014. By November of that year, Fitch Ratings had revised the outlook on Belgium's long-term foreign and local currency Issuer Default Ratings (IDR) to "negative" from "stable." In its report, Fitch cited Belgium as the second worst affected country in the eurozone after Austria. It also revised the country's 2014 GDP growth outlook to 1 percent from 1.2 percent in the previous review in May 2014, due to the "weak outturn" in the second quarter. Meanwhile, in December 2014, the IMF marked down its growth projection for Belgium for 2015 to 1 percent, noting that weak growth prospects in Europe would likely slow down the pace at which the benefits of labor cost reductions and enhanced incentives to work would be realized.

In 2015 Belgian GDP grew modestly and the unemployment rate stabilized. Prime Minister Charles Michel's center-right government pledged to further reduce the deficit in response to EU pressure to reduce Belgium's high public debt, which stood at above 100 percent of GDP, but such efforts had the potential to dampen economic growth.

In January 2016, Fitch Ratings affirmed Belgium's Long-term foreign and local currency Issuer Default Ratings (IDRs) at 'AA' with a negative outlook. In its assessment, Fitch said the ratings balance Belgium's high public debt burden and fiscal slippage in recent years against the economy's strong net external creditor position, high per capita income, track record of macroeconomic stability and relatively good governance. Belgium's gross general government debt was the highest among 'AA' rated sovereigns and was estimated to remain flat in 2016 before declining.

Also in January 2016, Bloomberg reported that the European Union had ordered Belgium to recover about 700 million euros (US$762 million) in illegal tax breaks given to at least 35 companies.

Belgian Finance Minister Johan Van Overtveldt said the consequences would be a logistical nightmare for tax officials. He said in a statement that the country would seek talks with the EU and could consider an appeal like those filed by the Netherlands and Luxembourg in related cases.

Updated in 2016

See Special Entries below for information on the European debt crisis.

Supplementary sources: Reuters, BBC, Bloomberg, International Monetary Fund, Time magazine, *World Economic Forum*

Current Economic Conditions

In 2015 Austria experienced real economic growth of 0.9%. The GDP was 372.6 million US dollars at the current exchange rate of 0.90 Euro per US dollar. Per capita GDP in US dollars totaled $43,549. The trade surplus was 14.6 million US dollars or 3.9% of GDP and the government ran a budget deficit equivalent to 2.0% of nominal GDP. Foreign exchange reserves (including gold) at the end of 2015 totaled 20.2 million US dollars. This represented 1 month of imports at current import levels in 2015.

Forecast Economic Performance

Real GDP is projected to grow at an average rate of 1.3% over the next 5 years, with GDP reaching 452.7 million US dollars by 2020. This would equate to a GDP per capita of $52,258 in US dollars.

The inflation rate is expected to average 1.7% over this period and the unemployment rate is expected to average 5.3%.

By 2020 the government is projected to have a budget deficit totaling 0.9% of GDP and a trade surplus totaling 4.8% of GDP.

Sources: CIA World Factbook, CountryWatch 2016 Macroeconomic Forecast

Updated in 2016

Special Entry 1

Summary of 2008 credit crisis

A financial farrago, rooted in the credit crisis, became a global phenomenon by the start of October 2008. In the United States, after failure of the passage of a controversial bailout plan in the lower chamber of Congress, an amended piece of legislation finally passed through both houses of Congress. There were hopes that its passage would calm jitters on Wall Street and restore confidence in the country's financial regime. With the situation requiring rapid and radical action, a new proposal for the government to bank stakes was gaining steam. Meanwhile, across the Atlantic in Europe, a spate of banking crises resulted in nationalization measures for the United Kingdom bank, Bradford and Bingley, joint efforts by the Netherlands, Belgium and Luxembourg to shore up Fortis, joint efforts by France, Belgium, and Luxembourg to shore up Dexia, a rescue plan for Hypo Real Estate, and the quasi-bankruptcy of Iceland's economy. Indeed, Iceland's liabilities were in gross excess of the country's GDP. With further banks also in jeopardy of failing, and with no coordinated efforts to stem the tide by varying countries of the European Union, there were rising anxieties not only about the resolving the financial crisis, but also about the viability of the European bloc.

On Sept. 4, 2008, the leaders of key European states -- United Kingdom, France, Germany, and Italy -- met in the French capital city of Paris to discuss the financial farrago and to consider possible action. The talks, which were hosted by French President Nicolas Sarkozy, ended without consensus on what should be done to deal with the credit crisis, which was rapidly becoming a global phenomenon. The only thing that the four European countries agreed upon was that there would not be a grand rescue plan, akin to the type that was initiated in the United States. As well, they jointly called for greater regulation and a coordinated response. To that latter end, President Nicolas Sarkozy said, "Each government will operate with its own methods and means, but in a coordinated manner."

This call came after Ireland took independent action to deal with the burgeoning financial crisis. Notably, the Irish government decided days earlier to fully guarantee all deposits in the country's major banks for a period of two years. The Greek government soon followed suit with a similar action. These actions by Ireland and Greece raised the ire of other European countries, and evoked questions of whether Ireland and Greece had violated any European Union charters.

Nevertheless, as anxieties about the safety of bank deposits rose across Europe, Ireland and Greece saw an influx of new banking customers from across the continent, presumably seeking the security of knowing their money would be safe amidst a financial meltdown. And even with questions rising about the decisions of the Irish and Greek government, the government of Germany decided to go down a similar path by guaranteeing all private bank accounts. For his part, British Prime Minister Gordon Brown said that his government would increase the limit on guaranteed bank deposits from £35,000 to £50,000.

In these various ways, it was clear that there was no concurrence among some of Europe's most important economies. In fact, despite the meeting in France, which called for coordination among the countries of the European bloc, there was no unified response to the global financial crisis. Instead, that meeting laid bare the divisions within the countries of the European Union, and called into question the very viability of the European bloc. Perhaps that question of viability would be answered at a forthcoming G8 summit, as recommended by those participating in the Paris talks.

A week later, another meeting of European leaders in Paris ended with concurrence that no large institution would be allowed to fail. The meeting, which was attended by leaders of euro zone countries, resulted in an agreement to guarantee loans between banks until the end of 2009, with an eye on easing the credit crunch. The proposal, which would apply in 15 countries, also included a plan for capital infusions by means of purchasing preference shares from banks. The United Kingdom, which is outside the euro zone, had already announced a similar strategy.

French President Nicolas Sarkozy argued that these unprecedented measures were of vital importance. The French leader said, "The crisis has over the past few days entered into a phase that makes it intolerable to opt for procrastination and a go-it-alone approach."

Europe facing financial crisis as banking bail-out looms large

In early 2009, according to the European Commission, European banks may be in need of as much as several trillion in bailout funding. Impaired or toxic assets factor highly on the European Union bank balance sheets. Economist Nouriel Roubini warned that the economies of Ukraine, Belarus, Hungary, Latvia and Lithuania appeared to be on the brink of disaster. Overall, Eastern European countries borrowed heavily from Western European banks. Thus, even if the currencies on the eastern part of the continent collapse, effects will be felt in the western part of Europe as well. For example, Swiss banks that gave billions of credit to Eastern Europe cannot look forward to repayment anytime soon. As well, Austrian banks have had extensive exposure to Eastern Europe, and can anticipate a highly increased cost of insuring its debt. German Finance Minister Peer Steinbrueck has warned that as many as 16 European Union countries would require assistance. Indeed, his statements suggested the need for a regional rescue effort.

European Union backs financial regulation overhaul

With the global financial crisis intensifying, leaders of European Union countries backed sweeping financial regulations. Included in the package of market reforms were sanctions on tax havens, caps on bonus payments to management, greater hedge fund regulation, and increased influence by the International Monetary Fund. European leaders also backed a charter of sustainable economic activity, that would subject all global financial activities to both regulation and accountability by credit rating agencies.

These moves were made ahead of the Group of 20 summit scheduled for April 2, 2009, in London. It was not known whether other countries outside Europe, such as the United States, Japan, India and China, would support the new and aggressive regime of market regulation. That said, German Chancellor Angela Merkel said in Berlin that Europe had a responsibility to chart this track. She said, "Europe will own up to its responsibility in the world."

Leaders forge $1 trillion deal at G-20 summit in London

Leaders of the world's largest economies, known as the "G-20," met in London to explore possible responses to the global financial crisis. To that end, they forged a deal valued at more than US$1 trillion.

Central to the agreement was an infusion of $750 billion to the International Monetary Fund (IMF), which was aimed at helping troubled economies. Up to $100 billion of that amount was earmarked to assist the world's very poorest countries -- an amount far greater than had been expected. In many senses, the infusion of funding to the IMF marked a strengthening of that body unseen since the 1980s.

In addition, the G-20 leaders settled on a $250 billion increase in global trade. The world's poorest countries would also benefit from the availability of $250 billion of trade credit.

After some debate, the G-20 leaders decided to levy sanctions against clandestine tax havens and to institute strict financial regulations. Such regulations included tougher controls on banking professionals' salaries and bonuses, and increased oversight of hedge funds and credit rating agencies. A Financial Stability Board was to be established that would work in concert with the IMF to facilitate cross-border cooperation, and also to provide early warnings regarding the financial system.

Aside from these measures, the G-20 countries were already implementing their own economic stimulus measures at home, aimed at reversing the global recession. Together, these economic stimulus packages would inject approximately $5 trillion by the end of 2010.

United Kingdom Prime Minister Gordon Brown played host at the meeting, which most concurred went off successfully, despite the presence of anti-globalization and anarchist protestors. Prime Minister Brown warned that there was "no quick fix" for the economic woes facing the

international community, but he drew attention to the consensus that had been forged in the interest of the common good. He said, "This is the day that the world came together to fight back against the global recession, not with words, but with a plan for global recovery and for reform and with a clear timetable for its delivery."

All eyes were on United States President Barack Obama, who characterized the G-20 summit as "a turning point" in the effort towards global economic recovery. He also hailed the advances agreed upon to reform the failed regulatory regime that contributed to the financial crisis that has gripped many of the economies across the globe. Thusly, President Obama declared the London summit to be historic saying, "It was historic because of the size and the scope of the challenges that we face and because of the timeliness and the magnitude of our response."

Ahead of the summit, there were reports of a growing rift between the respective duos of France and Germany and the United States and the United Kingdom. While France and Germany were emphasizing stricter financial regulations, the United States and the United Kingdom were advocating public spending to deal with the economic crisis. Indeed, French President Nicolas Sarkozy had threatened to bolt the meeting if his priority issues were not addressed. But such an end did not occur, although tensions were existent.

To that end, President Obama was hailed for his diplomatic skills after he brokered an agreement between France and China on tax havens. The American president played the role of peacemaker between French President Sarkozy and Chinese Premier Hu Jintao, paving the way for a meeting of the minds on the matter of tax havens.

French President Nicolas Sarkozy said the concurrence reached at the G-20 summit were "more than we could have hoped for." President Sarkozy also credited President Obama for the American president's leadership at the summit, effusively stating: "President Obama really found the consensus. He didn't focus exclusively on stimulus ... In fact it was he who managed to help me persuade [Chinese] President Hu Jintao to agree to the reference to the ... publication of a list of tax havens, and I wish to thank him for that."

Meanwhile, German Chancellor Angela Merkel also expressed positive feedback about the success of the summit noting that the new measures would give the international arena a "clearer financial market architecture." She noted the agreement reached was "a very, very good, almost historic compromise." Finally, Chancellor Merkel had warm words of praise for President Obama. "The American president also put his hand into this," said Merkel.

Note: The G-20 leaders agreed to meet again in September 2009 in New York to assess the progress of their agenda.

Special Entry 2

Greece's Debt Crisis and Impact on the Euro Zone

Summary:

Attempts to resolve Greece's economic crisis have been at the forefront of the national agenda. There have also been serious concerns about Greece's economic viability across Europe and internationally. At issue have been deep anxieties about Greece defaulting on its debt, along with subsequent speculation about whether the European Union (EU) and the International Monetary Fund (IMF) would have to step in to prevent such an outcome. By April 2010, the prospects of Greece resolving the matter without help from some transnational body came to a head when the Papandreou administration formally said it would accept the EU-IMF financial rescue package to ensure debt service. But even with this move, Greece's credit rating was downgraded to junk status due to prevailing doubts that it will meet its debt obligations.

Crisis Landscape:

In December 2009, the new Greek head of government, Prime Minister George Papandreou, announced a series of harsh spending cuts in order to address the country's economic woes. He warned that without action such as a hiring freeze on public sector jobs, closure of overseas tourism offices, and decreased social security spending, Greece was at risk of "sinking under its debts." He also said that his country had "lost every trace of credibility" on the economic front and would have to "move immediately to a new social deal."

Fears of a government debt default in Europe emerged in the first week of February 2010, with all eyes focused on Greece. Of concern was the rising cost of insuring Greek debt against default, and fears were rising that a bailout by the International Monetary Fund might be in the offing.

For its part, the Greek government pledged to reduce its budget deficit by three percent of gross domestic product by 2012. That move was welcomed by the European Commission but met with the threat of strikes by Greece's largest union, which has railed against the prospect of austerity measures. By Feb. 10, 2010, the strike by the country's largest public sector union in Greece was going forward. Simultaneously, Prime Minister George Papandreou promised to "take any necessary measures" to reduce Greece's deficit including a freeze on public sector pay, increased taxes and the implementation of changes to the pension system.

The next day, leaders of the European Union said that while Greece had not asked for assistance, they stood ready to help ensure stability within the euro zone. A statement issued from a summit in Brussels read as follows: "We fully support the efforts of the Greek government and their commitment to do whatever is necessary, including adopting additional measures to ensure that the ambitious targets set in the stability program for 2010 and the following years are met." The

statement, however, did not specify the nature of such support although there were indications that a loan might be in the offing. Following a meeting of European leaders on Feb. 11, 2010, Austria's Chancellor Werner Faymann explained the need to support fellow European Union member states saying, "It is important to have solidarity." However, he added, "We are not going to give the money as a present, it will be as loans."

Only a few days later, however, the news emerging from Europe was grimmer in regards to Greece's situation. As reported by the British publication, the Telegraph, the council of European Union finance ministers issued an ultimatum to Greece, warning that if that country did not comply with austerity measures by March 16, 2010, it would lose sovereign control over its tax and spend policies. The council also warned that the European Union would invoke Article 126.9 of the Lisbon Treaty to take control from Athens and impose requisite cuts. This threat was likely to have more of a practical effect on Greece than an earlier move by the European Union to suspend Greece's voting rights, although both measures indicated a severe blow to Greek sovereignty within the European bloc. From the point of view of the European Union, the verdict was that Greece's austerity plan contained insufficient spending cuts and uncoordinated measures, and compelled the need for such drastic action.

Perhaps not surprisingly, Greece took a different view. Greek Finance Minister George Papaconstantinou argued that his country was "doing enough" to reduce its public deficit from 12 percent to eight percent of GDP in 2010 by undertaking emergency fiscal cuts. Accordingly, Greece has also been reticent about taking further austerity measures, such as an increase in the value added tax or VAT, as well as further public sector wage cuts, which the European Central Bank has said might be necessary. But the rest of Europe was unlikely to receive Greece's claims on faith alone, given the emerging revelations that Wall Street likely helped Greece hide its balance sheets problem for the purpose of advancing euro zone accession.

By the third week of February 2010, as talks in Brussels commenced about the financial crisis in Greece, there was no consensus on the possible path toward helping stabilize the situation in that country. In fact, member states of the European Union appeared divided on the issue. Germany has said it wants to protect its own financial interests by constructing a "firewall" to prevent Greece's debt crisis from spiraling out of control. It was not known if that "firewall" was distinct from, or an actual euphemism for, a bailout for Greece funded by German funds. Certainly, Germany has been careful not to expressly state that it supports some sort of bailout measure for Greece, under the aegis of the European Union , using Germany funds. Indeed, Berlin would have to contend with an outraged domestic reaction, as well as a resistant coalition partner in government whose libertarian inclinations would leave them far from sanguine about such a move.

At the start of March 2010, in the face of pressure from the European Union, the Greek government agreed to a new package of austerity measures, including tax increases and spending cuts, aimed at resolving the budget crisis. The new package was met with approval from the European Union and the International Monetary Fund, who respectively hailed the move as

evidence that Greece was taking necessary measures to reduce its precarious debt. The reactions of these two bodies were regarded as crucial, since Greece was hoping for German-funded assistance from the European Union, with the International Monetary Fund in line as an alternative avenue of assistance.

Nevertheless, since the measures included reductions in holiday bonuses paid to civil servants as well as a pension freeze, it effectively raised the ire of public sector workers and trade unions. From their point of view, the financial package would exact a punishing toll on the workers of the country. Not surprisingly, the country was hit by strikes with workers angrily protesting the deficit-cutting government measures detailed above. With schools closed, public transportation, flights and ferries at a halt, and garbage left uncollected, it was clear that the strike was in full-force. On the streets of Athens, striking workers registered discontent, while riot police were deployed across the city.

Regional Considerations:

Also at issue have been the fiscal challenges of Portugal and Spain, which like Greece, have to contend with debt and weakened public finances. One challenge for Spain is the fact that the central government (leaving the social security administration aside) controls only one-third of public sector spending. Accordingly, while the central government can set guidelines for the regional and municipal authorities, it has a fairly limited effect on overall fiscal policy. In Portugal, the government does not command a majority in parliament, effectively complicating the process of implementing fiscal policies, and necessitating broad national consensus on the matter of the country's economic health. Ireland, like Greece, suffers from budget deficits that exceed 12 percent of their economic output. However, Ireland's record in navigating difficult economic times (late 1980s, early 1990s) was believed to be in that country's favor.

Thusly, at the broader level, the European Union has been faced with the moral hazard of having to consider going down a similar path with Spain and Portugal, not to mention other European countries. Clearly, the European Union had no appetite for such a precedent being set in Greece. Not surprisingly, non-euro zone European Union members, such as the United Kingdom and Sweden, were recommending the International Monetary Fund route. They argued that an entity such as the IMF possessed the technocratic acumen and experience to orchestrate and supply a loan bailout to Greece.

Meanwhile, the Fitch ratings agency decided to downgrade Greece's credit rating two notches amidst anxieties that the country will be unable to solve its financial farrago without assistance from external parties. The downgrade was significant since Greece was now at risk of losing its investment grade status, at least according to Fitch. Greece retains marginally higher ratings with Moody's and Standard and Poor's. Earlier, Portugal's credit rating was also downgraded by the Fitch ratings agency over concerns regarding its debt woes. Ironically, the move by Fitch came weeks after Portugal passed an austerity budget aimed at reducing its high budget deficit. At the

broader level, the decision to downgrade the credit ratings of both Greece and Portugal, along with attention on the possible rescue package for Greece, renewed anxieties about the problem of heavily indebted economies across the continent.

The situation in these European countries -- specifically on their debt burdens -- has focused attention concomitantly on the European Union where countries of the euro zone share currency but not economic policies, and whose collective fates would be affected by a devalued euro. Indeed, the euro itself has seen its value slide as a result of rising economic anxieties, and questions have once again surfaced regarding its viability.

Last Resort:

By late March 2010, a proposal was advanced to address Greece's debt crisis. The rescue package proposal was intended to be a last resort for Greece, should that country fail to borrow sufficient funds under normal conditions. It would require all euro zone countries to vote unanimously to fund individual loans to Greece, although not all countries would be required to contribute. No actual dollar amount was specified for the possible rescue package although there were suggestions that it would be valued at around 22 billion euro, with the lion's share of the funding being derived from the European Union (EU), and a small remained from the International Monetary Fund (IMF).

On April 10, 2010, euro zone countries agreed to fund up to 30 billion euros -- above the amount originally envisioned -- in emergency loans for debt-hit Greece. The price of the loans would be about five percent and in line with IMF formulas. The loans would not be activated by the euro zone; instead, it would be up to Greece to decide whether or not to avail itself of the funds, which would be co-financed by the IMF, although to what degree was unknown. For its part, Greece has said it does not want to go down the road of such loans, preferring to auction treasury bills. Greece was hoping that the very notion of an EU-IMF rescue package would ease volatile markets and advance an economic recovery, without actually having to activate the loans. However, such a path was viewed as potentially unavoidable, given the fact that Greece has no choice but to finance its debt obligations. As well, there have been the wider considerations at play -- that is, the impact on markets across Europe and the confidence in the euro.

By the close of April 2010, Greece officially requested that the EU-IMF "last resort" loan package be activated in order to deal with its debt-ridden economy and to prevent the unacceptable outcome of default by a sovereign European country. The EU and IMF responded by noting that they believed the details of the rescue plan could be worked through quickly. That being said, since much of the funding for the package would go through the EU, several euro zone countries will have to ratify the use of funds. For example, France would have to garner parliamentary approval for its contribution to Greece's rescue package. In Germany, where -- as discussed above -- the political ramifications of such a plan were expected to be pronounced -- German Chancellor Angela Merkel warned there would be "very strict conditions" attached to her country's contribution of

assistance. As well, it was still to be determined how much the IMF would itself finance, along with interest rates by both the IMF and EU. With such hurdles yet to be crossed, it was unlikely that Greece would be in receipt of the much-needed funds until the second week of May 2010.

Meanwhile, Prime Minister George Papandreou expressed confidence in the path going forward. Speaking from the Aegean island of Kastellorizo, he said: "Our partners will decisively contribute to provide Greece the safe harbor that will allow us to rebuild our ship." But the Greek people were not easily assuaged by these words or the EU-IMF rescue package. Instead, they were still railing against the austerity measures enacted by the Greek government with tens of thousands of Greek civil servants taking to the streets to participate in mass strike.

Junk Status:

Further reluctance by Germany to fund the largest portion of the rescue package for Greece did not help the situation. In fact, with Greece acknowledging that it cannot service its forthcoming debt obligations without the EU-IMF loan, plus the realization that German funds will likely not come quickly, there were escalating fears that Greece could well default by May 19, 2010 -- a significant deadline when billions in bond payments would be due. Although Greek Finance Minister George Papaconstantinou insisted his country would "absolutely and without any doubt" service that debt, prevailing anxieties led another credit rating downgrade for Greece. Indeed, Standard and Poor's downgraded Greece's credit rating to junk status. That move, in addition to a slight downgrade to Portugal's debt on the basis of heightened risks, renewed attention to euro zone stability.

Update on Euro Crisis:

In May 2010, the European Union (EU) agreed on a euro stability package valued at 500 billion euros, aimed at preventing the aforementioned Greek debt crisis from deleteriously affecting other countries in the region. Countries within the EU's euro zone would be provided access to loans worth 440 billion euros and emergency funding of 60 billion euros from the EU. As well, the International Monetary Fund (IMF) would earmark an additional 250 billion euros. The European Commission would raise the funds in capital markets, using guarantees from the governments of member states, for the purpose of lending it to countries in economic crisis.

In addition, it was announced that the European Central Bank (ECB) was prepared to participate in exceptional market intervention measures, such as the purchase of euro zone government bonds, for the purpose of shoring up the value and viability of the euro currency.

These moves were aimed at defending the euro, which has seen its value drop precipitously as a result of the Greek debt crisis has gone on, and as anxieties have increased that a similarly disastrous fate could spread to other EU member states, such as Portugal, Spain, Italy and even Ireland. These mostly southern European economies were plagued not only by high deficits but

also inherent structural economic weakness.

But even these overtures, as drastic as they might appear, would do little to address Europe's soaring public debt, according to some economic analysts. Indeed, among this core of economists, the argument resided that this rescue package could actually exacerbate the situation. Of concern has been the collective impact of low economic growth, high unemployment, and governments unwilling to take requisite austerity measures to not only decrease spending but also increase productivity. Rather than relying on heavy government spending to spur growth, governments in euro zone countries have opted to decrease their debt levels -- or at least to make the promise of moving in that direction. However, another core of economic analysts has argued that too much debt reduction -- without government stimulus -- could itself stymie economic growth. To this latter end, Daniel Gros of the Center for European Policy Studies warned that "the patient is dead before he can get up and walk."

Special Entry 3

The Greek debt crisis; effects on the euro zone, the establishment of the European Financial Stability Facility; a new EU treaty?

In the first part of December 2011, the leaders of the two biggest players in the euro zone -- French President Nicolas Sarkozy and German Chancellor Angela Merkel -- issued a joint call for serious changes to Europe's governing treaties, aimed at ameliorated economic governance for the 17 countries that make up the euro currency bloc. French President Sarkozy and German Chancellor Merkel met for talks on the matter in Paris as the euro zone countries continue to grapple with the sovereign debt crisis, emanating from "ground zero" in Greece, but extending regionally across the European bloc. This crisis has left the euro vulnerable, risked fragmenting the currency union, and could yet imperil the fragile global economic recovery.

At issue has been the problematic debt to GDP ratio in countries across the euro zone of the European Union (EU), and concomitant anxieties about various countries, such as Portugal, Spain, Italy and even Ireland, defaulting on their respective debts. These mostly southern European economies were plagued not only by high deficits but also inherent structural economic weakness, which could affect other countries in the euro zone in something of a contagion. While rescue packages for Greece and Ireland were put into effect, such measures forlarger economies, such as Italy and Spain, was simply unaffordable. General expectations were that Spain might barely escape default because its debt-to-GDP ratio -- while poor -- was still better than that of Italy. But at the broader level, attention began to rest on the need to expand a rescue fund for Europe's heavily indebted countries, which in September 2011 led to what is now known as the European Financial Stability Facility (EFSF).

While the expansion of the EFSF breathed necessary life into the euro stabilization entity, it should be noted that the treatment for the debt ailment infecting the euro zone has become imbued by controversy. While the participants of the global economy have been anxious for action to be taken in response to the debt crisis, German stakeholders have been incensed that they would be the major contributors to the rescue fund, which would benefit countries, such as Greece. Stated differently, the debt crisis in Europe has led not only to instability in the international markets, but also to political imbroglios across the euro zone.

Of equally significant has been the growing chorus of complaints about the slow and protracted political response to the sovereign debt crisis in Europe and theassociated euro zone challenges, which were largely due to the EU's institutional structure. It was with an eye on addressing that latter issue that French President Sarkozy and German Chancellor Merkel were meeting in Paris to seek a pathway to stabilizing the euro zone. That meeting resulted in the aforementioned call for radical changes to Europe's governing treaties, characterized by heightened economic governance in the EU.

Included in their proposal were: (1) the creation of a monetary fund for Europe, (2) automatic penalties for countries that exceed European deficit limits, and (3) monthly meetings of European leaders. The proposal entailed compromises by both European leaders. President Sarkozy had to accept the notion of automatic sanctions for countries in violation of debt limit rules, while Chancellor Merkel had to accept that the European Court of Justice will not be empowered with the power of veto over budgets. Meanwhile, the European Stability Mechanism (ESM), which was intended to replace the European Financial Stability Facility (EFSF) in 2013, would be advanced earlier in 2012.

President Sarkozy said that they were looking to March 2012 to complete negotiations on the new treaty. Ideally, the new treaty would be ratified by all 27 member states of the European Union. However, if concurrence at that level proved impossible, then the 17 states of the euro zone would have to approve it. It should also be noted that European Council President Herman Van Rompuy has said that tougher budget rules for the euro zone may not require changing any existing European Union treaties.

President Sarkozy emphasized the imperative that such a crisis not re-emerge in the future. He said, "We are conscious of the gravity of the situation and of the responsibility that rests on our shoulders." For her part, Chancellor Merkel said her country, working in concert with France, was "absolutely determined" to maintain a stable euro. She also advocated for "structural changes which go beyond agreements."

While the new measures would certainly go a long way to addressing the issue of improved economic governance in the euro zone, they did not deal with the question of how many euro zone

countries would deal with their debt challenges in a climate of low growth. Nevertheless, in the short run, the steadfast and unified message of intent by the two European leaders was, at least, expected to calm markets and facilitate lower borrowing costs for debt-ridden economies such as Italy, Spain, and Portugal.

The proverbial "fly in the ointment" emerged on Dec. 5, 2011 when the credit ratings agency, Standard and Poor's, placed the countries of the euro zone on a "credit watch" with negative implications. Even power house economies of Germany and France were included in the move, which presaged a downgrade to come in the future. A day later, Standard and Poor's even warned that the euro zone bailout fund -- the EFSF -- could lose its own AAA rating. These moves have raised eyebrows across the world as regards the credibility of the ratings agency, which failed to warn the world of the sub-prime meltdown in 2008 that ultimately let to the global financial crisis. There were suggestions that this downgrade threat to euro zone countries, in conjunction with the downgrade of the United States months earlier following a particularly ferocious debt ceiling debate in that country, were evidence that the credit ratings agency was trying to "save face" by proving its tougher standards at this time. Standard and Poor's newly-discovered hard-line stance was being questioned by analysts, who pointed to the timing of the warning against euro zone countries. But this warning came precisely at a time when France and Germany were leading the charge in the EU to solve the regional debt crisis, as discussed here.

The move by Standard and Poor's aside, Europe re-focused on the task at hand: to institute ameliorated economic governance in the EU. By mid-December 2011, 26 out of the 27 EU member states backed the notion of a new tax and budget concord that would amend the Lisbon Treaty -- the EU's operational and constitutional foundation. Included in the cadre of 26 affirmative countries were all of the 17 euro zone countries. Of course, for many countries, support was contingent upon additional political ratification either in parliament or via referendum. Still, the signals of positive joint action were clear from these 26 countries.

The United Kingdom emerged as the lone "holdout" with British Prime Minister David Cameron insisting that he had to act to protect key British interests, including the financial markets. French President Nicolas Sarkozy noted that the sticking point for Prime Minister Cameron involved a protocol that would allow the United Kingdom to opt-out of changes on financial services. President Sarkozy said that measure wasunacceptable . Explaining his position, Prime Minister Cameron said, "We were offered a treaty that didn't have proper safeguards for Britain, and I decided it was not right to sign that treaty." He continued by noting that the United Kingdom remained in the EU, saying, "We're still in the single market."

Nevertheless, this move by the United Kingdom was an operational veto of the initiative to get all 27 EU countries to support changes to the bloc's Lisbon Treaty. As intimated above, it would effectively force the EU to go down the road of instituting a "fiscal compact," rather than a new treaty. While the institution of a fiscal pact could probably occur more quickly than ratification of

a new treaty, it would entail far less rigor and strength as a guiding maxim of the EU.
Across Europe, the British government was being criticized for plunging the United Kingdom into a position of isolation, while economic analysts from the Economist and the Financial Times, warned that Europe was now being faced by fragmentation.

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NOTE:

On Jan. 13, 2012, the credit ratings agency, Standard & Poor's, stripped France of its sterling AAA credit rating, relegating France to AA+ status. Another ratings agency, Moody's, however, moved to maintain France's AAA rating, although it warned that France's deteriorating debt position placed pressure on the country's stable outlook. French authorities appeared to respond to the news with equanimity.

French Finance Minister Francois Baroin said, "It's not good news, but it's not a catastrophe." He also noted that the French government had no plans to enact either spending cuts or tax increases in response to the downgrade. Finance Minister Francois Baroin said, "It's not ratings agencies that decide French policy."

The ratings agency also downgraded Austria from its top notch AAA rating to AA+. The reduction on Austria's rating was partially attributable to the fact that it exports to Italy which is dealing with a recession, and that its banking subsidiaries in Hungary were facing losses.

Standard & Poor's downgraded Italy two notches from A to BBB+ Spain was in somewhat better shape than Italy although it was downgraded two notches from AA- to A. Slovakia was cut one notch from A+ to A. Slovenia was also cut one notch from AA- to A+. Following this trend, Malta was additionally cut one notch from A to A-.

Standard & Poor's, meanwhile, cut the credit of Portugal from BBB- to BB and Cyprus from BBB to BB+ -- junk status in both cases.

Belgium held steady with an AA rating, Estonia had no change to its AA- rating, and there was no shift from Ireland's BBB+ rating.

Germany, Finland, Luxembourg, and the Netherlands appeared to have escaped downgraded and held on to their AAA ratings.

As regards the status of the euro zone, Standard & Poor's also downgraded the European Union bailout fund -- the European Financial Stability Facility's (EFSF) -- from AAA to AA+. It should be noted that the decision to downgrade the EFSF was in keeping with the collective downgrades of individual European countries discussed above, since the rating is based on the ratings of the

countries that guarantee the bailout fund. Should the EFSF obtain additional guarantees, it could recapture its AAA rating.

These developments made several countries the latest casualties in the ongoing sovereign debt crisis affecting Europe, and particularly, the countries of the euro zone. For its part, Standard & Poor's explained that it had taken these measures in response to the failed attempts by the leaders of the euro zone to deal with the ongoing debt crisis. Standard & Poor's released a statement that read as follows: "Today's rating actions are primarily driven by our assessment that the policy initiatives that have been taken by European policy makers in recent weeks may be insufficient to fully address ongoing systemic stresses in the euro zone."

The credit ratings agency went further and accused euro zone leaders of being unable to properly diagnose the causes of the crisis. Specifically, Standard & Poor's argued that the plan being advanced by leaders of the euro zone -- to limit governments' future borrowing -- was based upon an inaccurate understanding of the debt crisis. Standard & Poor's contention was that the challenge was not so much excessive borrowing, as much as it involved trade deficits and a loss of competitiveness by certain euro zone economies, including Italy and Spain.

Nominal GDP and Components

Nominal GDP and Components					
	2011	**2012**	**2013**	**2014**	**2015**
Nominal GDP (LCU billions)	379.915	388.171	395.242	402.027	412.241
Nominal GDP Growth Rate (%)	3.874	2.173	1.822	1.717	2.541
Consumption (LCU billions)	195.102	200.934	203.971	207.337	212.812
Government Expenditure (LCU billions)	90.449	94.276	96.582	98.811	101.420
Gross Capital Formation (LCU billions)	92.009	91.186	89.385	88.312	90.821

	2011	2012	2013	2014	2015
Exports of Goods & Services (LCU billions)	309.335	319.267	327.126	336.111	352.860
Imports of Goods & Services (LCU billions)	306.980	317.492	321.822	328.544	345.672

Population and GDP Per Capita

Population and GDP Per Capita					
	2011	**2012**	**2013**	**2014**	**2015**
Population, total (million)	11.001	11.095	11.162	11.204	11.337
Population growth (%)	1.485	0.8545	0.6039	0.3763	1.187
Nominal GDP per Capita (LCU 1000s)	34,534.59	34,986.12	35,409.60	35,882.45	36,362.44

Real GDP and Inflation

Real GDP and Inflation					
	2011	**2012**	**2013**	**2014**	**2015**
Real Gross Domestic Product (LCU billions 2005 base)	387.811	388.171	389.301	393.454	398.732
Real GDP Growth Rate (%)	1.618	0.0929	0.2912	1.067	1.342
GDP Deflator (2005=100.0)	97.964	100.000	101.526	102.179	103.388
Inflation, GDP Deflator (%)	2.219	2.078	1.526	0.6432	1.183

Government Spending and Taxation

Government Spending and Taxation					
	2011	**2012**	**2013**	**2014**	**2015**
Government Fiscal Budget (billions)	202.926	212.740	215.253	218.585	220.285
Fiscal Budget Growth Rate (percentage)	6.025	4.836	1.181	1.548	0.7777
National Tax Rate Net of Transfers (%)	49.322	50.665	51.543	51.123	50.600
Government Revenues Net of Transfers (LCU billions)	187.380	196.667	203.719	205.527	208.594
Government Surplus(-) Deficit(+) (LCU billions)	-15.5460	-16.0730	-11.5340	-13.0580	-11.6910
Government Surplus(+) Deficit(-) (%GDP)	-4.0920	-4.1407	-2.9182	-3.2480	-2.8360

Money Supply, Interest Rates and Unemployment

Money Supply, Interest Rates and Unemployment					
	2011	**2012**	**2013**	**2014**	**2015**
Money and Quasi-Money (M2) (LCU billions)	402.392	424.152	446.875	473.513	485.543
Money Supply Growth Rate (%)	1.994	5.408	5.357	5.961	2.541
Lending Interest Rate (%)	5.815	5.796	5.724	5.608	6.545
Unemployment Rate (%)	7.217	7.642	8.400	8.492	8.524

Foreign Trade and the Exchange Rate

Foreign Trade and the Exchange Rate					
	2011	**2012**	**2013**	**2014**	**2015**
Official Exchange Rate (LCU/$US)	0.7187	0.7779	0.7529	0.7525	0.8988
Trade Balance NIPA ($US billions)	3.277	2.282	7.045	10.055	7.998
Trade Balance % of GDP	0.6199	0.4573	1.342	1.882	1.744
Total Foreign Exchange Reserves ($US billions)	29.114	30.769	26.946	25.444	23.922

Data in US Dollars

Data in US Dollars					
	2011	**2012**	**2013**	**2014**	**2015**
Nominal GDP ($US billions)	528.617	499.024	524.943	534.230	458.651
Exports ($US billions)	430.411	410.443	434.474	446.638	392.585
Imports ($US billions)	427.135	408.161	427.430	436.583	384.587

Energy Consumption and Production Standard Units

Energy Consumption and Production Standard Units					
	2011	**2012**	**2013**	**2014**	**2015**
Petroleum Consumption (TBPD)	621.143	599.267	622.357	622.958	630.975
Petroleum Production (TBPD)	10.532	11.523	12.894	12.647	13.274
Petroleum Net Exports (TBPD)	-610.6115	-587.7441	-609.4626	-610.3114	-617.7014
Natural Gas Consumption (bcf)	626.064	631.044	622.603	558.048	589.164
Natural Gas Production (bcf)	0.0000	0.0000	0.0000	0.0000	0.0000
Natural Gas Net Exports (bcf)	-626.0643	-631.0437	-622.6034	-558.0476	-589.1637
Coal Consumption (1000s st)	5,017.72	4,752.06	4,909.57	5,644.34	5,744.17
Coal Production	0.0000	0.0000	0.0000	0.0000	0.0000

	2011	2012	2013	2014	2015
(1000s st)					
Coal Net Exports (1000s st)	-5017.7213	-4752.0643	-4909.5677	-5644.3441	-5744.1728
Nuclear Production (bil kwh)	45.942	38.464	40.706	32.109	30.503
Hydroelectric Production (bil kwh)	0.1940	0.3530	0.3570	0.2527	0.2654
Renewables Production (bil kwh)	9.471	10.120	11.847	13.134	14.448

Energy Consumption and Production QUADS

Energy Consumption and Production QUADS					
	2011	**2012**	**2013**	**2014**	**2015**
Petroleum Consumption (Quads)	1.326	1.280	1.329	1.330	1.347
Petroleum Production (Quads)	0.0225	0.0248	0.0276	0.0276	0.0227
Petroleum Net Exports (Quads)	-1.3038	-1.2548	-1.3013	-1.3025	-1.3246
Natural Gas Consumption (Quads)	0.6386	0.6437	0.6351	0.5692	0.6009
Natural Gas Production (Quads)	0.0000	0.0000	0.0000	0.0000	0.0000
Natural Gas Net Exports (Quads)	-0.6386	-0.6437	-0.6351	-0.5692	-0.6009
Coal Consumption (Quads)	0.1004	0.0950	0.0982	0.1129	0.1149
Coal Production (Quads)	0.0000	0.0000	0.0000	0.0000	0.0000
Coal Net Exports (Quads)	-0.1004	-0.0950	-0.0982	-0.1129	-0.1149
Nuclear Production (Quads)	0.4594	0.3846	0.4071	0.3211	0.3050
Hydroelectric Production (Quads)	0.0019	0.0035	0.0036	0.0025	0.0027
Renewables Production (Quads)	0.0947	0.1012	0.1185	0.1313	0.1445

World Energy Price Summary

World Energy Price Summary					
	2011	**2012**	**2013**	**2014**	**2015**
Petroleum-WTI ($/bbl)	95.054	94.159	97.943	93.112	48.709
Natural Gas-Henry Hub ($/mmbtu)	3.999	2.752	3.729	4.369	2.614
Coal Thermal-Australian ($/mt)	121.448	96.364	84.562	70.130	57.511

CO2 Emissions

CO2 Emissions					
	2011	**2012**	**2013**	**2014**	**2015**
Petroleum Based (mm mt C)	29.631	28.587	29.689	29.717	30.100
Natural Gas Based (mm mt C)	10.157	10.238	10.101	9.054	9.559
Coal Based (mm mt C)	2.876	2.723	2.814	3.235	3.292
Total CO2 Emissions (mm mt C)	42.664	41.549	42.604	42.006	42.950

Agriculture Consumption and Production

Agriculture Consumption and Production					
	2011	**2012**	**2013**	**2014**	**20**
Corn Total Consumption (1000 metric tons)	1,662.76	1,930.61	1,968.16	2,085.93	1,87
Corn Production (1000 metric tons)	858.099	699.566	823.615	672.838	627.
Corn Net Exports (1000 metric tons)	-804.6635	-1231.0400	-1144.5403	-1413.0920	-1249
Soybeans Total Consumption (1000 metric tons)	309.621	242.786	160.958	117.687	103.
Soybeans Production (1000 metric tons)	0.0000	0.0000	0.0000	0.0000	0.0
Soybeans Net Exports (1000 metric tons)	-309.6210	-242.7860	-160.9580	-117.6866	-103.

	2011	2012	2013	2014	20
Rice Total Consumption (1000 metric tons)	3.483	5.781	2.588	2.849	2.4
Rice Production (1000 metric tons)	0.0000	0.0000	0.0000	0.0000	0.0
Rice Net Exports (1000 metric tons)	-3.4832	-5.7812	-2.5879	-2.8495	-2.4
Coffee Total Consumption (metric tons)	97,088.00	100,563.00	140,914.00	150,374.69	138,7
Coffee Production (metric tons)	0.0000	0.0000	0.0000	0.0000	0.0
Coffee Net Exports (metric tons)	-97088.0000	-100563.0000	-140914.0000	-150374.6887	-13877
Cocoa Beans Total Consumption (metric tons)	120,121.00	81,325.00	120,705.00	139,661.60	141,8
Cocoa Beans Production (metric tons)	0.0000	0.0000	0.0000	0.0000	0.0
Cocoa Beans Net Exports	-120121.0000	-81325.0000	-120705.0000	-139661.5983	-14183

	2011	2012	2013	2014	20
(metric tons)					
Wheat Total Consumption (1000 metric tons)	4,487.80	5,181.34	4,696.44	4,822.22	3,98
Wheat Production (1000 metric tons)	1,684.00	1,844.34	1,800.73	2,001.18	1,76
Wheat Net Exports (1000 metric tons)	-2803.8053	-3337.0031	-2895.7149	-2821.0457	-2216

World Agriculture Pricing Summary

World Agriculture Pricing Summary					
	2011	**2012**	**2013**	**2014**	**2015**
Corn Pricing Summary ($/metric ton)	291.684	298.417	259.389	192.881	169.750
Soybeans Pricing Summary ($/metric ton)	540.667	591.417	538.417	491.771	390.417
Rice Pricing Summary ($/metric ton)	458.558	525.071	473.989	425.148	386.033
Coffee Pricing Summary ($/kilogram)	5.976	4.111	3.076	4.424	3.526
Cocoa Beans Pricing Summary ($/kilogram)	2.980	2.392	2.439	3.062	3.135
Wheat Pricing Summary ($/metric ton)	316.264	313.242	312.248	284.895	203.177

Metals Consumption and Production

Metals Consumption and Production					
	2011	**2012**	**2013**	**2014**	**20**
Copper Consumption (1000 mt)	246,511.91	227,134.20	205,991.00	415,712.37	355,7
Copper Production (1000 mt)	391,162.86	392,959.51	387,257.29	417,896.23	367,5
Copper Net Exports (1000 mt)	144,650.95	165,825.32	181,266.29	2,183.86	11,73
Zinc Consumption (1000 mt)	121,722.92	127,938.94	95,481.66	210,012.87	185,5
Zinc Production (1000 mt)	279,827.31	247,642.75	250,613.35	247,200.04	236,0
Zinc Exports (1000 mt)	158,104.40	119,703.81	155,131.69	37,187.17	50,54
Lead Consumption (1000 mt)	8,301.21	8,301.21	8,301.21	8,301.21	8,30
Lead Production (1000 mt)	87,450.00	87,128.64	87,416.32	85,431.79	80,36

	2011	2012	2013	2014	20
Lead Exports (1000 mt)	79,148.79	78,827.43	79,115.11	77,130.58	72,06
Tin Consumption (1000 mt)	3,039.80	3,359.59	3,436.26	7,229.84	6,59
Tin Production (1000 mt)	9,922.95	11,292.51	11,933.97	13,372.39	13,38
Tin Exports (1000 mt)	6,883.16	7,932.92	8,497.71	6,142.55	6,78
Nickel Consumption (1000 mt)	8,119.21	7,317.68	5,204.10	7,367.91	5,82
Nickel Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0
Nickel Exports (1000 mt)	-8119.2120	-7317.6780	-5204.1020	-7367.9060	-5826
Gold Consumption (kg)	2,283.53	2,283.53	2,283.53	2,283.53	2,28
Gold Production (kg)	7,486.95	7,719.67	7,973.35	8,508.18	8,21
Gold Exports (kg)	5,203.42	5,436.13	5,689.82	6,224.64	5,92

	2011	2012	2013	2014	20
Silver Consumption (mt)	340,255.35	340,255.35	395,169.00	345,403.00	280,1
Silver Production (mt)	61,944.29	64,996.05	66,046.84	68,350.03	62,81
Silver Exports (mt)	-278311.0604	-275259.3034	-329122.1598	-277052.9734	-21737

World Metals Pricing Summary

World Metals Pricing Summary					
	2011	**2012**	**2013**	**2014**	**2015**
Copper ($/mt)	8,828.19	7,962.35	7,332.10	6,863.40	5,510.46
Zinc ($/mt)	2,193.90	1,950.41	1,910.26	2,160.97	1,931.68
Tin ($/mt)	26,053.68	21,125.99	22,282.80	21,898.87	16,066.63
Lead ($/mt)	2,400.81	2,064.64	2,139.79	2,095.46	1,787.82
Nickel ($/mt)	22,910.36	17,547.55	15,031.80	16,893.38	11,862.64
Gold ($/oz)	1,569.21	1,669.52	1,411.46	1,265.58	1,160.66
Silver ($/oz)	35.224	31.137	23.850	19.071	15.721

Economic Performance Index

Economic Performance Index

The Economic Performance rankings are calculated by CountryWatch's editorial team, and are based on criteria including sustained economic growth, monetary stability, current account deficits, budget surplus, unemployment and structural imbalances. Scores are assessed from 0 to 100 using this aforementioned criteria as well as CountryWatch's proprietary economic research data and models.

	Bank stability risk	Monetary/ Currency stability	Government Finances	Empl./ Unempl.	Econ.GNP growth or decline/ forecast
	0 - 100	0 - 100	0 - 100	0 - 100	%
North Americas					
Canada	92	69	35	38	3.14%
United States	94	76	4	29	3.01%
Western Europe					
Austria	90	27	30	63	1.33%
Belgium	88	27	19	23	1.15%
Cyprus	81	91	16	80	-0.69%
Denmark	97	70	45	78	1.20%
Finland	89	27	41	33	1.25%

France	87	27	18	27	1.52%
Germany	86	27	22	21	1.25%
Greece	79	27	5	24	-2.00%
Iceland	90	17	2	34	-3.04%
Italy	85	27	37	24	0.84%
Ireland	92	27	11	10	-1.55%
Luxembourg	99	27	28	66	2.08%
Malta	77	27	41	51	0.54%
Netherlands	91	27	26	74	1.30%
Norway	98	44	10	76	1.08%
Portugal	77	27	13	20	0.29%
Spain	83	27	9	3	-0.41%
Sweden	94	72	54	32	1.23%
Switzerland	97	86	55	77	1.53%
United Kingdom	85	12	9	37	1.34%
Central and Eastern Europe					
Albania	44	60	33	6	2.30%
Armenia	45	59	49	30	1.80%

Azerbaijan	56	4	84	99	2.68%
Belarus	59	21	83	98	2.41%
Bosnia and Herzegovina	34	68	69	N/A	0.50%
Bulgaria	58	75	88	49	0.20%
Croatia	69	68	94	9	0.18%
Czech Republic	80	89	29	70	1.67%
Estonia	72	90	66	92	0.80%
Georgia	36	60	53	56	2.00%
Hungary	70	66	26	54	-0.16%
Latvia	67	100	65	44	-3.97%
Lithuania	65	91	87	79	-1.65%
Macedonia (FYR)	53	69	56	2	2.03%
Moldova	23	36	81	67	2.50%
Poland	74	74	38	12	2.72%
Romania	62	56	70	62	0.75%
Russia	73	18	90	8	4.00%
Serbia	48	49	52	5	1.97%

Montenegro	39	27	73	1	-1.70%
Slovak Republic	80	62	30	14	4.06%
Slovenia	81	27	36	65	1.12%
Ukraine	41	11	57	N/A	3.68%
Africa					
Algeria	57	18	96	7	4.55%
Angola	49	1	97	N/A	7.05%
Benin	19	91	20	N/A	3.22%
Botswana	68	58	76	N/A	6.33%
Burkina Faso	16	91	13	N/A	4.41%
Burundi	2	91	6	N/A	3.85%
Cameroon	26	91	91	N/A	2.58%
Cape Verde	52	87	4	N/A	4.96%
Central African Republic	9	91	32	N/A	3.18%
Chad	22	91	89	N/A	4.42%
Congo	52	87	87	N/A	12.13%
Côte d'Ivoire	25	91	82	28	2.98%
Dem. Republic					

Congo	4	91	47	N/A	5.44%
Djibouti	31	76	50	N/A	4.47%
Egypt	37	20	24	69	5.01%
Equatorial Guinea	82	91	85	N/A	0.94%
Eritrea	1	3	1	18	1.81%
Ethiopia	6	45	8	N/A	6.96%
Gabon	64	91	96	N/A	5.36%
Gambia	8	48	86	N/A	4.82%
Ghana	9	11	69	N/A	4.50%
Guinea	10	7	91	N/A	3.03%
Guinea-Bissau	5	91	46	N/A	3.47%
Kenya	20	41	59	N/A	4.11%
Lesotho	13	40	12	N/A	2.98%
Liberia	12	73	74	N/A	5.92%
Libya	73	2	94	N/A	5.22%
Madagascar	4	22	24	N/A	-1.02%
Malawi	7	25	55	N/A	5.96%
Mali	20	91	82	N/A	5.12%

Mauritania	15	13	93	N/A	4.58%
Mauritius	65	52	56	55	4.10%
Morocco	37	72	48	26	3.23%
Mozambique	12	23	71	N/A	6.45%
Namibia	40	39	62	N/A	1.70%
Niger	10	91	21	N/A	4.41%
Nigeria	30	6	61	N/A	6.98%
Rwanda	21	40	68	N/A	5.39%
Sao Tome & Principe	1	61	100	N/A	3.40%
Senegal	24	91	63	N/A	3.44%
Seychelles	60	67	97	N/A	4.01%
Sierra Leone	5	10	39	N/A	4.77%
Somalia	2	38	59	N/A	3.19%
South Africa	61	37	70	N/A	2.59%
Sudan	16	5	73	N/A	5.52%
Swaziland	32	44	79	N/A	1.09%
Tanzania	15	45	32	N/A	6.17%
Togo	8	91	92	N/A	2.56%

Tunisia	50	61	44	39	4.00%
Uganda	11	17	54	N/A	5.59%
Zambia	29	20	49	N/A	5.84%
Zimbabwe	0	8	16	N/A	2.24%
South and Central America					
Argentina	66	3	80	36	3.50%
Belize	47	76	80	N/A	1.00%
Bolivia	32	51	61	81	3.99%
Brazil	71	47	78	11	5.50%
Chile	78	25	92	73	4.72%
Columbia	47	52	34	47	2.25%
Costa Rica	60	42	39	57	3.45%
Ecuador	43	76	75	64	2.51%
El Salvador	35	76	67	N/A	1.04%
Guatemala	46	59	58	N/A	2.52%
Honduras	27	47	58	N/A	2.00%
Mexico	69	42	52	61	4.07%
Nicaragua	23	49	42	N/A	1.75%

Panama	66	76	72	45	5.00%
Paraguay	35	46	66	16	5.27%
Peru	59	66	75	22	6.33%
Suriname	58	26	81	59	4.02%
Uruguay	70	26	27	N/A	5.71%
Venezuela	55	1	28	13	-2.63%
Caribbean					
Antigua & Barbuda	72	76	15	N/A	-2.01%
Bahamas	74	76	45	87	-0.50%
Barbados	67	76	33	15	-0.50%
Bermuda	N/A	N/A	N/A	N/A	N/A
Cuba	45	76	18	95	0.25%
Dominica	53	76	65	N/A	1.40%
Dominican Republic	54	39	43	4	3.50%
Grenada	63	76	48	N/A	0.80%
Guyana	28	56	17	N/A	4.36%
Haiti	11	27	89	N/A	-8.50%
Jamaica	42	9	85	19	-0.28%

St Lucia	55	76	67	N/A	1.14%
St Vincent & Grenadines	49	76	95	N/A	0.50%
Trinidad & Tobago	82	37	77	72	2.13%
Middle East					
Bahrain	84	76	62	91	3.48%
Iran	51	19	40	58	3.01%
Iraq	48	9	8	N/A	7.27%
Israel	87	62	12	48	3.20%
Jordan	41	51	3	N/A	4.10%
Kuwait	96	4	99	N/A	3.10%
Lebanon	63	54	2	N/A	6.00%
Oman	76	16	88	N/A	4.71%
Qatar	99	16	83	N/A	18.54%
Saudi Arabia	76	8	98	N/A	3.70%
Syria	61	24	40	N/A	5.00%
Turkey	75	23	27	60	5.20%
United Arab Emirates	96	24	98	94	1.29%

Yemen	28	2	78	N/A	7.78%
Asia					
Afghanistan	17	70	74	N/A	8.64%
Bangladesh	13	43	25	N/A	5.38%
Bhutan	24	55	5	N/A	6.85%
Brunei	78	19	99	75	0.48%
Cambodia	18	67	42	N/A	4.77%
China	54	90	19	68	11.03%
Hong Kong	89	76	14	82	5.02%
India	31	38	34	35	8.78%
Indonesia	42	46	37	31	6.00%
Japan	88	89	6	71	1.90%
Kazakhstan	62	13	76	42	2.40%
Korea North	18	65	23	N/A	1.50%
Korea South	83	63	22	85	4.44%
Kyrgyz Republic	24	15	84	88	4.61%
Laos	17	54	7	N/A	7.22%
Macao	91	76	14	82	3.00%

Malaysia	68	65	44	90	4.72%
Maldives	44	55	17	N/A	3.45%
Mongolia	33	5	77	93	7.22%
Myanmar	3	41	72	N/A	5.26%
Nepal	3	14	25	N/A	2.97%
Pakistan	19	15	31	41	3.00%
Papua New Guinea	75	50	11	N/A	7.96%
Philippines	30	48	53	43	3.63%
Singapore	93	75	63	40	5.68%
Sri Lanka	38	22	10	N/A	5.50%
Taiwan	84	88	35	89	6.50%
Tajikistan	6	6	60	97	4.00%
Thailand	56	64	90	96	5.46%
Turkmenistan	51	53	68	N/A	12.00%
Uzbekistan	40	10	60	100	8.00%
Vietnam	25	12	20	N/A	6.04%
Pacific					
Australia	96	63	31	46	2.96%

Fiji	46	53	3	N/A	2.06%
Marshall Islands	27	76	46	N/A	1.08%
Micronesia (Fed. States)	N/A	N/A	N/A	N/A	N/A
New Caledonia	96	73	51	52	2.00%
New Zealand	98	73	51	52	2.00%
Samoa	34	88	64	N/A	-2.77%
Solomon Islands	14	71	1	N/A	3.36%
Tonga	26	57	38	N/A	0.60%
Vanuatu	33	58	47	N/A	3.80%

Source:

CountryWatch Inc. www.countrywatch.com

Updated:

This material was produced in 2010; it is subject to updating in 2012.

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Chapter 4

Investment Overview

Foreign Investment Climate

Foreign Investment Assessment

Belgium is highly dependent on imports and international trade. As such, it has traditionally been very open to foreign investment. In addition to policies that facilitate and encourage it, a well-developed infrastructure, skilled work force, political stability, and geographic location at the heart of Western Europe, make Belgium an attractive target for foreign direct investment.

Note --

Foreign investment contributed significantly to Belgian economic growth in the 1960s. In particular, U.S. firms played a leading role in the expansion of light industrial and petrochemical industries in the 1960s and 1970s. The Belgian Government encourages new foreign investment as a means to promote employment. With regional devolution, Flanders, Brussels, and Wallonia now have substantial autonomy in courting potential foreign investors, as each deems appropriate.

Industries

engineering and metal products, motor vehicle assembly, processed food and beverages, chemicals, basic metals, textiles, glass, petroleum

Import Commodities

machinery and equipment, chemicals, diamonds, pharmaceuticals, foodstuffs, transportation equipment, oil products

Import Partners

Germany 17.7%, Netherlands 16.5%, France 13.2%, UK 7.5%, US 5.9%, Ireland 5.7%

Export Commodities

machinery and equipment, chemicals, diamonds, metals and metal products, foodstuffs

Export Partners

Germany 19.5%, France 17.4%, Netherlands 11.7%, UK 9%, US 6.7%, Italy 5.4%

Ports and Harbors

Antwerp (one of the world's busiest ports), Brugge, Gent, Hasselt, Liege, Mons, Namur, Oostende, Zeebrugge

Telephone System

highly developed, technologically advanced, and completely automated domestic and international telephone and telegraph facilities country code: 32

Internet Users

4.5 million; widespread usage

Judicial System

Belgium's legal system affords foreign investors with an effective means to resolve commercial disputes. The country’s civil law system has been influenced by English constitutional theory.

Employment

The social security system, which expanded rapidly during the prosperous 1950s and 1960s, includes a medical system, unemployment insurance coverage, child allowances, invalid benefits, and other benefits and pensions. With the onset of a recession in the 1970s, this system became an increasing burden on the economy and accounted for much of the government budget deficits. The national unemployment figures mask considerable differences between Flanders and Wallonia. Unemployment in Wallonia is mainly structural, while in Flanders it is cyclical. Flanders' unemployment level equals only half that of Wallonia. The southern region continues a difficult

transition out of sunset industries (mainly coal and steel), while sunrise industries (chemicals, high-tech, and services) dominate in Flanders. As in other industrialized nations, pension and other social entitlement programs have become a major concern as the "baby boom" generation approaches retirement.

Labor Force

4.73 million; agriculture 1.3%, industry 24.5%, services 74.2%

Labor Unions

Belgium is a highly unionized country, and organized labor has been a powerful influence in politics, although less so in recent elections. About 53% of all private sector and public service employees are labor union members. Unlike many American unions, Belgian labor unions take positions on a wide range of political issues, including education, public finance, defense spending, environmental protection, women's rights, abortion, and other issues. They also provide a range of services, including the administration of unemployment benefits and health insurance programs.

Belgium's three principal trade union organizations are the Confederation of Catholic Labor Unions (CSC/ACV), the Belgian Socialist Confederation of Labor (FGTB/ABVV), and the Confederation of Liberal Labor Unions (CGSLB/ACLVB). Until the 1950s, the FGTB/ABVV was the largest confederation; since then, however, the CSC/ACV has become the leading trade union force.

Corruption Perception Ranking

See Transparency International listing in this Country Review, which ranks Belgium one of the least corrupt countries in the world.

Cultural Considerations

Western European rules of etiquette apply in Belgium. Note that there are three languages spoken there - French, German, and Flemish. Sensitivity to cultural and linguistic divisions is common in Belgium.

Country Website (s)

www.belgium.be

Foreign Investment Index

Foreign Investment Index

The Foreign Investment Index is a proprietary index measuring attractiveness to international investment flows. The Foreign Investment Index is calculated using an established methodology by CountryWatch's Editor-in-Chief and is based on a given country's economic stability (sustained economic growth, monetary stability, current account deficits, budget surplus), economic risk (risk of non-servicing of payments for goods or services, loans and trade-related finance, risk of sovereign default), business and investment climate (property rights, labor force and laws, regulatory transparency, openness to foreign investment, market conditions, and stability of government). Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of foreign investment viability, while a score of 10 marks the highest level of foreign investment viability, according to this proprietary index.

Country	Assessment
Afghanistan	2
Albania	4.5
Algeria	6
Andorra	9
Angola	4.5-5
Antigua	8.5

Argentina	5
Armenia	5
Australia	9.5
Austria	9-9.5
Azerbaijan	5
Bahamas	9
Bahrain	7.5
Bangladesh	4.5
Barbados	9
Belarus	4
Belgium	9
Belize	7.5
Benin	5.5
Bhutan	4.5
Bolivia	4.5
Bosnia-Herzegovina	5
Botswana	7.5-8
Brazil	8

Brunei	7
Bulgaria	5.5
Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	4
Cambodia	4.5
Cameroon	5
Canada	9.5
Cape Verde	6
Central African Republic	3
Chad	4
Chile	9
China	7.5
China: Hong Kong	8.5
China: Taiwan	8.5
Colombia	7
Comoros	4
Congo DRC	4

Congo RC	5
Costa Rica	8
Cote d'Ivoire	4.5
Croatia	7
Cuba	4.5
Cyprus	7
Czech Republic	8.5
Denmark	9.5
Djibouti	4.5
Dominica	6
Dominican Republic	6.5
East Timor	4.5
Ecuador	5.5
Egypt	4.5-5
El Salvador	6
Equatorial Guinea	4.5
Eritrea	3.5
Estonia	8

Ethiopia	4.5
Fiji	5
Finland	9
Former Yugoslav Rep. of Macedonia	5
France	9-9.5
Gabon	5.5
Gambia	5
Georgia	5
Germany	9-9.5
Ghana	5.5
Greece	5
Grenada	7.5
Guatemala	5.5
Guinea	3.5
Guinea-Bissau	3.5
Guyana	4.5
Haiti	4
Holy See (Vatican)	n/a

Hong Kong (China)	8.5
Honduras	5.5
Hungary	8
Iceland	8-8.5
India	8
Indonesia	5.5
Iran	4
Iraq	3
Ireland	8
Israel	8.5
Italy	8
Jamaica	5.5
Japan	9.5
Jordan	6
Kazakhstan	6
Kenya	5
Kiribati	5.5
Korea, North	1

Korea, South	9
Kosovo	4.5
Kuwait	8.5
Kyrgyzstan	4.5
Laos	4
Latvia	7
Lebanon	5
Lesotho	5.5
Liberia	3.5
Libya	3
Liechtenstein	9
Lithuania	7.5
Luxembourg	9-9.5
Madagascar	4.5
Malawi	4.5
Malaysia	8.5
Maldives	6.5
Mali	5

Malta	9
Marshall Islands	5
Mauritania	4.5
Mauritius	7.5-8
Mexico	6.5-7
Micronesia	5
Moldova	4.5-5
Monaco	9
Mongolia	5
Montenegro	5.5
Morocco	7.5
Mozambique	5
Namibia	7.5
Nauru	4.5
Nepal	4
Netherlands	9-9.5
New Zealand	9.5
Nicaragua	5

Niger	4.5
Nigeria	4.5
Norway	9-9.5
Oman	8
Pakistan	4
Palau	4.5-5
Panama	7
Papua New Guinea	5
Paraguay	6
Peru	6
Philippines	6
Poland	8
Portugal	7.5-8
Qatar	9
Romania	6-6.5
Russia	6
Rwanda	4
Saint Kitts and Nevis	8

Saint Lucia	8
Saint Vincent and Grenadines	7
Samoa	7
San Marino	8.5
Sao Tome and Principe	4.5-5
Saudi Arabia	7
Senegal	6
Serbia	6
Seychelles	5
Sierra Leone	4
Singapore	9.5
Slovak Republic (Slovakia)	8.5
Slovenia	8.5-9
Solomon Islands	5
Somalia	2
South Africa	8
Spain	7.5-8
Sri Lanka	5.5

Sudan	4
Suriname	5
Swaziland	4.5
Sweden	9.5
Switzerland	9.5
Syria	2.5
Tajikistan	4
Taiwan (China)	8.5
Tanzania	5
Thailand	7.5-8
Togo	4.5-5
Tonga	5.5-6
Trinidad and Tobago	8-8.5
Tunisia	6
Turkey	6.5-7
Turkmenistan	4
Tuvalu	7
Uganda	5

Ukraine	4.5-5
United Arab Emirates	8.5
United Kingdom	9
United States	9
Uruguay	6.5-7
Uzbekistan	4
Vanuatu	6
Venezuela	5
Vietnam	5.5
Yemen	3
Zambia	4.5-5
Zimbabwe	3.5

Editor's Note:

As of 2015, the global economic crisis (emerging in 2008) had affected many countries across the world, resulting in changes to their rankings. Among those countries affected were top tier economies, such as the United Kingdom, Iceland, Switzerland and Austria. However, in all these cases, their rankings have moved back upward in the last couple of years as anxieties have eased. Other top tier countries, such as Spain, Portugal, Ireland, and Italy, suffered some effects due to debt woes and the concomitant effect on the euro zone. Greece, another euro zone nation, was also downgraded due to its sovereign debt crisis; however, Greece's position on the precipice of default incurred a sharper downgrade than the other four euro zone countries mentioned above. Cyprus' exposure to Greek bank yielded a downgrade in its case. Slovenia and Latvia have been slightly downgraded due to a mix of economic and political concerns but could

easily be upgraded in a future assessment, should these concerns abate. Meanwhile, the crisis in eastern Ukraine fueled downgrades in that country and neighboring Russia.

Despite the "trifecta of tragedy" in Japan in 2011 -- the earthquake, the ensuing tsunami, and the resulting nuclear crisis -- and the appreciable destabilization of the economic and political terrain therein, this country has only slightly been downgraded. Japan's challenges have been assessed to be transient, the government remains accountable, and there is little risk of default. Both India and China retain their rankings; India holds a slightly higher ranking than China due to its record of democratic representation and accountability.

There were shifts in opposite directions for Mali and Nigeria versus the Central African Republic, Burkina Faso, and Burundi. Mali was slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. Likewise, a new government in Nigeria generated a slight upgrade as the country attempts to confront corruption, crime, and terrorism. But the Central African Republic was downgraded due to the takeover of the government by Seleka rebels and the continued decline into lawlessness in that country. Likewise, the attempts by the leaders of Burundi and Burkina Faso to hold onto power by by-passing the constitution raised eybrows and resulted in downgrades.

Political unrest in Libya and Algeria have contributed to a decision to marginally downgrade these countries as well. Syria incurred a sharper downgrade due to the devolution into de facto civil war and the dire security threat posed by Islamist terrorists. Iraq saw a similar downgrade as a result of the takeover of wide swaths of territory and the threat of genocide at the hands of Islamist terrorists. Yemen, likewise, has been downgraded due to political instability at the hands of secessionists, terrorists, Houthi rebels, and the intervention of external parties. Conversely, Egypt and Tunisia saw slight upgrades as their political environments stabilize.

At the low end of the spectrum, devolving security conditions and/or economic crisis have resulted in countries like Pakistan, Afghanistan, Somalia, and Zimbabwe maintaining their low ratings.

The United States continues to retain its previous slight downgrade due to the enduring threat of default surrounding the debt ceiling in that country, matched by a conflict-ridden political climate. In the case of Mexico, there is limited concern about default, but increasing alarm over the security situation in that country and the government's ability to contain it. In Argentina, a default to bond holders resulted in a downgrade to that country. Finally, a small but significant upgrade was attributed to Cuba due to its recent pro-business reforms and its normalization of ties with the Unitd States.

Source:

CountryWatch Inc. www.countrywatch.com

Updated:

2015

Corruption Perceptions Index

Corruption Perceptions Index

Transparency International: Corruption Perceptions Index

Editor's Note:

Transparency International's Corruption Perceptions Index is a composite index which ranks countries in terms of the degree to which corruption is perceived to exist among public officials. This index indicates the views of national and international business people and analysts about the levels of corruption in each country. The highest (and best) level of transparency is indicated by the number, 10. The lower (and worse) levels of transparency are indicated by lower numbers.

Rank	Country/Territory	CPI 2009 Score	Surveys Used	Confidence Range
1	New Zealand	9.4	6	9.1 - 9.5
2	Denmark	9.3	6	9.1 - 9.5
3	Singapore	9.2	9	9.0 - 9.4
3	Sweden	9.2	6	9.0 - 9.3
5	Switzerland	9.0	6	8.9 - 9.1
6	Finland	8.9	6	8.4 - 9.4
6	Netherlands	8.9	6	8.7 - 9.0

8	Australia	8.7	8	8.3 - 9.0
8	Canada	8.7	6	8.5 - 9.0
8	Iceland	8.7	4	7.5 - 9.4
11	Norway	8.6	6	8.2 - 9.1
12	Hong Kong	8.2	8	7.9 - 8.5
12	Luxembourg	8.2	6	7.6 - 8.8
14	Germany	8.0	6	7.7 - 8.3
14	Ireland	8.0	6	7.8 - 8.4
16	Austria	7.9	6	7.4 - 8.3
17	Japan	7.7	8	7.4 - 8.0
17	United Kingdom	7.7	6	7.3 - 8.2
19	United States	7.5	8	6.9 - 8.0
20	Barbados	7.4	4	6.6 - 8.2
21	Belgium	7.1	6	6.9 - 7.3
22	Qatar	7.0	6	5.8 - 8.1
22	Saint Lucia	7.0	3	6.7 - 7.5
24	France	6.9	6	6.5 - 7.3
25	Chile	6.7	7	6.5 - 6.9

25	Uruguay	6.7	5	6.4 - 7.1
27	Cyprus	6.6	4	6.1 - 7.1
27	Estonia	6.6	8	6.1 - 6.9
27	Slovenia	6.6	8	6.3 - 6.9
30	United Arab Emirates	6.5	5	5.5 - 7.5
31	Saint Vincent and the Grenadines	6.4	3	4.9 - 7.5
32	Israel	6.1	6	5.4 - 6.7
32	Spain	6.1	6	5.5 - 6.6
34	Dominica	5.9	3	4.9 - 6.7
35	Portugal	5.8	6	5.5 - 6.2
35	Puerto Rico	5.8	4	5.2 - 6.3
37	Botswana	5.6	6	5.1 - 6.3
37	Taiwan	5.6	9	5.4 - 5.9
39	Brunei Darussalam	5.5	4	4.7 - 6.4
39	Oman	5.5	5	4.4 - 6.5
39	Korea (South)	5.5	9	5.3 - 5.7
42	Mauritius	5.4	6	5.0 - 5.9

43	Costa Rica	5.3	5	4.7 - 5.9
43	Macau	5.3	3	3.3 - 6.9
45	Malta	5.2	4	4.0 - 6.2
46	Bahrain	5.1	5	4.2 - 5.8
46	Cape Verde	5.1	3	3.3 - 7.0
46	Hungary	5.1	8	4.6 - 5.7
49	Bhutan	5.0	4	4.3 - 5.6
49	Jordan	5.0	7	3.9 - 6.1
49	Poland	5.0	8	4.5 - 5.5
52	Czech Republic	4.9	8	4.3 - 5.6
52	Lithuania	4.9	8	4.4 - 5.4
54	Seychelles	4.8	3	3.0 - 6.7
55	South Africa	4.7	8	4.3 - 4.9
56	Latvia	4.5	6	4.1 - 4.9
56	Malaysia	4.5	9	4.0 - 5.1
56	Namibia	4.5	6	3.9 - 5.1
56	Samoa	4.5	3	3.3 - 5.3
56	Slovakia	4.5	8	4.1 - 4.9

61	Cuba	4.4	3	3.5 - 5.1
61	Turkey	4.4	7	3.9 - 4.9
63	Italy	4.3	6	3.8 - 4.9
63	Saudi Arabia	4.3	5	3.1 - 5.3
65	Tunisia	4.2	6	3.0 - 5.5
66	Croatia	4.1	8	3.7 - 4.5
66	Georgia	4.1	7	3.4 - 4.7
66	Kuwait	4.1	5	3.2 - 5.1
69	Ghana	3.9	7	3.2 - 4.6
69	Montenegro	3.9	5	3.5 - 4.4
71	Bulgaria	3.8	8	3.2 - 4.5
71	FYR Macedonia	3.8	6	3.4 - 4.2
71	Greece	3.8	6	3.2 - 4.3
71	Romania	3.8	8	3.2 - 4.3
75	Brazil	3.7	7	3.3 - 4.3
75	Colombia	3.7	7	3.1 - 4.3
75	Peru	3.7	7	3.4 - 4.1
75	Suriname	3.7	3	3.0 - 4.7

79	Burkina Faso	3.6	7	2.8 - 4.4
79	China	3.6	9	3.0 - 4.2
79	Swaziland	3.6	3	3.0 - 4.7
79	Trinidad and Tobago	3.6	4	3.0 - 4.3
83	Serbia	3.5	6	3.3 - 3.9
84	El Salvador	3.4	5	3.0 - 3.8
84	Guatemala	3.4	5	3.0 - 3.9
84	India	3.4	10	3.2 - 3.6
84	Panama	3.4	5	3.1 - 3.7
84	Thailand	3.4	9	3.0 - 3.8
89	Lesotho	3.3	6	2.8 - 3.8
89	Malawi	3.3	7	2.7 - 3.9
89	Mexico	3.3	7	3.2 - 3.5
89	Moldova	3.3	6	2.7 - 4.0
89	Morocco	3.3	6	2.8 - 3.9
89	Rwanda	3.3	4	2.9 - 3.7
95	Albania	3.2	6	3.0 - 3.3
95	Vanuatu	3.2	3	2.3 - 4.7

97	Liberia	3.1	3	1.9 - 3.8
97	Sri Lanka	3.1	7	2.8 - 3.4
99	Bosnia and Herzegovina	3.0	7	2.6 - 3.4
99	Dominican Republic	3.0	5	2.9 - 3.2
99	Jamaica	3.0	5	2.8 - 3.3
99	Madagascar	3.0	7	2.8 - 3.2
99	Senegal	3.0	7	2.5 - 3.6
99	Tonga	3.0	3	2.6 - 3.3
99	Zambia	3.0	7	2.8 - 3.2
106	Argentina	2.9	7	2.6 - 3.1
106	Benin	2.9	6	2.3 - 3.4
106	Gabon	2.9	3	2.6 - 3.1
106	Gambia	2.9	5	1.6 - 4.0
106	Niger	2.9	5	2.7 - 3.0
111	Algeria	2.8	6	2.5 - 3.1
111	Djibouti	2.8	4	2.3 - 3.2
111	Egypt	2.8	6	2.6 - 3.1
111	Indonesia	2.8	9	2.4 - 3.2

111	Kiribati	2.8	3	2.3 - 3.3
111	Mali	2.8	6	2.4 - 3.2
111	Sao Tome and Principe	2.8	3	2.4 - 3.3
111	Solomon Islands	2.8	3	2.3 - 3.3
111	Togo	2.8	5	1.9 - 3.9
120	Armenia	2.7	7	2.6 - 2.8
120	Bolivia	2.7	6	2.4 - 3.1
120	Ethiopia	2.7	7	2.4 - 2.9
120	Kazakhstan	2.7	7	2.1 - 3.3
120	Mongolia	2.7	7	2.4 - 3.0
120	Vietnam	2.7	9	2.4 - 3.1
126	Eritrea	2.6	4	1.6 - 3.8
126	Guyana	2.6	4	2.5 - 2.7
126	Syria	2.6	5	2.2 - 2.9
126	Tanzania	2.6	7	2.4 - 2.9
130	Honduras	2.5	6	2.2 - 2.8
130	Lebanon	2.5	3	1.9 - 3.1
130	Libya	2.5	6	2.2 - 2.8

130	Maldives	2.5	4	1.8 - 3.2
130	Mauritania	2.5	7	2.0 - 3.3
130	Mozambique	2.5	7	2.3 - 2.8
130	Nicaragua	2.5	6	2.3 - 2.7
130	Nigeria	2.5	7	2.2 - 2.7
130	Uganda	2.5	7	2.1 - 2.8
139	Bangladesh	2.4	7	2.0 - 2.8
139	Belarus	2.4	4	2.0 - 2.8
139	Pakistan	2.4	7	2.1 - 2.7
139	Philippines	2.4	9	2.1 - 2.7
143	Azerbaijan	2.3	7	2.0 - 2.6
143	Comoros	2.3	3	1.6 - 3.3
143	Nepal	2.3	6	2.0 - 2.6
146	Cameroon	2.2	7	1.9 - 2.6
146	Ecuador	2.2	5	2.0 - 2.5
146	Kenya	2.2	7	1.9 - 2.5
146	Russia	2.2	8	1.9 - 2.4
146	Sierra Leone	2.2	5	1.9 - 2.4

146	Timor-Leste	2.2	5	1.8 - 2.6
146	Ukraine	2.2	8	2.0 - 2.6
146	Zimbabwe	2.2	7	1.7 - 2.8
154	Côte d´Ivoire	2.1	7	1.8 - 2.4
154	Papua New Guinea	2.1	5	1.7 - 2.5
154	Paraguay	2.1	5	1.7 - 2.5
154	Yemen	2.1	4	1.6 - 2.5
158	Cambodia	2.0	8	1.8 - 2.2
158	Central African Republic	2.0	4	1.9 - 2.2
158	Laos	2.0	4	1.6 - 2.6
158	Tajikistan	2.0	8	1.6 - 2.5
162	Angola	1.9	5	1.8 - 1.9
162	Congo Brazzaville	1.9	5	1.6 - 2.1
162	Democratic Republic of Congo	1.9	5	1.7 - 2.1
162	Guinea-Bissau	1.9	3	1.8 - 2.0
162	Kyrgyzstan	1.9	7	1.8 - 2.1
162	Venezuela	1.9	7	1.8 - 2.0
168	Burundi	1.8	6	1.6 - 2.0

168	Equatorial Guinea	1.8	3	1.6 - 1.9
168	Guinea	1.8	5	1.7 - 1.8
168	Haiti	1.8	3	1.4 - 2.3
168	Iran	1.8	3	1.7 - 1.9
168	Turkmenistan	1.8	4	1.7 - 1.9
174	Uzbekistan	1.7	6	1.5 - 1.8
175	Chad	1.6	6	1.5 - 1.7
176	Iraq	1.5	3	1.2 - 1.8
176	Sudan	1.5	5	1.4 - 1.7
178	Myanmar	1.4	3	0.9 - 1.8
179	Afghanistan	1.3	4	1.0 - 1.5
180	Somalia	1.1	3	0.9 - 1.4

Methodology:

As noted above, the highest (and best) level of transparency with the least perceived corruption is indicated by the number, 10. The lower (and worse) levels of transparency are indicated by lower numbers.

According to Transparency International, the Corruption Perceptions Index (CPI) table shows a country's ranking and score, the number of surveys used to determine the score, and the confidence range of the scoring.

The rank shows how one country compares to others included in the index. The CPI score

indicates the perceived level of public-sector corruption in a country/territory.

The CPI is based on 13 independent surveys. However, not all surveys include all countries. The surveys used column indicates how many surveys were relied upon to determine the score for that country.

The confidence range indicates the reliability of the CPI scores and tells us that allowing for a margin of error, we can be 90% confident that the true score for this country lies within this range.

Note:

Kosovo, which separated from the Yugoslav successor state of Serbia, is not listed above. No calculation is available for Kosovo at this time, however, a future corruption index by Transparency International may include the world's newest country in its tally. Taiwan has been listed above despite its contested status; while Taiwan claims sovereign status, China claims ultimate jurisdiction over Taiwan. Hong Kong, which is also under the rubric of Chinese sovereignty, is listed above. Note as well that Puerto Rico, which is a United States domain, is also included in the list above. These inclusions likely have to do with the size and fairly autonomous status of their economies.

Source:

Transparency International's Corruption Perception Index; available at URL: http://www.transparency.org

Updated:

Uploaded in 2011 using most recent ranking available; reviewed in 2015.

Competitiveness Ranking

Competitiveness Ranking

Editor's Note:

The Global Competitiveness Report's competitiveness ranking is based on the Global Competitiveness Index (GCI), which was developed for the World Economic Forum. The GCI is based on a number of competitiveness considerations, and provides a comprehensive picture of the

competitiveness landscape in countries around the world. The competitiveness considerations are: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. The rankings are calculated from both publicly available data and the Executive Opinion Survey.

Country/Economy	GCI 2010 Rank	GCI 2010 Score	GCI 2009 Rank	Change 2009-2010
Switzerland	1	5.63	1	0
Sweden	2	5.56	4	2
Singapore	3	5.48	3	0
United States	4	5.43	2	-2
Germany	5	5.39	7	2
Japan	6	5.37	8	2
Finland	7	5.37	6	-1
Netherlands	8	5.33	10	2
Denmark	9	5.32	5	-4
Canada	10	5.30	9	-1
Hong Kong SAR	11	5.30	11	0
United Kingdom	12	5.25	13	1
Taiwan, China	13	5.21	12	-1
Norway	14	5.14	14	0

France	15	5.13	16	1
Australia	16	5.11	15	-1
Qatar	17	5.10	22	5
Austria	18	5.09	17	-1
Belgium	19	5.07	18	-1
Luxembourg	20	5.05	21	1
Saudi Arabia	21	4.95	28	7
Korea, Rep.	22	4.93	19	-3
New Zealand	23	4.92	20	-3
Israel	24	4.91	27	3
United Arab Emirates	25	4.89	23	-2
Malaysia	26	4.88	24	-2
China	27	4.84	29	2
Brunei Darussalam	28	4.75	32	4
Ireland	29	4.74	25	-4
Chile	30	4.69	30	0
Iceland	31	4.68	26	-5
Tunisia	32	4.65	40	8

Estonia	33	4.61	35	2
Oman	34	4.61	41	7
Kuwait	35	4.59	39	4
Czech Republic	36	4.57	31	-5
Bahrain	37	4.54	38	1
Thailand	38	4.51	36	-2
Poland	39	4.51	46	7
Cyprus	40	4.50	34	-6
Puerto Rico	41	4.49	42	1
Spain	42	4.49	33	-9
Barbados	43	4.45	44	1
Indonesia	44	4.43	54	10
Slovenia	45	4.42	37	-8
Portugal	46	4.38	43	-3
Lithuania	47	4.38	53	6
Italy	48	4.37	48	0
Montenegro	49	4.36	62	13
Malta	50	4.34	52	2

India	51	4.33	49	-2
Hungary	52	4.33	58	6
Panama	53	4.33	59	6
South Africa	54	4.32	45	-9
Mauritius	55	4.32	57	2
Costa Rica	56	4.31	55	-1
Azerbaijan	57	4.29	51	-6
Brazil	58	4.28	56	-2
Vietnam	59	4.27	75	16
Slovak Republic	60	4.25	47	-13
Turkey	61	4.25	61	0
Sri Lanka	62	4.25	79	17
Russian Federation	63	4.24	63	0
Uruguay	64	4.23	65	1
Jordan	65	4.21	50	-15
Mexico	66	4.19	60	-6
Romania	67	4.16	64	-3
Colombia	68	4.14	69	1

Iran	69	4.14	n/a	n/a
Latvia	70	4.14	68	-2
Bulgaria	71	4.13	76	5
Kazakhstan	72	4.12	67	-5
Peru	73	4.11	78	5
Namibia	74	4.09	74	0
Morocco	75	4.08	73	-2
Botswana	76	4.05	66	-10
Croatia	77	4.04	72	-5
Guatemala	78	4.04	80	2
Macedonia, FYR	79	4.02	84	5
Rwanda	80	4.00	n/a	n/a
Egypt	81	4.00	70	-11
El Salvador	82	3.99	77	-5
Greece	83	3.99	71	-12
Trinidad and Tobago	84	3.97	86	2
Philippines	85	3.96	87	2
Algeria	86	3.96	83	-3

Argentina	87	3.95	85	-2
Albania	88	3.94	96	8
Ukraine	89	3.90	82	-7
Gambia, The	90	3.90	81	-9
Honduras	91	3.89	89	-2
Lebanon	92	3.89	n/a	n/a
Georgia	93	3.86	90	-3
Moldova	94	3.86	n/a	n/a
Jamaica	95	3.85	91	-4
Serbia	96	3.84	93	-3
Syria	97	3.79	94	-3
Armenia	98	3.76	97	-1
Mongolia	99	3.75	117	18
Libya	100	3.74	88	-12
Dominican Republic	101	3.72	95	-6
Bosnia and Herzegovina	102	3.70	109	7
Benin	103	3.69	103	0
Senegal	104	3.67	92	-12

Ecuador	105	3.65	105	0
Kenya	106	3.65	98	-8
Bangladesh	107	3.64	106	-1
Bolivia	108	3.64	120	12
Cambodia	109	3.63	110	1
Guyana	110	3.62	104	-6
Cameroon	111	3.58	111	0
Nicaragua	112	3.57	115	3
Tanzania	113	3.56	100	-13
Ghana	114	3.56	114	0
Zambia	115	3.55	112	-3
Tajikistan	116	3.53	122	6
Cape Verde	117	3.51	n/a	n/a
Uganda	118	3.51	108	-10
Ethiopia	119	3.51	118	-1
Paraguay	120	3.49	124	4
Kyrgyz Republic	121	3.49	123	2
Venezuela	122	3.48	113	-9

Pakistan	123	3.48	101	-22
Madagascar	124	3.46	121	-3
Malawi	125	3.45	119	-6
Swaziland	126	3.40	n/a	n/a
Nigeria	127	3.38	99	-28
Lesotho	128	3.36	107	-21
Côte d'Ivoire	129	3.35	116	-13
Nepal	130	3.34	125	-5
Mozambique	131	3.32	129	-2
Mali	132	3.28	130	-2
Timor-Leste	133	3.23	126	-7
Burkina Faso	134	3.20	128	-6
Mauritania	135	3.14	127	-8
Zimbabwe	136	3.03	132	-4
Burundi	137	2.96	133	-4
Angola	138	2.93	n/a	n/a
Chad	139	2.73	131	-8

Methodology:

The competitiveness rankings are calculated from both publicly available data and the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum together with its network of Partner Institutes (leading research institutes and business organizations) in the countries covered by the Report.

Highlights according to WEF --

- The United States falls two places to fourth position, overtaken by Sweden and Singapore in the rankings of the World Economic Forum's Global Competitiveness Report 2010-2011
- The People's Republic of China continues to move up the rankings, with marked improvements in several other Asian countries
- Germany moves up two places to fifth place, leading the Eurozone countries
- Switzerland tops the rankings

Source:

World Economic Forum; available at URL: http://www.weforum.org

Updated:

2011 using most recent ranking available; reviewed in 2015.

Taxation

Corporate tax

The main rate of corporate income tax is 33 percent, although there are lower rates in cases of small profits. Generally, a resident company (one managed in Belgium) is subject to corporate income tax on its worldwide income. Samaller companies with income of less than €322,500 pay lower rates, subject to certain conditions. In cases of non-resident corporations, there is an income tax, and some income is taxed by withholding. There has also been a recent change in which taxable profits will be lowered by a notional interest deduction, which can result in a decrease of the tax rate. Meanwhile, partnerships are subject to corporate tax.

Individual tax

Local or resident individuals (those who live in Belgium or whose major economic interests are in Belgium) are taxed on their worldwide income. Non-locals or non-residents pay tax only on income sourced in Belgium. There are progressive tax rates of up to 50 percent. Communal taxes are between zero and 10 percent.

Capital gains

Capital gains are taxed as income, although tax deferral is available if certain conditions are met. Capital gains of individuals not engaged in business activities are not taxable unless certain conditions are met.

Indirect tax

Goods imported into Belgium or made in Belgium are subject to value added tax (VAT). Value added tax is levied on the value that is added to the goods or services at each stage in the production and distribution process. This process works by having a tax levied at each point en route, as ownership passes from one person to another. At every stage, an "output" tax is charged on the current sales value, but the "input" tax which has been charged by those at an earlier stage of the game can be offset or recovered. Thus the tax liability at each stage is based on the difference between the value of the outputs and the value of the inputs (hence "added value"). VAT is payable upon importation if Belgium is the destination of the goods being shipped into the EU. One of three rates will apply:

• 6 percent - daily necessities, food stuffs, etc;
• 12 percent - tobacco, fuel, etc.;
• 21 percent - majority of commercial items.

VAT is applied after customs duties are added to the price of the goods.

Note

Companies pay advance tax in four equal quarterly payments, with the final payment due two months after assessment. Tax returns must be filed within six months of the end of a financial year, although extensions may be granted. Employment income of individuals is taxed by deduction.

Dividends are taxable.

Tax treaties

Double taxation of foreign-source income is avoided or mitigated by treaty or domestic law provisions. Belgium has concluded more than 80 tax treaties.

Stock Market

The Brussels Stock Exchange was originally chartered in 1801 by Napoleon and was incorporated in 1991. By the end of the 1990s, the Brussels Stock Exchange had 172 listed companies. In 2000, the Paris Bourse, Amsterdam Exchange, and Brussels Exchange merged to form EURONEXT, the largest exchange in Western Europe. Over 1,860 companies are listed on the exchange.

For more information on the Brussels Exchange and EURONEXT, see URL: http://www.euronext.com/en/.

Partner Links

Partner Links

Chapter 5

Social Overview

People

Cultural Demography

Because of its location at the crossroads of Western Europe, Belgium has historically been the route of invading armies from its larger neighbors. With virtually defenseless borders, Belgium has traditionally sought to avoid domination by the more powerful nations which surround it through a policy of mediation. This attitude has shaped the position of the people of Belgium in the world today.

Belgium's total population is estimated to be about than 10.8 million. Approximately 58 percent of Belgians are Fleming; 31 percent are Walloon. Following the ethnic divisions, about 58 percent of the population speaks Flemish (a Dutch dialect) while 31 percent speak French. German-speakers comprise around 9 percent of the population. Of course, there is a nominally bilingual population in the capital, Brussels. In terms of religious affiliation, 75 percent of Belgians are Roman Catholic; approximately 25 percent are Protestant.

In keeping with these ethnic, linguistic, and religious differences, present-day Belgium is divided into three "regions" and three "communities." The three regions are Flanders (the northern, Flemish-speaking part of Belgium), Wallonia (the southern, French-speaking part), and Brussels (the capital city with 19 bilingual communes). The three communities correspond to the various language groups in Belgium: Flemish-speakers, French-speakers, German-speakers, along wiht bilingualism.

The Celtics, Romans, Germans, French, Dutch, Spanish and Austrians all influenced present-day Belgian culture. Immigrants who came to Belgium from Southern Europe, Turkey, and North Africa after World War II further contributed to the country's ethnic, religious, and linguistic mix.

Human Development

With a high gross domestic product per capita, Belgium is a wealthy country. According to various recent estimates, Belgians have an average life expectancy at birth of 79.4 years of age (76.2 years for males, 82.7 years for females), and the infant mortality rate is 4.38 deaths per

1,000 live births. In terms of literacy, an estimated 99 percent of the population, age 15 and older, can read and write.

About 11.8 percent of GDP is spent on health expenditures in this country; about six percent of GDP is spent on educational expenditures. Access to education, sanitation, water, and health is regarded to be very good.

One notable measure used to determine a country's quality of life is the Human Development Index (HDI), which has been compiled annually since 1990 by the United Nations Development Programme (UNDP). The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, knowledge and education, as well as economic standard of living. In a recent ranking of 169 countries, the HDI placed Belgium in the very high human development category, at 18th place.

Editor's Note: Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI, which is calculated and updated annually, offers a wide-ranging assessment of human development in certain countries, not based solely upon traditional economic and financial indicators.

Written by Dr. Denise Youngblood Coleman, Editor in Chief, www.countrywatch.com; see Bibliography for research sources.

Human Development Index

Human Development Index

Human Development Index (Ranked Numerically)

The Human Development Index (HDI) is used to measure quality of life in countries across the world. The HDI has been compiled since 1990 by the United Nations Development Programme (UNDP) on a regular basis. The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, education, and economic standard of living. Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI offers a wide-ranging assessment of human development in certain countries, not based solely upon traditional economic and financial

indicators. For more information about the methodology used to calculate the HDI, please see the "Source Materials" in the appendices of this review.

Very High Human Development	High Human Development	Medium Human Development	Low Human Development
1. Norway	43. Bahamas	86. Fiji	128. Kenya
2. Australia	44. Lithuania	87. Turkmenistan	129. Bangladesh
3. New Zealand	45. Chile	88. Dominican Republic	130. Ghana
4. United States	46. Argentina	89. China	131. Cameroon
5. Ireland	47. Kuwait	90. El Salvador	132. Myanmar (Burma)
6. Liechtenstein	48. Latvia	91. Sri Lanka	133. Yemen
7. Netherlands	49. Montenegro	92. Thailand	134. Benin
8. Canada	50. Romania	93. Gabon	135. Madagascar
9. Sweden	51. Croatia	94. Surname	136. Mauritania
10. Germany	52. Uruguay	95. Bolivia	137. Papua New Guinea
11. Japan	53. Libya	96. Paraguay	138. Nepal
12. South Korea	54. Panama	97. Philippines	139. Togo
13. Switzerland	55. Saudi Arabia	98. Botswana	140. Comoros

14. France	56. Mexico	99. Moldova	141. Lesotho
15. Israel	57. Malaysia	100. Mongolia	142. Nigeria
16. Finland	58. Bulgaria	101. Egypt	143. Uganda
17. Iceland	59. Trinidad and Tobago	102. Uzbekistan	144. Senegal
18. Belgium	60. Serbia	103. Micronesia	145. Haiti
19. Denmark	61. Belarus	104. Guyana	146. Angola
20. Spain	62. Costa Rica	105. Namibia	147. Djibouti
21. Hong King	63. Peru	106. Honduras	148. Tanzania
22. Greece	64. Albania	107. Maldives	149. Cote d'Ivoire
23. Italy	65. Russian Federation	108. Indonesia	150. Zambia
24. Luxembourg	66. Kazakhstan	109. Kyrgyzstan	151. Gambia
25. Austria	67. Azerbaijan	110. South Africa	152. Rwanda
26. United Kingdom	68. Bosnia and Herzegovina	111. Syria	153. Malawi
27. Singapore	69. Ukraine	112. Tajikistan	154. Sudan
28. Czech Republic	70. Iran	113. Vietnam	155. Afghanistan
29. Slovenia	71. The former Yugoslav Republic of Macedonia	114. Morocco	156. Guinea

30. Andorra	72. Mauritius	115. Nicaragua	157. Ethiopia
31. Slovakia	73. Brazil	116. Guatemala	158. Sierra Leone
32. United Arab Emirates	74. Georgia	117. Equatorial Guinea	159. Central African Republic
33. Malta	75. Venezuela	118. Cape Verde	160. Mali
34. Estonia	76. Armenia	119. India	161. Burkina Faso
35. Cyprus	77. Ecuador	120. East Timor	162. Liberia
36. Hungary	78. Belize	121. Swaziland	163. Chad
37. Brunei	79. Colombia	122. Laos	164. Guinea-Bissau
38. Qatar	80. Jamaica	123. Solomon Islands	165. Mozambique
39. Bahrain	81. Tunisia	124. Cambodia	166. Burundi
40. Portugal	82. Jordan	125. Pakistan	167. Niger
41. Poland	83. Turkey	126. Congo RC	168. Congo DRC
42. Barbados	84. Algeria	127. Sao Tome and Principe	169. Zimbabwe
	85. Tonga		

Methodology:

For more information about the methodology used to calculate the HDI, please see the "Source Materials" in the appendices of this Country Review.

Reference:

As published in United Nations Development Programme's Human Development Report 2010.

Source:

United Nations Development Programme's Human Development Index available at URL: http://hdr.undp.org/en/statistics/

Updated:

Uploaded in 2011 using ranking available; reviewed in 2015

Life Satisfaction Index

Life Satisfaction Index

Life Satisfaction Index

Created by Adrian G. White, an Analytic Social Psychologist at the University of Leicester, the "Satisfaction with Life Index" measures subjective life satisfaction across various countries. The data was taken from a metastudy (see below for source) and associates the notion of subjective happiness or life satisfaction with qualitative parameters such as health, wealth, and access to basic education. This assessment serves as an alternative to other measures of happiness that tend to rely on traditional and quantitative measures of policy on quality of life, such as GNP and GDP. The methodology involved the responses of 80,000 people across the globe.

Rank	Country	Score
1	Denmark	273.4

2	Switzerland	273.33
3	Austria	260
4	Iceland	260
5	The Bahamas	256.67
6	Finland	256.67
7	Sweden	256.67
8	Iran	253.33
9	Brunei	253.33
10	Canada	253.33
11	Ireland	253.33
12	Luxembourg	253.33
13	Costa Rica	250
14	Malta	250
15	Netherlands	250
16	Antiguaand Barbuda	246.67
17	Malaysia	246.67
18	New Zealand	246.67
19	Norway	246.67

20	Seychelles	246.67
21	Saint Kitts and Nevis	246.67
22	United Arab Emirates	246.67
23	United States	246.67
24	Vanuatu	246.67
25	Venezuela	246.67
26	Australia	243.33
27	Barbados	243.33
28	Belgium	243.33
29	Dominica	243.33
30	Oman	243.33
31	Saudi Arabia	243.33
32	Suriname	243.33
33	Bahrain	240
34	Colombia	240
35	Germany	240
36	Guyana	240
37	Honduras	240

38	Kuwait	240
39	Panama	240
40	Saint Vincent and the Grenadines	240
41	United Kingdom	236.67
42	Dominican Republic	233.33
43	Guatemala	233.33
44	Jamaica	233.33
45	Qatar	233.33
46	Spain	233.33
47	Saint Lucia	233.33
48	Belize	230
49	Cyprus	230
50	Italy	230
51	Mexico	230
52	Samoa	230
53	Singapore	230
54	Solomon Islands	230
55	Trinidad and Tobago	230

56	Argentina	226.67
57	Fiji	223.33
58	Israel	223.33
59	Mongolia	223.33
60	São Tomé and Príncipe	223.33
61	El Salvador	220
62	France	220
63	Hong Kong	220
64	Indonesia	220
65	Kyrgyzstan	220
66	Maldives	220
67	Slovenia	220
68	Taiwan	220
69	East Timor	220
70	Tonga	220
71	Chile	216.67
72	Grenada	216.67
73	Mauritius	216.67

74	Namibia	216.67
75	Paraguay	216.67
76	Thailand	216.67
77	Czech Republic	213.33
78	Philippines	213.33
79	Tunisia	213.33
80	Uzbekistan	213.33
81	Brazil	210
82	China	210
83	Cuba	210
84	Greece	210
85	Nicaragua	210
86	Papua New Guinea	210
87	Uruguay	210
88	Gabon	206.67
89	Ghana	206.67
90	Japan	206.67
91	Yemen	206.67

92	Portugal	203.33
93	Sri Lanka	203.33
94	Tajikistan	203.33
95	Vietnam	203.33
96	Bhutan	200
97	Comoros	196.67
98	Croatia	196.67
99	Poland	196.67
100	Cape Verde	193.33
101	Kazakhstan	193.33
102	South Korea	193.33
103	Madagascar	193.33
104	Bangladesh	190
105	Republic of the Congo	190
106	The Gambia	190
107	Hungary	190
108	Libya	190
109	South Africa	190

110	Cambodia	186.67
111	Ecuador	186.67
112	Kenya	186.67
113	Lebanon	186.67
114	Morocco	186.67
115	Peru	186.67
116	Senegal	186.67
117	Bolivia	183.33
118	Haiti	183.33
119	Nepal	183.33
120	Nigeria	183.33
121	Tanzania	183.33
122	Benin	180
123	Botswana	180
124	Guinea-Bissau	180
125	India	180
126	Laos	180
127	Mozambique	180

128	Palestinian Authority	180
129	Slovakia	180
130	Myanmar	176.67
131	Mali	176.67
132	Mauritania	176.67
133	Turkey	176.67
134	Algeria	173.33
135	Equatorial Guinea	173.33
136	Romania	173.33
137	Bosnia and Herzegovina	170
138	Cameroon	170
139	Estonia	170
140	Guinea	170
141	Jordan	170
142	Syria	170
143	Sierra Leone	166.67
144	Azerbaijan	163.33
145	Central African Republic	163.33

146	Republic of Macedonia	163.33
147	Togo	163.33
148	Zambia	163.33
149	Angola	160
150	Djibouti	160
151	Egypt	160
152	Burkina Faso	156.67
153	Ethiopia	156.67
154	Latvia	156.67
155	Lithuania	156.67
156	Uganda	156.67
157	Albania	153.33
158	Malawi	153.33
159	Chad	150
160	Côte d'Ivoire	150
161	Niger	150
162	Eritrea	146.67
163	Rwanda	146.67

164	Bulgaria	143.33
165	Lesotho	143.33
166	Pakistan	143.33
167	Russia	143.33
168	Swaziland	140
169	Georgia	136.67
170	Belarus	133.33
171	Turkmenistan	133.33
172	Armenia	123.33
173	Sudan	120
174	Ukraine	120
175	Moldova	116.67
176	Democratic Republic of the Congo	110
177	Zimbabwe	110
178	Burundi	100

Commentary:

European countries, such as Denmark, Iceland, Finland, Sweden, Switzerland, Austria resided at the top of the ranking with highest levels of self-reported life satisfaction. Conversely, European countries such as Latvia, Lithuania, Moldova, Belarus and Ukraine ranked low on the index.

African countries such as Democratic Republic of Congo, Zimbabwe and Burundi found themselves at the very bottom of the ranking, and indeed, very few African countries could be found in the top 100. Japan was at the mid-way point in the ranking, however, other Asian countries such as Brunei and Malaysia were in the top tier, while Pakistan was close to the bottom with a low level of self-identified life satisfaction. As a region, the Middle East presented a mixed bad with Saudi Arabians reporing healthy levels of life satisfaction and Egyptians near the bottom of the ranking. As a region, Caribbean countries were ranked highly, consistently demonstrating high levels of life satisfaction. The findings showed that health was the most crucial determining factor in life satisfaction, followed by prosperity and education.

Source:

White, A. (2007). A Global Projection of Subjective Well-being: A Challenge To Positive Psychology? Psychtalk 56, 17-20. The data was extracted from a meta-analysis by Marks, Abdallah, Simms & Thompson (2006).

Uploaded:

Based on study noted above in "Source" ; reviewed in 2015

Happy Planet Index

Happy Planet Index

The Happy Planet Index (HPI) is used to measure human well-being in conjunction with environmental impact. The HPI has been compiled since 2006 by the New Economics Foundation. The index is a composite of several indicators including subjective life satisfaction, life expectancy at birth, and ecological footprint per capita.

As noted by NEFA, the HPI "reveals the ecological efficiency with which human well-being is delivered." Indeed, the index combines environmental impact with human well-being to measure the environmental efficiency with which, country by country, people live long and happy lives. The countries ranked highest by the HPI are not necessarily the ones with the happiest people overall, but the ones that allow their citizens to live long and fulfilling lives, without negatively impacting this opportunity for either future generations or citizens of other countries. Accordingly, a country like the United States will rank low on this list due to its large per capital ecological

footprint, which uses more than its fair share of resources, and will likely cause planetary damage.

It should be noted that the HPI was designed to be a counterpoint to other well-established indices of countries' development, such as Gross Domestic Product (GDP), which measures overall national wealth and economic development, but often obfuscates the realities of countries with stark variances between the rich and the poor. Moreover, the objective of most of the world's people is not to be wealthy but to be happy. The HPI also differs from the Human Development Index (HDI), which measures quality of life but not ecology, since it [HPI] also includes sustainability as a key indicator.

Rank	Country	HPI
1	Costa Rica	76.1
2	Dominican Republic	71.8
3	Jamaica	70.1
4	Guatemala	68.4
5	Vietnam	66.5
6	Colombia	66.1
7	Cuba	65.7
8	El Salvador	61.5
9	Brazil	61.0
10	Honduras	61.0
11	Nicaragua	60.5
12	Egypt	60.3

13	Saudi Arabia	59.7
14	Philippines	59.0
15	Argentina	59.0
16	Indonesia	58.9
17	Bhutan	58.5
18	Panama	57.4
19	Laos	57.3
20	China	57.1
21	Morocco	56.8
22	Sri Lanka	56.5
23	Mexico	55.6
24	Pakistan	55.6
25	Ecuador	55.5
26	Jordan	54.6
27	Belize	54.5
28	Peru	54.4
29	Tunisia	54.3
30	Trinidad and Tobago	54.2

31	Bangladesh	54.1
32	Moldova	54.1
33	Malaysia	54.0
34	Tajikistan	53.5
35	India	53.0
36	Venezuela	52.5
37	Nepal	51.9
38	Syria	51.3
39	Burma	51.2
40	Algeria	51.2
41	Thailand	50.9
42	Haiti	50.8
43	Netherlands	50.6
44	Malta	50.4
45	Uzbekistan	50.1
46	Chile	49.7
47	Bolivia	49.3
48	Armenia	48.3

49	Singapore	48.2
50	Yemen	48.1
51	Germany	48.1
52	Switzerland	48.1
53	Sweden	48.0
54	Albania	47.9
55	Paraguay	47.8
56	Palestinian Authority	47.7
57	Austria	47.7
58	Serbia	47.6
59	Finland	47.2
60	Croatia	47.2
61	Kyrgyzstan	47.1
62	Cyprus	46.2
63	Guyana	45.6
64	Belgium	45.4
65	Bosnia and Herzegovina	45.0
66	Slovenia	44.5

67	Israel	44.5
68	South Korea	44.4
69	Italy	44.0
70	Romania	43.9
71	France	43.9
72	Georgia	43.6
73	Slovakia	43.5
74	United Kingdom	43.3
75	Japan	43.3
76	Spain	43.2
77	Poland	42.8
78	Ireland	42.6
79	Iraq	42.6
80	Cambodia	42.3
81	Iran	42.1
82	Bulgaria	42.0
83	Turkey	41.7
84	Hong Kong	41.6

85	Azerbaijan	41.2
86	Lithuania	40.9
87	Djibouti	40.4
88	Norway	40.4
89	Canada	39.4
90	Hungary	38.9
91	Kazakhstan	38.5
92	Czech Republic	38.3
93	Mauritania	38.2
94	Iceland	38.1
95	Ukraine	38.1
96	Senegal	38.0
97	Greece	37.6
98	Portugal	37.5
99	Uruguay	37.2
100	Ghana	37.1
101	Latvia	36.7
102	Australia	36.6

103	New Zealand	36.2
104	Belarus	35.7
105	Denmark	35.5
106	Mongolia	35.0
107	Malawi	34.5
108	Russia	34.5
109	Chad	34.3
110	Lebanon	33.6
111	Macedonia	32.7
112	Republic of the Congo	32.4
113	Madagascar	31.5
114	United States	30.7
115	Nigeria	30.3
116	Guinea	30.3
117	Uganda	30.2
118	South Africa	29.7
119	Rwanda	29.6
120	Democratic Republic of the Congo	29.0

121	Sudan	28.5
122	Luxembourg	28.5
123	United Arab Emirates	28.2
124	Ethiopia	28.1
125	Kenya	27.8
126	Cameroon	27.2
127	Zambia	27.2
128	Kuwait	27.0
129	Niger	26.9
130	Angola	26.8
131	Estonia	26.4
132	Mali	25.8
133	Mozambique	24.6
134	Benin	24.6
135	Togo	23.3
136	Sierra Leone	23.1
137	Central African Republic	22.9
138	Burkina Faso	22.4

139	Burundi	21.8
140	Namibia	21.1
141	Botswana	20.9
142	Tanzania	17.8
143	Zimbabwe	16.6

Source: *This material is derived from the Happy Planet Index issued by the New Economics Foundation (NEF).*

Methodology: *The methodology for the calculations can be found at URL: http://www.happyplanetindex.org/*

Status of Women

Gender Related Development Index (GDI) Rank:

9th out of 140

Gender Empowerment Measure (GEM) Rank:

6th out of 80

Female Population:

5.3 million

Female Life Expectancy at birth:

82.7 years

Total Fertility Rate:

1.6

Maternal Mortality Ratio (2000):

10

Total Number of Women Living with HIV/AIDS:

2,800-9,500

Ever Married Women, Ages 15-19 (%):

1%

Mean Age at Time of Marriage:

28

Contraceptive Use Among Married Women, Any Method (%):

79%

Female Adult Literacy Rate:

almost universal

Combined Female Gross enrollment ratio for Primary, Secondary and Tertiary schools:

119%

Female-Headed Households (%):

N/A

Economically Active Females (%):

40.3%

Female Contributing Family Workers (%):

85%

Female Estimated Earned Income:

$19,951

Seats in Parliament held by women (%):

Lower or Single House: 34.7%

Upper House or Senate: 38%

Year Women Received the Right to Vote:

1919 (partial recognition)

1948 (full recognition)

Year Women Received the Right to Stand for Election:

1921 (partial recognition)

1928 (full recognition)

*The Gender Development Index (GDI) is a composite index which measures the average achievement in a country. While very similar to the Human Development Index in its use of the same variables, the GDI adjusts the average achievement of each country in terms of life expectancy, enrollment in schools, income, and literacy in accordance to the disparities between males and females.

*The Gender Empowerment Measure (GEM) is a composite index measuring gender inequality in three of the basic dimensions of empowerment; economic participation and decision-making, political participation and decision-making, and power over economic resources.

*Total Fertility Rate (TFR) is defined as the average number of babies born to women during their reproductive years. A TFR of 2.1 is considered the replacement rate; once a TFR of a population reaches 2.1 the population will remain stable assuming no immigration or emigration takes place. When the TFR is greater than 2.1 a population will increase and when it is less than 2.1 a population will eventually decrease, although due to the age structure of a population it will take

years before a low TFR is translated into lower population.

*Maternal Mortality Rate is the number of deaths to women per 100,000 live births that resulted from conditions related to pregnancy and or delivery related complications.

*Economically Active Females are the share of the female population, ages 15 and above, whom supply, or are able to supply, labor for the production of goods and services.

*Female Contributing Family Workers are those females who work without pay in an economic enterprise operated by a relative living in the same household.

*Estimated Earned Income is measured according to Purchasing Power Parity (PPP) in US dollars.

Global Gender Gap Index

Global Gender Gap Index

Editor's Note:

The Global Gender Gap Index by the World Economic Forum ranks most of the world's countries in terms of the division of resources and opportunities among males and females. Specifically, the ranking assesses the gender inequality gap in these four arenas:

1. Economic participation and opportunity (salaries and high skilled employment participation levels)
2. Educational attainment (access to basic and higher level education)
3. Political empowerment (representation in decision-making structures)
4. Health and survival (life expectancy and sex ratio)

	2010 rank	2010 score	2010 rank among 2009 countries	2009 rank	2009 score	2008 rank	2008 score	2007 rank

Country								
Iceland	1	0.8496	1	1	0.8276	4	0.7999	4
Norway	2	0.8404	2	3	0.8227	1	0.8239	2
Finland	3	0.8260	3	2	0.8252	2	0.8195	3
Sweden	4	0.8024	4	4	0.8139	3	0.8139	1
New Zealand	5	0.7808	5	5	0.7880	5	0.7859	5
Ireland	6	0.7773	6	8	0.7597	8	0.7518	9
Denmark	7	0.7719	7	7	0.7628	7	0.7538	8
Lesotho	8	0.7678	8	10	0.7495	16	0.7320	26
Philippines	9	0.7654	9	9	0.7579	6	0.7568	6
Switzerland	10	0.7562	10	13	0.7426	14	0.7360	40
Spain	11	0.7554	11	17	0.7345	17	0.7281	10
South Africa	12	0.7535	12	6	0.7709	22	0.7232	20
Germany	13	0.7530	13	12	0.7449	11	0.7394	7
Belgium	14	0.7509	14	33	0.7165	28	0.7163	19
United Kingdom	15	0.7460	15	15	0.7402	13	0.7366	11
Sri Lanka	16	0.7458	16	16	0.7402	12	0.7371	15

Netherlands	17	0.7444	17	11	0.7490	9	0.7399	12
Latvia	18	0.7429	18	14	0.7416	10	0.7397	13
United States	19	0.7411	19	31	0.7173	27	0.7179	31
Canada	20	0.7372	20	25	0.7196	31	0.7136	18
Trinidad and Tobago	21	0.7353	21	19	0.7298	19	0.7245	46
Mozambique	22	0.7329	22	26	0.7195	18	0.7266	43
Australia	23	0.7271	23	20	0.7282	21	0.7241	17
Cuba	24	0.7253	24	29	0.7176	25	0.7195	22
Namibia	25	0.7238	25	32	0.7167	30	0.7141	29
Luxembourg	26	0.7231	26	63	0.6889	66	0.6802	58
Mongolia	27	0.7194	27	22	0.7221	40	0.7049	62
Costa Rica	28	0.7194	28	27	0.7180	32	0.7111	28
Argentina	29	0.7187	29	24	0.7211	24	0.7209	33
Nicaragua	30	0.7176	30	49	0.7002	71	0.6747	90
Barbados	31	0.7176	31	21	0.7236	26	0.7188	n/a
Portugal	32	0.7171	32	46	0.7013	39	0.7051	37
Uganda	33	0.7169	33	40	0.7067	43	0.6981	50

Moldova	34	0.7160	34	36	0.7104	20	0.7244	21
Lithuania	35	0.7132	35	30	0.7175	23	0.7222	14
Bahamas	36	0.7128	36	28	0.7179	n/a	n/a	n/a
Austria	37	0.7091	37	42	0.7031	29	0.7153	27
Guyana	38	0.7090	38	35	0.7108	n/a	n/a	n/a
Panama	39	0.7072	39	43	0.7024	34	0.7095	38
Ecuador	40	0.7072	40	23	0.7220	35	0.7091	44
Kazakhstan	41	0.7055	41	47	0.7013	45	0.6976	32
Slovenia	42	0.7047	42	52	0.6982	51	0.6937	49
Poland	43	0.7037	43	50	0.6998	49	0.6951	60
Jamaica	44	0.7037	44	48	0.7013	44	0.6980	39
Russian Federation	45	0.7036	45	51	0.6987	42	0.6994	45
France	46	0.7025	46	18	0.7331	15	0.7341	51
Estonia	47	0.7018	47	37	0.7094	37	0.7076	30
Chile	48	0.7013	48	64	0.6884	65	0.6818	86
Macedonia, FYR	49	0.6996	49	53	0.6950	53	0.6914	35
Bulgaria	50	0.6983	50	38	0.7072	36	0.7077	25

Kyrgyz Republic	51	0.6973	51	41	0.7058	41	0.7045	70
Israel	52	0.6957	52	45	0.7019	56	0.6900	36
Croatia	53	0.6939	53	54	0.6944	46	0.6967	16
Honduras	54	0.6927	54	62	0.6893	47	0.6960	68
Colombia	55	0.6927	55	56	0.6939	50	0.6944	24
Singapore	56	0.6914	56	84	0.6664	84	0.6625	77
Thailand	57	0.6910	57	59	0.6907	52	0.6917	52
Greece	58	0.6908	58	85	0.6662	75	0.6727	72
Uruguay	59	0.6897	59	57	0.6936	54	0.6907	78
Peru	60	0.6895	60	44	0.7024	48	0.6959	75
China	61	0.6881	61	60	0.6907	57	0.6878	73
Botswana	62	0.6876	62	39	0.7071	63	0.6839	53
Ukraine	63	0.6869	63	61	0.6896	62	0.6856	57
Venezuela	64	0.6863	64	69	0.6839	59	0.6875	55
Czech Republic	65	0.6850	65	74	0.6789	69	0.6770	64
Tanzania	66	0.6829	66	73	0.6797	38	0.7068	34
Romania	67	0.6826	67	70	0.6805	70	0.6763	47

Malawi	68	0.6824	68	76	0.6738	81	0.6664	87
Paraguay	69	0.6804	69	66	0.6868	100	0.6379	69
Ghana	70	0.6782	70	80	0.6704	77	0.6679	63
Slovak Republic	71	0.6778	71	68	0.6845	64	0.6824	54
Vietnam	72	0.6776	72	71	0.6802	68	0.6778	42
Dominican Republic	73	0.6774	73	67	0.6859	72	0.6744	65
Italy	74	0.6765	74	72	0.6798	67	0.6788	84
Gambia, The	75	0.6762	75	75	0.6752	85	0.6622	95
Bolivia	76	0.6751	76	82	0.6693	80	0.6667	80
Brueni Darussalem	77	0.6748	77	94	0.6524	99	0.6392	n/a
Albania	78	0.6726	78	91	0.6601	87	0.6591	66
Hungary	79	0.6720	79	65	0.6879	60	0.6867	61
Madagascar	80	0.6713	80	77	0.6732	74	0.6736	89
Angola	81	0.6712	81	106	0.6353	114	0.6032	110
Bangladesh	82	0.6702	82	93	0.6526	90	0.6531	100
Malta	83	0.6695	83	88	0.6635	83	0.6634	76
Armenia	84	0.6669	84	90	0.6619	78	0.6677	71

Brazil	85	0.6655	85	81	0.6695	73	0.6737	74
Cyprus	86	0.6642	86	79	0.6706	76	0.6694	82
Indonesia	87	0.6615	87	92	0.6580	93	0.6473	81
Georgia	88	0.6598	88	83	0.6680	82	0.6654	67
Tajikistan	89	0.6598	89	86	0.6661	89	0.6541	79
El Salvador	90	0.6596	90	55	0.6939	58	0.6875	48
Mexico	91	0.6577	91	98	0.6503	97	0.6441	93
Zimbabwe	92	0.6574	92	95	0.6518	92	0.6485	88
Belize	93	0.6536	93	87	0.6636	86	0.6610	94
Japan	94	0.6524	94	101	0.6447	98	0.6434	91
Mauritius	95	0.6520	95	96	0.6513	95	0.6466	85
Kenya	96	0.6499	96	97	0.6512	88	0.6547	83
Cambodia	97	0.6482	97	104	0.6410	94	0.6469	98
Malaysia	98	0.6479	98	100	0.6467	96	0.6442	92
Maldives	99	0.6452	99	99	0.6482	91	0.6501	99
Azerbaijan	100	0.6446	100	89	0.6626	61	0.6856	59
Senegal	101	0.6414	101	102	0.6427	n/a	n/a	n/a
Suriname	102	0.6407	102	78	0.6726	79	0.6674	56

United Arab Emirates	103	0.6397	103	112	0.6198	105	0.6220	105
Korea, Rep.	104	0.6342	104	115	0.6146	108	0.6154	97
Kuwait	105	0.6318	105	105	0.6356	101	0.6358	96
Zambia	106	0.6293	106	107	0.6310	106	0.6205	101
Tunisia	107	0.6266	107	109	0.6233	103	0.6295	102
Fiji	108	0.6256	108	103	0.6414	n/a	n/a	n/a
Guatemala	109	0.6238	109	111	0.6209	112	0.6072	106
Bahrain	110	0.6217	110	116	0.6136	121	0.5927	115
Burkina Faso	111	0.6162	111	120	0.6081	115	0.6029	117
India	112	0.6155	112	114	0.6151	113	0.6060	114
Mauritania	113	0.6152	113	119	0.6103	110	0.6117	111
Cameroon	114	0.6110	114	118	0.6108	117	0.6017	116
Nepal	115	0.6084	115	110	0.6213	120	0.5942	125
Lebanon*	116	0.6084	n/a	n/a	n/a	n/a	n/a	n/a
Qatar	117	0.6059	116	125	0.5907	119	0.5948	109
Nigeria	118	0.6055	117	108	0.6280	102	0.6339	107
Algeria	119	0.6052	118	117	0.6119	111	0.6111	108

Jordan	120	0.6048	119	113	0.6182	104	0.6275	104
Ethiopia	121	0.6019	120	122	0.5948	122	0.5867	113
Oman	122	0.5950	121	123	0.5938	118	0.5960	119
Iran	123	0.5933	122	128	0.5839	116	0.6021	118
Syria	124	0.5926	123	121	0.6072	107	0.6181	103
Egypt	125	0.5899	124	126	0.5862	124	0.5832	120
Turkey	126	0.5876	125	129	0.5828	123	0.5853	121
Morocco	127	0.5767	126	124	0.5926	125	0.5757	122
Benin	128	0.5719	127	131	0.5643	126	0.5582	123
Saudi Arabia	129	0.5713	128	130	0.5651	128	0.5537	124
Côte d'Ivoire*	130	0.5691	n/a	n/a	n/a	n/a	n/a	n/a
Mali	131	0.5680	129	127	0.5860	109	0.6117	112
Pakistan	132	0.5465	130	132	0.5458	127	0.5549	126
Chad	133	0.5330	131	133	0.5417	129	0.5290	127
Yemen	134	0.4603	132	134	0.4609	130	0.4664	128
Belarus	n/a	n/a	n/a	34	0.7141	33	0.7099	23
Uzbekistan	n/a	n/a	n/a	58	0.6913	55	0.6906	41

*new country 2010

Commentary:

According to the report's index, Nordic countries, such as Iceland, Norway, Finland, and Sweden have continued to dominate at the top of the ranking for gender equality. Meanwhile, France has seen a notable decline in the ranking, largely as a result of decreased number of women holding ministerial portfolios in that country. In the Americas, the United States has risen in the ranking to top the region, predominantly as a result of a decreasing wage gap, as well as higher number of women holding key positions in the current Obama administration. Canada has continued to remain as one of the top ranking countries of the Americas, followed by the small Caribbean island nation of Trinidad and Tobago, which has the distinction of being among the top three countries of the Americans in the realm of gender equality. Lesotho and South African ranked highly in the index, leading not only among African countries but also in global context. Despite Lesotho still lagging in the area of life expectancy, its high ranking was attributed to high levels of female participation in the labor force and female literacy. The Philippines and Sri Lanka were the top ranking countries for gender equality for Asia, ranking highly also in global context. The Philippines has continued to show strong performance in all strong performance on all four dimensions (detailed above) of the index. Finally, in the Arab world, the United Arab Emirates held the highest-rank within that region of the world; however, its placement near the bottom of the global list highlights the fact that Arab countries are generally poor performers when it comes to the matter of gender equality in global scope.

Source:

This data is derived from the latest edition of The Global Gender Gap Report by the World Economic Forum.

Available at URL:

http://www.weforum.org/en/Communities/Women%20Leaders%20and%20Gender%20Parity/Gende

Updated:

Based on latest available data as set forth in chart; reviewed in 2014

Culture and Arts

Culture and Arts of Belgium

Music

During the Renaissance, Belgium composers such as Guillaume Dufay (1400 –1474), Gilles Binchois (1400 – 1460) and Jean d'Okeghem (1450-1550) wrote pieces primarily for the church. Other composers include Caesar Frank (1822-1890) and (Jean Absil (1893 – 1974). Adolphe Sax (1814 – 1894), musician and inventor, is said to have perfected the sound of the bass-clarinet and invented, among other instruments, the saxophone.

Belgium has been hot spot for jazz ever since jazz was introduced to Europe. Some of the most innovative jazz musicians have called Brussels home and musicians from around the world have gathered there for jazz festivals. Jean "Toots" Theilemans is responsible for integrating the harmonica (or harp) into jazz music. Philip Catherine is a very important jazz composer and guitarist. Unfortunately, more musicians have been born in Belgium than actually stay; several Belgian jazzmen have immigrated to France and North America. However, for a while the reverse was true, Brussels was a music haven for many musicians who did not find the same sort of racial discrimination in Belgium that was found in the United States.

Loved the world over, Jacques Brel (1929 – 1978), composer/singer/poet/film director, is one of Belgium's favorite chansons. Brel's songs are poetic, poignant and embody a voice that many consider to be truly Belgian.

In the 1980's, electronic music received an energetic boost by the popular band Front 242 whose music has evolved into the industrial sound over the years and whose band members have branched out by creating and joining up with other music groups.

Vaya Con Dios has made an impression on the world of music with their unique and attractive sound. In the 1990's, Zap Mama, an African based rhythm / female a cappella group, has done well internationally.

All About Belgium: Art and Culture: Music:
http://belgium.fgov.be/abtb/culture/en_708000.htm

Belgian Pop and Rock Archives:
http://www.ping.be/houbi/belpop.shtml

Jazz in Belgium:
http://www.jazzinbelgium.org/home.htm

Weborgers: Belgian Jazz Men:
http://www.geocities.com/Paris/Cafe/2877/jazz/jazz.html

Art

The most prolific artist of the Renaissance in Belgium is Jean Van Eyck (1390 – 1441), the Flemish painter, who mastered the (then) new medium of oil painting.

Several other important artists include Roger van der Weyden (1400? – 1464) known for his emotionally expressive artwork particularly seen in his masterpiece "The Decent from the Cross", Pierre Bruegel the Elder (1525 – 1569) who painted unrivaled landscapes that depict rural life, classical and religious scenes, Peter Paul Rubens (1577-1640) a baroque master, famous for the paintings of voluptuous women, the portraits of Marie de Medici and haunting religious scenes (he was able to enjoy international success within his lifetime and his artistic greatness enabled him to be an ambassador to the major courts of Europe), and Anthony van Dyck (1599-1641) a student of Rubens.

Important artists of the last few centuries include James Ensor (1860-1949) whose art work, etchings and drawings, is considered to be a precursor to the Surrealist movement. Ensor's work at the height of this career reveals a dark and absurd sense of the society he lived in, illustrated by his use of skeletons and masks replacing the human form. Surrealists, Rene Magritte (1898-1967) and Paul Delvaux (1897-1994) changed the perceptions of twentieth century art with their artwork that played with the concepts of perceived reality and irony, and imagined the world of the "pre-consciousness". Jean-Michel Folon (1934) is an important living artist.

Belgian architects Victor Horta (1861 – 1947) and Henri Clemens van de Velde (1863 – 1957) worked in the Art Nouveau style.

Great Belgium filmmakers include André Delvaux, Chantal Akerman, Henri Storck (documentary), Jaco Van Dormael and Stijn Coninx. Raoul Servais and Nicole Van Goethem (1941-2000) are award winning animators.

Literature

The literary culture in Belgium is as divided as the languages that culturally divide the country. In the past the languages marked class divisions. Flemish speakers did not share the same social prestige as the French. The French speakers in Walloon and Brussels controlled the political power

and social direction until the nineteenth century. Thus, French was the language used most often in literary circles in Belgium. It was not until the Romantic Movement of the 19th century that influenced so much of the Nationalistic fervor throughout Europe, that Flemish writers began to revive their literary voice.

Another problem that continued to hurt Belgium's literary culture was not only the language division but also the fact that both Flemish and French speakers found their cultural identity relied upon the larger neighboring countries of France and the Netherlands rather than Belgium. One person to create a solutions to this problem was Charles De Costers (1829-1879) who created the first Belgian hero in the epic novel La Legend et les aventures d'Ulenpiegel. The novel gave Belgium a national literary identity; the novel itself was written in French, but the hero is a man from Flanders.

Hendrik Conscience (1812 – 1883) is known as the father of modern Flemish literature, and is linked to the birth of the Flemish Renaissance. He is best known for the book De leeuw van Vlaandereen (The Lion of Flanders). Another instrumental writer in the Flemish Revival is the poet, Guido Gezelle (1830 –1899).

Camille Lemonnier's (1844 – 1913) naturalist approach to the Belgian themes and sensitive portrayal of Belgian characters has lead him to be known as a founder of the Belgian literary renaissance

Essayist, dramatist and poet Maurice Maeterlinck (1862-1949) was awarded the Nobel Prize in for literature in 1911. He is the definitive writer of the Symbolist movement and Belgium's greatest playwright.

In 1937 , writer Charles Pilsner (1892-1952) became the ringleader of a group of French speaking Belgian writers known as the Monday Group. This group wanted to again cut ties with Belgium and reassert the literary identity with France.

Other important writers include Jean Ray (1887 – 1954) writer of fantasy, Georges Simenon (1903 – 1989) who wrote popular detective stories, and Hugo Claus (b. 1929), the Flemish poet, essayist, novelist, and playwright is best known for Het verdriet van Belgie (The Sorrow of Belgium).

Cuisine

Influenced by France and Germany, yet keeping its roots in the culinary tradition of the Middle Ages, Belgium cuisine is considered to be among the finest in Europe; gourmands have suggested that Belgian cuisine is only rivaled by France. Mussels, potatoes, slow roasted meats, asparagus, cheese, rich sauces and the wonderful Belgian endive grace the table of restaurants, pubs, and

homes.

Belgium claims to have invented beer, waffles, french fries or frites, and although it does not lay claim to the invention of chocolate, Belgium certainly claims to have perfected it. Whether or not it is true that Belgians invented beer, (certain countries challenge that claim) Belgium does have at least 127 breweries, and throughout the country several hundred types of beer are produced. Beer is in fact the national drink of Belgium.

Note: Several monasteries run breweries; food and beer lovers can go to the Orval monastery which features a brewery, bakery and dairy are sure to find spiritual and gastronomic fulfillment.

Etiquette

Cultural Dos and Taboos

1. In business, handshaking upon arriving in a room and again, before leaving is the expected form of greeting. In social situations, among friends and family, Belgians tend to touch cheeks and kiss air three times, (alternating cheeks). This practice is applicable to both men and women.

2. When introductions are involved, err on the side of formality, using full names rather than first names, unless instructed to do otherwise. Addressing someone by first name is reserved for friends and family.

3. Noting that Belgium is a country with three languages: French, German, and Flemish, adjust your communication style accordingly. With French speakers, address people as *Monsieur* and *Madame* or *Mademoiselle*. Alternatively, with German or Flemish speakers, the English terms Mr. And Miss, Mrs., or Ms. instead.

4. Along these aforementioned lines, remember that Belgians are very sensitive about their country's cultural and linguistic divisions. Be sure to show deference and sensitivity to these issues.

5. Punctuality in business is expected, and appointments for meetings should be made well in advance of meetings. Likewise, be sure to respond promptly to calls or inquiries and adhere in a timely manner to all deadlines.

6. Note that business hours in Belgium are significantly shorter than in other parts of the world and

Belgians take lengthy annual vacations. Take these differences into account when making appointments or considering schedules and projections.

7. To be invited to a Belgian home is a great honor. Be punctual and adhere to strict European table manners. Also, avoid eating until invited to do so, do not drink until a toast is given, and be complimentary in regard to the culinary fare. If you decide to bring a gift, choose exotic flowers or chocolates for the hostess and present it before the meal. Avoid gift-giving in business contexts where it is not a customary practice.

8. In conversation avoid discussions of anything too personal. Religion, for example, is not a good topic of conversation. General cultural subjects such as art, music and literature, or even sports, are more appropriate arenas for discussion.

9. Belgians are reserved and formal culturally, and so special attention should be given to gestures (and specifically to avoiding inappropriate ones). Snapping the fingers of both hands, talking with the hands in the pocket or pointing with the index finger are all considered to be inappropriate. (Naturally, these are generalizations and should be regarded only as a general guide.)

10. For business attire, conservative dress in well-tailored suits for both men and women is advised. Pay attention to other items such as shoes, watches and jewelry as well. Proper attire is also customary on Sundays when Belgians often visit their friends and family, or enjoy day outings after church. More than most places in the world, being well-dressed in entirely relevant to personal and professional self-presentation. Casual or flamboyant wear is ill-advised.

Travel Information

Please Note: This is a generalized travel guide and it is intended to coalesce several resources that a traveler might find useful, regardless of a particular destination. As such, it does not include travel warnings for specific "hot spot" destinations.

For travel alerts and warnings, please see the United States Department of State's listings available at URL: http://travel.state.gov/content/passports/english/alertswarnings.html

Please note that travel to the following countries, based on these warnings, is ill-advised, or should be undertaken with the utmost precautions:

Afghanistan, Algeria, Burundi, Cameroon, Central African Republic, Chad, Colombia, Democratic Republic of Congo, Djibouti, El Salvador, Eritrea, Ethiopia, Guinea, Honduras, Iraq, Iran, Lebanon, Liberia, Libya,

Mali, Mauritania, Mexico, Nepal, Niger, Nigeria, North Korea, Pakistan, Palestinian Territories of West Bank and Gaza, Philippines areas of Sulu Archipelago, Mindanao, and southern Sulu Sea, Saudi Arabia, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Ukraine, Venezuela, and Yemen.

International Travel Guide

Checklist for Travelers

1. Take out travel insurance to cover hospital treatment or medical evacuation. Overseas medical costs are expensive to most international travelers, where one's domestic, nationalized or even private health insurance plans will not provide coverage outside one's home country. Learn about "reciprocal insurance plans" that some international health care companies might offer.
2. Make sure that one's travel insurance is appropriate. If one intends to indulge in adventurous activities, such as parasailing, one should be sure that one is fully insured in such cases. Many traditional insurance policies do not provide coverage in cases of extreme circumstances.
3. Take time to learn about one's destination country and culture. Read and learn about the place one is traveling. Also check political, economic and socio-cultural developments at the destination by reading country-specific travel reports and fact sheets noted below.
4. Get the necessary visas for the country (or countries) one intends to visit - but be aware that a visa does not guarantee entry. A number of useful sites regarding visa and other entry requirements are noted below.
5. Keep in regular contact with friends and relatives back at home by phone or email, and be sure to leave a travel itinerary.
6. Protect one's personal information by making copies of one's passport details, insurance policy, travelers checks and credit card numbers. Taking copies of such documents with you, while leaving another collection copies with someone at home is also good practice for travelers. Taking copies of one's passport photograph is also recommended.
7. Stay healthy by taking all possible precautions against illness. Also, be sure to take extra supplies of prescription drugs along for the trip, while also taking time to pack general pharmaceutical supplies, such as aspirin and other such painkillers, bandages, stomach ailment medication, anti-inflammatory medication and anti-bacterial medication.
8. Do not carry illicit drugs. Understand that the punishment for possession or use of illegal drugs in some countries may be capital punishment. Make sure your prescription drugs are legal in the countries you plan to visit.
9. Know the laws of one's destination country and culture; be sure to understand the repercussions of breaking those laws and regulations. Often the transparency and freedoms of the juridical system at home is not consistent with that of one's destination country. Become aware of these complexities and subtleties before you travel.

10. For longer stays in a country, or where the security situation is volatile, one should register one's self and traveling companions at the local embassy or consulate of one's country of citizenship.
11. Women should take care to be prepared both culturally and practically for traveling in a different country and culture. One should be sure to take sufficient supplies of personal feminine products and prescription drugs. One should also learn about local cultural standards for women, including norms of dressing. Be aware that it is simply inappropriate and unsafe for women to travel alone in some countries, and take the necessary precautions to avoid risk-filled situations.
12. If one is traveling with small children, one should pack extra supplies, make arrangements with the travel carrier for proper seating that would adequately accommodate children, infants or toddlers. Note also that whether one is male of female, traveling with children means that one's hands are thus not free to carry luggage and bags. Be especially aware that this makes one vulnerable to pickpockets, thieves and other sorts of crime.
13. Make proper arrangements for accommodations, well in advance of one's arrival at a destination. Some countries have limited accommodation, while others may have culturally distinctive facilities. Learning about these practicalities before one travels will greatly aid the enjoyment of one's trip.
14. Travel with different forms of currency and money (cash, traveler's checks and credit cards) in anticipation that venues may not accept one or another form of money. Also, ensuring that one's financial resources are not contained in one location, or by one person (if one is traveling with others) can be a useful measure, in the event that one loses a wallet or purse.
15. Find out about transportation in the destination country. In some places, it might be advisable to hire a local driver or taxi guide for safety reasons, while in other countries, enjoying one's travel experience may well be enhanced by renting a vehicle and seeing the local sights and culture independently. Costs may also be prohibitive for either of these choices, so again, prior planning is suggested.

Tips for Travelers

• Check with your embassy, consulate, or appropriate government institution related to travel before traveling.

• Take out adequate travel insurance, including medical insurance.

• Don't carry drugs. Penalties can be severe.

• Be aware that mugging, bag snatching and pick pocketing is common - even in reputable hotels. Visitors should be extra vigilant in Brussels at major railway stations, on the underground, buses and trams especially in the vicinity of Rondpoint Schuman (EC quarter) and Gare du Midi. Antwerp, Liege, Ostend and Bruges are less affected.

• Carjacking, especially of luxurious vehicles remains a constant risk.

• Do not leave valuables, i.e. handbags, mobile phones etc visible in your car and keep car doors locked at all times. Keep belongings in a safe place.

• Leave valuables and bank/credit card details in a secure place e.g. hotel safe deposit.

• Bring enough money for your stay.

• Only take a minimal amount of cash, credit cards and personal ID when you go out.

• For safety, leave a photocopy of your passport and your itinerary with a contact in the your home country. Enter next of kin details into the back of your passport.

Note: This information is directly quoted from the United Kingdom Foreign and Commonwealth Office.

Sources: *United Kingdom Foreign and Commonwealth Office*

Business Culture: Information for Business Travelers

Belgium has three national languages: Dutch (sometimes referred to as Flemish), French, and German. English is also frequently understood throughout Belgium. In Flanders, the northern region of Belgium, Dutch is the predominant language while in Wallonia, the southern region, most people speak French. Residents in a small section of Belgium near Germany speak German as their primary language. Brussels, the center region, is officially bilingual, speaking both Dutch and French.

As in any other country, language is a crucial part of doing business in Belgium. Many documents must be filed in at least one of the three national languages. It would benefit companies to have personnel who speak one of the languages, or to seek the help of a professional translator.

Sources: *United States Department of State Commercial Guides*

For more general information on etiquette in Belgium see our Cultural Etiquette page.

Online Resources Regarding Entry Requirements and Visas

Online Resources Regarding Entry Requirements and Visas

Foreign Entry Requirements for Americans from the United States Department of State
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1765.html

Visa Services for Non-Americans from the United States Department of State
http://travel.state.gov/visa/visa_1750.html

Visa Bulletins from the United States Department of State
http://travel.state.gov/visa/frvi/bulletin/bulletin_1360.html

Visa Waivers from the United States Department of State
http://travel.state.gov/visa/temp/without/without_1990.html - new

Passport and Visa Information from the Government of the United Kingdom
http://www.bia.homeoffice.gov.uk/

Visa Information from the Government of Australia
http://www.dfat.gov.au/visas/index.html

Passport Information from the Government of Australia
https://www.passports.gov.au/Web/index.aspx

Passport Information from the Government of Canada
http://www.voyage.gc.ca/preparation_information/passport_passeport-eng.asp

Visa Information from the Government of Canada
http://www.voyage.gc.ca/preparation_information/visas-eng.asp

Online Visa Processing by Immigration Experts by VisaPro
http://www.visapro.com

Sources: United States Department of State, United Kingdom Foreign and Commonwealth Office, Government of Australia: Department of Foreign Affairs and Trade, Government of Canada Department of Foreign Affairs and International Trade

Useful Online Resources for Travelers

Country-Specific Travel Information from United States
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1765.html

Travel Advice by Country from Government of United Kingdom
http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/

General Travel Advice from Government of Australia
http://www.smartraveller.gov.au/zw-cgi/view/Advice/General

Travel Bulletins from the Government of Australia
http://www.smartraveller.gov.au/zw-cgi/view/TravelBulletins/

Travel Tips from Government of Australia
http://www.smartraveller.gov.au/tips/index.html

Travel Checklist by Government of Canada
http://www.voyage.gc.ca/preparation_information/checklist_sommaire-eng.asp

Travel Checklist from Government of United Kingdom
http://www.fco.gov.uk/en/travelling-and-living-overseas/staying-safe/checklist

Your trip abroad from United States Department of State
http://travel.state.gov/travel/tips/brochures/brochures_1225.html

A safe trip abroad from United States Department of State
http://travel.state.gov/travel/tips/safety/safety_1747.html

Tips for expatriates abroad from United States Department of State
http://travel.state.gov/travel/living/residing/residing_1235.html

Tips for students from United States Department of State
http://travel.state.gov/travel/living/studying/studying_1238.html http://travel.state.gov/travel/tips/broc

Medical information for travelers from United States Department of State
http://travel.state.gov/travel/tips/health/health_1185.html

US Customs Travel information
http://www.customs.gov/xp/cgov/travel/

Sources: United States Department of State; United States Customs Department, United Kingdom Foreign and Commonwealth Office, Foreign and Commonwealth Office, Government of Australia; Government of Canada: Department of Foreign Affairs and International Trade

Other Practical Online Resources for Travelers

Foreign Language Phrases for Travelers
http://www.travlang.com/languages/
http://www.omniglot.com/language/phrases/index.htm

World Weather Forecasts
http://www.intellicast.com/
http://www.wunderground.com/
http://www.worldweather.org/

Worldwide Time Zones, Map, World Clock
http://www.timeanddate.com/
http://www.worldtimezone.com/

International Airport Codes
http://www.world-airport-codes.com/

International Dialing Codes
http://www.kropla.com/dialcode.htm
http://www.countrycallingcodes.com/

International Phone Guide
http://www.kropla.com/phones.htm

International Mobile Phone Guide
http://www.kropla.com/mobilephones.htm

International Internet Café Search Engine
http://cybercaptive.com/

Global Internet Roaming
http://www.kropla.com/roaming.htm

World Electric Power Guide
http://www.kropla.com/electric.htm
http://www.kropla.com/electric2.htm

World Television Standards and Codes
http://www.kropla.com/tv.htm

International Currency Exchange Rates
http://www.xe.com/ucc/

Banking and Financial Institutions Across the World
http://www.123world.com/banks/index.html

International Credit Card or Automated Teller Machine (ATM) Locator
http://visa.via.infonow.net/locator/global/
http://www.mastercard.com/us/personal/en/cardholderservices/atmlocations/index.html

International Chambers of Commerce
http://www.123world.com/chambers/index.html

World Tourism Websites
http://123world.com/tourism/

Diplomatic and Consular Information

United States Diplomatic Posts Around the World
http://www.usembassy.gov/

United Kingdom Diplomatic Posts Around the World
http://www.fco.gov.uk/en/about-the-fco/embassies-and-posts/find-an-embassy-overseas/

Australia's Diplomatic Posts Around the World
http://www.dfat.gov.au/missions/
http://www.dfat.gov.au/embassies.html

Canada's Embassies and High Commissions
http://www.international.gc.ca/ciw-cdm/embassies-ambassades.aspx

Resources for Finding Embassies and other Diplomatic Posts Across the World
http://www.escapeartist.com/embassy1/embassy1.htm

Safety and Security

Travel Warnings by Country from Government of Australia
http://www.smartraveller.gov.au/zw-cgi/view/Advice/

Travel Warnings and Alerts from United States Department of State
http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html
http://travel.state.gov/travel/cis_pa_tw/pa/pa_1766.html

Travel Reports and Warnings by Government of Canada
http://www.voyage.gc.ca/countries_pays/menu-eng.asp
http://www.voyage.gc.ca/countries_pays/updates_mise-a-jour-eng.asp

Travel Warnings from Government of United Kingdom
http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/
http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/?action=noTravelAll#noTravelAll

Sources: United Kingdom Foreign and Commonwealth Office, the United States Department of State, the Government of Canada: Department of Foreign Affairs and International Trade, Government of Australia: Department of Foreign Affairs and Trade

Other Safety and Security Online Resources for Travelers

United States Department of State Information on Terrorism
http://www.state.gov/s/ct/

Government of the United Kingdom Resource on the Risk of Terrorism
http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1044011304926

Government of Canada Terrorism Guide
http://www.international.gc.ca/crime/terrorism-terrorisme.aspx?lang=eng

Information on Terrorism by Government of Australia
http://www.dfat.gov.au/icat/index.html

FAA Resource on Aviation Safety
http://www.faasafety.gov/

In-Flight Safety Information for Air Travel (by British Airways crew trainer, Anna Warman)
http://www.warman.demon.co.uk/anna/inflight.html

Hot Spots: Travel Safety and Risk Information
http://www.airsecurity.com/hotspots/HotSpots.asp

Information on Human Rights
http://www.state.gov/g/drl/hr/

Sources: The United States Department of State, the United States Customs Department, the Government of Canada, the Government of United Kingdom, the Government of Australia, the Federal Aviation Authority, Anna Warman's In-flight Website, Hot Spots Travel and Risk Information

Diseases/Health Data

Please Note: Most of the entry below constitutes a generalized health advisory, which a traveler might find useful, regardless of a particular destination.

As a supplement, however, reader will also find below a list of countries flagged with current health notices and alerts issued by the Centers for Disease Control and Prevention (CDC). Please note that travel to the following countries, based on these 3 levels of warnings, is ill-advised, or should be undertaken with the utmost precaution:

Level 3 (highest level of concern; avoid non-essential travel) --

Guinea - Ebola
Liberia - Ebola
Nepal - Eathquake zone
Sierra Leone - Ebola

Level 2 (intermediate level of concern; use utmost caution during travel) --

Cameroon - Polio
Somalia - Polio

Vanuatu - Tropical Cyclone zone
Throughout Middle East and Arabia Peninsula - MERS ((Middle East Respiratory Syndrome)

Level 1 (standard level of concern; use practical caution during travel) -

Australia - Ross River disease
Bosnia-Herzegovina - Measles
Brazil - Dengue Fever
Brazil - Malaria
Brazil - Zika
China - H7N9 Avian flu
Cuba - Cholera
Egypt - H5N1 Bird flu
Ethiopia - Measles
Germany - Measles
Japan - Hand, foot, and mouth disease (HFMD)
Kyrgyzstan - Measles
Malaysia -Dengue Fever
Mexico - Chikungunya
Mexico - Hepatitis A
Nigeria - Meningitis
Philippines - Measles
Scotland - Mumps
Singapore - Hand, foot, and mouth disease (HFMD)
South Korea - MERS ((Middle East Respiratory Syndrome)
Throughout Caribbean - Chikungunya
Throughout Central America - Chikungunya
Throughout South America - Chikungunya
Throughout Pacific Islands - Chikungunya

For specific information related to these health notices and alerts please see the CDC's listing available at URL:
http://wwwnc.cdc.gov/travel/notices

Health Information for Travelers to Belgium

The preventive measures you need to take while traveling in Western Europe depend on the areas you visit and the length of time you stay. For most areas of this region, you should observe health precautions similar to those that would apply while traveling in the United States.

Travelers' diarrhea**,** the number one illness in travelers, can be caused by viruses, bacteria, or parasites, which can contaminate food or water. Infections may cause diarrhea and vomiting (*E. coli*, *Salmonella*, cholera, and parasites), fever (typhoid fever and toxoplasmosis), or liver damage (hepatitis). Make sure your food and drinking water are safe. (See below.)

A certificate of yellow fever vaccination may be required for entry into certain of these countries if you are coming from countries in tropical South America or sub-Saharan Africa. (There is no risk for yellow fever in Western Europe.) For detailed information, see Comprehensive Yellow Fever Vaccination Requirements (<http://www.cdc.gov/travel/yelfever.htm).>

Tickborne encephalitis, a viral infection of the central nervous system, occurs chiefly in Central and Western Europe. Travelers are at risk who visit or work in forested areas during the summer months and who consume unpasteurized dairy products. The vaccine for this disease is not available in the United States at this time. To prevent tickborne encephalitis, as well as Lyme disease, travelers should take precautions to prevent tick bites (see below).

CDC Recommends the Following Vaccines (as Appropriate for Age):

See your doctor at least 4-6 weeks before your trip to allow time for shots to take effect.

• Hepatitis A or immune globulin (IG). You are not at increased risk in Northern, Western, and Southern Europe, including the Mediterranean regions of Italy and Greece.
• Hepatitis B, if you might be exposed to blood (for example, health-care workers), have sexual contact with the local population, stay longer than 6 months in Southern Europe, or be exposed through medical treatment.
• As needed, booster doses for tetanus-diphtheria. Hepatitis B vaccine is now recommended for all infants and for children ages 11-12 years who did not complete the series as infants.

All travelers should take the following precautions, no matter the destination:

• Wash hands often with soap and water.
• Because motor vehicle crashes are a leading cause of injury among travelers, walk and drive defensively. Avoid travel at night if possible and always use seat belts.
• Always use latex condoms to reduce the risk of HIV and other sexually transmitted diseases.
• Don't eat or drink dairy products unless you know they have been pasteurized.
• Don't share needles with anyone.
• Never eat undercooked ground beef and poultry, raw eggs, and unpasteurized dairy products. Raw shellfish is particularly dangerous to persons who have liver disease or compromised immune systems. (Travelers to Western Europe should also see the information on Bovine Spongiform Encephalopathy ["Mad Cow Disease"] and New Variant Creutzfeldt-Jakob Disease [nvCJD] at URL <http://www.cdc.gov/travel/madcow.htm.)>

Travelers to rural or undeveloped areas should take the following precautions:

To Stay Healthy, Do:

• Drink only bottled or boiled water, or carbonated (bubbly) drinks in cans or bottles. Avoid tap water, fountain drinks, and ice cubes. If this is not possible, make water safer by BOTH filtering through an "absolute 1-micron or less" filter AND adding iodine tablets to the filtered water. "Absolute 1-micron filters" are found in camping/outdoor supply stores.
• Eat only thoroughly cooked food or fruits and vegetables you have peeled yourself. Remember: boil it, cook it, peel it, or forget it.
• Protect yourself from insects by remaining in well-screened areas, using repellents (applied sparingly at 4-hour intervals), and wearing long-sleeved shirts and long pants tucked into boots or socks as a deterrent to ticks.
• To prevent fungal and parasitic infections, keep feet clean and dry, and do not go barefoot.

To Avoid Getting Sick:

• Don't eat food purchased from street vendors. Do not drink beverages with ice.
• Don't handle animals (especially monkeys, dogs, and cats), to avoid bites and serious diseases (including rabies and plague).

What You Need To Bring with You:

• Insect repellent containing DEET (diethylmethyltoluamide), in 30%-35% strength for adults and 6%-10% for children. The insecticide permethrin applied to clothing is an effective deterrent to ticks.
• Over-the-counter antidiarrheal medicine to take if you have diarrhea.
• Iodine tablets and water filters to purify water if bottled water is not available. See Food and Water Precautions and Travelers' Diarrhea Prevention (<http://www.cdc.gov/travel/foodwatr.htm)> and Risks from Food and Drink (<http://www.cdc.gov/travel/food-drink-risks.htm)> for more detailed information about water filters.
• Sunblock, sunglasses, hat.
• Prescription medications: make sure you have enough to last during your trip, as well as a copy of the prescription(s).

After You Return Home:

If you become ill after your trip-even as long as a year after you return-tell your doctor where you have traveled.

For More Information:

Ask your doctor or check the CDC web sites for more information about how to protect yourself against diseases that occur in Western Europe, such as:

For information about diseases-

Carried by Insects
Lyme disease

Carried in Food or Water
Bovine spongiform encephalopathy ("mad cow disease"), *Escherichia coli,* diarrhea, Hepatitis A, Typhoid Fever

Person-to-Person Contact
Hepatitis B, HIV/AIDS

For more information about these and other diseases, please check the Diseases (<http://www.cdc.gov/travel/diseases.htm)> section and the Health Topics A-Z (<http://www.cdc.gov/health/diseases.htm).>

Note:

Belgium is located in the Western Europe health region.

Sources:

The Center for Disease Control Destinations Website:
<http://www.cdc.gov/travel/destinat.htm>

Chapter 6

Environmental Overview

Environmental Issues

General Overview

Most of Belgium 's environmental challenges are a function of its high level of development and population density.

Current Issues

-atmospheric pollution
-noise pollution
-contamination of surface water and ground water sources
-soil contamination
-production of industrial wastes
-contamination of the sea and other trans-frontier waste issues
-steel production waste pollution affecting the drinking water in the Meuse River
-animal waste and fertilizer pollution in other rivers in the country
-air pollution contributing to acid rain in neighboring countries

Total Greenhouse Gas Emissions (Mtc)

40.4

Country Rank (GHG output)

37th

Natural Hazards

-flooding

Environmental Policy

Regulation and Jurisdiction:

The regulation and protection of the environment in Belgiumis under the jurisdiction of the following:

- State Secretariat for Public Health and Environment
- Department of Development Cooperation
- Administration of the Environment for the BrusselsRegion
- Department of the Environment and Agriculture for the Flemish Region
- Department of the Environment and Agriculture for the Walloon Region

Major Non-Governmental Organizations:

- *Les Amis de la Terre* /Friends of the Earth
- *Bond Beter Leefmilieu* (Association for a Better Environment)
- European Environmental Bureau (EEB)
- Global Legislators for a Balanced Environment (GLOBE)
- International Federation of Chemical, Energy, and General Workers' Unions (ICEF)
- Royal Zoological Society of Antwerp
- *Fonds Mondial pour la Nature* (World Wildlife Fund - Belgium)

International Environmental Accords:

Party to:

- Air Pollution
- Air Pollution-Nitrogen Oxides
- Air Pollution-Sulfur 85
- Air Pollution-Sulfur 94
- Air Pollution-Volatile Organic Compounds
- Antarctic-Environmental Protocol
- Antarctic-Marine Living Resources
- Antarctic Seals, Antarctic Treaty
- Biodiversity
- Climate Change

- Climate Change-Kyoto Protocol
- Desertification
- Endangered Species
- Environmental Modification
- Hazardous Wastes
- Law of the Sea
- Marine Dumping
- Marine Life Conservation
- Ozone Layer Protection
- Ship Pollution
- Tropical Timber 83
- Tropical Timber 94
- Wetlands

Signed but not ratified:

- Air Pollution-Persistent Organic Pollutants

Kyoto Protocol Status (year ratified):

2002

Greenhouse Gas Ranking

Greenhouse Gas Ranking

GHG Emissions Rankings

Country Rank	**Country**
1	United States
2	China
4	Russia
5	Japan
6	India
7	Germany
8	United Kingdom
9	Canada
10	Korea, South
11	Italy
12	Mexico
13	France
14	South Africa
15	Iran
16	Indonesia
17	Australia

18	Spain
19	Brazil
20	Saudi Arabia
21	Ukraine
22	Poland
23	Taiwan
24	Turkey
25	Thailand
26	Netherlands
27	Kazakhstan
28	Malaysia
29	Egypt
30	Venezuela
31	Argentina
32	Uzbekistan
33	Czech Republic
34	Belgium
35	Pakistan

36	Romania
37	Greece
38	United Arab Emirates
39	Algeria
40	Nigeria
41	Austria
42	Iraq
43	Finland
44	Philippines
45	Vietnam
46	Korea, North
47	Israel
48	Portugal
49	Colombia
50	Belarus
51	Kuwait
52	Hungary
53	Chile

54	Denmark
55	Serbia & Montenegro
56	Sweden
57	Syria
58	Libya
59	Bulgaria
60	Singapore
61	Switzerland
62	Ireland
63	Turkmenistan
64	Slovakia
65	Bangladesh
66	Morocco
67	New Zealand
68	Oman
69	Qatar
70	Azerbaijan
71	Norway

72	Peru
73	Cuba
74	Ecuador
75	Trinidad & Tobago
76	Croatia
77	Tunisia
78	Dominican Republic
79	Lebanon
80	Estonia
81	Yemen
82	Jordan
83	Slovenia
84	Bahrain
85	Angola
86	Bosnia & Herzegovina
87	Lithuania
88	Sri Lanka
89	Zimbabwe

90	Bolivia
91	Jamaica
92	Guatemala
93	Luxembourg
94	Myanmar
95	Sudan
96	Kenya
97	Macedonia
98	Mongolia
99	Ghana
100	Cyprus
101	Moldova
102	Latvia
103	El Salvador
104	Brunei
105	Honduras
106	Cameroon
107	Panama

108	Costa Rica
109	Cote d'Ivoire
110	Kyrgyzstan
111	Tajikistan
112	Ethiopia
113	Senegal
114	Uruguay
115	Gabon
116	Albania
117	Nicaragua
118	Botswana
119	Paraguay
120	Tanzania
121	Georgia
122	Armenia
123	Congo, RC
124	Mauritius
125	Nepal

126	Mauritius
127	Nepal
128	Mauritania
129	Malta
130	Papua New Guinea
131	Zambia
132	Suriname
133	Iceland
134	Togo
135	Benin
136	Uganda
137	Bahamas
138	Haiti
139	Congo, DRC
140	Guyana
141	Mozambique
142	Guinea
143	Equatorial Guinea

144	Laos
145	Barbados
146	Niger
147	Fiji
148	Burkina Faso
149	Malawi
150	Swaziland
151	Belize
152	Afghanistan
153	Sierra Leone
154	Eritrea
155	Rwanda
156	Mali
157	Seychelles
158	Cambodia
159	Liberia
160	Bhutan
161	Maldives

162	Antigua & Barbuda
163	Djibouti
164	Saint Lucia
165	Gambia
166	Guinea-Bissau
167	Central African Republic
168	Palau
169	Burundi
170	Grenada
171	Lesotho
172	Saint Vincent & the Grenadines
173	Solomon Islands
174	Samoa
175	Cape Verde
176	Nauru
177	Dominica
178	Saint Kitts & Nevis
179	Chad

180	Tonga
181	Sao Tome & Principe
182	Comoros
183	Vanuatu
185	Kiribati
Not Ranked	Andorra
Not Ranked	East Timor
Not Ranked	Holy See
Not Ranked	Hong Kong
Not Ranked	Liechtenstein
Not Ranked	Marshall Islands
Not Ranked	Micronesia
Not Ranked	Monaco
Not Ranked	San Marino
Not Ranked	Somalia
Not Ranked	Tuvalu

* European Union is ranked 3rd
Cook Islands are ranked 184th
Niue is ranked 186th

Global Environmental Snapshot

Introduction

The countries of the world face many environmental challenges in common. Nevertheless, the nature and intensity of problem vary from region to region, as do various countries' respective capacities, in terms of affluence and infrastructure, to remediate threats to environmental quality.

Consciousness of perils affecting the global environment came to the fore in the last third or so of the 20th century has continued to intensify well into the new millennium. According to the United Nations Environment Programme, considerable environmental progress has been made at the level of institutional developments, international cooperation accords, and public participation. Approximately two-dozen international environmental protection accords with global implications have been promulgated since the late 1970s under auspices of the United Nations and other international organizations, together with many additional regional agreements. Attempts to address and rectify environmental problems take the form of legal frameworks, economic instruments, environmentally sound technologies and cleaner production processes as well as conservation efforts. Environmental impact assessments have increasingly been applied across the globe.

Environmental degradation affects the quality, or aesthetics, of human life, but it also displays potential to undermine conditions necessary for the sustainability of human life. Attitudes toward the importance of environmental protection measures reflect ambivalence derived from this bifurcation. On one hand, steps such as cleaning up pollution, dedicating parkland, and suchlike, are seen as embellishments undertaken by wealthy societies already assured they can successfully perform those functions deemed, ostensibly, more essential-for instance, public health and education, employment and economic development. On the other hand, in poorer countries, activities causing environmental damage-for instance the land degradation effects of unregulated logging, slash-and-burn agriculture, overgrazing, and mining-can seem justified insofar as such activities provide incomes and livelihoods.

Rapid rates of resource depletion are associated with poverty and high population growth, themselves correlated, whereas consumption per capita is much higher in the most developed countries, despite these nations' recent progress in energy efficiency and conservation. It is impossible to sequester the global environmental challenge from related economic, social and political challenges.

First-tier industrialized countries have recently achieved measurable decreases in environmental

pollution and the rate of resource depletion, a success not matched in middle income and developing countries. It is believed that the discrepancy is due to the fact that industrialized countries have more developed infrastructures to accommodate changes in environmental policy, to apply environmental technologies, and to invest in public education. The advanced industrialized countries incur relatively lower costs in alleviating environmental problems, in comparison to developing countries, since in the former even extensive environmental programs represent a rather minuscule percentage of total expenditures. Conversely, budget constraints, lagged provision of basic services to the population, and other factors such as debt service and militarization may preclude institution of minimal environmental protection measures in the poorest countries.

A synopsis for the current situation facing each region of the world follows:

Regional Synopsis: Africa

The African continent, the world's second-largest landmass, encompasses many of the world's least developed countries. By global standards, urbanization is comparatively low but rising at a rapid rate. More heavily industrialized areas at the northern and southern ends of the continent experience the major share of industrial pollution. In other regions the most serious environmental problems typically stem from inefficient subsistence farming methods and other forms of land degradation, which have affected an increasingly extensive area under pressure of a widely impoverished, fast-growing population. Africa's distribution of natural resources is very uneven. It is the continent at greatest risk of desertification, especially in the Sahel region at the edge of the Sahara but also in other dry-range areas. Yet at the same time, Africa also harbors some of the earth's richest and most diverse biological zones.

Key Points:

Up to half a billion hectares of African land are moderately to severely degraded, an occurrence reflecting short-fallow shifting cultivation and overgrazing as well as a climatic pattern of recurrent droughts.

Soil degradation is severe along the expanse directly south of the Sahara, from the west to the east coasts. Parts of southern Africa, central-eastern Africa, and the neighboring island of Madagascar suffer from serious soil degradation as well.

Africa contains about 17 percent of the world's forest cover, concentrated in the tropical belt of the continent. Many of the forests, however, are severely depleted, with an estimated 70 percent showing some degree of degradation.

Population growth has resulted in continuing loss of arable land, as inefficient subsistence farming

techniques affect increasingly extensive areas. Efforts to implement settled, sustainable agriculture have met with some recent success, but much further progress in this direction is needed. Especially in previously uninhabited forestlands, concern over deforestation is intensifying.

By contrast, the African savanna remains the richest grassland in the world, supporting a substantial concentration of animal and plant life. Wildlife parks are sub-Saharan Africa's greatest tourist attraction, and with proper management-giving local people a stake in conservation and controlling the pace of development-could greatly enhance African economies.

Significant numbers of mammal species in parts of northern, southern and eastern Africa are currently threatened, while the biological diversity in Mauritania and Madagascar is even further compromised with over 20 percent of the mammal species in these two countries currently under threat.

With marine catch trends increasing from 500,000 metric tons in the 1950s to over 3,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Water resource vulnerability is a major concern in northeastern Africa, and a moderate concern across the rest of the continent. An exception is central Africa, which has plentiful water supplies.

Many Africans lack adequate access to resources, not just (if at all) because the resources are unevenly distributed geographically, but also through institutional failures such as faulty land tenure systems or political upheaval. The quality of Africa's natural resources, despite their spotty distribution, is in fact extraordinarily rich. The infrastructure needed to protect and benefit from this natural legacy, however, is largely lacking.

Regional Synopsis: Asia and the Pacific

Asia-earth's largest landmass-and the many large and nearly innumerable small islands lying off its Pacific shore display extraordinarily contrasting landscapes, levels of development, and degrees of environmental stress. In the classification used here, the world's smallest continent, Australia, is also included in the Asia-Pacific region.

The Asia-Pacific region is home to 9 of the world's 14 largest urban areas, and as energy use for utilities, industry and transport increases in developing economies, urban centers are subject to worsening air quality. Intense population density in places such as Bangladesh or Hong Kong is the quintessential image many people have of Asia, yet vast desert areas such as the Gobi and the world's highest mountain range, the Himalayas, span the continent as well. Forested areas in Southeast Asia and the islands of Indonesia and the Philippines were historically prized for their

tropical hardwood, but in many places this resource is now severely depleted. Low-lying small island states are extremely vulnerable to the effects of global warming, both rising sea levels and an anticipated increase in cyclones.

Key Points:

Asian timber reserves are forecast to be depleted in the next 40 years. Loss of natural forest is irreversible in some areas, but plantation programs to restore tree cover may ameliorate a portion of the resulting land degradation.

Increased usage of fossil fuels in China and other parts of southern Asia is projected to result in a marked increase in emissions, especially in regard to carbon dioxide. The increased usage of energy has led to a marked upsurge in air pollution across the region.

Acidification is an emerging problem regionally, with sulfur dioxide emissions expected to triple by 2010 if the current growth rate is sustained. China, Thailand, India, and Korea seem to be suffering from particularly high rates of acid deposition. By contrast, Asia's most highly developed economy, Japan, has effected substantial improvements in its environmental indicators.

Water pollution in the Pacific is an urgent concern since up to 70 percent of the water discharged into the region's waters receives no treatment. Additionally, the disposal of solid wastes, in like manner, poses a major threat in a region with many areas of high population density.

The Asia-Pacific region is the largest expanse of the world's land that is adversely affected by soil degradation.

The region around Australia reportedly suffers the largest degree of ozone depletion.

The microstates of the Pacific suffer land loss due to global warming, and the consequent rise in the levels of ocean waters. A high-emissions scenario and anthropogenic climate impact at the upper end of the currently predicted range would probably force complete evacuation of the lowest-elevation islands sometime in this century.

The species-rich reefs surrounding Southeast Asia are highly vulnerable to the deleterious effects of coastal development, land-based pollution, over-fishing and exploitative fishing methods, as well as marine pollution from oil spills and other activities.

With marine catch trends increasing from 5,000,000 metric tons in the 1950s to over 20,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Significant numbers of mammal species in parts of China and south-east Asia are currently threatened, while the biological diversity in India, Japan, Australia, the Philippines, Indonesia and parts of Malaysia is even further compromised with over 20 percent of the mammal species in these countries currently under threat.

Water resource vulnerability is a serious concern in areas surrounding the Indian subcontinent.

Regional Synopsis: Central Asia

The Central Asian republics, formerly in the Soviet Union, experience a range of environmental problems as the result of poorly executed agricultural, industrial, and nuclear programs during the Soviet era. Relatively low population densities are the norm, especially since upon the breakup of the U.S.S.R. many ethnic Russians migrated back to European Russia. In this largely semi-arid region, drought, water shortages, and soil salinization pose major challenges.

Key Points:

The use of agricultural pesticides, such as DDT and other chemicals, has contributed to the contamination of soil and groundwater throughout the region.

Land and soil degradation, and in particular, increased salinization, is mostly attributable to faulty irrigation practices.

Significant desertification is also a problem in the region.

Air pollution is prevalent, mostly due to use of low octane automobile fuel.

Industrial pollution of the Caspian Sea and the Aral Sea, as a result of industrial effluents as well as mining and metal production, presents a challenge to the countries bordering these bodies of water.

One of the most severe environmental problems in the region is attributable to the several billion tons of hazardous materials stored in landfills across Central Asia.

Uzbekistan's particular problem involves the contraction of the Aral Sea, which has decreased in size by a third, as a consequence of river diversions and poor irrigation practices. The effect has been the near-total biological destruction of that body of water.

Kazakhstan, as a consequence of being the heartland of the former Soviet Union's nuclear program, has incurred a high of cancerous malignancies, biogenetic abnormalities and radioactive contamination.

While part of the Soviet Union, the republics in the region experienced very high levels of greenhouse gas emissions, as a consequence of rapid industrialization using cheap but dirty energy sources, especially coal.

By contrast, however, there have recently been substantial reductions in the level of greenhouse gas emissions, especially those attributable to coal burning, with further decreases anticipated over the next decade. These changes are partially due to the use of cleaner energy technologies, such as natural gas, augmented by governmental commitment to improving environmental standards.

Regional Synopsis: Europe

Western Europe underwent dramatic transformation of its landscape, virtually eliminating large-scale natural areas, during an era of rapid industrialization, which intensified upon its recovery from World War II. In Eastern Europe and European Russia, intensive land development has been less prevalent, so that some native forests and other natural areas remain. Air and water pollution from use of dirty fuels and industrial effluents, however, are more serious environmental problems in Eastern than in Western Europe, though recent trends show improvement in many indicators. Acid rain has inflicted heavy environmental damage across much of Europe, particularly on forests. Europe and North America are the only regions in which water usage for industry exceeds that for agriculture, although in Mediterranean nations agriculture is the largest water consumer.

Key Points:

Europe contributes 36 percent of the world's chlorofluorocarbon emissions, 30 percent of carbon dioxide emissions, and 25 percent of sulfur dioxide emissions.

Sulfur and nitrogen oxide emissions are the cause of 30 to 50 percent of Central and Eastern Europe's deforestation.

Acid rain has been an environmental concern for decades and continues to be a challenge in parts of Western Europe.

Overexploitation of up to 60 percent of Europe's groundwater presents a problem in industrial and urban areas.

With marine catch trends increasing from 5,000,000 metric tons in the 1950s to over 20,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Significant numbers of mammal species in parts of western Europe, Eastern Europe and Russia are currently threatened, while the biological diversity on the Iberian Peninsula is even further compromised with over 40 percent of the mammal species in this region currently under threat. As a result, there has been a 10 percent increase in protected areas of Europe.

A major environmental issue for Europe involves the depletion of various already endangered or threatened species, and most significantly, the decline of fish stocks. Some estimates suggest that up to 50 percent of the continent's fish species may be considered endangered species. Coastal fisheries have been over-harvested, resulting in catch limits or moratoriums on many commercially important fish species.

Fortunately, in the last few years, these policies have started to yield measurable results with decreasing trends in marine fish catch.

Recently, most European countries have adopted cleaner production technologies, and alternative methods of waste disposal, including recycling.

The countries of Eastern Europe have made air quality a major environmental priority. This is exemplified by the Russian Federation's addition to the 1995 "Berlin Mandate" (transnational legislation based on resolutions of the Rio Earth Summit) compelling nations to promote "carbon sinks" to absorb greenhouse gases.

On a relative basis, when compared with the degree of industrial emissions emitted by many Eastern European countries until the late 1980s, there has been some marked increase in air quality in the region, as obsolete plants are closed and a transition to cleaner fuels and more efficient energy use takes place.

Regional Synopsis: The Middle and Near East

Quite possibly, the Middle East will exemplify the adage that, as the 20th century was a century fixated on oil, the 21st century will be devoted to critical decisions about water. Many (though far from all) nations in the Middle East rank among those countries with the largest oil and gas reserves, but water resources are relatively scarce throughout this predominantly dry region. Effects of global warming may cause moderately high elevation areas that now typically receive winter "snowpack" to experience mainly rain instead, which would further constrain dry-season water availability. The antiquities and religious shrines of the region render it a great magnet for tourism, which entails considerable economic growth potential but also intensifies stresses on the environment.

Key Points:

Water resource vulnerability is a serious concern across the entire region. The increased usage of, and further demand for water, has exacerbated long-standing water scarcity in the region. For instance, river diversions and industrial salt works have caused the Dead Sea to shrink by one-third from its original surface area, with further declines expected.

The oil industry in the region contributes to water pollution in the Persian Gulf, as a result of oil spills, which have averaged 1.2 million barrels of oil spilt per year (some sources suggest that this figure is understated). The consequences are severe because even after oil spills have been cleaned up, environmental damage to the food webs and ecosystems of marine life will persist for a prolonged period.

The region's coastal zone is considered one of the most fragile and endangered ecosystems of the world. Land reclamation, shoreline construction, discharge of industrial effluents, and tourism (such as diving in the Red Sea) contribute to widespread coastal damage.

Significant numbers of mammal species in parts of the Middle East are currently threatened.

Since the 1980s, 11 percent of the region's natural forest has been depleted.

Regional Synopsis: Latin America and the Caribbean

The Latin American and Caribbean region is characterized by exceedingly diverse landforms that have generally seen high rates of population growth and economic development in recent decades. The percentage of inhabitants residing in urban areas is quite high at 73.4 percent; the region includes the megacities of Mexico City, Sao Paulo, and Rio de Janeiro. The region also includes the world's second-highest mountain range, the Andes; significant expanses of desert and grassland; the coral reefs of the Caribbean Sea; and the world's largest contiguous tropical forest in the Amazon basin. Threats to the latter from subsistence and commercial farming, mineral exploitation and timbering are well publicized. Nevertheless, of eight countries worldwide that still retain at least 70 percent of their original forest cover, six are in Latin America. The region accounts for nearly half (48.3 percent) of the world's greenhouse gas emissions derived from land clearing, but as yet a comparatively minuscule share (4.3 percent) of such gases from industrial sources.

Key Points:

Although Latin America is one of the most biologically diverse regions of the world, this biodiversity is highly threatened, as exemplified by the projected extinction of up to 100,000 species in the next few decades. Much of this loss will be concentrated in the Amazon area,

although the western coastline of South America will also suffer significant depletion of biological diversity. The inventory of rainforest species with potentially useful commercial or medical applications is incomplete, but presumed to include significant numbers of such species that may become extinct before they are discovered and identified.

Up to 50 percent of the region's grazing land has lost its soil fertility as a result of soil erosion, salinization, alkalinization and overgrazing.

The Caribbean Sea, the Atlantic Ocean, and the Pacific Ocean have all been contaminated by agricultural wastes, which are discharged into streams that flow into these major waters. Water pollution derived from phosphorous, nitrates and pesticides adversely affects fish stocks, contributes to oxygen depletion and fosters overgrowth of aquatic vegetation. Marine life will continue to be severely compromised as a result of these conditions.

Due to industrial development in the region, many beaches of eastern Latin America and the Caribbean suffer from tar deposits.

Most cities in the region lack adequate sewage treatment facilities, and rapid migration of the rural poor into the cities is widening the gap between current infrastructure capacity and the much greater level needed to provide satisfactory basic services.

The rainforest region of the Amazon Basin suffers from dangerously high levels of deforestation, which may be a significant contributory factor to global warming or "the greenhouse effect." In the late 1990s and into the new millennium, the rate of deforestation was around 20 million acres of rainforest being destroyed annually.

Deforestation on the steep rainforest slopes of Caribbean islands contributes to soil erosion and landslides, both of which then result in heavy sedimentation of nearby river systems. When these sedimented rivers drain into the sea and coral reefs, they poison the coral tissues, which are vital to the maintenance of the reef ecosystem. The result is marine degradation and nutrient depletion. Jamaica's coral reefs have never quite recovered from the effects of marine degradation.

The Southern Cone of Latin America (Argentina, Brazil, Chile, Paraguay, and Uruguay) suffers the effects of greatly increased ultraviolet-B radiation, as a consequence of more intense ozone depletion in the southern hemisphere.

Water resource vulnerability is an increasingly major concern in the northwestern portion of South America.

Regional Synopsis: North America

North American nations, in particular the United States and Canada, rank among the world's most highly developed industrial economies-a fact which has generated significant pollution problems, but also financial resources and skills that have enabled many problems to be corrected. Although efforts to promote energy efficiency, recycling, and suchlike have helped ease strains on the environment in a part of the world where per capita consumption levels are high, sprawling land development patterns and recent preferences many households have demonstrated for larger vehicles have offset these advances.

Meanwhile, a large portion of North America's original forest cover has been lost, though in many cases replaced by productive second-growth woodland. In recent years, attitudes toward best use of the region's remaining natural or scenic areas seem to be shifting toward recreation and preservation and away from resource extraction. With increasing attention on the energy scarcity in the United States, however, there is speculation that this shift may be short-lived. Indeed, the energy shortage on the west coast of the United States and associated calls for energy exploration, indicate a possible retrenchment toward resource extraction. At the same time, however, it has also served to highlight the need for energy conservation as well as alternative energy sources.

Despite generally successful anti-pollution efforts, various parts of the region continue to suffer significant air, water and land degradation from industrial, vehicular, and agricultural emissions and runoff. Mexico, as a middle-income country, displays environmental problems characteristic of a developing economy, including forest depletion, pollution from inefficient industrial processes and dirty fuels, and lack of sufficient waste-treatment infrastructure.

Key Points:

Because of significantly greater motor vehicle usage in the United States (U.S.) than in the rest of the world, the U.S. contribution of urban air pollution and greenhouse gas emissions, especially carbon dioxide, is disproportionately high in relation to its population.

Acid rain is an enduring issue of contention in the northeastern part of the United States, on the border with Canada.

Mexico's urban areas suffer extreme air pollution from carbon monoxide, nitrogen oxides, sulfur dioxide, and other toxic air pollutants. Emissions controls on vehicles are in their infancy, compared to analogous regulations in the U.S.

The cities of Mexico, including those on the U.S. border, also discharge large quantities of untreated or poorly treated sewage, though officials are currently planning infrastructure upgrades.

Deforestation is noteworthy in various regions of the U.S., especially along the northwest coastline.

Old growth forests have been largely removed, but in the northeastern and upper midwestern sections of the United States, evidence suggests that the current extent of tree cover probably surpasses the figure for the beginning of the 20th century.

Extreme weather conditions in the last few years have resulted in a high level of soil erosion along the north coast of California; in addition, the coastline itself has shifted substantially due to soil erosion and concomitant landslides.

Agricultural pollution-including nitrate contamination of well water, nutrient runoff to waterways, and pesticide exposure-is significant in various areas. Noteworthy among affected places are California's Central Valley, extensive stretches of the Midwest, and land in the Chesapeake Bay watershed.

Inland waterways, especially around the Great Lakes, have substantially improved their water quality, due to concentrated efforts at reducing water pollution by governmental, commercial and community representatives. Strict curbs on industrial effluents and near-universal implementation of sewage treatment are the chief factors responsible for this improvement.

A major environmental issue for Canada and the United States involves the depletion of various already endangered or threatened species, and most significantly, the decline of fish stocks. Coastal fisheries have been over-harvested, resulting in catch limits or moratoriums on many commercially important fish species. In the last few years, these policies have started to yield measurable results with decreasing trends in marine fish catch.

Due to the decay of neighboring ecosystems in Central America and the Caribbean, the sea surrounding Florida has become increasingly sedimented, contributing to marine degradation, nutrient depletion of the ecosystem, depletion of fish stocks, and diseases to coral species in particular.

Polar Regions

Key Points:

The significant rise in sea level, amounting 10 to 25 centimeters in the last 100 years, is due to the melting of the Arctic ice sheets, and is attributed to global warming.

The Antarctic suffers from a significant ozone hole, first detected in 1976. By 1985, a British scientific team reported a 40 percent decrease in usual regeneration rates of the ozone. Because a sustained increase in the amount of ultraviolet-B radiation would have adverse consequences upon

all planetary life, recent environmental measures have been put into effect, aimed at reversing ozone depletion. These measures are projected to garner significant results by 2050.

Due to air and ocean currents, the Arctic is a sink for toxic releases originally discharged thousands of miles away. Arctic wildlife and Canada's Inuit population have higher bodily levels of contaminants such as PCB and dioxin than those found in people and animals in much of the rest of the world.

Global Environmental Concepts

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1. Global Warming and Greenhouse Gases

The Greenhouse Effect:

In the early 19th century, the French physicist, Jean Fourier, contended that the earth's atmosphere functions in much the same way as the glass of a greenhouse, thus describing what is now understood as the "greenhouse effect." Put simply, the "greenhouse effect" confines some of the sun's energy to the earth, preserving some of the planet's warmth, rather than allowing it to flow back into space. In so doing, all kinds of life forms can flourish on earth. Thus, the "greenhouse effect" is necessary to sustain and preserve life forms and ecosystems on earth.

In the late 19th century, a Swedish chemist, Svante Arrhenius, noticed that human activities, such as the burning of coal and other fossil fuels for heat, and the removal of forested lands for urban development, led to higher concentrations of greenhouse gases, like carbon dioxide and methane, in the atmosphere. This increase in the levels of greenhouse gases was believed to advance the "greenhouse effect" exponentially, and might be related to the trend in global warming.

In the wake of the Industrial Revolution, after industrial development took place on a large scale and the total human population burgeoned simultaneously with industrialization, the resulting increase in greenhouse gas emissions could, many scientists believe, be significant enough to have some bearing on climate. Indeed, many studies in recent years support the idea that there is a linkage between human activities and global warming, although there is less consensus on the extent to which this linkage may be relevant to environmental concerns.

That said, some scientists have argued that temperature fluctuations have existed throughout the evolution of the planet. Indeed, Dr. S. Fred Singer, the president of the Science and Environment

Policy Project has noted that 3,000-year-old geological records of ocean sediment reveal changes in the surface temperature of the ocean. Hence, it is possible that climate variability is merely a normal fact of the planet's evolution. Yet even skeptics as to anthropogenic factors concur that any substantial changes in global temperatures would likely have an effect upon the earth's ecosystems, as well as the life forms that inhabit them.

The Relationship Between Global Warming and Greenhouse Gases:

A large number of climatologists believe that the increase in atmospheric concentrations of "greenhouse gas emissions," mostly a consequence of human activities such as the burning of fossil fuels, are contributing to global warming. The cause notwithstanding, the planet has reportedly warmed 0.3°C to 0.6°C over the last century. Indeed, each year during the 1990s was one of the very warmest in the 20th century, with the mean surface temperature for 1999 being the fifth warmest on record since 1880.

In early 2000, a panel of atmospheric scientists for the National Research Council concluded in a report that global warming was, indeed, a reality. While the panel, headed by Chairman John Wallace, a professor of atmospheric sciences at the University of Washington, stated that it remained unclear whether human activities have contributed to the earth's increasing temperatures, it was apparent that global warming exists.

In 2001, following a request for further study by the incoming Bush administration in the United States, the National Academy of Sciences again confirmed that global warming had been in existence for the last 20 years. The study also projected an increase in temperature between 2.5 degrees and 10.4 degrees Fahrenheit by the year 2100. Furthermore, the study found the leading cause of global warming to be emissions of carbon dioxide from the burning of fossil fuels, and it noted that greenhouse gas accumulations in the earth's atmosphere was a result of human activities.

Within the scientific community, the controversy regarding has centered on the difference between surface air and upper air temperatures. Information collected since 1979 suggests that while the earth's surface temperature has increased by about a degree in the past century, the atmospheric temperature five miles above the earth's surface has indicated very little increase. Nevertheless, the panel stated that this discrepancy in temperature between surface and upper air does not invalidate the conclusion that global warming is taking place. Further, the panel noted that natural events, such as volcanic eruptions, can decrease the temperature in the upper atmosphere.

The major consequences of global warming potentially include the melting of the polar ice caps, which, in turn, contribute to the rise in sea levels. Many islands across the globe have already experienced a measurable loss of land as a result. Because global warming may increase the rate of evaporation, increased precipitation, in the form of stronger and more frequent storm systems, is another potential outcome. Other consequences of global warming may include the introduction

and proliferation of new infectious diseases, loss of arable land (referred to as "desertification"), destructive changes to existing ecosystems, loss of biodiversity and the isolation of species, and concomitant adverse changes in the quality of human life.

International Policy Development in Regard to Global Warming:

Regardless of what the precise nature of the relationship between greenhouse gas emissions and global warming may be, it seems that there is some degree of a connection between the phenomena. Any substantial reductions in greenhouse gas emissions and global warming trends will likely involve systematic changes in industrial operations, the use of advanced energy sources and technologies, as well as global cooperation in implementing and regulating these transformations.

In this regard, the United Nations Framework Convention on Climate Change (UNFCCC) stipulated the following objectives:

1. To stabilize "greenhouse gas" concentrations within the atmosphere, in such a manner that would preclude hazardous anthropogenic intervention into the existing biosphere and ecosystems of the world. This stabilization process would facilitate the natural adaptation of ecosystems to changes in climate.

2. To ensure and enable sustainable development and food production on a global scale.

*** See section on "International Environmental Agreements and Associations" for information related to international policies related to limiting greenhouse gases and controlling climate change emanating from historic summits at Kyoto, Copenhagen, Doha, and Paris. ***

2. Air Pollution

Long before global warming reared its head as a significant issue, those concerned about the environment and public health noted the deleterious effects of human-initiated combustion upon the atmosphere. Killer smogs from coal burning triggered acute health emergencies in London and other places. At a lower level of intensity motor vehicle, power plant, and industrial emissions impaired long-range visibility and probably had some chronic adverse consequences on the respiratory systems of persons breathing such air.

In time, scientists began associating the sulfur dioxide and nitrogen oxides released from coal burning with significant acid deposition in the atmosphere, eventually falling as "acid rain." This

phenomenon has severely degraded forestlands, especially in Europe and a few parts of the United States. It has also impaired some aquatic ecosystems and eaten away the surface of some human artifacts, such as marble monuments. Scrubber technology and conversion to cleaner fuels have enabled the level of industrial production to remain at least constant while significantly reducing acid deposition. Technologies aimed at cleaning the air and curtailing acid rain, soot, and smog may, nonetheless, boomerang as the perils of global warming become increasingly serious. In brief, these particulates act as sort of a sun shade -- comparable to the effect of volcanic eruptions on the upper atmosphere whereby periods of active volcanism correlate with temporarily cooler weather conditions. Thus, while the carbon dioxide releases that are an inevitable byproduct of combustion continue, by scrubbing the atmosphere of pollutants, an industrial society opens itself to greater insolation (penetration of the sun's rays and consequent heating), and consequently, it is likely to experience a correspondingly greater rise in ambient temperatures.

The health benefits of removing the sources of acid rain and smog are indisputable, and no one would recommend a return to previous conditions. Nevertheless, the problematic climatic effects of continually increasing emissions of carbon dioxide and other greenhouse gases pose a major global environmental challenge, not as yet addressed adequately.

3. Ozone Depletion

The stratospheric ozone layer functions to prevent ultraviolet radiation from reaching the earth. Normally, stratospheric ozone is systematically disintegrated and regenerated through natural photochemical processes. The stratospheric ozone layer, however, has been depleted unnaturally as a result of anthropogenic (man-made) chemicals, most especially chlorine and bromide compounds such as chloroflorocarbons (CFCs), halons, and various industrial chemicals in the form of solvents, refrigerants, foaming agents, aerosol propellants, fire retardants, and fumigants. Ozone depletion is of concern because it permits a greater degree of ultraviolet-B radiation to reach the earth, which then increases the incidences of cancerous malignancies, cataracts, and human immune deficiencies. In addition, even in small doses, ozone depletion affects the ecosystem by disturbing food chains, agriculture, fisheries and other forms of biological diversity.

Transnational policies enacted to respond to the dangers of ozone depletion include the 1985 Vienna Convention on the Protection of the Ozone Layer and the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer. The Montreal Protocol was subsequently amended in London in 1990, Copenhagen in 1992 and Vienna in 1995. By 1996, 155 countries had ratified the Montreal Protocol, which sets out a time schedule for the reduction (and eventual elimination) of ozone depleting substances (OPS), and bans exports and imports of ODS from and to non-participant countries.

In general, the Protocol stipulates that developed countries must eliminate halon consumption by

1994 and CFC consumption by 1996, while developing countries must eliminate these substances by 2010. Consumption of methyl bromide, which is used as a fumigant, was to be frozen at the 1995 in developed countries, and fully eliminated in 2010, while developing countries are to freeze consumption by 2002, based on average 1995-1998 consumption levels. Methyl chloroform is to be phased out by 2005. Under the Montreal Protocol, most ODS will be completely eliminated from use by 2010.

4. Land Degradation

In recent decades, land degradation in more arid regions of the world has become a serious concern. The problem, manifest as both "desertification" and "devegetation," is caused primarily by climate variability and human activities, such as "deforestation," excessive cultivation, overgrazing, and other forms of land resource exploitation. It is also exacerbated by inadequate irrigation practices. Although the effects of droughts on drylands have been temporary in the past, today, the productivity and sustainability of these lands have been severely compromised for the long term. Indeed, in every region of the world, land degradation has become an acute issue.

Desertification and Devegetation:

"Desertification" is a process of land degradation causing the soil to deteriorate, thus losing its nutrients and fertility, and eventually resulting in the loss of vegetation, known as "devegetation." As aforementioned, "desertification" and "devegetation" are caused by human activities, yet human beings are also the greatest casualties. Because these forms of land degradation affect the ability of the soil to produce crops, they concomitantly contribute to poverty. As population increases and demographic concentrations shift, the extent of land subject to stresses by those seeking to wrest subsistence from it has inexorably risen.

In response, the United Nations has formed the Convention to Combat Desertification-aimed at implementing programs to address the underlying causes of desertification, as well as measures to prevent and minimize its effects. Of particular significance is the formulation of policies on transboundary resources, such as areas around lakes and rivers. At a broader level, the Convention has established a Conference of Parties (COP), which includes all ratifying governments, for directing and advancing international action.

To ensure more efficacious use of funding, the Convention intends to reconfigure international aid to utilize a consultative and coordinated approach in the disbursement and expenditure of donor funds. In this way, local communities that are affected by desertification will be active participants in the solution-generation process. In-depth community education projects are envisioned as part of this new international aid program, and private donor financing is encouraged. Meanwhile, as new

technologies are developed to deal with the problem of desertification, they need to be distributed for application across the world. Hence, the Convention calls for international cooperation in scientific research in this regard.

Desertification is a problem of sustainable development. It is directly connected to human challenges such as poverty, social and economic well-being and environmental protection as well. Broader environmental issues, such as climate change, biological diversity, and freshwater supplies, are indirectly related, so any effort to resolve this environmental challenge must entail coordinated research efforts and joint action.

Deforestation:

Deforestation is not a recent phenomenon. For centuries, human beings have cut down trees to clear space for land cultivation, or in order to use the wood for fuel. Over the last 200 years, and most especially after World War II, deforestation increased because the logging industry became a globally profitable endeavor, and so the clearing of forested areas was accelerated for the purposes of industrial development. In the long term, this intensified level of deforestation is considered problematic because the forest is unable to regenerate itself quickly. The deforestation that has occurred in tropical rainforests is seen as an especially serious concern, due to the perceived adverse effects of this process upon the entire global ecosystem.

The most immediate consequence of deforestation is soil degradation. Soil, which is necessary for the growth of vegetation, can be a fragile and vital property. Organically, an extensive evolution process must take place before soil can produce vegetation, yet at the same time, the effects of natural elements, such as wind and rain, can easily and quickly degrade this resource. This phenomenon is known as soil erosion. In addition, natural elements like wind and rain reduce the amount of fertile soil on the ground, making soil scarcity a genuine problem. When fertile topsoil that already exists is removed from the landscape in the process of deforestation, soil scarcity is further exacerbated. Equally significant is the fact that once land has been cleared so that the topsoil can be cultivated for crop production, not only are the nutrient reserves in the soil depleted, thus producing crops of inferior quality, but the soil structure itself becomes stressed and deteriorates further.

Another direct result of deforestation is flooding. When forests are cleared, removing the cover of vegetation, and rainfall occurs, the flow of water increases across the surface of land. When extensive water runoff takes place, the frequency and intensity of flooding increases. Other adverse effects of deforestation include the loss of wildlife and biodiversity within the ecosystem that supports such life forms.

At a broader level, tropical rainforests play a vital role in maintaining the global environmental

system. Specifically, destruction of tropical rainforests affects the carbon dioxide cycle. When forests are destroyed by burning (or rotting), carbon dioxide is released into the air, thus contributing to an intensified "greenhouse effect." The increase in greenhouse gas emissions like carbon dioxide is a major contributor to global warming, according to many environmental scientists. Indeed, trees themselves absorb carbon dioxide in the process of photosynthesis, so their loss also reduces the absorption of greenhouse gases.

Tropical rainforest destruction also adversely affects the nitrogen cycle. Nitrogen is a key nutrient for both plants and animals. Plants derive nitrogen from soil, while animals obtain it via nitrogen-enriched vegetation. This element is essential for the formation of amino acids, and thereby for proteins and biochemicals that all living things need for metabolism and growth. In the nitrogen cycle, vegetation acquires these essential proteins and biochemicals, and then cyclically returns them to the atmosphere and global ecosystem. Accordingly, when tropical rainforest ecosystems are compromised, not only is vegetation removed; the atmosphere is also affected and climates are altered. At a more immediate level, the biodiversity within tropical rainforests, including wildlife and insect species and a wealth of plant varieties, is depleted. Loss of rare plants is of particular concern because certain species as yet unknown and unused could likely yield many practical benefits, for instance as medicines.

As a result of the many challenges associated with deforestation, many environmental groups and agencies have argued for government policies on the sustainable development of forests by governments across the globe. While many countries have instituted national policies and programs aimed at reducing deforestation, and substantial research has been advanced in regard to sustainable and regenerative forestry development, there has been very little progress on an international level. Generally speaking, most tropical rainforests are located in developing and less developed countries, where economic growth is often dependent upon the exploitation of tropical rainforests. Timber resources as well as wildlife hunting tend to be particularly lucrative arenas.

In places such as the Amazon, where deforestation takes place for the construction of energy plants aimed at industrialization and economic development, there is an exacerbated effect on the environment. After forests are cleared in order to construct such projects, massive flooding usually ensues. The remaining trees then rot and decay in the wake of the flooding. As the trees deteriorate, their biochemical makeup becomes more acidic, producing poisonous substances such as hydrogen sulphide and methane gases. Acidified water subsequently corrodes the mechanical equipment and operations of the plants, which are already clogged by rotting wood after the floodwaters rise.

Deforestation generally arises from an economically plausible short-term motivation, but nonetheless poses a serious global concern because the effects go beyond national boundaries. The United Nations has established the World Commission on Forest and Sustainable Development. This body's task is to determine the optimal means of dealing with the issue of deforestation,

without unduly affecting normal economic development, while emphasizing the global significance of protecting tropical forest ecosystems.

5. Water Resources

For all terrestrial fauna, including humans, water is the most immediate necessity to sustain life. As the population has increased and altered an ever-greater portion of the landscape from its natural condition, demand on water resources has intensified, especially with the development of industrialization and large-scale irrigation. The supply of freshwater is inherently limited, and moreover distributed unevenly across the earth's landmasses. Moreover, not just demand for freshwater but activities certain to degrade it are becoming more pervasive. By contrast, the oceans form a sort of "last wilderness," still little explored and in large part not seriously affected by human activity. However, coastal environments - the biologically richest part of the marine ecosystem-are experiencing major depletion due to human encroachment and over-exploitation.

Freshwater:

In various regions, for instance the Colorado River in the western United States, current withdrawals of river water for irrigation, domestic, and industrial use consume the entire streamflow so that almost no water flows into the sea at the river's mouth. Yet development is ongoing in many such places, implying continually rising demand for water. In some areas reliant on groundwater, aquifers are being depleted at a markedly faster rate than they are being replenished. An example is the San Joaquin Valley in California, where decades of high water withdrawals for agriculture have caused land subsidence of ten meters or more in some spots. Naturally, the uncertainty of future water supplies is particularly acute in arid and semi-arid regions. Speculation that the phenomenon of global warming will alter geographic and seasonal rainfall patterns adds further uncertainty.

Water conservation measures have great potential to alleviate supply shortages. Some city water systems are so old and beset with leaking pipes that they lose as much water as they meter. Broad-scale irrigation could be replaced by drip-type irrigation, actually enhancing the sustainability of agriculture. In many areas where heavy irrigation has been used for decades, the result is deposition of salts and other chemicals in the soil such that the land becomes unproductive for farming and must be abandoned.

Farming is a major source of water pollution. Whereas restrictions on industrial effluents and other "point sources" are relatively easy to implement, comparable measures to reform hydraulic practices at farms and other "nonpoint sources" pose a significantly knottier challenge. Farm-caused water pollution takes the following main forms:

- Nitrate pollution found in wells in intensive farming areas as a consequence of heavy fertilizer use is a threat to human health. The most serious danger is to infants, who by ingesting high-nitrate water can contract methemoglobinemia, sometimes called "blue baby syndrome," a potentially fatal condition.

- Fertilizer runoff into rivers and lakes imparts unwanted nutrients that cause algae growth and eventual loss of oxygen in the body of water, degrading its ability to support fish and other desirable aquatic life.

- Toxic agricultural chemicals - insecticides, herbicides, and fungicides - are detectable in some aquifers and waterways.

In general, it is much easier to get a pollutant into water than to retrieve it out. Gasoline additives, dry cleaning chemicals, other industrial toxins, and in a few areas radionucleides have all been found in water sources intended for human use. The complexity and long time scale of subterranean hydrological movements essentially assures that pollutants already deposited in aquifers will continue to turn up for decades to come. Sophisticated water treatment processes are available, albeit expensive, to reclaim degraded water and render it fit for human consumption. Yet source protection is unquestionably a more desirable alternative.

In much of the developing world, and even some low-income rural enclaves of the developed world, the population lacks ready access to safe water. Surface water and shallow groundwater supplies are susceptible to contamination from untreated wastewater and failing septic tanks, as well as chemical hazards. The occurrence of waterborne disease is almost certainly greatly underreported.

Marine Resources:

Coastal areas have always been desirable places for human habitation, and population pressure on them continues to increase. Many types of water degradation that affect lakes and rivers also affect coastal zones: industrial effluents, untreated or partially treated sewage, nutrient load from agriculture figure prominently in both cases. Prospects for more extreme storms as a result of global warming, as well as the pervasiveness of poorly planned development in many coastal areas, forebode that catastrophic hurricanes and landslides may increase in frequency in the future. Ongoing rise in sea levels will force remedial measures and in some cases abandonment of currently valuable coastal property.

Fisheries over much of the globe have been overharvested, and immediate conservation measures are required to preserve stocks of many species. Many governments subsidized factory-scale

fishing fleets in the 1970s and 1980s, and the resultant catch increase evidently surpassed a sustainable level. It is uncertain how much of the current decline in fish stocks stems from overharvesting and how much from environmental pollution. The deep ocean remains relatively unaffected by human activity, but continental shelves near coastlines are frequently seriously polluted, and these close-to-shore areas are the major biological nurseries for food fish and the smaller organisms they feed on.

6. Environmental Toxins

Toxic chemical pollution exploded on the public consciousness with disclosure of spectacularly polluted industrial areas such as Love Canal near Buffalo, New York. There is no question that pollutants such as organophosphates or radionucleides can be highly deleterious to health, but evidence to date suggests that seriously affected areas are a localized rather than universal problem.

While some explore the possibilities for a lifestyle that fully eschews use of modern industrial chemicals, the most prevalent remediative approach is to focus on more judicious use. The most efficient chemical plants are now able to contain nearly all toxic byproducts of their production processes within the premises, minimizing the release of such substances into the environment. Techniques such as Integrated Pest Management (IPM) dictate limited rather than broadcast use of pesticides: application only when needed using the safest available chemical, supplemented as much as possible with nontoxic controls.

While heightened public awareness and growing technical sophistication suggest a hopeful outlook on limiting the damage from manmade environmental toxins, one must grant that previous incidents of their misuse and mishandling have already caused environmental damage that will have to be dealt with for many years to come. In the case of the most hazardous radioactive substances, the time scale for successful remediation actually extends beyond that of the recorded history of civilization. Moreover, in this era of high population density and rapid economic growth, quotidian activities such as the transport of chemicals will occasionally, seemingly inevitably result in accidents with adverse environmental consequences.

7. "Islandization" and Biodiversity

With increased awareness regarding the adverse effects of unregulated hunting and habitat depletion upon wildlife species and other aspects of biodiversity, large-scale efforts across the globe have been initiated to reduce and even reverse this trend.

In every region of the world, many species of wildlife and areas of biodiversity have been saved from extinction. Nationally, many countries have adopted policies aimed at preservation and

conservation of species, and one of the most tangible measures has been the proliferation of protected habitats. Such habitats exist in the form of wildlife reserves, marine life reserves, and other such areas where biodiversity can be protected from external encroachment and exploitation.

Despite these advances in wildlife and biodiversity protection, further and perhaps more intractable challenges linger. Designated reserves, while intended to prevent further species decline, exist as closed territories, fragmented from other such enclaves and disconnected from the larger ecosystem. This environmental scenario is referred to as "islandization." Habitat reserves often serve as oversized zoos or game farms, with landscapes and wildlife that have effectively been "tamed" to suit. Meanwhile, the larger surrounding ecosystem continues to be seriously degraded and transformed, while within the islandized habitat, species that are the focus of conservation efforts may not have sufficient range and may not be able to maintain healthy genetic variability.

As a consequence, many conservationists and preservationists have demanded that substantially larger portions of land be withheld as habitat reserves, and a network of biological corridors to connect continental reserves be established. While such efforts to combat islandization have considerable support in the United States, how precisely such a program would be instituted, especially across national boundaries, remains a matter of debate. International conservationists and preservationists say without a network of reserves a massive loss of biodiversity will result.

The concept of islandization illustrates why conservation and preservation of wildlife and biodiversity must consider and adopt new, broader strategies. In the past, conservation and preservation efforts have been aimed at specific species, such as the spotted owl and grizzly bear in North America, the Bengal tiger in Southeast Asia, the panda in China, elephants in Africa. Instead, the new approach is to simultaneously protect many and varied species that inhabit the same ecosystem. This method, referred to as "bio-regional conservation," may more efficaciously generate longer-term and more far-reaching results precisely because it is aimed at preserving entire ecosystems, and all the living things within.

More About Biodiversity Issues:

This section is directly taken from the United Nations Environmental Program: "Biodiversity Assessment"

The Global Biodiversity Assessment, completed by 1500 scientists under the auspices of United Nations Environmental Program in 1995, updated what is known (or unknown) about global biological diversity at the ecosystem, species and genetic levels. The assessment was uncertain of the total number of species on Earth within an order of magnitude. Of its working figure of 13 million species, only 13 percent are scientifically described. Ecological community diversity is also poorly known, as is its relationship to biological diversity, and genetic diversity has been studied for

only a small number of species. The effects of human activities on biodiversity have increased so greatly that the rate of species extinctions is rising to hundreds or thousands of times the background level. These losses are driven by increasing demands on species and their habitats, and by the failure of current market systems to value biodiversity adequately. The Assessment calls for urgent action to reverse these trends.

There has been a new recognition of the importance of protecting marine and aquatic biodiversity. The first quantitative estimates of species losses due to growing coral reef destruction predict that almost 200,000 species, or one in five presently contributing to coral reef biodiversity, could die out in the next 40 years if human pressures on reefs continue to increase.

Since Rio, many countries have improved their understanding of the status and importance of their biodiversity, particularly through biodiversity country studies such as those prepared under the auspices of UNEP/GEF. The United Kingdom identified 1250 species needing monitoring, of which 400 require action plans to ensure their survival. Protective measures for biodiversity, such as legislation to protect species, can prove effective. In the USA, almost 40 percent of the plants and animals protected under the Endangered Species Act are now stable or improving as a direct result of recovery efforts. Some African countries have joined efforts to protect threatened species through the 1994 Lusaka Agreement, and more highly migratory species are being protected by specialized cooperative agreements among range states under the Bonn Agreement.

There is an emerging realization that a major part of conservation of biological diversity must take place outside of protected areas and involve local communities. The extensive agricultural areas occupied by small farmers contain much biodiversity that is important for sustainable food production. Indigenous agricultural practices have been and continue to be important elements in the maintenance of biodiversity, but these are being displaced and lost. There is a new focus on the interrelationship between agrodiversity conservation and sustainable use and development practices in smallholder agriculture, with emphasis on use of farmers' knowledge and skills as a source of information for sustainable farming.

Perhaps even more important than the loss of biodiversity is the transformation of global biogeochemical cycles, the reduction in the total world biomass, and the decrease in the biological productivity of the planet. While quantitative measurements are not available, the eventual economic and social consequences may be so significant that the issue requires further attention.

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Online resources used generally in the Environmental Overview:

Environmental Protection Agency Global Warming Site. URL: http://www.epa.gov/globalwarming

Food and Agriculture Organization of United Nations: Forestry. URL:

http://www.fao.org/forestry/site/sofo/en/

Global Warming Information Page. URL: http://globalwarming.org

United Nations Environmental Program. URL: http://www.unep.org/GEO/GEO_Products/Assessment_Reports/

United Nations Global Environmental Outlook. URL: http://www.unep.org/geo/geo4/media/

Note on Edition Dates:

The edition dates for textual resources are noted above because they were used to formulate the original content. We also have used online resources (cited above) to update coverage as needed.

Information Resources

For more information about environmental concepts, CountryWatch recommends the following resources:

The United Nations Environmental Program Network (with country profiles)

<http://www.unep.net/>

The United Nations Environment Program on Climate Change

<http://climatechange.unep.net/>

The United Nations Environmental Program on Waters and Oceans

<http://www.unep.ch/earthw/Pdepwat.htm>

The United Nations Environmental Program on Forestry: "Forests in Flux"

<http://www.unep-wcmc.org/forest/flux/homepage.htm>

FAO "State of the World's Forests"

<http://www.fao.org/forestry/FO/SOFO/SOFO99/sofo99-e.stm>

World Resources Institute.

<http://www.wri.org/>

Harvard University Center for Health and the Global Environment

<http://www.med.harvard.edu/chge/the-review.html>

The University of Wisconsin Center for Sustainability and the Global Environment

http://sage.aos.wisc.edu/

International Environmental Agreements and Associations

International Policy Development in Regard to Global Warming:

Introduction

Regardless of what the precise nature of the relationship between greenhouse gas emissions and global warming may be, it seems that there is some degree of a connection between the phenomena. Any substantial reductions in greenhouse gas emissions and global warming trends will likely involve systematic changes in industrial operations, the use of advanced energy sources and technologies, as well as global cooperation in implementing and regulating these transformations.

In this regard, the United Nations Framework Convention on Climate Change (UNFCCC) stipulated the following objectives:

1. To stabilize "greenhouse gas" concentrations within the atmosphere, in such a manner that would preclude hazardous anthropogenic intervention into the existing biosphere and ecosystems of the world. This stabilization process would facilitate the natural adaptation of ecosystems to changes in climate.

2. To ensure and enable sustainable development and food production on a global scale.

Following are two discusssions regarding international policies on the environment, followed by

listings of international accords.

Special Entry: The Kyoto Protocol

The UNFCCC was adopted at the Rio Earth Summit in 1992, and entered into force in 1994. Over 175 parties were official participants.

Meanwhile, however, many of the larger, more industrialized nations failed to reach the emissions' reduction targets, and many UNFCCC members agreed that the voluntary approach to reducing emissions had not been successful. As such, UNFCCC members reached a consensus that legally binding limits were necessitated, and agreed to discuss such a legal paradigm at a meeting in Kyoto, Japan in 1997. At that meeting, the UNFCCC forged the Kyoto Protocol. This concord is the first legally binding international agreement that places limits on emissions from industrialized countries. The major greenhouse gas emissions addressed in the Kyoto Protocol include carbon dioxide, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and methane.

The provisions of the Kyoto Protocol stipulate that economically advanced nations must reduce their combined emissions of greenhouse gases, by approximately five percent from their 1990 levels, before the 2008-2010 deadline. Countries with the highest carbon dioxide emissions, such as the United States (U.S.), many of the European Union (EU) countries, and Japan, are to reduce emissions by a scale of 6 to 8 percent. All economically advanced nations must show "demonstrable progress" by 2005. In contrast, no binding limits or timetable have been set on developing countries. Presumably, this distinction is due to the fact that most developing countries -- with the obvious exceptions of India and China -- simply do not emit as many greenhouse gases as do more industrially advanced countries. Meanwhile, these countries are entrenched in the process of economic development.

Regardless of the aforementioned reasoning, there has been strong opposition against the asymmetrical treatment assigned to emissions limits among developed and developing countries. Although this distinction might be regarded as unfair in principle, associations such as the Alliance of Small Island States have been vocal in expressing how global warming -- a result of greenhouse gas emissions - has contributed to the rise in sea level, and thus deleteriously affected their very existence as island nation states. For this reason, some parties have suggested that economically advanced nations, upon returning to their 1990 levels, should be required to further reduce their greenhouse gas emissions by a deadline of 2005. In response, interested parties have observed that even if such reductions were undertaken by economically advanced nations, they would not be enough to completely control global warming. Indeed, a reduction in the rate of fossil fuel usage by developing nations would also be necessary to have substantial ameliorative effect on global warming. Indeed, a reduction in the rate of fossil fuel usage by developing nations would also be necessary to have substantial ameliorative effect on global warming.

As such, the Protocol established a "Clean Development Mechanism" which permits developed countries to invest in projects aimed at reducing emissions within developing countries in return for credit for the reductions. Ostensibly, the objective of this mechanism is to curtail emissions in developing countries without unduly penalizing them for their economic development. Under this model, the countries with more potential emissions credits could sell them to other signatories of the Kyoto Protocol, whose emissions are forecast to significantly rise in the next few years. Should this trading of emissions credits take place, it is estimated that the Kyoto Protocol's emissions targets could still be met.

In 1999, the International Energy Outlook projected that Eastern Europe, the former Soviet Union and Newly Independent States, as well as parts of Asia, are all expected to show a marked decrease in their level of energy-related carbon emissions in 2010. Nations with the highest emissions, specifically, the U.S., the EU and Japan, are anticipated to reduce their emissions by up to 8 percent by 2012. By 2000, however, the emissions targets were not on schedule for achievement. Indeed, the U.S. Department of Energy estimates forecast that by 2010, there will be a 34 percent increase in carbon emissions from the 1990 levels, in the absence of major shifts in policy, economic growth, energy prices, and consumer trends. Despite this assessment in the U.S., international support for the Kyoto Protocol remained strong, especially among European countries and island states, who view the pact as one step in the direction away from reliance on fossil fuels and other sources of greenhouse gases.

In 2001, U.S. President, George W. Bush, rejected his country's participation in the Kyoto Protocol, saying that the costs imposed on the global economic system, and especially, on the US, overshadowed the benefits of the Protocol. He also cited the unfair burden on developed nations to reduce emissions, as another primary reasons for withdrawal from the international pact, as well as insufficient evidence regarding the science of global warming. Faced with impassioned international disapproval for his position, the U.S. president stated that his administration remained interested in dealing with the matter of global warming, but would endorse alternative measures to combat the problem, such as voluntary initiatives limiting emissions. Critics of Bush's position, however, have noted that it was the failure of voluntary initiatives to reduce emissions following the Rio Summit that led to the establishment of the Kyoto Protocol in the first place.

In the wake of the Bush administration's decision, many participant countries resigned themselves to the reality that the goals of the Kyoto Protocol might not be achieved without U.S. involvement. Nevertheless, in Bonn, Germany, in July 2001, the remaining participant countries struck a political compromise on some of the key issues and sticking points, and planned to move forward with the Protocol, irrespective of the absence of the U.S. The key compromise points included the provision for countries to offset their targets with carbon sinks (these are areas of forest and farmland which can absorb carbon through the process of photosynthesis). Another compromise point within the broader Bonn Agreement was the reduction of emissions cuts of six gases from

over 5 percent to a more achievable 2 percent. A third key change was the provision of funding for less wealthy countries to adopt more progressive technologies.

In late October and early November 2001, the UNFCC's 7th Conference of the Parties met in Marrakesh, Morocco, to finalize the measures needed to make the Kyoto Protocol operational. Although the UNFCC projected that ratification of the Protocol would make it legally binding within a year, many critics noted that the process had fallen short of implementing significant changes in policy that would be necessary to actually stop or even slow climate change. They also maintained that the absence of U.S. participation effectively rendered the Protocol into being a political exercise without any substance, either in terms of transnational policy or in terms of environmental concerns.

The adoption of the compromises ensconced within the Bonn Agreement had been intended to make the provisions of the Kyoto Protocol more palatable to the U.S. In this regard, it failed to achieve its objective as the Bush administration continued to eschew participation in the international accord. Still, however, the Bonn Agreement did manage to render a number of other positive outcomes. Specifically, in 2002, key countries, such as Russia, Japan and Canada agreed to ratify the protocol, bringing the number of signatories to 178. The decision by key countries to ratify the protocol was regarded as "the kiss of life" by observers.

By 2005, on the eve of a climate change conference in London, British Prime Minister Tony Blair was hoping to deal with the problems of climate change beyond the provisions set forth in the Kyoto Protocol. Acknowledging that the Kyoto Protocol could not work in its current form, Blair wanted to open the discussion for a new climate change plan.

Blair said that although most of the world had signed on to Kyoto, the protocol could not meet any of its practical goals of cutting greenhouse gas emissions without the participation of the United States, the world's largest polluter. He also noted that any new agreement would have to include India and China -- significant producers of greenhouse gas emissions, but exempt from Kyoto because they have been classified as developing countries. Still, he said that progress on dealing with climate change had been stymied by "a reluctance to face up to reality and the practical action needed to tackle problem."

Blair also touted the "huge opportunities" in technology and pointed toward the possibilities offered by wind, solar and nuclear power, along with fuel cell technology, eco-friendly biofuels, and carbon capture and storage which could generate low carbon power. Blair also asserted that his government was committed to achieving its domestic goal of reducing carbon dioxide emissions by 20 percent by 2010.

In the United States, President George W. Bush has said that global warming remained a debatable issue and despite conclusions reached by his own Environmental Protection Agency, he has not

agreed with the conclusion that global warming and climate change are linked with human activities. Bush has also refused to ratify Kyoto on the basis of its economic costs.

Australia, an ally of the United States, has taken a similarly dim view of the Kyoto Protocol. Ahead of the November 2005 climate change meeting in Canada in which new goals for the protocol were to be discussed, Australia 's Environment Minister, Ian Campbell, said that negotiating new greenhouse gas emission levels for the Kyoto Protocol would be a waste of time. Campbell said, "There is a consensus that the caps, targets and timetables approach is flawed. If we spend the next five years arguing about that, we'll be fiddling and negotiating while Rome burns." Campbell, like the Bush administration, has also advocated a system of voluntary action in which industry takes up new technologies rather than as a result of compelling the reduction of emissions. But the Australian Conservation Foundation (ACF) has called on its government to ratify the Kyoto Protocol, to establish a system of emissions trading, and to set binding limits on emissions. Interestingly, although it did not sign on to Kyoto , Australia was expected to meet its emissions target by 2012 (an 8 percent increase in 1990 levels in keeping with the country's reliance on coal). But this success has nothing to do with new technologies and is due to state-based regulations on land clearing.

Note: The Kyoto Protocol calls for developed nations to cut greenhouse emissions by 5.2 percent of 1990 levels by 2012.

Special Entry: Climate Change Summit in Copenhagen (2009) --

In December 2009, the United Nations Climate Change Summit opened in the Danish capital of Copenhagen. The summit was scheduled to last from Dec. 7-18, 2009. Delegates from more than 190 countries were in attendance, and approximately 100 world leaders, including British Prime Minister Gordon Brown and United States President Barack Obama, were expected to participate. At issue was the matter of new reductions targets on greenhouse gas emissions by 2020.

Despite earlier fears that little concurrence would come from the conference, effectively pushing significant actions forward to a 2010 conference in Mexico City, negotiators were now reporting that the talks were productive and several key countries, such as South Africa, had pledged to reduce greenhouse gas emissions. The two main issues that could still lead to cleavages were questions of agreement between the industrialized countries and the developing countries of the world, as well as the overall effectiveness of proposals in seriously addressing the perils of climate change.

On Dec. 9, 2009, four countries -- the United Kingdom, Australia, Mexico and Norway -- presented a document outlining ideas for raising and managing billions of dollars, which would be intended to help vulnerable countries dealing with the perils of climate change. Described as a "green fund," the concept could potentially help small island states at risk because of the rise in sea

level. Bangladesh identified itself as a potential recipient of an assistance fund, noting that as a country plagued by devastating floods, it was particularly hard-hit by climate change. The "green fund" would fall under the rubric of the United Nations Framework Convention on Climate Change, for which developed countries have been committed to quantifying their emission reduction targets, and also to providing financial and technical support to developing countries.

The United Kingdom, Australia, Mexico and Norway also called for the creation of a new legal treaty that would replace the Kyoto Protocol. This new treaty, which could go into force in 2012, would focus largely on the reduction of greenhouse gas emissions by 2020. But Australia went even further in saying that the successor treaty to the Kyoto Protocol, should be one with provisions covering all countries. Such a move would be a departure from the structure of the Kyoto Protocol, which contained emissions targets for industrialized countries due to the prevailing view that developed countries had a particular historic responsibility to be accountable for climate change. More recently, it has become apparent that substantial reductions in greenhouse gas emissions demanded by scientists would only come to pass with the participation also of significant developing nation states, such as China and India. Indeed, one of the most pressing critiques of the Kyoto Protocol was that it was a "paper tiger" that failed to address the impact of the actions of emerging economies like China and India, with its focus on the developed economies.

Now, in 2009, China -- as the world's biggest greenhouse gas emitter -- was responding this dubious distinction by vocalizing its criticism of the current scenario and foregrounding its new commitments. Ahead of the Copenhagen summit, China had announced it would reduce the intensity of its carbon emissions per unit of its GDP in 2020 by 40 to 45 percent against 2005 levels. With that new commitment at hand, China was now accusing the United States and the European Union of shirking their own responsibilities by setting weak targets for greenhouse gas emissions cuts. Senior Chinese negotiator, Su Wei, characterized the goals of the world's second largest greenhouse gas emitter -- the United States -- as "not notable," and the European Union's target as "not enough." Su Wei also took issue with Japan for setting implausible preconditions.

On Dec. 11, 2009, China demanded that developed and wealthy countries in Copenhagen should help deliver a real agreement on climate change by delivering on their promises to reduce carbon emissions and provide financial support for developing countries to adapt to global warming. In so doing, China's Vice Foreign Minister He Yafei said his country was hoping that a "balanced outcome" would emerge from the discussions at the summit. Echoing the position of the Australian government, He Yafei spoke of a draft agreement as follows: "The final document we're going to adopt needs to be taking into account the needs and aspirations of all countries, particularly the most vulnerable ones."

China's Vice Foreign Minister emphasized the fact that climate change was "a matter of survival" for developing countries, and accordingly, such countries need wealthier and more developed countries to accentuate not only their pledges of emissions reduction targets, but also their financial

commitments under the aforementioned United Nations Framework Convention on Climate Change. To that end, scientists and leaders of small island states in the Indian Ocean, the Pacific Ocean and the Caribbean Sea, have highlighted the existential threat posed by global warming and the concomitant rise in sea level.

China aside, attention was also on India -- another major player in the developing world and a country with an industrializing economy that was impacting the environment. At issue was the Indian government's decision to set a carbon intensity target, which would slow emissions growth by up to 25 percent by the 2020 deadline. This strong position was resisted by some elements in India, who argued that their country should not be taking such a strong position when developed wealthy countries were yet to show accountability for their previous commitments to reduce greenhouse gas emissions. The matter grew so heated that the members of the opposition stormed out of the parliament in protest as Indian Environment Minister Jairam Ramesh defended the policy. But the political pressure at home in India was leaving the Indian delegation in Copenhagen in a state of chaos as well. In fact, India's top environmental negotiator refused to travel to Copenhagen in protest of the government's newly-announced stance.

China and India were joined by Brazil and South Africa in the crafting of a draft document calling for a new global climate treaty to be completed by June 2010. Of concern has been the realization that there was insufficient time to find concurrence on a full legal treaty, which would leave countries only with a politically-binding text by the time the summit at Copenhagen closed. But Guyana's leader, President Bharrat Jagdeo, warned that the summit in Denmark would be classified as a failure unless a binding document was agreed upon instead of just political consensus. He urged his cohorts to act with purpose saying, "Never before have science, economics, geo-strategic self-interest and politics intersected in such a way on an issue that impacts everyone on the planet."

Likewise, Tuvalu demanded that legally binding agreements emerge from Copenhagen. Its proposal was supported by many of the vulnerable countries, from small island states and sub-Saharan Africa, all of whom warned of the catastrophic impact of climate change on their citizens. Tuvalu also called for more aggressive action, such as an amendment to the 1992 agreement, which would focus on sharp greenhouse gas emissions and the accepted rise in temperatures, due to the impact the rise in seas. The delegation from Kiribati joined the call by drawing attention to the fact that one village had to be abandoned due to waist-high water, and more such effects were likely to follow. Kiribati's Foreign Secretary, Tessie Lambourne, warned that the people of Kiribati could well be faced with no homeland in the future saying, "Nobody in this room would want to leave their homeland." But despite such impassioned pleas and irrespective of warnings from the Intergovernmental Panel on Climate Change that the rise in sea level from melting polar ice caps would deleteriously affect low-lying atolls such as such as Tuvalu and Kiribati in the Pacific, and the Maldives in the Indian Ocean, the oil-giant Saudi Arabia was able to block this move.

Meanwhile, within the developed countries, yet another power struggle was brewing. The European Union warned it would only agree to raise its target of 20 percent greenhouse gas emissions reductions to 30 percent if the United States demonstrated that it would do more to reduce its own emissions. It was unknown if such pressure would yield results. United States President Barack Obama offered a "provisional" 2020 target of 17 percent reductions, noting that he could not offer greater concessions at Copenhagen due to resistance within the United States Congress, which was already trying to pass a highly controversial "cap and trade" emissions legislation. However, should that emissions trading bill fail in the Senate, the United States Environment Protection Agency's declaration that greenhouse gases pose a danger to human health and the environment was expected to facilitate further regulations and limits on power plants and factories at the national level. These moves could potentially strengthen the Obama administration's offering at Copenhagen. As well, President Obama also signaled that he would be willing to consider the inclusion of international forestry credits.

Such moves indicated willingness by the Obama administration to play a more constructive role on the international environmental scene than its predecessor, the Bush administration. Indeed, ahead of his arrival at the Copenhagen summit, President Barack Obama's top environmental advisors promised to work on a substantial climate change agreement. To that end, United States Environmental Protection Agency Administrator Lisa Jackson said at a press conference, "We are seeking robust engagement with all of our partners around the world." But would this pro-engagement assertion yield actual results?

By Dec. 12, 2009, details related to a draft document prepared by Michael Zammit Cutajar, the head of the Ad-hoc Working Group on Long-Term Cooperative Action, were released at the Copenhagen climate conference. Included in the document were calls for countries to make major reductions in carbon emissions over the course of the next decade. According to the Washington Post, industrialized countries were called on to make cuts of between 25 percent and 40 percent below 1990 levels -- reductions that were far more draconian than the United States was likely to accept. As discussed above, President Obama had offered a provisional reduction target of 17 percent. The wide gap between the released draft and the United States' actual stated position suggested there was much more negotiating in the offing if a binding agreement could be forged, despite the Obama administration's claims that it was seeking greater engagement on this issue.

In other developments, the aforementioned call for financial support of developing countries to deal with the perils of climate change was partly answered by the European Union on Dec. 11, 2009. The European bloc pledged an amount of 2.4 billion euros (US$3.5 billion) annually from 2010 to 2012. Environment Minister Andreas Carlgren of Sweden -- the country that holds the rotating presidency of the European Union at the time of the summit -- put his weight behind the notion of a "legally binding deal." Meanwhile, Yvo de Boer, a top United Nations climate change official, focused less on the essence of the agreement and more on tangible action and effects saying, "Copenhagen will only be a success if it delivers significant and immediate action that begins the

day the conference ends."

The division between developed and developing countries in Copenhagen reached new heights on Dec. 14, 2009, when some of the poor and less developed countries launched a boycott at the summit. The move, which was spurred by African countries but backed by China and India, appeared to be geared toward redirecting attention and primary responsibility to the wealthier and more industrialized countries. The impasse was resolved after the wealthier and more industrialized countries offered assurances that they did not intend on shirking from their commitments to reducing greenhouse gases. As a result, the participating countries ceased the boycott.

Outside the actual summit, thousands of protestors had gathered to demand crucial global warming, leading to clashes between police and demonstrators elsewhere in the Danish capital city. There were reports of scattered violence across Copenhagen and more than 1,000 people were arrested.

Nevertheless, by the second week of the climate change summit, hopes of forging a strong deal were eroding as developed and developing nations remained deadlocked on sharing cuts in greenhouse gases, and particularly on the matters of financing and temperature goals. In a bid to shore up support for a new climate change, United States President Barack Obama joined other world leaders in Copenhagen. On Dec. 14, 2009, there was a standoff brewing between the United States and China. At issue was China's refusal to accept international monitoring of its expressed targets for reducing greenhouse gas emissions. The United States argued that China's opposition to verification could be a deal-breaker.

By the close of the summit, the difficult process eventually resulted in some consensus being cultivated. A draft text called for $100 billion a year by 2020 to assist poor nations cope with climate change, while aiming to limit global warming to two degrees Celsius compared with pre-industrial levels. The deal also included specific targets for developed countries to reduce greenhouse gas emissions, and called for reductions by developing countries as a share of their economies. Also included in the agreement was a mechanism to verify compliance. The details of the agreement were supported by President Barack Obama, Chinese Premier Wen Jiabao, Indian Prime Minister Manmohan Singh and Brazilian President Luiz Inacio Lula da Silva.

This draft would stand as an interim agreement, with a legally-binding international pact unlikely to materialize until 2010. In this way, the summit in Copenhagen failed to achieve its central objective, which was to negotiate a successor to the Kyoto Protocol on greenhouse gas emissions.

Editor's Note

In the background of these developments was the growing global consciousness related to global warming and climate change. Indeed, as the Copenhagen summit was ongoing, it was clear there

was enormous concurrence on the significance of the stakes with an editorial on the matter of climate change being published in 56 newspapers in 45 countries. That editorial warned that without global action, climate change would "ravage our planet." Meanwhile, a global survey taken by Globescan showed that concern over global warming had exponentially increased from 1998 -- when only 20 percent of respondents believed it to be a serious problem -- to 64 percent in 2009. Such survey data, however, was generated ahead of the accusations by climate change skeptics that some climate scientists may have overstated the case for global warming, based on emails derived in an illicit manner from a British University.

Special Entry: Climate change talks in Doha in Qatar extend life of Kyoto Protocol (2012)

December 2012 saw climate talks ensue in the Qatari city of Doha as representatives from countries across the world gathered to discuss the fate of the Kyoto Protocol, which seeks to minimize greenhouse gas emissions. The summit yielded results with decisions made (1) to extend the Kyoto Protocol until 2020, and (2) for wealthier countries to compensate poorer countries for the losses and damage incurred as a result of climate change.

In regards to the second matter, Malia Talakai of Nauru, a leading negotiator for the Alliance of Small Island States, explained the necessity of the compensation package as follows: “We are trying to say that if you pollute you must help us.”

This measure was being dubbed the "Loss and Damage" mechanism, and was being linked with United States President Barack Obama's request for $60 billion from Congress to deal with the devastation caused by Hurricane Sandy months before. The sight of a hurricane bearing down on the northern Atlantic seaboard, along with the reality of the scope of reconstruction, appeared to have illustrated the economic costs of climate change -- not so much as a distant environmental issue -- but as a danger to the quotidian lives of people. Still, there was blame to be placed on the United States and European countries -- some of world's largest emitters -- for failing to do more to reduce emissions.

To that latter end, there was in fact little progress made on the central issue of reducing greenhouse gas emissions. Had those emissions been reduced, there would have been less of a need to financially deal with the devastation caused by climate change. One interpretation was that the global community was accepting the fact that industrialization was contributing to global warming, which had deleterious effects on the polar ice caps and concomitantly on the rise of sea level, with devastating effects for small island nations. Thus, wealthier countries were willing to pay around $10 billion a year through 2020, effectively in "damages," to the poor countries that could be viewed as the "collateral damage" of industrial progress. But damages today could potentially be destruction tomorrow, leaving in place the existential challenges and burdens to be born by some of the world's smallest and least wealthy island countries.

Perhaps not surprisingly, the representative for the small island nation states at the Doha summit responded with ire, characterizing the lack of progress on reducing emissions as follows: "We see the package before us as deeply deficient in mitigation (carbon cuts) and finance. It's likely to lock us on the trajectory to a 3,4,5C rise in global temperatures, even though we agreed to keep the global average temperature rise of 1.5C to ensure survival of all islands. There is no new finance (for adapting to climate change and getting clean energy) -- only promises that something might materialize in the future. Those who are obstructive need to talk not about how their people will live, but whether our people will live."

Indeed, in most small island countries not just in the Pacific, but also the Caribbean and Indian Ocean, ecological concerns and the climate crisis have been dominant themes with dire life and death consequences looming in the background for their people. Small island nations in these region are already at risk from the rise of sea-level, tropical cyclones, floods. But their very livelihoods of fishing and subsistence farming were also at risk as a result of ecological and environmental changes. Increasingly high storm surges can wipe out entire villages and contaminate water supplies. Accordingly, the very existence of island nations, such as Kiribati and Tuvalu, are at severe risk of being obliterated from the map. Yet even with the existential threat of being wiped off the map in the offing, the international community has been either slow or restrictive in its efforts to deal with global warming, climate change, economic and ecological damage, as well as the emerging global challenge of environmental refugees.

A 2012 report from the United Nations Environment Program (UNEP) and the Pacific Regional Environment Program underlined the concerns of small island nations and their people as it concluded that the livelihoods of approximately 10 million people in Pacific island communities were increasingly vulnerable to climate change. In fact, low-lying islands in that region would likely confront losses of up to 18 percent of gross domestic product due to climate change, according to the report. The report covers 21 countries and territories, including Fiji, Kiribati, Samoa and Tonga, and recommended environmental legislation intended to deal with the climate crisis facing the small island countries particularly. As noted by David Sheppard, the director general of the Pacific Regional Environment Program that co-sponsored this study: “The findings... emphasize the need more than ever to raise the bar through collective actions that address the region's environmental needs at all levels."

Regardless of the failures of the summit in Qatar (discussed above), the meeting did facilitate a process starting in 2015, which would bind both wealthy and poor countries together in the mission of forging a new binding treaty that would replace the Kyoto Protocol and tackle the central causes of climate change.

For more information on the threats faced in small island nations by climate change and the measures being undertaken to lobby for international action, please see the Alliance for Small

Island States available online at the URL: http://aosis.org/

Special Report

COP 21 summit in Paris ends with historic agreement to tackle climate change; rare international consensus formed on environmental crisis facing the planet (2015) --

In mid-December 2015, the highly-anticipated United Nations climate conference of parties (COP) in Paris, France, ended with a historic agreement. In fact, it would very likely be understood as the most significant international agreement signed by all the recognized countries of the world since the Cold War. Accordingly, the Paris Agreement was being distinguished as the first multilateral pact that would compel all countries across the world to cut its carbon emissions -- one of the major causes of increasing greenhouse gas emissions, which contribute to global warming, and its deleterious effects ranging from the dangerous rise in sea level to catastrophic climate change.

The accord, which was dubbed to be the "Paris Agreement," was the work of rigorous diplomacy and fervent environmental advocacy, and it aimed to address the climate change crisis facing the planet. As many as 195 countries were represented in the negotiations that led to the landmark climate deal. Indeed, it was only after weeks of passionate debate that international concurrence was reached in addressing the environmental challenges confronting the world, with particular attention to moving beyond fossil fuels and reducing greenhouse gas emissions.

The success of the COP 21 summit in Paris and the emergence of the landmark Paris Agreement was, to some extent, attributed to the efforts of France's Foreign Minister Laurent Fabius who presided over the negotiations. The French foreign minister's experience and credentials as a seasoned diplomat and respected statesman paid dividends. He skillfully guided the delegates from almost 200 countries and interest groups along the negotiations process, with ostensibly productive results and a reasonably robust deal to show for it.

On Dec. 12, 2015, French Foreign Minister Fabius officially adopted the agreement, declaring: "I now invite the COP to adopt the decision entitled Paris Agreement outlined in the document. Looking out to the room I see that the reaction is positive, I see no objections. The Paris agreement is adopted." Once Foreign Minister Fabius' gavel was struck, symbolically inaugurating the Paris Agreement into force, the COP delegate rushed to their feet with loud and bouyant cheers as well as thunderous applause.

In general, the Paris Agreement was being hailed as a victory for enviromental activists and a triumph for international diplomats, while at the same time being understood as simply an initial -- and imperfect -- move in the direction of a sustainable future. China's chief negotiator, Xie

Zhenhua, issued this message, saying that while the accord was not ideal, it should "not prevent us from marching historical steps forward."

United States President Barack Obama lauded the deal as both "ambitious" and "historic," and the work of strenuous multilateral negotiations as he declared, "Together, we've shown what's possible when the world stands as one." The United States leader acknowledged that the accord was not "perfect," but he reminded the critics that it was "the best chance to save the one planet we have. "

Former United States Vice President Al Gore, one of the world's most well known environmental advocates, issued a lengthy statement on the accomplishments ensconced in the Paris Agreement. He highlighted the fact that the Paris Agreement was a first step towards a future with a reduced carbon footprint on Planet Earth as he said, "The components of this agreement -- including a strong review mechanism to enhance existing commitments and a long-term goal to eliminate global-warming pollution this century -- are essential to unlocking the necessary investments in our future. No agreement is perfect, and this one must be strengthened over time, but groups across every sector of society will now begin to reduce dangerous carbon pollution through the framework of this agreement."

The central provisions of the Paris Agreement included the following items:

- Greenhouse gas emissions should peak as quickly as possible, with a move towards balancing energy sources, and ultimately the decrease of greenhouse gases in the second half of this century
- Global temperature increase would be limited to 1.5 degrees Centigrade above pre-industrial levels and would be held "well below" the two degrees Centigrade threshold
- Progress on these goals would be reviewed every five years beginning in 2020 with new greenhouse gas reduction targets issued every five years
- $100 billion would be expended each year in climate finance for developing countries to move forward with green technologies, with further climate financing to be advanced in the years beyond

It should be noted that there both legally binding and voluntary elements contained within the Paris Agreement. Specifically, the submission of an emissions reduction target and the regular review of that goal would be legally mandatory for all countries. Stated differently, there would be a system in place by which experts would be able to track the carbon-cutting progress of each country. At the same time, the specific targets to be set by countries would be determined at the discretion of the countries, and would not be binding. While there was some criticism over this non-binding element, the fact of the matter was that the imposition of emissions targets was believed to be a major factor in the failure of climate change talks in Copenhagen, Denmark, in 2009.

In 2015, the talks faced challenges as several countries, such as China and India, objected to conditions that would stymie economic and development. In order to avoid that kind of landmine,

a system Intended Nationally Determined Contributions (INDCs) was developed and formed the basis of the accord. As such, the Paris Agreement would, in fact, facilitate economic growth and development, as well as technological progress, but with the goal of long-term ecological sustainability based on low carbon sources. In fact, the agreement heralded as "the beginning of the end of the fossil fuel era." As noted by Nick Mabey, the head of the climate diplomacy organization E3G, said, "Paris means governments will go further and faster to tackle climate change than ever before. The transition to a low carbon economy is now unstoppable, ensuring the end of the fossil fuel age."

A particular sticking point in the agreement was the $100 billion earmarked for climate financing for developing countries to transition from traditional fossil fuels to green energy technologies and a low carbon future. In 2014, a report by the International Energy Agency indicated that the cost of that transition would actually be around $44 trillion by the mid-century -- an amount that would render the $100 billion being promised to be a drop in the proverbial bucket. However, the general expectation was that the Republican-controlled Senate in the United States, which would have to ratify the deal in that country, was not interested in contributing significant funds for the cause of climate change.

A key strength of the Paris Agreement was the ubiquitous application of measures to all countries. Of note was the frequently utilized concept of "flexibility" with regard to the Paris Agreement. Specifically, the varying capacities of the various countries in meeting their obligations would be anticipated and accorded flexibility. This aspect presented something of a departure from the 1997 Kyoto Protocol, which drew a sharp distinction between developed and developing countries, and mandated a different set of obligations for those categories of countries. Thus, under Kyoto, China and India were not held to the same standards as the United States and European countries. In the Paris Agreement, there would be commitments from all countries across the globe.

Another notable strength of the Paris Agreement was the fact that the countries of the world were finally able to reach consensus on the vital necessity to limit global temperature increases to 1.5 degrees Centrigrade. Ahead of the global consensus on the deal, and as controversy continued to surface over the targeted global temperature limits, the leaders of island countries were sounding the alarm about the melting of the Polar ice caps and the associated rise in seal level. Prime Minister Enele Sopoaga of Tuvalu issued this dismal reminder: “Tuvalu’s future … is already bleak and any further temperature increase will spell the total demise of Tuvalu. No leader in this room carries such a level of worry and responsibility. Just imagine you are in my shoes, what would you do?” It was thus something of a victory for environmental advocates that the countries of the world could find cnsensus on the lower number -- 1.5 degrees rather than 2 degrees.

A significant weak point with regard to the Paris deal was a "loss and damage" provision, which anticipates that even with all the new undertakings intended to reduce greenhouse gas emissions

and move to a low carbon future, there would nonetheless be unavoidable climate change consequences. Those consequences ranged from the loss of arable land for farmers as well as soil erosion and contamination of potable water by sea water, to the decimation of territory in coastal zones and on small islands, due to the rise in sea level, with entire small island countries being rendered entirely uninhabitable. The reality was that peoples' homes across the world would be destroyed along with their way of life.

With that latter catastrophic effect being a clear and present danger for small island countries, the Association of Small Island States (AOSIS) demanded that the developed world acknowledge its responsibility for this irreversible damage.. Despite the fact that greenhouse gas emissions and the ensuing plague of global warming was, indeed, the consequence of development in the West (the United States and Europe) and the large power house countries, such as Russia, China and India, there was no appetite by those countries to sign on to unlimited liability. Under the Paris Agreement, there was a call for research on insurance mechanisms that would address loss and damage issues, with recommendations to come in the future.

The call for research was being regarded as an evasion of sorts and constituted the weakest aspect of the Paris Agreement. Not surprisingly, a coalition of small island nations demanded a "Marshall Plan" for the Pacific. Borrowing the term "Marshall Plan" from the post-World War II reconstruction effort, the coalition of Pacific island nation, which included Kiribati, Tuvalu, Fiji, and the Marshall Islands, called for an initiative that would include investment in renewable energy and shoreline protection, cultural preservation, economic assistance for economies in transition, and a plan for migration and resettlement for these countries as they confront the catastrophic effects of the melting of the Polar ice caps and the concomitant rise in sea level. The precise contours of the initiative remained unknown, unspecified, and a mere exercise in theory at the time of writing. Yet such an initiative would, at some point, have to be addressed, given the realities of climate change and the slow motion calamity unfolding each day for low-lying island nations across the world.

As noted by Vice President Greg Stone of Conservation International, who also functions as an adviser to the government of Kiribati, “Imagine living in a place where you know it’s going to go away someday, but you don’t know what day that wave’s going to come over and wash your home away." He added, “It’s a disaster we know is going to happen.” Meanwhile, the intervening years promised to be filled with hardship for small island nations, such as Kiribati. Stone explained, “For every inch of sea-level rise, these islands lose 10 feet of their freshwater table to saltwater intrusion,” Stone explained. “So it’s not just about the day the water finally goes over the island; it’s also about the day that there’s just not enough water left and everyone has to move off the island.” Presaging the future for island nations that could face submersion, Stone said, “If you look ahead 50 years, a country like Kiribati could become the first aqueous nation. possibility of migration. That is, they own this big patch of ocean, and they administer it from elsewhere.”

Foreign Minister Minister Tony Debrum of the Marshall Islands emerged as the champion advocating on behalf of small island nation states and a loose coalition of concerned countries from the Pacific to the Caribbean, but with support from the United States. He addressed the comprehensive concerns of small island nations regarding the weaknesses of the deal, while simultaneously making clear that the Paris Agreement signified hope for the countries most at risk. In a formal statement, Debrum declared: "We have made history today. Emissions targets are still way off track, but this agreement has the tools to ramp up ambition, and brings a spirit of hope that we can rise to this challenge. I can go back home to my people and say we now have a pathway to survival." Debrum highlighted the imperatives of Pacific island nations, saying, "Our High Ambition Coalition was the lightning rod we needed to lift our sights and expectations for a strong agreement here in Paris. We were joined by countries representing more than half the world. We said loud and clear that a bare-bones, minimalist agreement would not fly. We instead demanded an agreement to mark a turning point in history, and the beginning of our journey to the post-carbon era."

Debrum of the Marshall Islands espoused the quintessential synopsis of the accord and its effects for those most likely to be affected by climate change as he noted, "Climate change won't stop overnight, and my country is not out of the firing line just yet, but today we all feel a little safer."

Editor's Entry on Environmental Policy:

The low-lying Pacific island nations of the world, including Kiribati, Tuvalu, the Marshall Islands, Fiji, among others, are vulnerable to the threats posed by global warming and cimate change, derived from carbon emissions, and resulting in the rise in sea level. Other island nations in the Caribbean, as well as poor countries with coastal zones, were also at particular risk of suffering the deleterious effects of climate change.

Political policy in these countries are often connected to ecological issues, which have over time morphed into an existential crisis of sorts. Indeed, ecological concerns and the climate crisis have also been dominant themes with life and death consequences for the people of island nations in the Pacific. Indeed, the very livelihoods of fishing and subsistence farming remain at risk as a result of ecological and environmental changes. Yet even so, these countries are threatened by increasingly high storm surges, which could wipe out entire villages and contaminate water supplies. Moreover, because these are low lying island nations, the sustained rise in sea level can potentially lead to the terrain of these countries being unihabitable at best, and submerged at worst. Stated in plain terms, these countries are at severe risk of being obliterated from the map and their plight illuminates the emerging global challenge of environmental refugees. In these manifold senses, climate change is the existential crisis of the contemporary era.

Since the time of the 1997 Kyoto Protocol, there have been efforts aimed at extending the life of

that agreement, with an eye on minimizing greenhouse gas emissions, and thus minimizing the effects of climate change. Those endeavors have largely ended in failure, as exemplified by the unsuccessful Copenhagen talks in 2009 and the fruitless Doha talks in 2012 respectively. The success of the COP 21 talks in France, with the adoption of the landmark Paris Agreement in 2015, was regarded as the first glimmer of hope. Not only did the Paris Agreement signify the triumph of international diplomacy and global consensus, but it also marked the start of the end of the fossil fuel era, with the path forward toward a low carbon future reliant on greener technologies. Most crucially, the Paris Agreement stood as the first significant response in recent times to the central challenge of climate change and its quotidian effects on the lives of real human beings across the world.

1. Major International Environmental Accords:

General Environmental Concerns

Convention on Environmental Impact Assessment in a Transboundary Context, Espoo, 1991.

Accords Regarding Atmosphere

Annex 16, vol. II (Environmental Protection: Aircraft Engine Emissions) to the 1044 Chicago Convention on International Civil Aviation, Montreal, 1981

Convention on Long-Range Transboundary Air Pollution (LRTAP), Geneva, 1079

United Nations Framework Convention on Climate Change (UNFCCC), New York, 1002

Vienna Convention for the Protection of the Ozone Layer, Vienna, 1985 including the Montreal Protocol on Substances that Depleted the Ozone Layer, Montreal, 1987

Accords Regarding Hazardous Substances

Convention on the Ban of the Import into Africa and the Control of Transboundary Movements and Management of Hazardous Wastes within Africa, Bamako, 1991

Convention on Civil Liability for Damage Caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels (CRTD), Geneva, 1989

Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention), Basel, 1989

Convention on the Transboundary Effects of Industrial Accidents, Helsinki, 1992

Convention to Ban the Importation into Forum Island Countries of Hazardous and Radioactive Wastes and to Control the Transboundary Movement and Management of Hazardous Wastes within the South Pacific Region (Waigani Convention), Waigani, 1995

European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR), Geneva 1957

FAO International Code of Conduct on the Distribution and Use of Pesticides, Rome, 1985

2. Major International Marine Accords:

Global Conventions

Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter (London Convention 1972), London, 1972

International Convention for the Prevention of Pollution from Ships, 1973, as modified by Protocol of 1978 relation thereto (MARPOL 73/78), London, 1973 and 1978

International Convention on Civil Liability for Oil Pollution Damage 1969 (1969 CLC), Brussels, 1969, 1976, and 1984

International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1971 (1971 Fund Convention), Brussels, 1971

Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (HNS), London 1996

International Convention on Oil Pollution Preparedness, Response, and Co-operation (OPRC), London, 1990

International Convention Relation to Intervention on the High Seas in Cases of Oil Pollution Casualties (Intervention Convention), Brussels, 1969

United Nations Convention on the Law of the Sea (UNCLOS), Montego Bay, 1982

Regional Conventions

Convention for the Prevention of Marine Pollution by Dumping from Ships and Aircraft (Oslo Convention), Oslo, 1972

Convention for the Prevention of Marine Pollution from Land-based Sources (Paris Convention), Paris, 1974

Convention for the Protection of the Marine Environment of the North East Atlantic (OSPAR Convention), Paris, 1992

Convention for the Protection of the Marine Environment of the Baltic Sea Area (1974 Helsinki Convention), Helsinki 1974

Convention for the Protection of the Marine Environment of the Baltic Sea Area (1992 Helsinki Convention), Helsinki 1992

Conventions within the UNEP Regional Seas Programme

Convention on the Protection of the Black Sea against Pollution, Bucharest, 1992

Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, Cartagena de Indias, 1983

Convention for the Protection, Management, and Development of the Marine and Coastal Environment of the Eastern African Region, Nairobi, 1985

Kuwait Regional Convention for Co-operation on the Protection of the Marine Environment from Pollution, Kuwait, 1978

Convention for the Protection and Development of the Marine Environment and Coastal Region of the Mediterranean Sea (Barcelona Convention), Barcelona, 1976

Regional Convention for the Conservation of the Red Sea and Gulf of Aden Environment, Jeddah, 1982

Convention for the Protection of the Natural Resources and Environment of the South Pacific Region, Noumea, 1986

Convention for the Protection of the Marine Environment and Coastal Area of the South-East Pacific, Lima, 1981

Convention for Co-operation in the Protection and Development of the Marine and Coastal Environment of the West and Central African Region, Abidjan, 1981

3. Major Conventions Regarding Living Resources:

Marine Living Resources

Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR), Canberra, 1980

International Convention for the Conservation of Atlantic Tunas (ICCAT), Rio de Janeiro, 1966

International Convention for the Regulation of Whaling (ICRW), Washington, 1946

Nature Conservation and Terrestrial Living Resources

Antarctic Treaty, Washington, D.C., 1959

Convention Concerning the Protection of the World Cultural and Natural Heritage (World Heritage Convention), Paris, 1972

Convention on Biological Diversity (CBD), Nairobi, 1992

Convention on the Conservation of Migratory Species of Wild Animals (CMS), Bonn, 1979

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Washington, D.C., 1973

Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention), Ramsar, 1971

Convention to Combat Desertification (CCD), Paris 1994

FAO International Undertaking on Plant Genetic Resources, Rome, 1983

International Tropical Timber Agreement, 1994 (ITTA, 1994), Geneva, 1994

Freshwater Resources

Convention on the Protection and Use of Transboundary Watercourses and International Lakes, Helsinki, 1992

4. Major Conventions Regarding Nuclear Safety:

Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency (Assistance Convention), Vienna, 1986

Convention on Early Notification of a Nuclear Accident (Notification Convention), Vienna, 1986

Convention on Nuclear Safety, Vienna, 1994

Vienna Convention on Civil Liability for Nuclear Damage, Vienna, 1963

5. Major Intergovernmental Organizations

Commission on Sustainable Development (CSD)

European Union (EU): Environment

Food and Agriculture Organization (FAO)

Global Environment Facility (GEF)

International Atomic Energy Agency (IAEA)

International Council for the Exploration of the Sea (ICES)

International Fund for Agricultural Development (IFAD)

International Labour Organization (ILO)

International Maritime Organization (IMO)

International Monetary Fund (IMF)

International Oil Pollution Compensation Funds (IOPC Funds)

Organization for Economic Co-operation and Development (OECD), Environment Policy Committee (EPOC)

United Nations Children's Fund (UNICEF)

United Nations Development Programme (UNDP)

United Nations Educational, Scientific, and Cultural Organization (UNESCO)

United Nations Environment Programme (UNEP)

United Nations Industrial Development Organization (UNIDO)

United Nations Population Fund (UNFPA)

World Bank

World Food Programme (WFP)

World Health Organization (WHO)

World Meteorological Organization (WMO)

World Trade Organization (WTO)

6. Major Non-Governmental Organizations

Atmosphere Action Network East Asia (AANEA)

Climate Action Network (CAN)

Consumers International (CI)

Earth Council

Earthwatch Institute

Environmental Liaison Centre International (ELCI)

European Environmental Bureau (EEB)

Forest Stewardship Council (FSC)

Friends of the Earth International (FoEI)

Greenpeace International

International Chamber of Commerce (ICC)

International Confederation of Free Trade Unions (ICFTU)

International Planned Parenthood Federation (IPPF)

International Solar Energy Society (ISES)

IUCN-The World Conservation Union

Pesticide Action Network (PAN)

Sierra Club

Society for International Development (SID)

Third World Network (TWN)

Water Environment Federation (WEF)

Women's Environment and Development Organization (WEDO)

World Business Council for Sustainable Development (WBCSD)

World Federalist Movement (WFM)

World Resources Institute (WRI)

World Wide Fund For Nature (WWF)

7. Other Networking Instruments

Arab Network for Environment and Development (RAED)

Global Legislators for a Balanced Environment (GLOBE)

Regional Environmental Center for Central and Eastern Europe (REC)

United Nations Non-Governmental Liaison Service (UN-NGLS)

Appendices

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Methodology Note for Demographic Data:

The demographic numbers for cities and national populations listed in CountryWatch content are derived from the Geoba.se website, which analyzes data from the World Bank. The current demographic numbers displayed on the Countrywatch website are reflective of the latest available estimates.

The demographic information for language, ethnicity and religion listed in CountryWatch content is

derived from a mix of sources including the Altapedia, Central Intelligence Agency Factbook, Infoplease, and State Department Background Notes.

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-- See also list of News Wires services below, which are also used for research purposes. --

Note on Edition Dates:

The earlier edition dates are noted above because they were used to formulate the original Country Reviews and serve as the baseline for some of the information covered. Later editions have been used in some cases, and are cited as such, while other more recent online resources (cited above) contain recent and ever-updated data sets used for research.

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Yearbook of Tourism Statistics, World Tourism Organization. 1998 to present. Madrid: The World Tourism Organization.

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Methodology Notes for Economic Data:

Estimates by CountryWatch.com of GDP in dollars in most countries are made by converting local currency GDP data from the International Monetary Fund World Economic Outlook to US dollars by market exchange rates estimated from the International Monetary Fund International Financial Statistics and projected out by the CountryWatch Macroeconomic Forecast. Real GDP was estimated by deflating current dollar values by the US GDP Implicit Price Deflator.

Exceptions to this method were used for:
- Bosnia-Herzegovina
- Nauru
- Cuba
- Palau
- Holy See
- San Marino
- Korea, North
- Serbia & Montenegro
- Liberia
- Somalia
- Liechtenstein
- Tonga
- Monaco
- Tuvalu

In these cases, other data and/or estimates by CountryWatch.com were utilized.

Investment Overview

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Government of Canada Foreign Affairs and International Trade. URL: http://www.voyage.gc.ca/consular_home-e.htm

Library of Congress Country Studies. URL: http://lcweb2.loc.gov/frd/cs/cshome.html

Lonely Planet. URL: http://www.lonelyplanet.com/worldguide/

Steve Kropla's Online Help For World Travelers. URL: http://www.kropla.com/

United Kingdom Ministry of Foreign and Commonwealth Office. URL: http://www.fco.gov.uk/

United Nations Human Development Report. URL: http://www.undp.org/hdro

UNICEF Statistical Database Online. URL: http://www.unicef.org/statis/atoz.html

United States Central Intelligence Agency, World Factbook. 2001. Washington, D.C.: Printing and Photography Group. URL: http://www.cia.gov/cia/publications/factbook/index.html

United States Department of State, Background Notes. URL: http://www.state.gov/www/background_notes/index.html

United States Department of State, Commercial and Business Affairs: Travel Tips. URL: http://www.state.gov/www/about_state/business/cba_travel.html

United States Department of State, Bureau of Consular Affairs. URL: http://travel.state.gov/

World Health Organization. URL: http://www.who.int/home-page/

World News Connection, National Technical Information Service. Springfield, Virginia, USA.

Internet News Service, Xinhua News Agency (U.S.) Inc. Woodside, New York. URL: http://www.xinhuanet.com/english/

Note on Edition Dates:

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Methodology Notes for the HDI:

Since 1990, the United Nations Development Programme, in concert with organizations across the globe, has produced the Human Development Index (or HDI). According to the UNDP, the index measures average achievement in basic human development in one simple composite index, and produces from this index a ranking of countries. The HDI is a composite of three basic components of human development: longevity, knowledge and standard of living. Longevity is measured by life expectancy. Knowledge is measured by combination of adult literacy and mean

years of schooling. Standard of living is measured by purchasing power, based on real GDP per capita (in constant US$) adjusted for differences in international living costs (or, purchasing power parity, PPP). While the index uses these social indicators to measure national performance with regard to human welfare and development, not all countries provide the same level of information for each component needed to compute the index; therefore, as in any composite indicator, the final index is predicated on projections, predictions and weighting schemes. The index is a static measure, and thus, an incomplete measure of human welfare. In fact, the UNDP says itself the concept of human development focuses on the ends rather than the means of development and progress, examining in this manner, the average condition of all people in a given country.

Specifically, the index is calculated by determining the maximum and minimum for each of the three components (as listed above) and then measuring where each country stands in relation to these scales-expressed as a value between 0 and 1. For example, the minimum adult literary rate is zero percent, the maximum is 100 percent, and the reading skills component of knowledge in the HDI for a country where the literacy rate is 75 percent would be 0.75. The scores of all indicators are then averaged into the overall index.

For a more extensive examination of human development, as well as the ranking tables for each participating country, please visit: http://www.undp.org

Note on History sections

In some CountryWatch Country Reviews, open source content from the State Department Background Notes and Country Guides have been used.

Environmental Overview

Environmental Profiles: A Global Guide to Projects and People. 1993. Linda Sobel Katz, Sarah Orrick, and Robert Honig. New York: Garland Publishing.

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Food and Agriculture Organization of United Nations: Forestry. URL: http://www.fao.org/forestry/site/sofo/en/

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Introduction to Global Environmental Issues, 2nd Edition. 1997. Kevin Pickering and Lewis Owen.

London: Routledge.

Trends: Compendium of Data on Global Change. URL: http://cdiac.esd.ornl.gov/trends/emis/em_cont.htm

United Nations Environmental Program. URL: http://www.unep.org/GEO/GEO_Products/Assessment_Reports/

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1998-1999 World Resources Guide to the Global Environment by the World Resources Institute. May, 1998.

1998/1999 Yearbook of International Cooperation on Environment and Development. 1998. London: Earthscan Publications.

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Other Sources:

General information has also been used in the compilation of this review, with the courtesy of governmental agencies from this country.

News Services:

CANA Daily Bulletin. Caribbean Media Agency Ltd., St. Michael, Barbados.

Central and Eastern Africa Report, United Nations Office for the Coordination of Humanitarian Affairs - Integrated Regional Information Network for Central and Eastern Africa.

Daily News, Panafrican News Agency. Dakar, Senegal.

PACNEWS, Pacific Islands Broadcasting Association. Suva, Fiji.

Radio Free Europe/Radio Liberty. Washington D.C. USA.

Reuters News. Thomson Reuters. New York, New York. USA.

Southern Africa Report, United Nations Office for the Coordination of Humanitarian Affairs - Integrated Regional Information Network for Southern Africa.

Voice of America, English Service. Washington D.C.

West Africa Report, United Nations Office for the Coordination of Humanitarian Affairs - Integrated Regional Information Network for West Africa. 1998-1999

Note: Some or all these news services have been used to research various sections of this Country Review.

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Examples:

Youngblood-Coleman, Denise. *Country Review: France*. 2003. Houston, Texas: CountryWatch Publications, 2003. *Country Review:France*. Online. Available URL: http://www.countrywatch.com/cw_country.asp?vCOUNTRY=61 October, 12, 2003.
Note:
This is the citation format used when the print version is not used in the reference.

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Author/editor. "Part title." *Title of Print Version of Work*. Edition statement (if given). Publication information (Place of publication: publisher, date), if given. *Title of Electronic Work*. Medium. AvailableProtocol (if applicable): Site/Path/File. Access date.

Examples:

Youngblood-Coleman, Denise. "People." *CountryWatch.com: France*. 2003. Houston, Texas: CountryWatch Publications, 2003. *CountryWatch.com: France*. Online. Available URL : http://www.countrywatch.com/cw_topic.asp?vCOUNTRY=61&SECTION=SOCIAL&TOPIC=CLPEO&TYPE=TEXT. October 12, 2003.

Note:
This is the citation format used when the print version is not used in the reference.

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