

Joint European Social Partners' Work-
programme 2009 – 2010
Joint Study on Restructuring in the EU

**BELGIUM NATIONAL DOSSIER
BRUSSELS 14TH OCTOBER 2009**

“A Macroeconomic Overview”

Belgium - “A Macroeconomic Overview”

The purpose of the presentation and discussion;

- ▶ Have we got the facts right?
- ▶ Have we got the emphasis right?
- ▶ Have we got the issues right?
- ▶ What evidence and insights can you add?

The broad macroeconomic context

- Inter-regional differences with regards to cultural and educational policy as well as business structure, productivity and employment;
- "Open" economy with a strong trading position, FDI expansion, profitable SMEs but moderate labour productivity growth, control on wage costs and temporal employment flexibility;
- Strong dependence of on economies of European trade partners;
- Boost to trade, direct investments and innovation;
- Elderly population and low employment of immigrants → low qualification structure of employed migrants;
- Increase in importance of the service sector but Belgium still remains the home of some of the world's largest "industrial" companies (e.g. in the auto sector);
- High educational attainment and enrolment in tertiary education – high share of GDP spending;
- Relatively rigid labour market with a stable position in terms of "job destruction" and "job creation";
- Presence of employment and re-employment measures in case of restructuring.

The mid term macroeconomic forecast

- Continued (but moderate) growth in GDP from 2007 to 2008 (1,1% in 2008) - mainly driven by domestic demand;
- Slowdown in GDP from 2008 to 2009 (est. -2.4% in average);
- For 2010 growth is expected to pick up only moderately to 0,8%;
- Gap vis-à-vis best performing countries;
- Inflation rate growing (2007 – 2011 est. 1.8% to 2.3%);
- Global competitiveness good (2007-2008 WEF 19th position);
- Sound Lisbon index – Belgium scores slightly above the EU-15 and EU-27.

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Key questions

- To what extent is the level of employment growth in Belgian industry at risk in the long term?
- How are the social partners tackling the problems of economic growth, employment for specific social groups and ageing of the population?
- What kinds of active labour market policies can most effectively mitigate the social effects of restructuring over the long term?
- How far is working time flexibility and atypical employment enough to guarantee the emergence of a social sustainable economic growth?
- Has the process of structural change in the public sector produced better quality services what are the implications of widespread change for labour markets and the working population?

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To what extent is the level of employment growth in Belgian industry at risk in the long term?

- Belgian GDP – 77,8% services (14,9% non market services); 24.4% industry; 1,3% agriculture;
- Today – almost 60% of the workforce is employed in the service sector;

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- In employment terms;
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 - Services (healthcare and welfare) ↑
 - Full time ↓
 - Part time ↑
 - Job creation in services ↑
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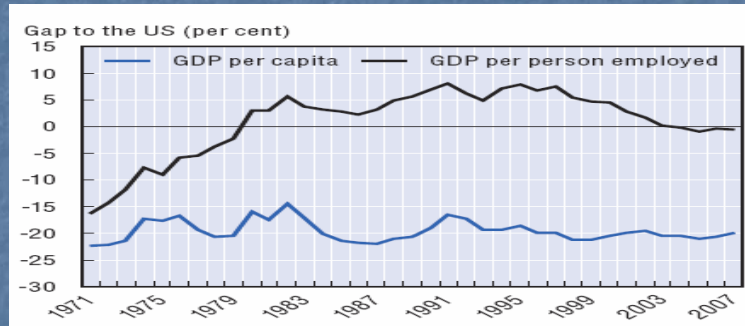
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- Constant growth of companies undergoing “restructuring” → collective lay-offs
- Constant increase of restructuring activities in companies belonging to MNCs

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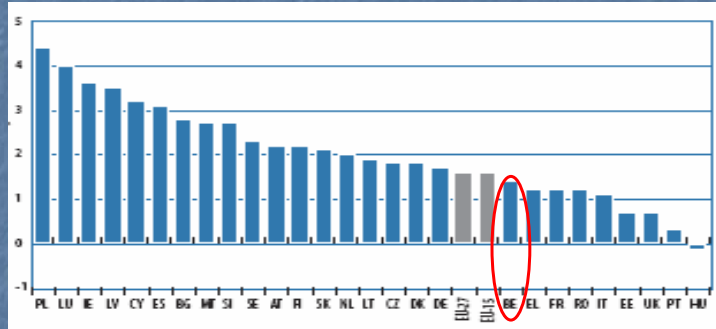
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GDP per capita presents a gap vis-à-vis the best performing countries

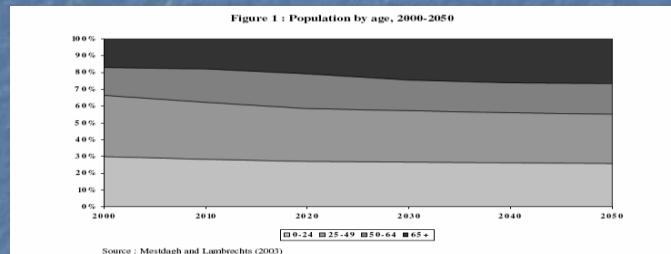
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Employment rates are particularly low (lower than the Lisbon and Stockholm targets for 2010 – 4,7 and 15,6 respectively) for:

- Older workers (28% of the population aged 55-64)
- Younger workers (27% of the population aged 15-24)
- Ethnic minorities

How are the social partners tackling the problems of economic growth, employment for specific social groups and ageing of the population?



Demographic challenge:

- Elderly population increases from 16% to 25 %
- Drop in the proportion of the young population
- 9,1% GDP spent on pensions and 7,1% on health care in 2005

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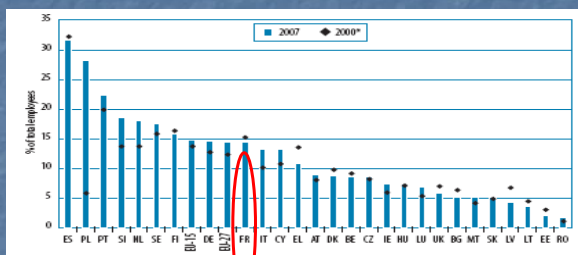
- Shift from "industry to services";
- Increase in female employment ;
- Increase in part-time employment;
- Low employment rate of older people in comparison with the Lisbon and Stockholm targets;
- High proportion of redundancies in the age group 35 – 44 ... unusually young in Europe.

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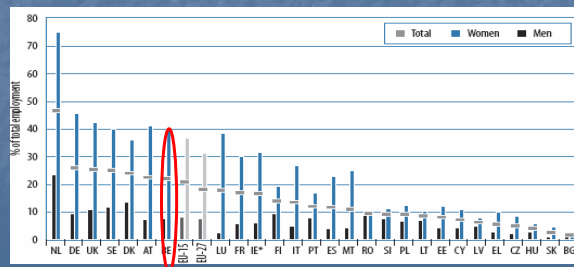


Growing use of PT

- In 2007 22% of employees were not in FT;

- Majority women with an increasing proportion of men;

PT goes in parallel with other forms of atypical work (i.e. temporary work, overtime working, variable working hours, home working, employment for non-standard hours)



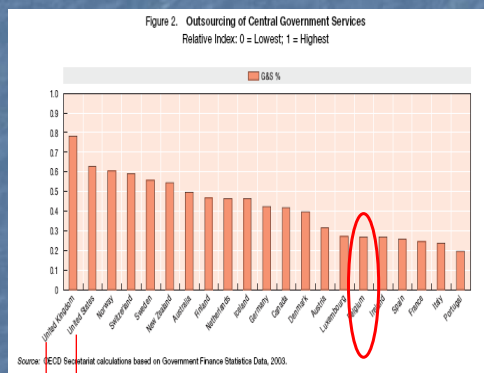
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- The Belgian government has developed structural change of the public sector in line with liberalisation and privatisation ideology ...;
- Quantitative (job losses for competitiveness) and Qualitative (internal restructuring, job changes and outsourcing) changes continue.



EU govt outsourcing leaders

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