Employment Governance Arrangements in Belgium and Flanders

Complexity @ Work
The European Green Deal: the ‘new European employment policy’
The EU Green Deal

• bridging skills and knowledge gaps and better forecasting skills needs
• anticipating sectoral changes, and promoting mobility
• supporting job creation through shifting taxation away from labour and on to pollution, promoting green public procurement, entrepreneurship and social enterprises
• increasing transparency and data quality to improve monitoring and analysis of labour market impacts of the green economy in the European Semester
• promoting social dialogue on the transition to the green economy.

Flanders SCOPE2030

• Flanders will reach full employment and Flanders will belong among the top in Europe in terms of employment rate with longer careers and more workable jobs.
• Flanders will have made the transformation to a multipurpose one economy, providing sustainable and competitive prosperity and employment creates and encourages companies to adopt sustainable practices.
• All companies and organizations will implement a strategic competence policy
• training will be aimed at both lifelong and life-wide learning, through a solid foundation of knowledge, skills and attitudes
• Business will play an important role in this through innovation and technological progress a successful transformation of our society
1. Europe, the starting and end-point of it all

- The European Employment Strategy
- Employment package (prepared by the EU Employment Committee)
  - country reports
  - country specific recommendations
- Employment guidelines and annual Joint employment report (prepared by the EU Employment Committee)
- National reform programmes submitted by Member states
definition of legally non-binding common goals

exclusively national implementation

monitoring and reporting by the Secretariat including bilateral contacts

multilateral discussion (peer pressure)

country-specific recommendations (non-enforceable)

publication of the results (public pressure)
Belgium: the beauty of complexity
The Belgian Institutions

**Federal Level**
- THE FEDERAL INSTITUTIONS
  - The King, The Senate, The Chamber of Representatives

**Community Level**
- The German-speaking Community
- The French Speaking Community
- The Flemish Community
- The United Assembly of the Joint Commission for Community Matters

**Regional Level**
- The Region of Wallonia
- The Region of Brussels Capital

**Linguistic Regions**
- The German-speaking Region
- The French-speaking Region
- The Bi-lingual Region of Brussels-Capital
- The Dutch-speaking Region
Imperfect Decentralisation

• Employment Policy: a federal, regional or community competence?
  • Federal:
    • government declaration
    • Indicators as per the EU semester
    • jobs deal (taxation, wage / competitiveness)
    • interministerial conference
  • What about the wider policy fields: Innovation, Education, Vocational training, taxation, investment climate,...?

• Remaining federal competencies = ‘enforcing’ standardization and equal treatment (labor law and labor costs, taxes, social security contributions, wage policy), and exclusive executive powers (payments / reductions/ activation of ‘social protection’ allowances)

• Is there no Belgian Employment policy? Are there no Belgian Employment goals? Can this be?
Employment measures from a federal viewpoint

**Conclusion?**
- No real policy
- No federal employment agency
- No ‘constitutional’ competency on education, training & employment

=> powerless?

**Reality**
- Government declaration and federal minister for Work
- National employment agency (payment of unemployment benefits + data)
- But impact through wage & taxation policies, social security contributions

=> powerful: covid-response: temporary unemployment, postponement of contributions + Interministerial conferences for maximal coordination and impact
Flemish employment policy

**Pact 2020**

20 goals with specific targets,

- increasing the employment rate to at least 70% by 2020 (changed in 2014 to 76%);
- halving the proportion of people with low skill levels
- allocating 3% of gross interior product (GIP) to research and development by 2014.
- The Pact also included objectives to address poverty, international competitiveness of industry, good governance, and climate.

**Covid response**

- incentive premium to encourage people to work part-time
- The Flemish Support Premium (VOP) for self-employed persons
- The recruitment incentive for long-term jobseekers
- Companies can extend deadlines for reimbursement of public loans.
- The corona nuisance premium offered entrepreneurs who had to close their business completely a one-off premium of 4,000 euros and a fee of 160 euros per day.
- Additional on-line (re-)training courses and distance support by VDAB
Social partners mandates and roles

Federal level: Central Business Council

• Advises the Belgian government on economic and employment matters. Special Advisory Committees may be set up within the CRB for any given policy area.
• The Council is a joint advisory body comprising representatives of private sector organisations and trade unions. The Council may also engage experts 'renowned for their scientific or technical value'.
• The Council includes an employment sub-committee.
• Mandatory and ad hoc advise and “right to initiate”.

Flemish Level: Socio-Economic Council of Flanders (SERV)

• SERV comprises 10 employers' organizations and 10 trade unions.
• Advises the Flemish Government and the Flemish Parliament on socio-economic policy including labor market, economy, education, and social protection. SERV works proactively providing policy advice on its own initiative.
• Hosts the tripartite consultation involving the Flemish Government (Flemish Economic and Social Consultation Committee -VESOC).
• An advisory role on general government policy, employment and social economy, economics. The Flemish Government must provide SERV with an interpretation/explanation of decisions on dossiers on which SERV previously advised.
• “Mandatory (by law) & ad hoc” advise, and ‘right to initiative’
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Employment policy: coordination & monitoring in the Flanders Region and Belgium
A “deep dive” in the Belgian Coordination mechanisms

• Why need for coordination?
  • Europe & soft law
  • “Employment” does not stop at regional borders, human mobility,…
  • 6 Belgian governments are equal

• How is Belgium ensuring coordination
  • Provided in Laws & By-laws
  • Mandatory structures and optional structures
  • Hierarchy in coordination set-up “consultation committee” =>
    “Interministerial conferences”
  • Different legal and institutional set-ups for interregional collaboration: decree
    (law), agreements etc
  • Social Partners (parallel system of coordination and consultation)
Coordination on the monitoring of employment policies

- The annual National Reform Programme takes place within a Policy Monitoring Committee: Boost dialogue between authorities and institutions at state and regional levels.
  - chaired by the Secretary of the Consultation Committee (Ministers of the Regions, Presidents of the Communities, the Deputy Prime Ministers, the Federal Minister for of Foreign Affairs and the Federal Secretary of State for European Affairs.)

- The drafting of the NRP by a Drafting Committee
  - headed by the Chancellery of the Belgian Prime Minister.
  - the Federal Ministry of Finance, the Federal Planning Bureau the Federal Ministry of Social security and the Federal Ministry of Employment

- The Federal and Regional Parliaments also contribute and organizes hearings with relevant Ministers.

- Finally, the social partners are consulted during the preparations of the National Reform Programme. This dialogue takes place through the Central Economic Council and the National Employment Council. Civil Society is also consulted through the Federal Council for Sustainable Development.
Monitoring of employment policies in the European semester

- Belgium’s NRP submitted to the EU
- Based on combined aggregated data from the three regions, and “regional NRP’s”
- Discussed between all Belgian governments
- Dialogue with EC and in OMC with all regions (through permanent representation to EU) and federal state
Data collection and roles of agencies

Data collection & processing

Primarily the responsibility of the regions: (VDAB: numbers of job seekers, activity rate, unemployment, ...)

- Allows for comparison of the region’s labor market figures with the other regions in Belgium as well as with other European countries.

- Employment data is processed and published annually by the Support Center for Work in collaboration with a) Department for Work and Social Economy and b) VDAB.

Cooperation with other Belgian regions

- the SYNERJOB initiative publishes reference information of all 3 regions.

National level

- The National Employment Office: quarterly labour market and employment indicators.

- The National Bureau for Statistics validates all data provided by the regional bodies and statistics bureaus and after it has been consolidated by the National Employment Office. This data is complemented by the national labour force survey.

- This data is a primary reference for the European Commission’s assessment of employment progress and challenges in the European Semester.

Data analysis

Done at the regional level, again aggregated on the federal level by the National employment office

The analysis allows to:

- Monitor Local labour markets up to municipal level
- Monitoring of historical evolutions in employment in professions
- Compare ‘Flanders within Europe’
- Make labour market projections for the Flemish and Belgian labor market (including population, employment rate, employed, replacement demand)
- Track employment targets
- Make sector projections to support future recruitment needs
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Diagram showing the flow of policy instruments and their implementation, coordination, monitoring, and reporting at the European Union, Belgium, and Flanders levels.