7. Belgium

This profile provides an overview of labour market conditions in Belgium analysing trends and differences across three regions (OECD TL2 regions).

Overview of local labour markets

The employment and unemployment rates provide an important indication of the extent to which available labour resources are used, and can provide insights about inclusiveness. In 2016, Belgium displayed an employment rate of 4.7 percentage points below the OECD average, whereas the unemployment rate was 1.6 points above the OECD average, indicating the presence of idle resources. The situation is similar to 2015. Nevertheless, long-term unemployment is still a concern for the Belgian economy, with 52% of unemployed people in that status for more than one year, more than 22 percentage points above the OECD average.

Regions within Belgium display important disparities in terms of employment. In 2016, the employment rate in the Flemish region reached 66.3%, while in the region of Brussels was 54.6%. In terms of unemployment, regional disparities are large when compared to the OECD average. In 2016, the unemployment rate in the Flemish region was below 5%, while in Brussels it was approximately 17%.

Table 7.1. Overview of national and regional labour markets, Belgium

	2015	2016
Labour force participation rate, %	67.6 (71.3)	67.6 (71.7)
Employment rate, %	61.8 (66.3)	62.3 (67.0)
Unemployment rate (HUR), %	8.5 (6.8)	7.9 (6.3)
Long-term unemployment rate (% un.)	51.7 (33.7)	52.0 (30.5)
Regional disparities:		
- Employment rate (disparity index)	11.5 (7.5)	10.5 (7.2)
- Employment rate (difference best-worst performing region)	12.6 (15.7)	11.7 (15.5)
- Unemployment rate (disparity index)	53.3 (26.4)	55.6 (28.0)
- Unemployment rate (difference best-worst performing region)	12.3 (7.6)	12.0 (7.8)

Note: The employment rate is calculated as the employment (15-64) at place of residence over the working age population (15-64). The unemployment rate is calculated as the unemployed over labour force (15-64). Regional disparity is measured as the standard deviation of the indicator across the TL2 regions of the country, divided by the distribution mean (i.e., coefficient of variation). The difference between the best and worst performing region is expressed in percentage values.
*Source*: OECD elaborations based on data from OECD National Accounts and OECD (2018), *OECD Regional Statistics* (database), http://dx.doi.org/10.1787/region-data-en.

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Trend and aggregate indicators

The employment rate of the Belgian economy remained stable over the period 2011-16, registering a slight increase of 0.5 percentage points. This aggregate performance masks differences at the regional level as shown in the map in Figure 7.1. Although all regions in the economy displayed an increase during this period, the most dynamic one was Brussels, where the rate increased by 2 percentage points, whereas in the Flemish region and the Walloon region, the increase was lower than 0.5 percentage points.

Figure 7.1. Regional employment growth and contribution to national employment growth, Belgium

Panel A. Employment rate growth (ppts), TL2 regions, 2011-2016
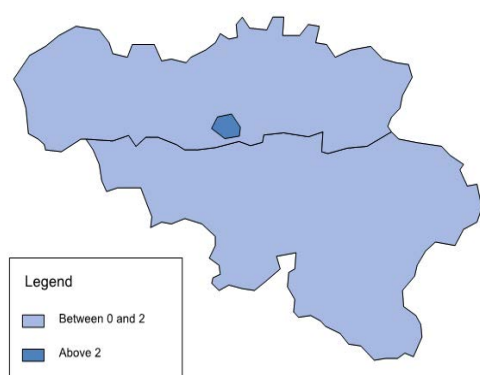
Panel B. Contribution to national job creation by TL2 regions, 2011-2016
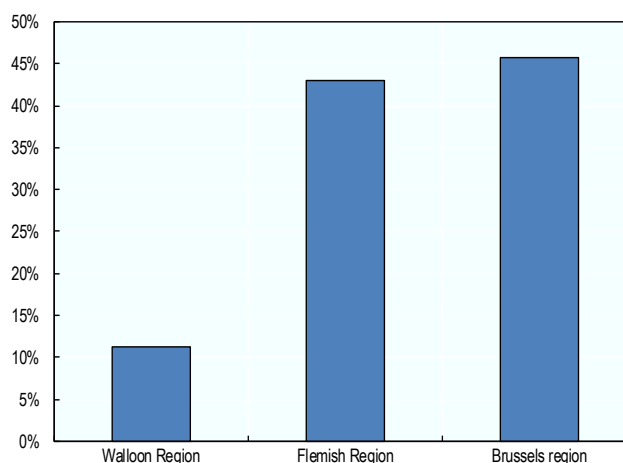
Note: The growth of the employment rate is calculated as the difference between the rate in 2016 and the rate in 2011. Job creation is calculated as the difference between employment in 2016 and employment in 2011. Panel B shows the share of each region in the aggregate variation of jobs; the share of a region registering a net loss (gain) is calculated with respect of the sum of regions experiencing a net loss (gain) of jobs.
Source: Calculations bases on the OECD (2018), *OECD Regional Statistics* (database), http://dx.doi.org/10.1787/region-data-en.

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The creation of jobs over the period 2011-16 was mainly concentrated in the Brussels region and the Flemish region, accounting together for about 89% of net job creation in Belgium.

Jobs at risk of automation

Beside the number of jobs created (or destroyed), it is their "quality" that matters for economic development and inclusion. The analysis conducted in Chapter 1 of this report provides an indication of the share of jobs at risk of automation in the regional economy.

Data on the risk of automation is available only for sub-regions in Flanders (corresponding to the NUTS2 level, according to the European Classification). Over the period 2011-16, three of the five Flemish sub-regions experienced a reduction in the share of jobs at high risk of automation – Type A and Type C in Table 7.2. Still, in two regions

(Antwerp and West Flanders) most of the jobs created were in occupations at high risk of automation, as observed in category Type B.

Table 7.2. Trends in the jobs at risk of automation, Belgium

A. Creating jobs, predominantly in less risky occupations	B. Creating jobs, predominantly in riskier occupations	C. Losing jobs, predominantly in riskier occupations	D. Losing jobs, predominantly in less risky occupations
East Flanders	Antwerp	Limburg	
Flemish Brabant	West Flanders		

Note: Type A and Type C regions experienced an increase in the share of jobs at low risk of automation with respect to occupations at high risk of automation. Type B and Type D regions experienced an increase in the share of jobs at high risk of automation. In both Type A and Type B regions aggregate employment grew, while in the Type C and Type D regions employment declined.
The analysis for Belgium includes information for Flanders region only.
Source: OECD calculations

The detailed creation of jobs by occupation for one sub-region per category is presented in Figure 7.2. In particular, the growth of employment in the region of East Flanders was mainly driven by jobs in occupations at low risk of automation, such as Health professionals (22), Business and Administration Professionals (24), and Legal, Social, Cultural and Related Associate Professionals (34). A similar picture emerges for the region of Limburg in Panel C, which experienced a reduction of employment, but mainly in occupations at high risk of automation, like Numerical and Material Recording Clerks (43) and Drivers and Mobile Plant Operators (83). Despite the loss of jobs in aggregate, the region of Limburg created jobs in occupations at low risk of automation such as Chief Executives, Senior Officials and Legislators (11) and Health Professionals (22). By contrast, the region of West Flanders registered a large increase in jobs in occupations at high risk of automation, like Building and Related Trades Workers (71), Stationary Plant and Machine Operators (81) and Drivers and Mobile Plant Operators (83).

Figure 7.2. Job creation by risk of automation, selected regions, 2011-16, Belgium

Panel A. Region of Type A
East Flanders

Number of jobs, thsd

Average risk of automation

Panel B. Region of Type B
West Flanders

Number of jobs, thsd

Average risk of automation

Panel C. Region of Type C
Limburg
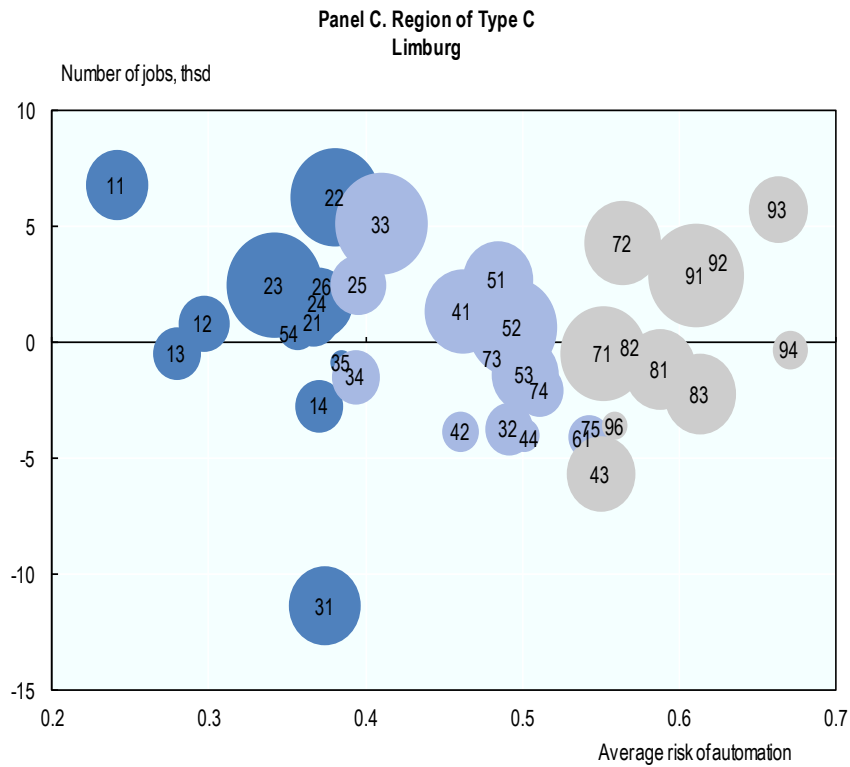
Note: Occupations (ISCO-08 code indicated in the bubble) are ranked from low to high risk of automation along the horizontal axis. Changes in the number of jobs for each occupation are reported along the vertical axis. Bubble size represents the share of jobs in the occupation with respect to total employment in the region.
Source: Calculations based on EU Labour Force survey.

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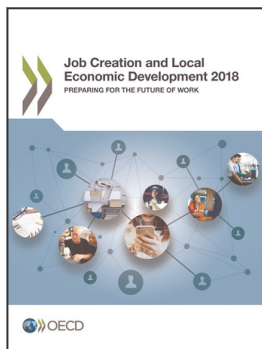
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