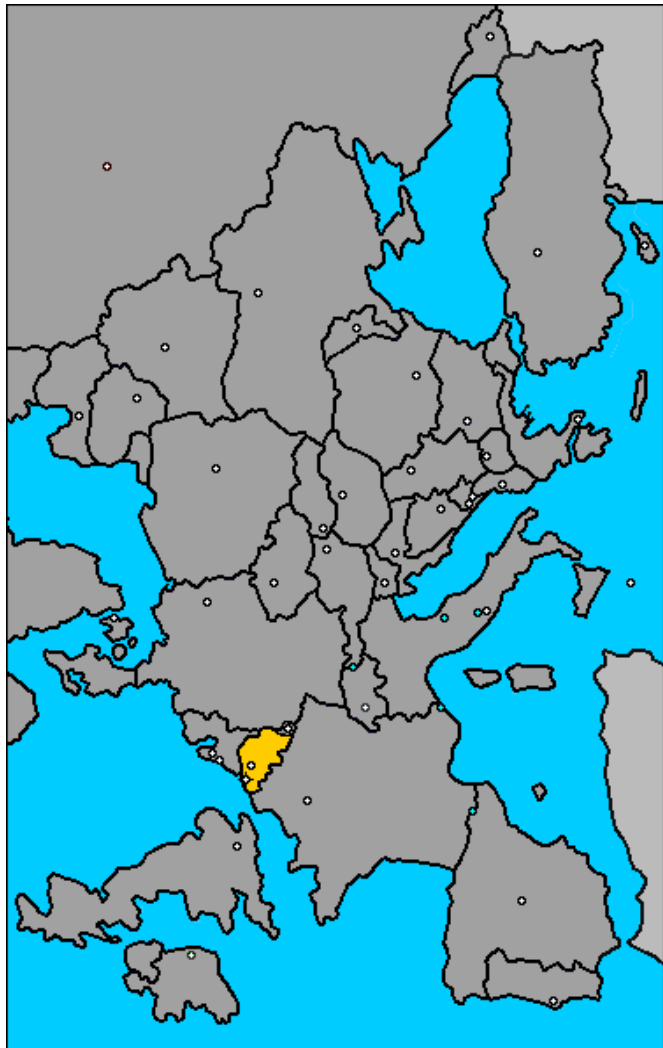


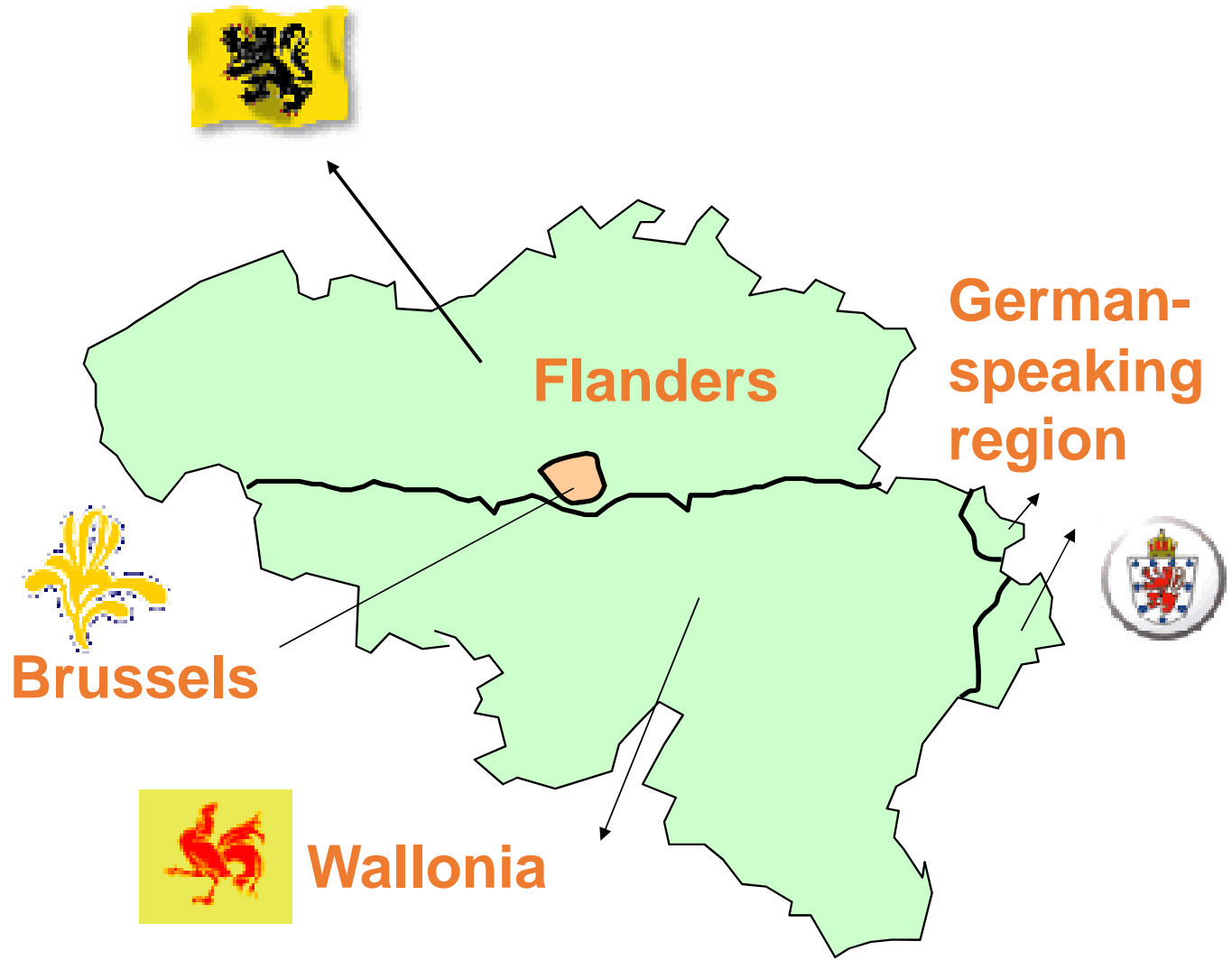
Belgium

a brief introduction

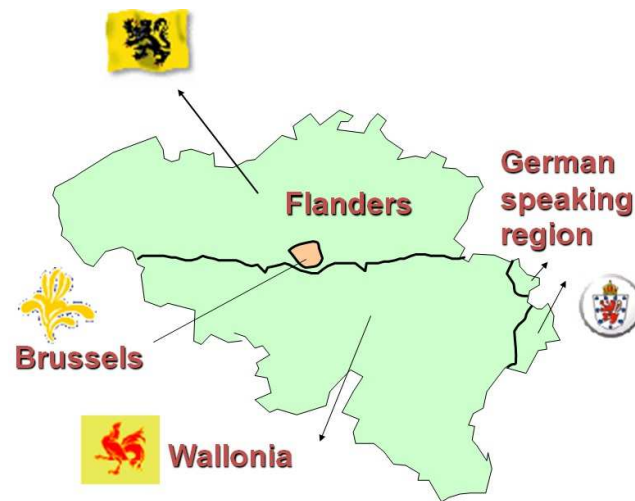


Belgium: facts and figures

| | |
|--------------------|---|
| Population | 10,584,000 |
| Area | 30,528 km ² |
| Federal capital | Brussels |
| Head of State | King Philip |
| National languages | Dutch, French, German |
| Population density | 342.2 inhabitants/km ² |
| Maximum distance | 280 km |
| Highest point | Botrange – 694 m |
| Regions | Flanders, Wallonia, Eastern region, Brussels region |



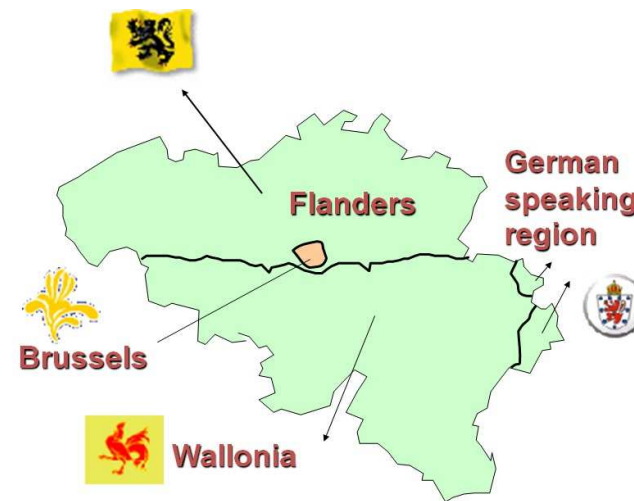
Flanders



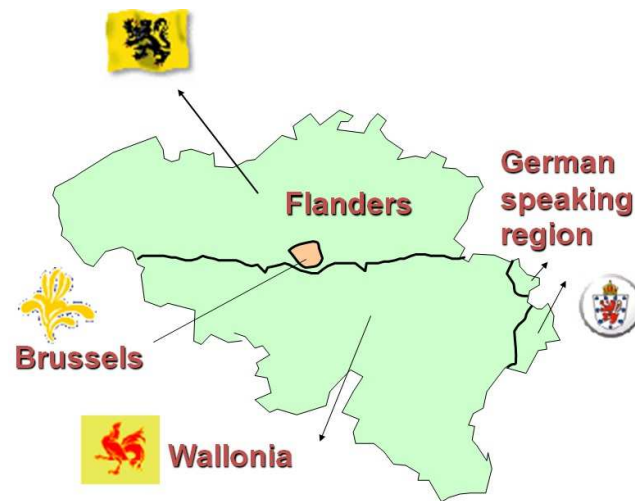
- 6,200,000 inhabitants
- Flemish (Dutch)
- Small firms
- Multinationals
- Unemployment rate 8.02%

Wallonia

- 3,600,000 inhabitants
- French
- Coal and steel industry
- Difficult recovery since 1960
- Unemployment rate 14.3%

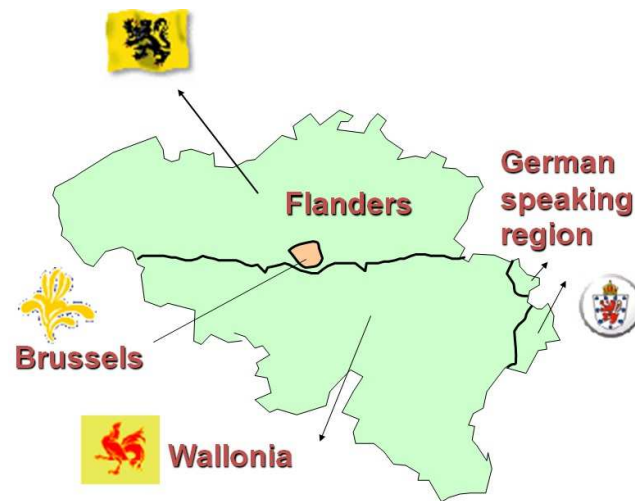


Brussels



- 1,200,000 inhabitants
- A melting-pot of languages
- Headquarters of companies and organisations
- Capital of the country
- Centre of Europe
- Unemployment rate 20.4%

German-speaking region



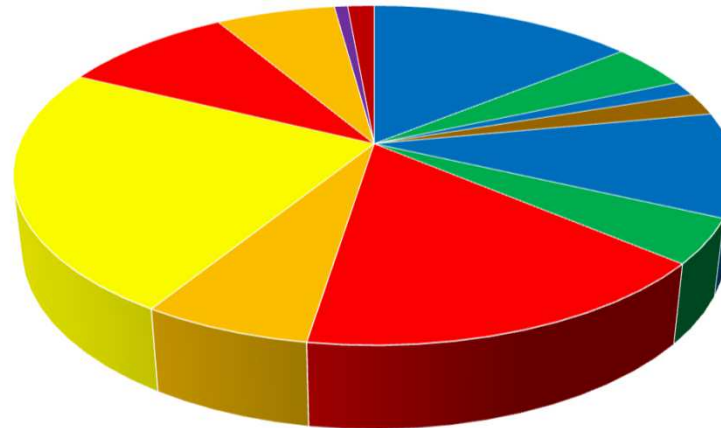
- 76,400 inhabitants
- German
- Older industry
- Unemployment rate 11.08%

... after the state reform

- **Federal:** general interest such a finance, the armed forces, justice, social security, foreign affairs, public health and home affairs.
- **Regional powers & responsibilities** such as the economy, employment, agriculture, water policy, housing, public works, energy, transport, the environment, spatial planning, urban planning, nature conservation, foreign trade, ...

Political situation in Belgium

Seat distribution



| | | | | |
|-------------|-----------------------|------------|---------------------|-----------------|
| ■ MR (20) | ■ Groen (6) | ■ FDF (2) | ■ Vlaams Belang (3) | ■ Open VLD (14) |
| ■ Ecolo (6) | ■ PS (23) | ■ CDH (9) | ■ NVA (33) | ■ SP.A (13) |
| ■ CD&V (9) | ■ Parti Populaire (1) | ■ PVDA (2) | | |

Political situation in Belgium



Tricky problems

- Legal policy
- Free and sensible social dialogue
- Feasible work ... a career for life
- Youth employment
- Temporary unemployment
- Social security
- Tax shift
- Single employment status
- ...

Social security in Belgium

Social Security and Trade Unions

- 3 trade union confederations = 3 payment institutions (for members)
ACV/CSC: 1,200 staff
- 1 public institution (non-affiliated workers)

Social security in Belgium

System with 7 sectors:

- Old age and survivor's pensions
- Unemployment benefits
- Insurance for accidents at work
- Insurance for occupational illnesses
- Family benefits
- Compulsory insurance for medical care and benefits
- Annual vacation pay

Social security: financing

Contributions by both employers and employees

| Sector | Employee contribution (%) | Employer's contribution (%) | Total (%) |
|----------------------------|---------------------------|-----------------------------|-----------|
| 1. Sickness and invalidity | | | |
| - Medical care | 3.55 | 3.80 | 7.35 |
| - Invalidity benefits | 1.15 | 2.35 | 3.50 |
| 2. Unemployment | 0.87 | 1.46 | 2.33 |
| 3. Pensions | 7.50 | 8.86 | 16.36 |
| 4. Family benefits | 0.00 | 7.00 | 7.00 |
| 5. Accidents at work | 0.00 | 0.30 | 0.30 |
| 6. Occupational illnesses | 0.00 | 1.00 | 1.00 |
| Overall contribution | 13.07 | 24.77 | 37.84 |

Unemployment Benefits: types

- Unemployment benefit after (full-time) employment
- Temporary unemployment
- Early retirement = unemployment benefit + extra payment from employer (age is changing)
- Young people after school (minimum benefit)

Unemployment Benefits in €

| Benefits/day | Unemployment (after full time employment) | | | | Temporary unemployment |
|-----------------------|---|--------------------|--------------------|--------------------|------------------------|
| | Period 1 | | Period 2 | | |
| Workers with a family | 65% (1) 62.44 € | 60% (2) 57.63 € | 60% (3) 53.71 € | 60% (4) 50.20 € | 65% 62.44 € |
| Workers living alone | 65% (1) 62.44 € | 60% (2) 57.63 € | 60% (3) 53.71 € | 55% (4) 45.01 € | 65% 62.44 € |
| Workers co-habiting | 65% (1) 62.44 € | 60% (2) 57.63 € | 60% (3) 53.71 € | 40% (5) 33.46 € | 65% 62.44 € |

- (1) First 3 months
- (2) Second 3 months
- (3) 7th to 12th month with benefit
- (4) Second period with reduced benefit
- (5) Second period with reduced benefit followed by degressive amount depending on the stage in career, later a lump sum allowance

Evolution of Social Security Benefits

- Are automatically linked to the consumer price index
- Social security benefits are raised when the increase of the 'cost of living' reaches 2% (inflation)
- Same mechanism for raising salaries!

Current situation

Cutbacks concern the entire population **but** the broadest shoulders are not bearing the heaviest burden:

- Decrease in unemployment benefits
- Longer careers
- Systems to improve feasibility of work for older workers ('end of career' jobs)
- Salary index-linking and competitiveness are coming under pressure

3 official trade unions

Belgium has three official trade unions.

Each has its own colour and political background.

- ACV-CSC – Christian movement
- ABVV-FGTB – Socialist background
- ACLVB-CGSLB – Liberal tradition

ACV-CSC representation in companies

