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The German and Swedish pathways to flexicurity: what to learn from for Belgium

Arbeidsmarktcongres 2011, Steunpunt WSE

Leuven, 12 December 2011

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Presentation

- The **German and Swedish** unemployment policies: two pathways to more flexicurity
- Flexicurity is a **good framework** for European social models
- Already elements of **flexicurity in Belgium** 😊
- **Further lessons** to learn from Germany and Sweden

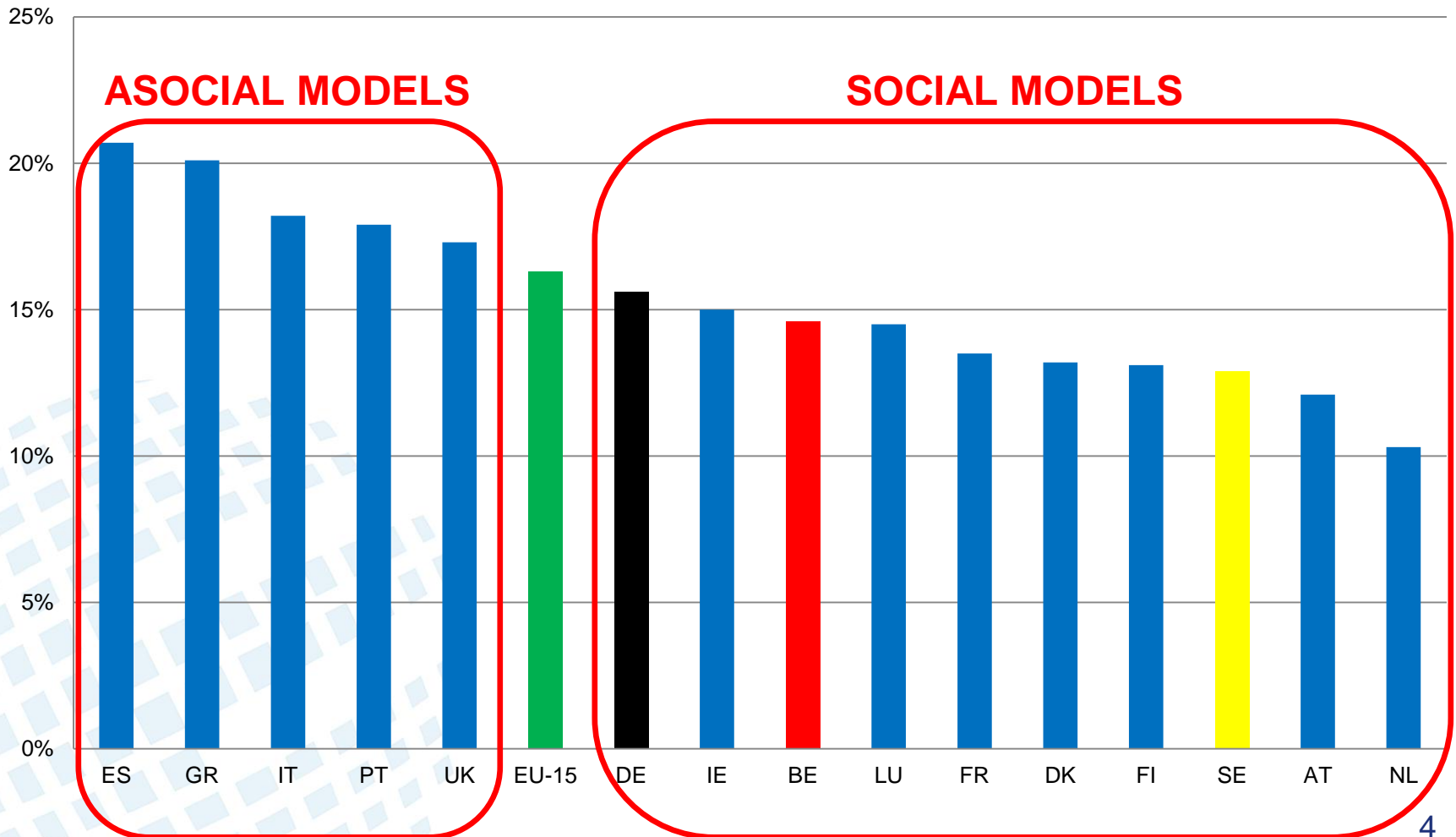
Flexicurity is a good framework

- 20th century: static labour market → **passive social welfare model**
 - Expensive model = social model
 - **Lowcost model = “asocial model” (UK, USA)**
- 21st century: dynamic labour market (globalization + demographic change) → **active social welfare model (= flexicurity)**
 - Sustainable model = social model
 - **Unsustainable model = “asocial model” → economic crisis makes things worse**
 - **Bruno Tobback (sp.a): “*Welvaartsstaat is ook voor volgende generatie*”**



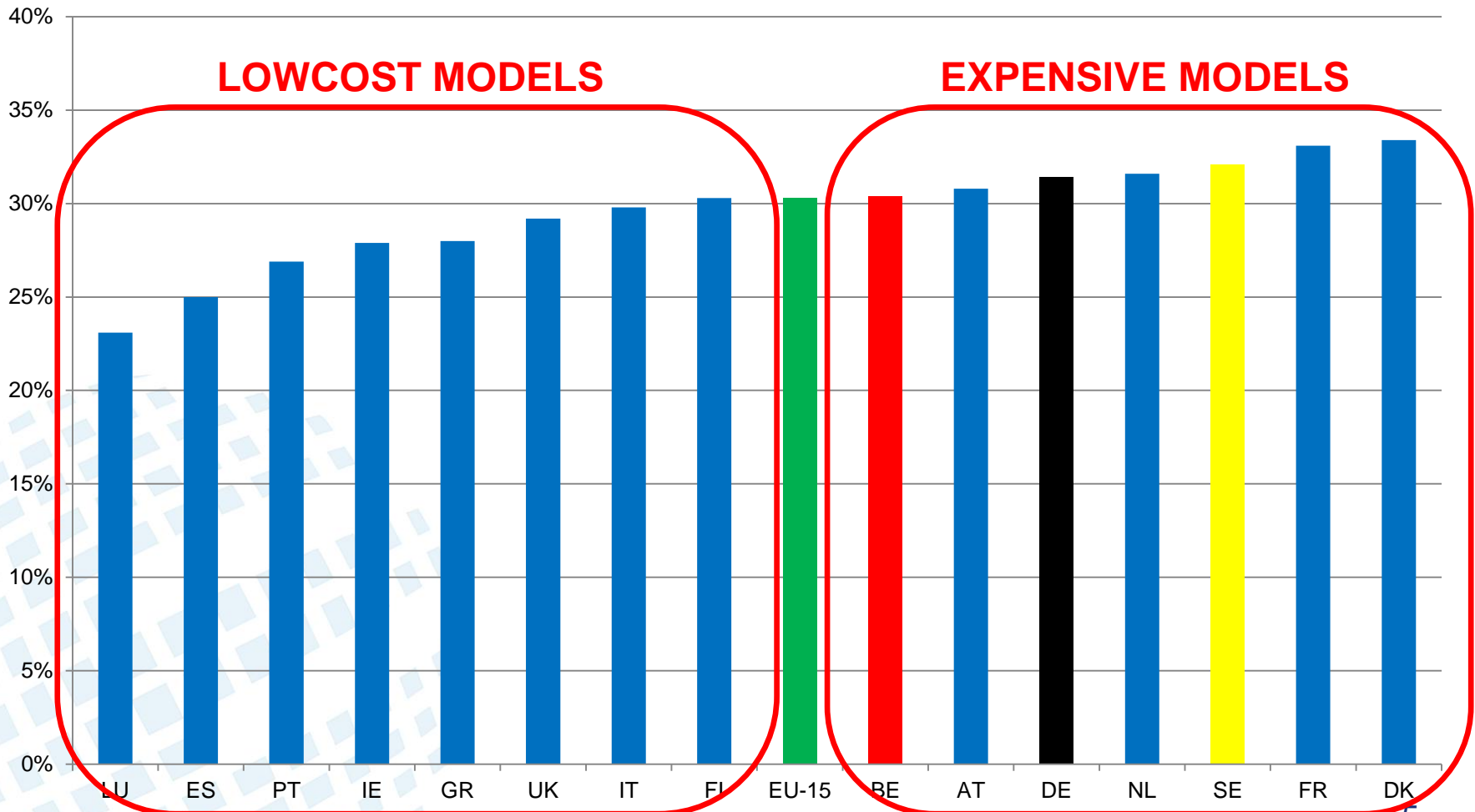
Flexicurity is a good framework

Poverty rates (< 60% of median income) in 2010
(Source: Eurostat)



Flexicurity is a good framework

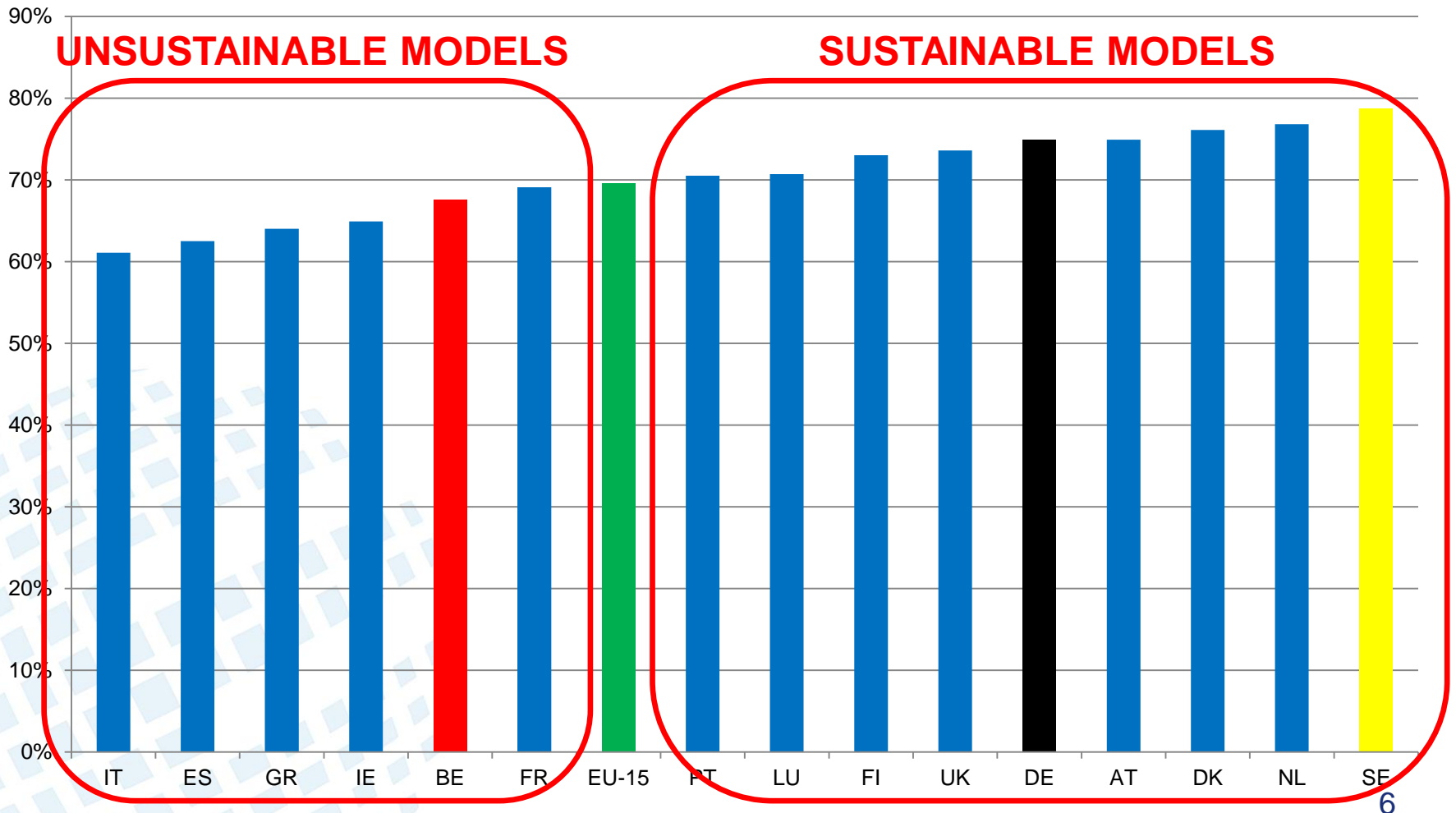
Social protection expenditure (% of bbp) in 2010
(Source: Eurostat)





Flexicurity is a good framework

Employment rate (20-64 years) in 2010
(Source: Eurostat)





Flexicurity is a good framework

	ASOCIAL	SOCIAL
SUSTAINABLE (60,2% public debt)	Portugal United Kingdom	Netherlands Austria Sweden Finland Denmark Luxemburg Germany
UNSUSTAINABLE (99,6% public debt)	Spain Greece Italy	France Belgium Ireland

Already some flexicurity in BE

- **Training and coaching** of unemployed at regional level
- **Activation of unemployed** after 15/21 months at Belgian level → longterm unemployed -50 years: 194.000 (2004) > 122.000 (2011) 😊 → **Di Rupo I: quicker follow-up + until 58 years + early retired**
- **Outplacement**, replacement after restructuring
- **Leave systems**: 8% of workforce in FT and PT leave systems → problem: no longer careers
- **Lifelong learning**: employers invest 1,6% of labour cost in LLL (2 billion EUR/year)
- “Welfare adjustment” of **social benefits**

What we can learn

- **Work = central**
 - **Lower inactivity rate** (27% BE, 19% DE, 15% SE)
 - **No early exit routes anymore** → **Di Rupo I: steps forward to 55/60/62 years old**
 - **More degressive unemployment benefits: 9% BE, 36% DE, 41% SE, 44% EU-15... (OECD)** → **Di Rupo I: limited steps forward**
 - **After x years: means tested benefits**
- **Hiring and firing:**
 - **EU-benchmark terms of notice**
 - **Employment security instead of “cash security”**
 - **Labour costs** → **15% more than DE-FR-NL...**

What we can learn

- First job as **step up** for better job → Belgium 92% contracts of unlimited duration vs. 84% in Europe
- Germany has **7,2% “working poor”** < 8% EU-15
- **Enormous potential** of the Belgian labour market: we have the brains, the skills,... give us the reglementary framework to grow!
- Flexicurity is no threat, **standstill is threat**
- **Conclusion: Belgium and Flanders can learn from the more active and sustainable German and Swedish models**



Thank you for your attention !

