

### Joint Conference - Promoting and Reinforcing the EU Social Dialogue

5th of July

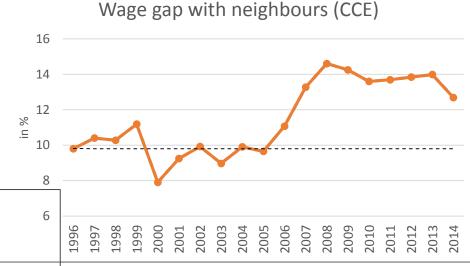
Edward Roosens — Chief Economist

Belgian Federation of Enterprises

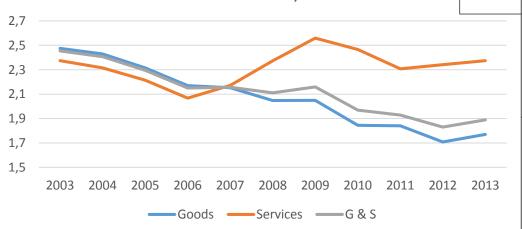
# ECONOMIC SITUATION IN 2013: LACK OF COMPETITIVENESS



• Wage gap with neighbours (DE, FR, NL) was still 14% in 2013 ...





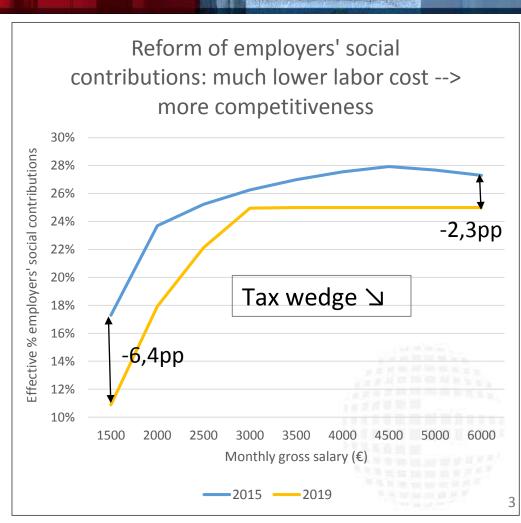


- Belgium loses trade
- shares, especially on the goods market

#### LABOUR COST REFORM: A STEP IN THE RIGHT DIRECTION



- Gouvernment has taken measures in order to lower labour cost
- Wage cost moderation
- Indexation stop: -2%
- Tax shift (gradual):
  - Reducing effective employers' social contributions to a maximum of 25% in 2019: 3 bn€
  - Increasing purchasing power (e.a. personal tax scheme): 4,25 bn€



## LABOUR COST REFORM: INVOLVEMENT OF SOCIAL PARTNERS



- Since 2013, wage cost moderation took place
- BUT no unanimous agreement between social partners
  - 2013-2014: Government had to intervene
  - 2015-2016: 1 union did not sign the agreement
- Next periods: new Law is in negotiation between social partners, but positions widely divergent
- Lack of consent between social partners on these measures somewhat surprising, as clear positive impact on private sector employment is already showing

### EMPLOYMENT: RECOVERY ON TRACK?



