

FEB

Federation of
Enterprises in
Belgium

Short time working scheme in Belgium

The case of the chemical industry

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Legal framework

- | Belgium has a permanent Short Time Working (STW) scheme for blue collar workers
 - | **Can be compared to German scheme of ‘Kurzarbeit’**
 - | **3 possible reasons for “temporary unemployment”**
 - | Economic downturn: 73% of use in 2009
 - | Weather conditions: 19% (e.g. construction sector)
 - | Force majeure: 4%
 - | **65% replacement rate for family head, 60% for cohabitant, paid by social security**
 - | **Temporarily, 2009-2010: 75%/70% replacement rates**
 - | **In many cases: sectoral or company complement on top**
 - | **Large use is possible: f.e. 4 weeks STW, 1 week working, 4 weeks STW,... → Germany: max. 6 mnths/y.**

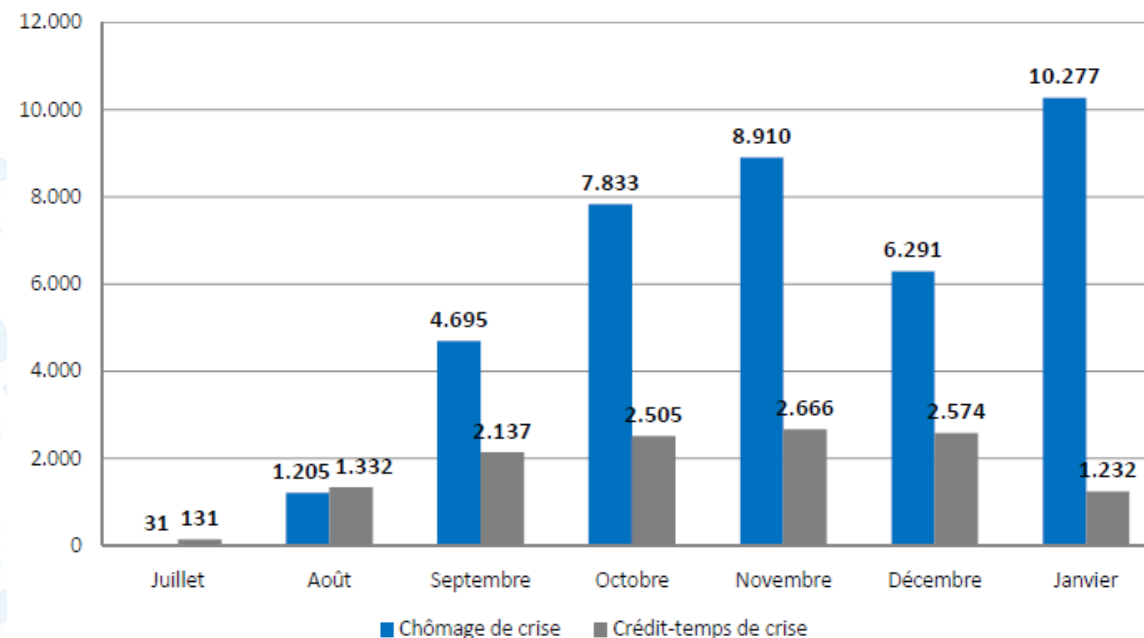
Legal framework

- | Beginning of 2009: FEB asked for a STW scheme also for white collar workers
 - | **Bipartite negotiations failed: unions asked high protection in terms of obliged sectoral complements, strict procedures,...**
 - | **Government adopted 3 temporary measures to overcome the crisis, 01/07/2009-01/01/2010-01/07/2010-???**
 - | STW for white collar workers: employers happy
 - | 2009: 20% reduction of orders compared to 2008
 - | 2010: 15% reduction compared to 2008
 - | Crisis leave system for all workers: unions happy
 - | Crisis collective labour time reduction: unions happy

Figures 3 temporary measures

- | 1.937 enterprises concerned since 01/07/2009
 - | 86% STW white collars or combination
 - | 14% crisis leave
- | About 10.000 white collars per month

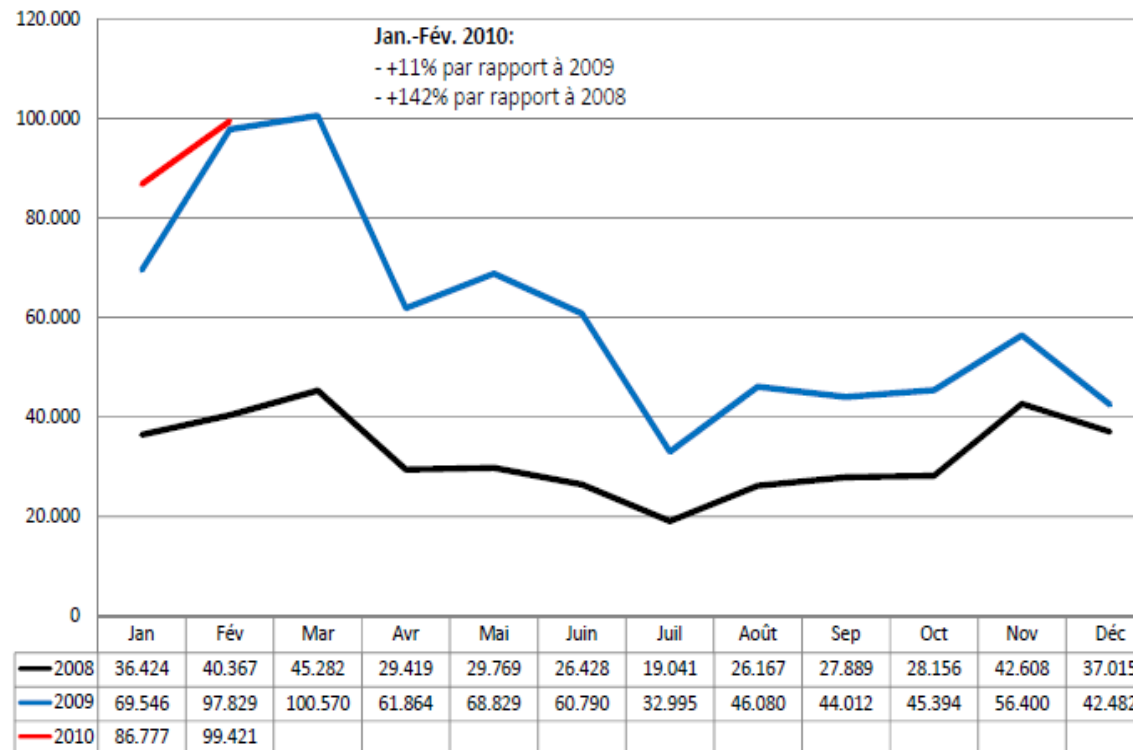
Nombre de paiements aux employés (chômage de crise)
ou aux ouvriers et employés (crédit-temps de crise)
(Source : Onem)



Figures STW blue collars

- | Monthly average 2009: 211.000 workers (+57%)
- | Daily average 2009: 61.000 workers (+87%)
- | Still high level in 2010: crisis is not over yet

Evolution du chômage temporaire, pour les ouvriers (moyennes journalières)
(Source : Onem)



Impact on (un)employment

- | Belgium has, behind Germany, smallest increase of unemployment rate in Europe
- | Clear link between STW scheme and unemployment
- | Unemployment rate: 09/2008 → 02/2010
 - | **Germany: +8%**
 - | **Belgium: +10%**
 - | **Euro area: +30%**
- | Industrial job loss 2009
 - | **Germany: -2%**
 - | **Belgium: -3,1%**
 - | **Euro area: -5,7%**

Impact on (un)employment

- | Unemployment 2009: +30.275 persons
- | STW 2009: +28.185 daily average → 10.000 to 20.000 jobs saved
- | Belgian chemical industry:
 - | **+177% use of STW in 2009 (535 → 1.480 workers) compared to +87% for all sectors**
 - | **Q1-3 2009: -2,5% employment (-3.098 jobs PC116/207)**

2009	Industry	Private sector	Total economy
Jobs	-4,4% -26.000 jobs	-1%	-0,7% -22.000 jobs
Labour time (FTE)	-7,8% -41.000 FTE	-3,1%	-2,3% -64.000 FTE

Source: National Social Security Office, FEB calculation

Evaluation of the Belgian system

- | Good instrument in times of crisis: less job loss and thus less risk of structural unemployment
- | FEB asks for prolongation of 3 temporary measures until 01/01/2011 (Netherlands: until 01/07/2011)
- | Other side of the medal: high cost, +145% → 1,053 billion EUR (incl. 9 mio EUR white collars)
- | Ongoing negotiations on unique status for blue and white collar: 1 STW scheme for both is preferable
- | Responsabilisation of big users?
- | Training during STW schemes: yes, if possible, but not always possible