Job Creation and Local Economic Development 2020: Rebuilding Better examines the impacts of COVID-19 on different types of local labour markets. It also considers their performance prior to the pandemic, and how COVID-19 could impact other ongoing local labour market transitions such as digitalisation, automation and the polarisation of jobs. Finally, it discusses the role local actors will play in rebuilding better. Consult the full publication here.
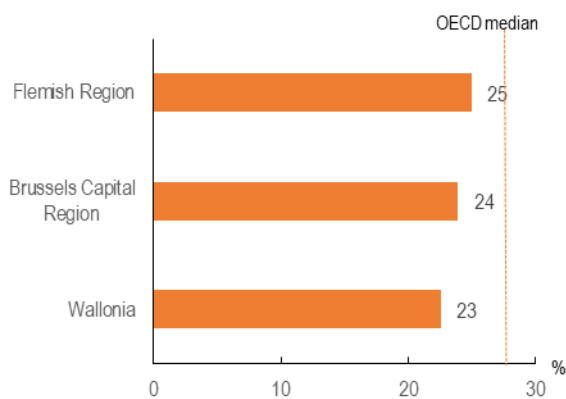
Belgium[1]

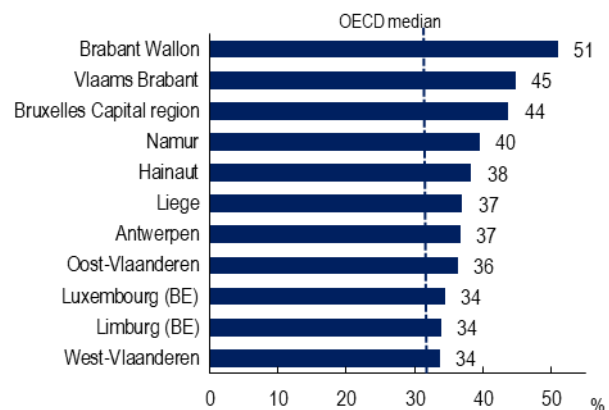|		
The share of jobs in amenable to teleworking varies from 34% to 51% across regions in Belgium, but all regions have a higher share than the OECD median region.	All Belgian regions had lower unemployment rates in 2018 compared to 2008, and gaps between regions shrunk.	In the Brussels Capital Region and Flemish Brabant, the share of middle-skill jobs has fallen by over 10 percentage points since 2000, the largest relative decrease in Belgium.

The potential impacts of COVID-19 on local labour markets

Share of jobs in sectors at risk from COVID-19

Share of jobs amenable to teleworking

Note: The share of jobs at risk is based on estimates of sectors most impacted by strict containment measures, such as those that involve travelling and direct contact between consumers and service providers. The sectoral composition of the regional economy is based on data from 2017 or the latest available year. The share of jobs amenable to teleworking is based on the types of tasks performed in different occupations, and the share of those occupations in regional labour markets. These figures do not account for gaps in access to IT infrastructure across regions, which could further restrict teleworking potential. The OECD median presented here is the median of OECD regions with available data for each indicator.
Source: OECD calculations on OECD (2020), "Regional economy", *OECD Regional Statistics (database),* https://doi.org/10.1787/6b288ab8-en; and OECD (2020), *OECD Regions and Cities at a Glance 2020,* https://doi.org/10.1787/959d5ba0-en.
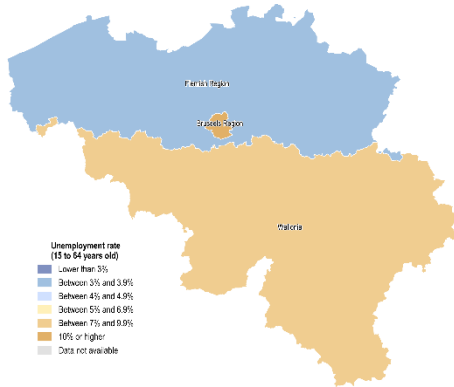
COVID-19 has put unprecedented pressure on local labour markets and economies. The share of jobs in the sectors most at risk from containment measures (e.g. accommodation and food services, and wholesale and retail trade) varies from less than 15% to more than 35% across OECD regions. In Belgium, disparities between regions are relatively small: the share of jobs in sectors most at risk ranges from 23% in Wallonia to 25% in Flanders. All regions have a lower share of jobs at risk than the OECD median region.

While containment measures have restricted economic activity in some sectors, the rapid expansion of teleworking has helped maintain other jobs. Widespread teleworking is more feasible in some regions than others. The share of jobs amenable to teleworking varies roughly 17 percentage points across regions, from just over 34% in West Flanders to almost 51% in Brabant Wallon. However, all regions had higher shares of jobs amenable to teleworking than the OECD median region.
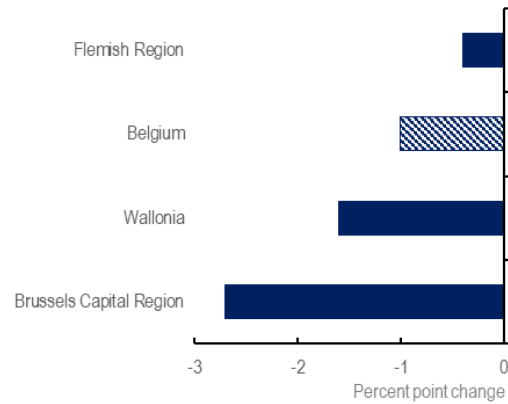
This document, as well as any data and any map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

Updated 20 November 2020

Local labour market performance prior to COVID-19

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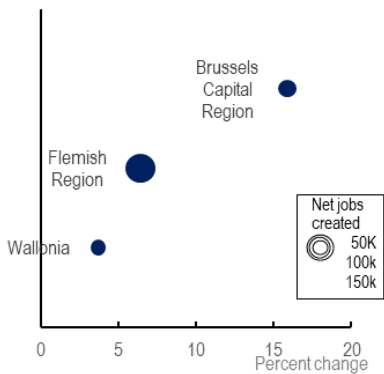
Unemployment rate, 2019

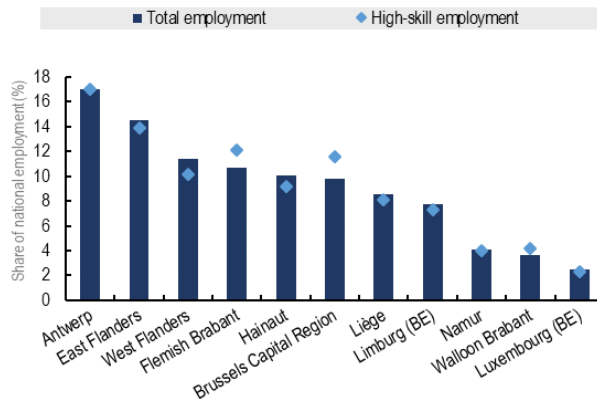**Change in unemployment rate, 2008-2018**

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Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.
Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, https://doi.org/10.1787/f7445d96-en .

Prior to the COVID-19 pandemic, unemployment rates in Belgium were similar to the OECD average. However, they varied almost 10 percentage points across regions, from a low of 3.3% in the Flemish region to a high of 12.8% in the Brussels Capital Region in 2019. Looking at the decade following the 2008 crisis, all regions had lower unemployment rates in 2018 than in 2008, a pattern seen in one-third of OECD countries. Regional gaps in unemployment also shrank over this period, thanks to relatively larger declines in the regions with the highest rates in 2008. For example, the unemployment rate decreased by 2.7 percentage points in the Brussels Capital Region by 2018, which had the highest unemployment rate in 2008.

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Change in net employment, 2008-2018
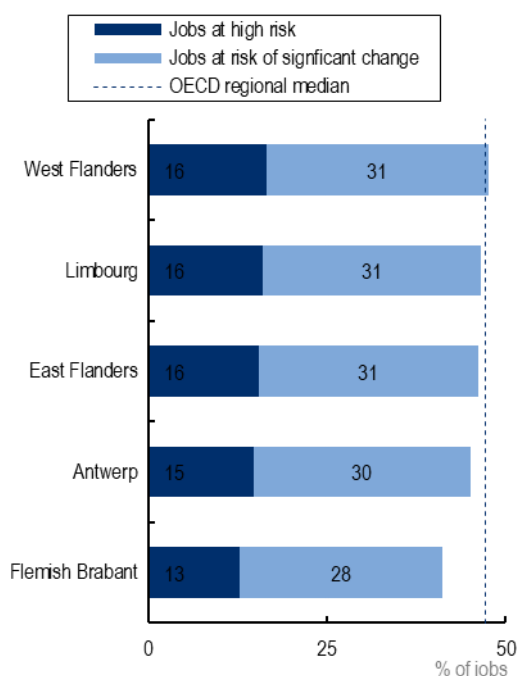
Employment by region and skill level, 2018

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Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database),* https://doi.org/10.1787/f7445d96-en and OECD calculations on EU Labour Force Survey.

In all regions, the number of people employed grew between 2008 and 2018. The Flemish Region was responsible for over 60% of net employment growth over this period, though it is also the most populated region in Belgium. In 2018, the Flemish region was responsible for large shares of overall employment in Belgium, with provinces such as Antwerp and East Flanders accounting for 17% and 14% respectively of all employment in Belgium and roughly the same shares of all high-skilled employment. Looking at a longer time period (2000-2018), the geographic concentration of jobs didn't significantly change in Belgium, although it increased slightly for high-skill jobs.
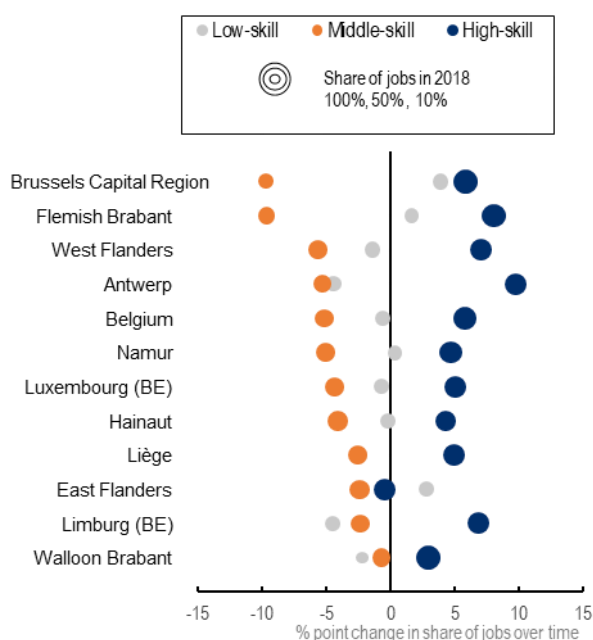
Local labour market transitions

Figure 1. Automation and polarisation

Panel A. Share of jobs at risk of automation, 2018

Panel B. Job polarisation, 2000-2018

Note: In Panel A, "high risk" refers to the share of workers whose job faces a risk of automation of 70% or above. "Significant risk of change" reflects the share of workers whose job faces a risk of automation between 50% and 70%. Data was only available for Flanders.

In Panel B, high-skill occupations include jobs classified under the ISCO-88 major groups 1 (legislators, senior officials, and managers); 2 (professionals); and 3 (technicians and associate professionals). Middle-skill occupations include jobs classified under the ISCO-88 major groups 4 (clerks); 6 (skilled agricultural workers); 7 (craft and related trades workers); and 8 (plant and machine operators and assemblers). Low-skill occupations include jobs classified under the ISCO-88 major groups 5 (service workers and shop and market sales workers); and 9 (elementary occupations).

Source: OECD calculations based on Survey of Adult Skills (PIAAC) (2012); and EU Labour Force Survey; Nedelkoska and L. and G. Quintini (2018), "Automation, skills use and training", https://doi.org/10.1787/2e2f4eea-en; and OECD (2020), *OECD Employment Outlook 2019: The Future of Work*, https://doi.org/10.1787/9ee00155-en.

COVID-19 will likely accelerate automation, putting additional pressures on places with relatively high shares of jobs at risk. In Belgium, estimates for automation are only available for the Flanders region. In all regions in Flanders, the share of jobs at high risk or risk of significant change from automation is close to or below the OECD median region. The share of jobs at risk ranges from 41% in Flemish Brabant to 48% in West Flanders.

Following general OECD patterns, in Belgium, all provinces saw the share of middle-skill jobs decrease between 2000 and 2018. The share of middle-skilled jobs decreased by over 4 percentage points in 7 out of 11 provinces. The share decreased from nearly 10 percentage points in the Brussels Capital Region and Flemish Brabant (a net loss of 8 500 and 26 000 middle-skill jobs respectively) to less than 1 percentage point in Walloon Brabant. In most provinces, decreasing shares of middle-skill jobs were predominantly offset by increasing shares of high-skilled jobs. East Flanders is the exception.

Active labour market policies: institutional arrangements

Active labour market policies will be of growing importance as the COVID-19 response moves from emergency supports to facilitating labour market transitions. The institutional arrangements for these policies, and the role of subnational governments, varies significantly across countries.

	Centralised, including branch offices of national ministry / agency	In Belgium, regions (which encompass the territorial divisions of Flanders, Wallonia and Brussels) are responsible for "territorial matters" (i.e. matters related to the region in a broad sense). As economic and employment policies are considered to be territorial matters, regions have powers related to active labour market policies, labour mediation, and the social economy. The majority of labour market policies are managed at the regional level by four public employment services, which cover the Belgian territory.
X	**Decentralised to subnational governments**	
	Fully outsourced or delivered through network of public, private, and/or non-profit providers	Within Flanders, VDAB (the Flemish public employment service) offers employment services, career services, vocational training and assessment of competences, and manages the majority of Flemish labour market activation measures. In the Brussels-Capital region, Actiris serves as the public employment service. In Wallonia, Le FOREM serves as the regional agency for employment and professional training. Municipalities and communes can also take actions related to employment and training for certain target populations, for example through the Public centres for social welfare and Local agencies for employment.
	Combined system with shared competences, or different systems for different target groups	

Source : OECD (forthcoming), "Local and regional variations in labour market and skills policies: A cross-country comparison", *OECD Local Economic and Employment Development (LEED) Papers*; OECD (2015), *Employment and Skills Strategies in Flanders, Belgium*, OECD Reviews on Local Job Creation, OECD Publishing, Paris, https://doi.org/10.1787/9789264228740-en.

Notes

[1] Depending on data availability, data for Belgium is presented either at the NUTS1/TL2 level (3 regions) or at the NUTS2 level (11 provinces). Risk of automation estimates were only available for provinces in Flanders (5 provinces). See Reader's Guide of the full report for more information on the methodologies behind the calculations.