

Belgium

Belgium has one of the highest levels of productivity and a GDP per capita above the OECD average. Productivity, measured by GDP per hour worked, is among the highest in the OECD. However, both the employment rate and hours worked are well below average, partly due to the incidence of part-time jobs. Income of the median household has grown significantly faster than GDP per capita during the post-crisis recovery.

A high income country with strong productivity but relatively low hours worked

BELGIUM	Pre-crisis 2003-08	Post-crisis 2011-16
<i>Levels</i>		
GDP per capita**	39194 (33712)*	40578 (35776)*
GDP per hour worked**	61.2 (41.6)*	63.7 (45.6)*
Employment rate, %	61.1 (66.4)*	61.9 (66.8)*
<i>Average annual growth rate</i>		
GDP per capita	1.8 (2.8)*	0.3 (1.4)*
GDP per hour worked	1.2 (2.0)*	0.5 (1.1)*
Employment	1.8 (1.6)*	0.3 (1.0)*
Median household disposable income***		1.5 (1.4)*

Note: * Unweighted OECD average in brackets.

** USD, constant 2010 PPPs and constant prices.

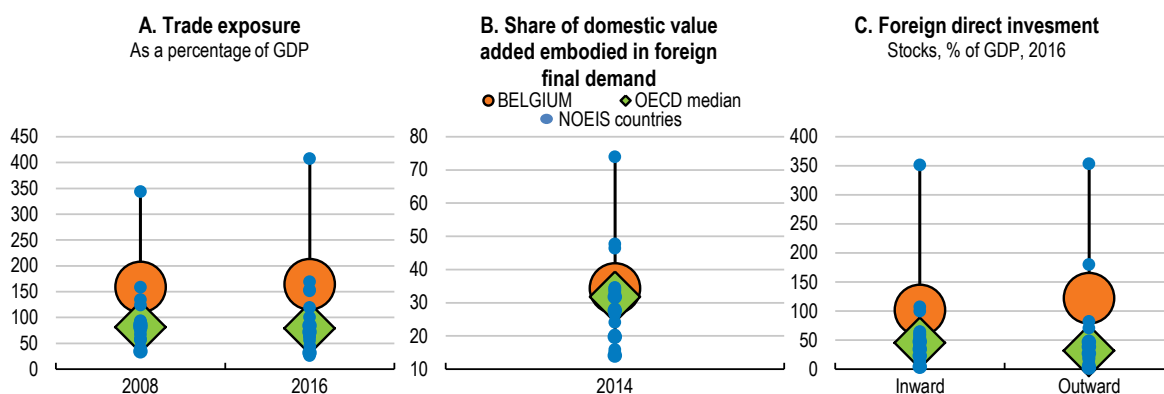
*** Data refer to 2011-15 and are deflated by the consumer price index.

Source: OECD, National Accounts, Productivity, Labour Force Statistics and Income Distribution Databases.

Belgium is among the most open economies in the OECD, with a strong participation in global value chains.

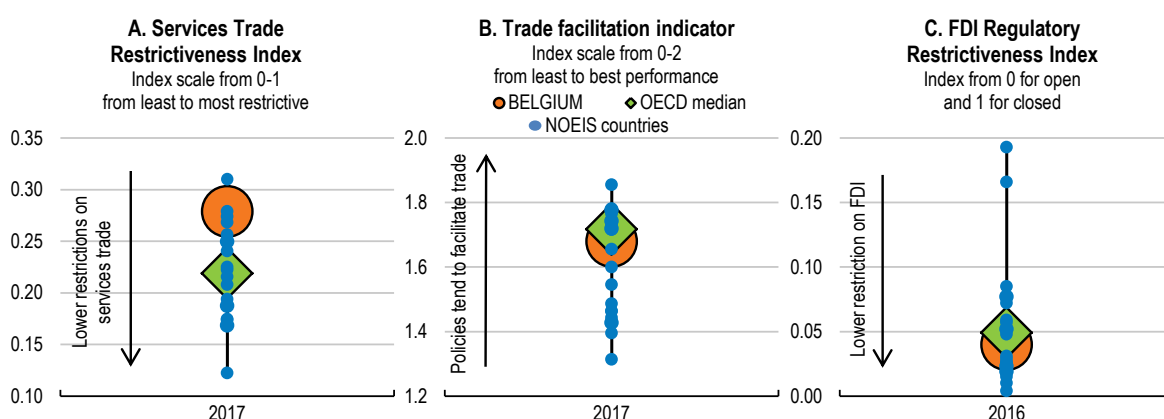
Both trade and FDI exposure are high with over a third of domestic value added embodied in foreign final demand and also over one-third of the value of exports reflecting foreign content. EU common customs tariffs applied to goods imported from outside the EU are regarded as low on average. However, border procedures are somewhat more burdensome than in most OECD countries. Belgium has one of the highest services content in its exports in the OECD. Services account for about one quarter of gross exports, constituting 72% of gross exports in value added terms and about half of the value of manufactured exports alone - the second highest share in the OECD. Notwithstanding, restrictions on trade in services are rather high. Accounting and auditing services, computer services and sound recording face the highest restrictions. On the other hand, regulatory restrictions to FDI are also lower than in most OECD countries. Both inward and outward FDI stocks compared to GDP are among the highest in the NOEIS countries and the OECD. Foreign-owned enterprises account for a relatively high share of jobs in the private sector (17%) and the value added (28%).

Belgium is a very open economy



Source: Panel A: OECD, [Economic Outlook Database](#) and World Bank, World Integrated Trade Solution; Panel B: OECD, [TIVA Nowcast estimates Database](#); Panel C: OECD, [Foreign Direct Investment Database](#) and UNCTAD.

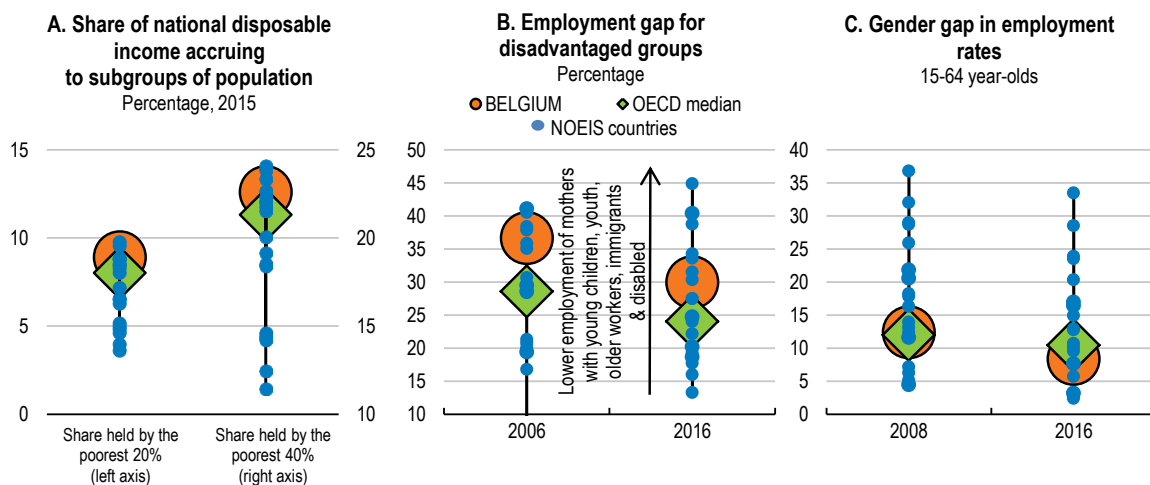
Obstacles to trade in services among the highest in the OECD, while restrictions to FDI are low



Source: Panel A: [OECD, Services Trade Restrictiveness Index Database](#); Panel B: OECD, [OECD, Trade Facilitation Indicators Database](#); Panel C: [OECD, FDI Regulatory Restrictiveness index database](#).

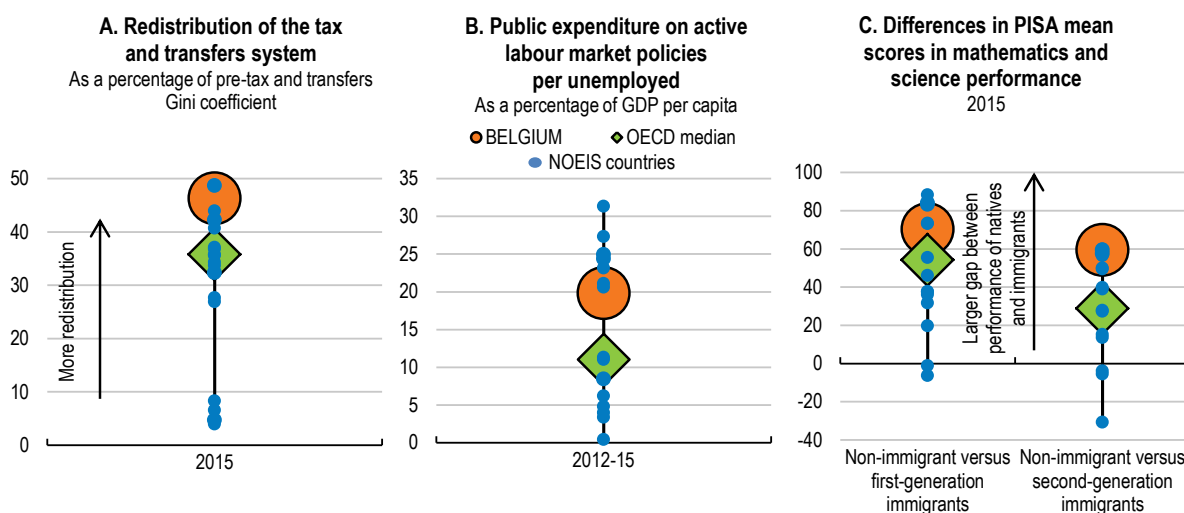
Belgium is one of OECD economies where income is the most equally shared, but employment rates for the disadvantaged groups are low. The share of national income accruing to low income groups is among the highest in the OECD, thanks to one of the most redistributive tax and benefit system, which reduces market income inequality by half. However, despite an increase over past 10 years, employment rates among the traditionally disadvantaged groups – mothers with young children, immigrants, youth, disabled or older workers - are much lower than for prime-age males. Equality of opportunities in the education system remains an important challenge, with education outcomes highly dependent on student socio-economic backgrounds, including being an immigrant. The gap in PISA performance between immigrants and natives is among the highest in the OECD. Following a strong improvement over the past decade, women employment rates are now relatively close to those of men and the gender earning gap for full-time employees is the lowest in the OECD. Nevertheless, women work significantly shorter hours than men.

Income inequality is among the lowest, but employment of disadvantaged groups is a challenge



Source: Panel A: OECD, [OECD, Income Distribution Database](#) and World Bank, World Development Indicators Database; Panel B: OECD (2018), OECD Jobs Strategy Analytical Volume, forthcoming; Panel C: OECD, Labour Force Statistics Database and ILO, Key Indicators of the Labour Market.

Redistribution and support for activation are high, but so is the inequality of opportunities



Source: Panel A: OECD, [OECD, Income Distribution Database](#); Panel B: OECD, [OECD, Public expenditure and participants stocks on Labour Market Programmes](#) on Labour Market Programmes and [Economic Outlook Databases](#); Panel C: OECD, [PISA 2015 Results \(Volume I\): Excellence and Equity in Education](#), Annex B1.7 Results (tables): Immigrant background, student performance and students' attitudes towards science.

 METADATA ANNEX

Economic openness

- **Trade exposure** is defined as exports and imports over GDP.
- **The share of domestic value added embodied in foreign final demand** is defined as domestic value added, from industry, meeting foreign final demand, as a percentage of industry value added. It can be considered as a measure of an industry's reliance on foreign final demand. Here, the denominator is value added adjusted to be consistent with final demand (both domestic and foreign).
- **Foreign Direct Investment stocks** are defined as the total level of direct investment at a given point in time, usually the end of a quarter or of a year. The outward FDI stock is the value of the resident investors' equity in and net loans to enterprises in foreign economies. The inward FDI stock is the value of foreign investors' equity in and net loans to enterprises resident in the reporting economy. For the Netherlands, FDI stock data exclude positions to and from resident Special Purpose Entities (SPEs); SPEs are entities whose role is to facilitate the internal financing of the MNE but that have little or no physical presence in an economy. Excluding such entities from the FDI statistics provides a better measure of the FDI of the country that is having a real impact on its economy.

Trade and FDI

- **The Services Trade Restrictiveness Index (STRI)** identifies which policy measures restrict trade. It provides policy makers information and measurement tools to improve domestic policy environment, negotiate international agreements and open up international trade in services. It can also help governments identify best practice and then focus their domestic reform efforts on priority sectors and measures. The index presented is a geometric average of all sectors and takes value from 0 to 1, where 0 is completely open and 1 is completely closed.
Data are missing for Argentina and Peru.
- **Trade facilitation indicators (TFIs)** identify areas for action and enable the potential impact of reforms to be assessed and help governments to improve their border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade. The index takes values from 0-2 (least to best performance). The index presented is a simple average over 11 dimensions of the TFI.
Data are missing for Iceland.
- **The FDI regulatory Restrictiveness Index** is gauging the restrictiveness of a country's foreign direct investment rules by looking at four main types of restrictions: foreign equity restrictions, discriminatory screening or approval mechanisms, restrictions on key foreign personnel and operational restrictions. Implementation issues are not addressed and factors such as the degree of transparency or discretion in granting approvals are not taken into account. The index takes values between 0 for open and 1 for closed.

Inequality

- **The share of national disposable income held by the poorest 20% and 40%** is defined as the share of income that accrues to subgroups of population indicated by deciles or quintiles.
For the poorest 20%, data refer to 2014 for Argentina, Germany, Hungary, Luxembourg; 2012 for Japan.
- **The employment gap for disadvantaged groups** is expressed as a percentage of the benchmark group (prime-age male workers). Disadvantaged groups include mothers with young children, youth (15-19 years old) excluding those in full-time education or training, older workers (55-64 years old), non-natives and people with disabilities.
Data are missing for Colombia and Costa Rica in 2006 and for Peru in 2006 and 2016.
- **The gender gap in employment rates** is defined as the difference between employment to population ratios of men and women aged 15-64.
Data refer to 2010 and 2014 for Argentina.

Redistribution, activation and inequality of opportunities

- **The redistribution of the tax and transfers system** is measured as the difference between pre-tax and transfer and post-tax and transfers Gini coefficients, relative to the pre-tax and transfer Gini coefficient. The Gini coefficient measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. The coefficient takes the value of 0 in the case of perfect equality and 100 for perfect inequality.
Data refer to 2014 for Germany, Hungary, Luxembourg and Peru; 2012 for Japan. Data are missing for Argentina and Colombia.
- **Public expenditure on active labour market policies per unemployed** are measured by all social expenditure (other than education) which is aimed at the improvement of the beneficiaries' prospect of finding gainful employment or to otherwise increase their earnings capacity. It includes spending on public employment services and administration, labour market training, special programmes for youth when in transition from school to work, labour market programmes to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programmes for the disabled. Data are expressed as a percentage of GDP per capita. Original data can be accessed under: <http://stats.oecd.org/Index.aspx?DataSetCode=LMPEXP>. *Data are missing for Argentina, Colombia, Costa Rica and Peru. For Canada, data include federal expenditures on programmes implemented by the provinces and territories, but do not generally include the provinces' and territories' additional or complementary funding of these programmes.*
- **Differences in PISA mean scores (average of mathematics and science) between natives and first and second generations of immigrants.** PISA assesses the extent to which 15-year-old students, near the end of their compulsory education, have acquired key knowledge and skills that are essential for full participation in modern societies
Data are missing for Japan, Poland and Peru. For Argentina, data refer to the region of the capital city of Buenos Aires.
- **The variance of educational achievement** is measured as the total variance in PISA scores in reading, mathematics and science, compared to the OECD (OECD=100). The Programme for International Student Assessment (PISA) assesses the extent to which 15-year-old students, near the end of their compulsory education, have acquired key knowledge and skills that are essential for full participation in modern societies. The variance components in mathematics, sciences and reading were estimated for all students in participating countries with data on socio-economic background and study programmes. The variance in student performance is calculated as the square of the standard deviation of PISA scores in reading, mathematics and science for the sample of students used in the analysis.
For France, average of PISA scores in mathematics and reading only in 2015. For Argentina, data refer to the region of the capital city of Buenos Aires.