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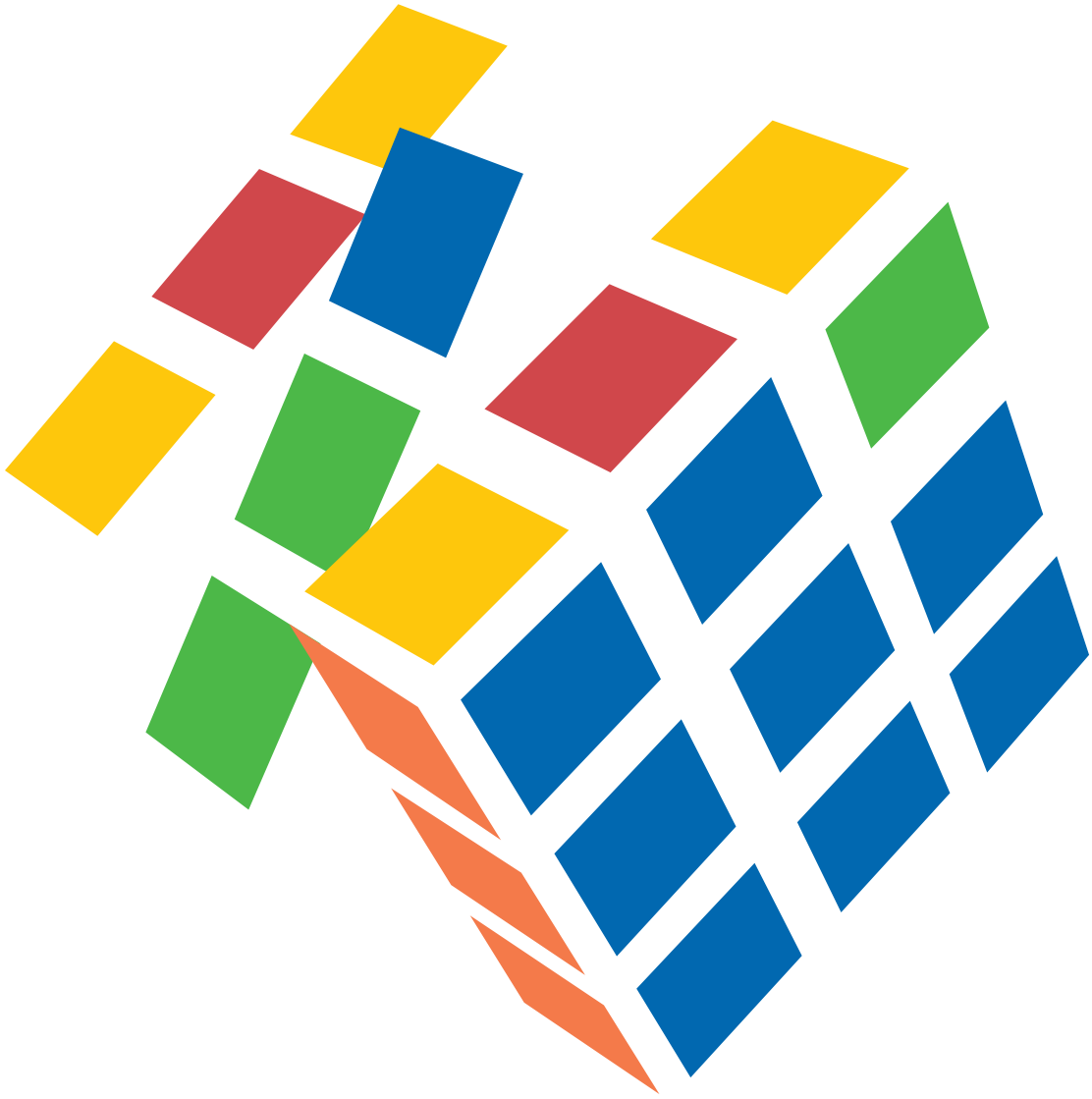

2020 skills forecast

Belgium

CEDEFOP SKILLS FORECAST 2020

Key facts: Belgium

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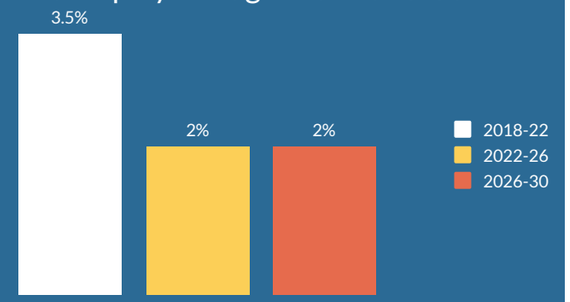
5 206 000
Employment in 2030

8.8%
Increase
2018-30

% Employment growth 2018-30



FASTEST-GROWING SECTORS
Growth per year 2018-30

Business and other services	1.1%
Non-marketed services	0.9%

HIGHEST-DEMAND OCCUPATIONS
Total job openings 2018-30

195 000	Business & administration associate professionals
171 000	Cleaners and helpers
164 000	Sales workers

4.4%
Increase
in employment
in 2018-30

EU
overview
2030

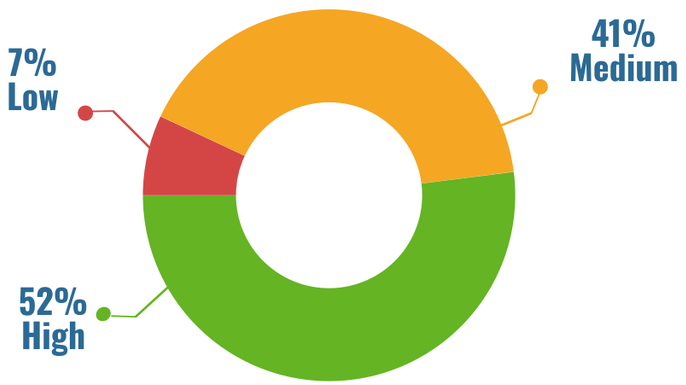
Fastest-growing sector
Non-marketed services

Highest-demand occupation
Business & administration associate professionals

2 547 000
Total job openings, 2018-30

Replacement needs (80%)
New job openings (20%)

Total job openings by qualification level 2030:

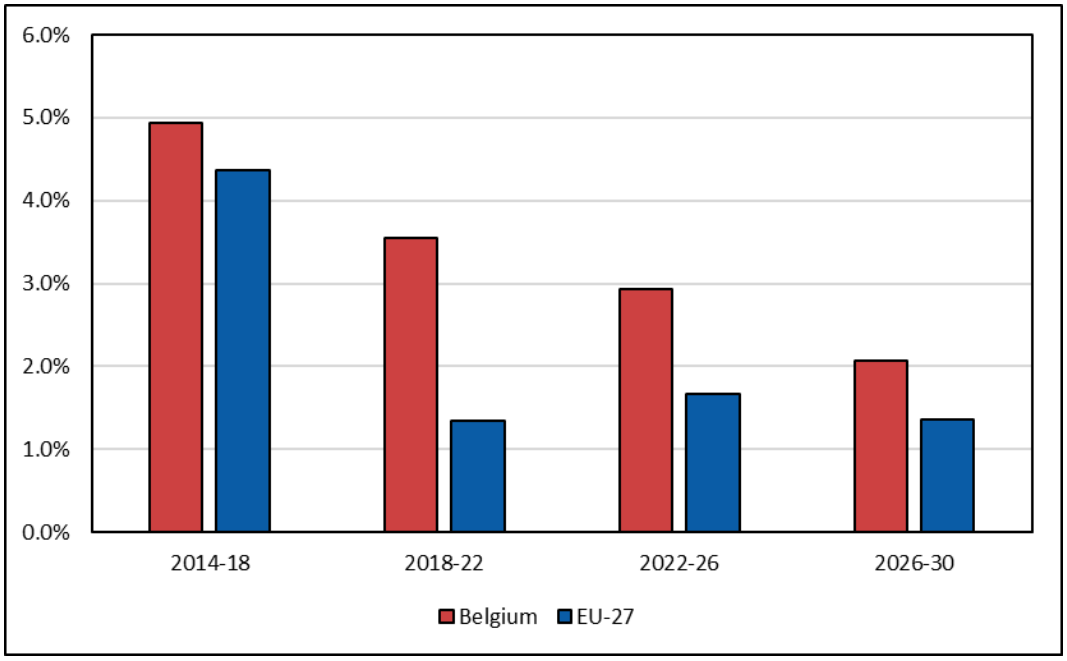


29% Increase in high-skilled labour supply 2018-30

1. Employment outlook

Employment in Belgium is forecast to increase over the period 2018-30, although at slower rates than over 2014-18. Growth is expected to slow during the forecast period, from around 3.5% in the short-term (2018-22) to 3% in the period 2022-26 and 2% in the period 2026-30. Employment growth is expected to be above the EU-27 average in all sub-periods, although less so as the period unfolds.

Figure 1. Percentage employment growth in Belgium and the EU-27, 2014-30



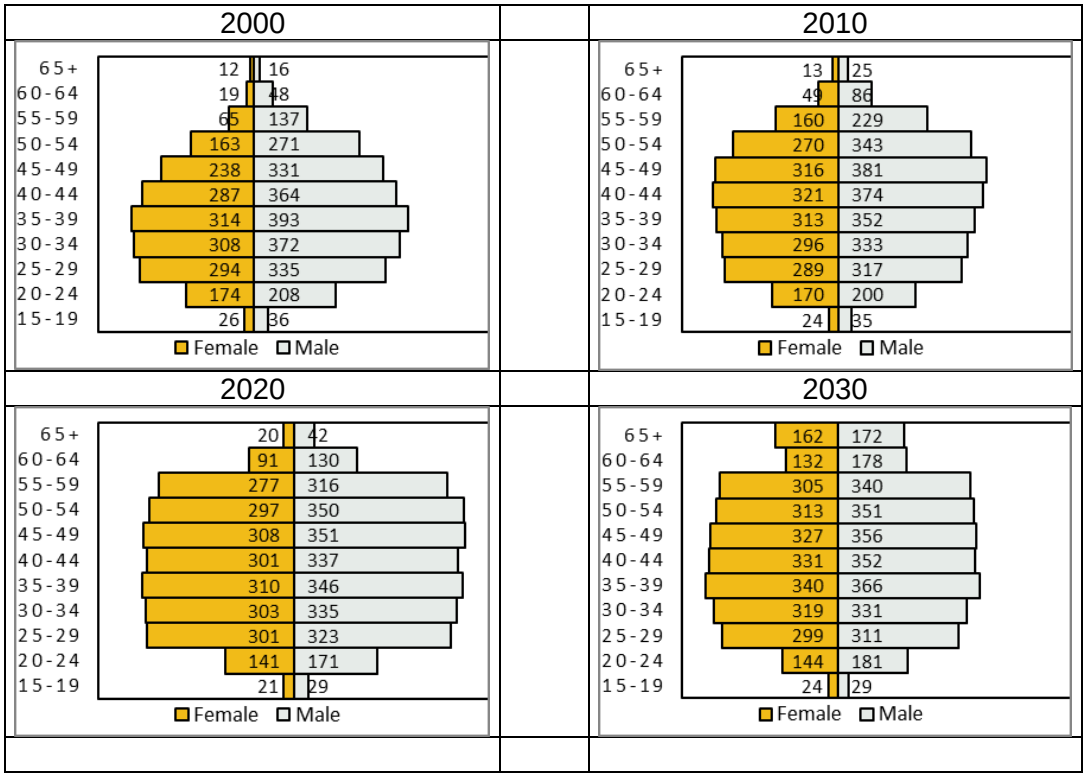
Source: Cedefop (2020 Skills Forecast).

2. Labour force overview

In Belgium, the labour force is expected to continue to grow strongly, by 11% over the ten years from 2020 to 2030. This reflects increasing participation rates for those aged 35 and above over this period, together with an increasing population in those same age groups except those aged 50-59. The decline in younger age groups in the labour force is expected to be relatively contained and mostly limited to those aged 20-24 (see Figure 2). The ageing of the labour force in Belgium is much less than in many other Member States, although the share of the labour force aged 60 or more is expected to increase from 6% in 2020 to 11% in 2030.

The increase in labour force participation rates from 2020 to 2030 is focused mainly among those aged 50 or more, while the participation rates of those aged 34 or less is expected to remain stable or decline, consistent with continuing increases in the number of students and number of years spent in education. For those aged 50 or more, participation rates are expected to show a significant increase, of at least 8 percentage points (pp) over 2020-30, consistent with increases in retirement age and the dismantling of early retirement schemes being implemented in Belgium. While male participation rates are expected to slightly decline for those aged 44 or less over 2020-30, female participation rates are expected to increase for all age groups (except those aged 20-24) over the same period. Taken together, these developments are expected to increase the overall participation rate by 2 pp over 2020-30.

Figure 2. Distribution of the labour force (thousands), 2000-30

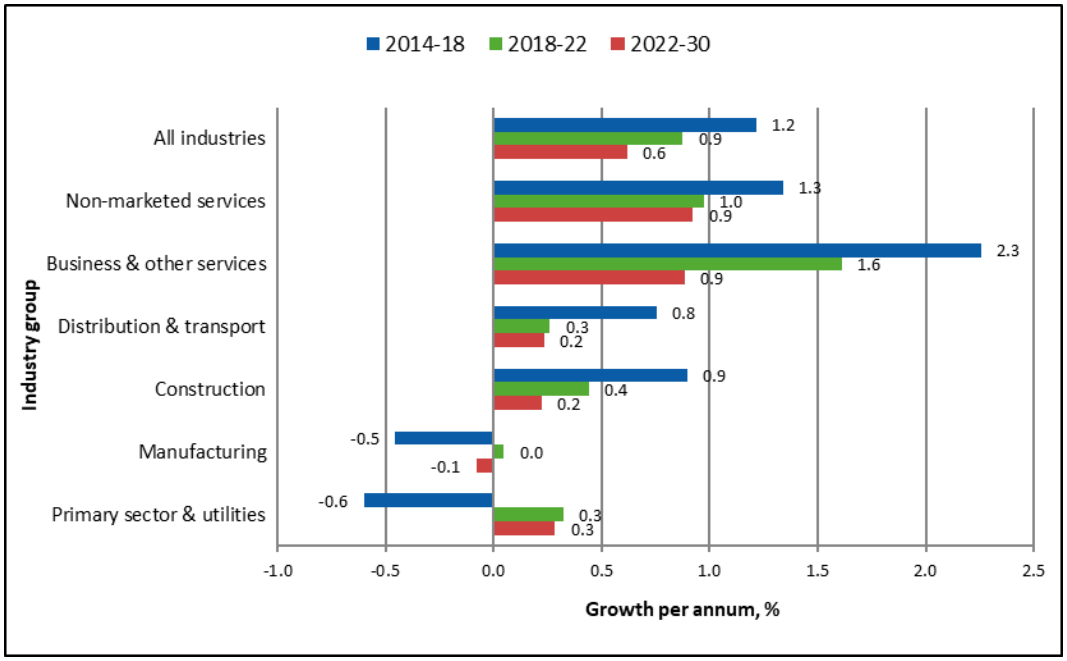


Source: Cedefop (2020 Skills Forecast).

3. Sectoral employment trends

As Figure 3 shows, employment is expected to increase in most of the broad sectors in Belgium over the forecast period. *Business & other services* and *non-marketed services* are expected to be the fastest growing sectors, growing by 1% pa or more during the forecast period. *Distribution & transport* and *construction* are expected to increase by a steady rate of around 0.3% pa during the forecast period. *Primary sector & utilities* is also expected to recover after a sizeable decline over 2014-18, at a rate of 0.3% pa during the forecast period. After a decrease in 2014-18, *manufacturing* is expected to grow slightly during the forecast period.

Figure 3. Employment growth by broad sector of economic activity, 2014-30



Source: Cedefop (2020 Skills Forecast).

In terms of sub-sectors (i.e. below the level of the six broad sectors discussed above), services such as *computer programming* and *information services*, *real estate activities* and *legal accounting and consulting and market research* and *other professionals* are expected to be among the fastest growing sectors, thus driving the increase in *business & other services* as a whole. The increase in *non-marketed services* is expected to be driven by the *health* sector, while *public administration & defence* is expected to decline. *Wholesale and retail trade* is expected to drive the increase in *distribution and transport*, while *electricity and water supply* are expected to drive the increase in *primary sector &*

utilities. Some manufacturing sectors such as *pharmaceuticals* and *other manufacturing* are expected to increase, while others such as *food, drink and tobacco, rubber/non-metallic mineral products, other machinery and equipment and motor vehicle manufacturing* are expected to decline.

4. Job openings by occupational group

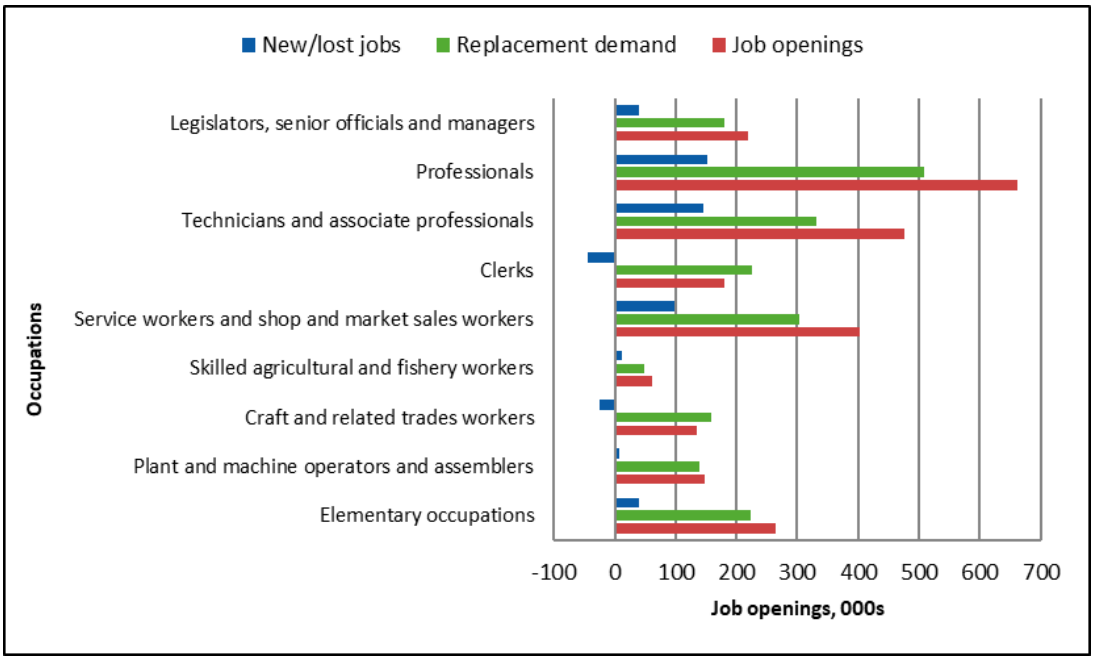
Cedefop skills forecasts estimate the total job openings by occupational group as the sum of net employment change and replacement needs. Net employment change refers to new jobs created due to the expansion of the employment in that sector or occupation. Replacement needs arise as the workforce leaves the occupation due to retirement or career changes. Replacement needs, generally, provide more job opportunities than new jobs, meaning that significant job opportunities arise even in occupations declining in size (i.e. agricultural workers are a typical example, as ageing workers employed in the sector will need to be replaced).

Figure 4 shows the total job openings by broad occupational group over 2018-30. The number of job openings indicates the number of jobs that are required to be filled due to lost/newly created jobs and those that are in need of replacement workers. *Professionals* is expected to be the occupation creating the highest amount of job openings, accounting for 26% of total job openings, and also to provide the highest amount of new jobs (152 000), followed by *technicians and associate professionals* (145 000 new jobs). *Service workers and shop and market sales workers*, and, to a lesser extent, *elementary occupations*, are also expected to provide a significant amount of new jobs (98 000 and 41 000 respectively). *Clerks* and *craft and related trades workers* are expected to decline (45 000 and 25 000 jobs respectively), consistent with a high degree of automation risk for these occupations (especially *clerks* in the Belgian context), although replacement needs in those sectors will still provide a certain number of job openings. *Skilled agricultural and fishery workers* and *plant and machine operators and assemblers* are instead expected to stagnate. In total, 420 000 new jobs within a total of 2.5 million job openings are expected to be created in Belgium between 2018 and 2030.

At the more detailed level, most job openings (taking both new/lost jobs and replacement needs together) are expected to be in *high skill* occupations such as *business and administration associate* professionals, *health professionals*, *teaching* professionals, *legal, social and cultural professionals* and *science and engineering associate professionals*. Skilled *non-manual* occupations found mostly in services such as *personal service workers*, *personal care workers* and

personal service workers are also expected to provide a significant amount of job openings, while clerical occupations such as *numerical and material recording clerks* are expected to decline. Although *skilled manual* occupations, mostly found in *manufacturing,* are expected to still provide some job openings due to replacement needs, they are expected to shrink in terms of the level of employment, with a few exceptions such as *assemblers*. Among *elementary* occupations *cleaners and helpers* are expected to provide a significant amount of job openings, thanks to growth in sectors such as *administrative and support services* and *health* and to subsidised government programmes.

Figure 4. Job openings by broad occupational group, 2018-30



Source: Cedefop (2020 Skills Forecast).

5. Drivers of occupational change

Within the Cedefop skills forecast, future employment growth (or decline) of occupations is further broken down by separating national economic components from regional industrial and economic effects, helping to interpret what is driving the change. From this perspective employment growth can be explained by three possible drivers: (a) overall trends of the economy (i.e. growth or decline), (b) shifts of employment between sectors and (c) changes in the occupational structure within sectors (i.e. factors making some occupations more important than others).

The occupational composition of employment in Belgium is characterised both by changes in the level of specialisation within occupations, and, in fewer cases, by changes in industry size. Stronger occupation-specific and industry effects will lead, overall, to an increase in p*rofessionals* and *legislators, senior officials and managers, technicians and other associate, customer services clerks* and *assemblers.* The increase in industry size will have a positive impact, alongside a modest occupation effect, only for *health professionals* and *associate health professionals.* High-skilled occupations that can benefit from these trends are, for example, *chief executives, senior officials and legislators*, and, in particular, *legal, social, cultural and related associate professionals*.

The overall effect of occupational change therefore depends on a number of factors that need to be considered together. Increasing digitisation and moves toward a service-oriented economy, including within *manufacturing*, will lead to a greater use of higher-level occupations at the expense of some medium and low-level occupations. All relevant lower-level occupations are expected to decrease, except for *cleaners* and *drivers.*

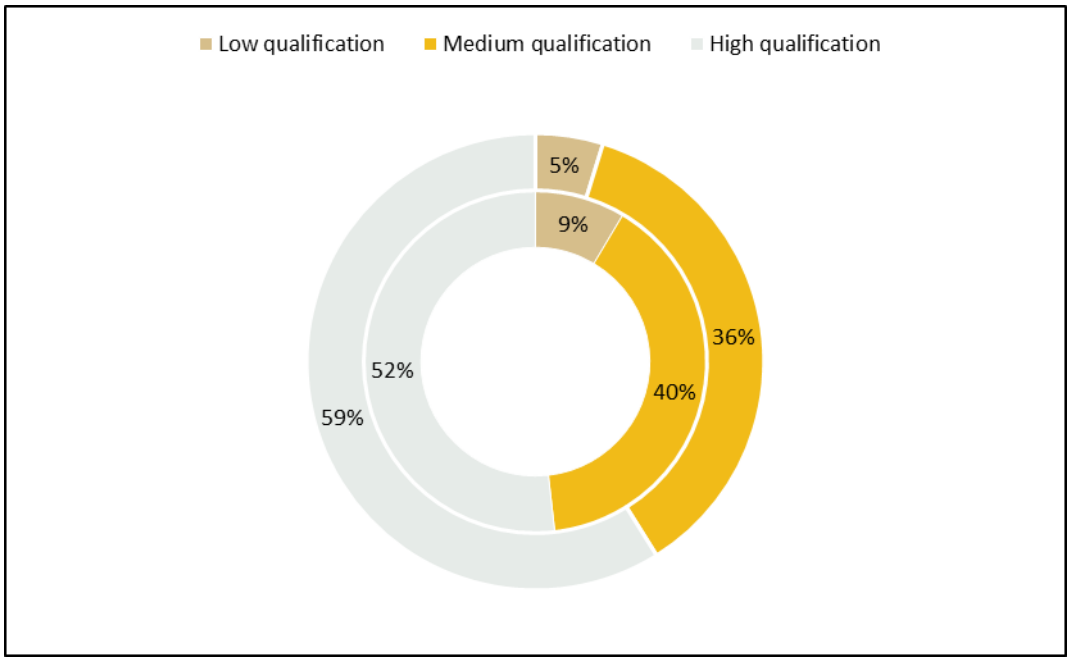
Intermediate occupations are expected to increase overall. Among the medium-qualified occupations becoming stronger are *science and engineering professionals, health associate professionals, business and administration* and *legal, social, cultural and related associate professionals, agricultural workers, assemblers* and *customer service clerks*.

6. Demand for and supply of skills

Within the Cedefop skills forecast, skills are proxied by the highest level of qualification held by individuals in the labour force and in employment. Three levels are distinguished, high, medium, and low, which correspond to the official ISCED classification. The occupational group also offers an indication of the skill level required, as some occupations (e.g. professionals) typically require high-level skills, while some others (e.g. elementary) typically require only basic ones. Therefore, occupational groups are also linked to a skill level.

Figure 5 shows the shares of total job openings by qualification level for Belgium and the EU-27 over 2018-30. In Belgium, the largest share of job openings are expected to require a high qualification. Compared to the EU-27, a higher share of job openings are expected to require a high qualification, while a lower share of job openings are expected to require a medium or low level of qualification.

Figure 5. Shares of total job openings by level of qualification, 2018-30



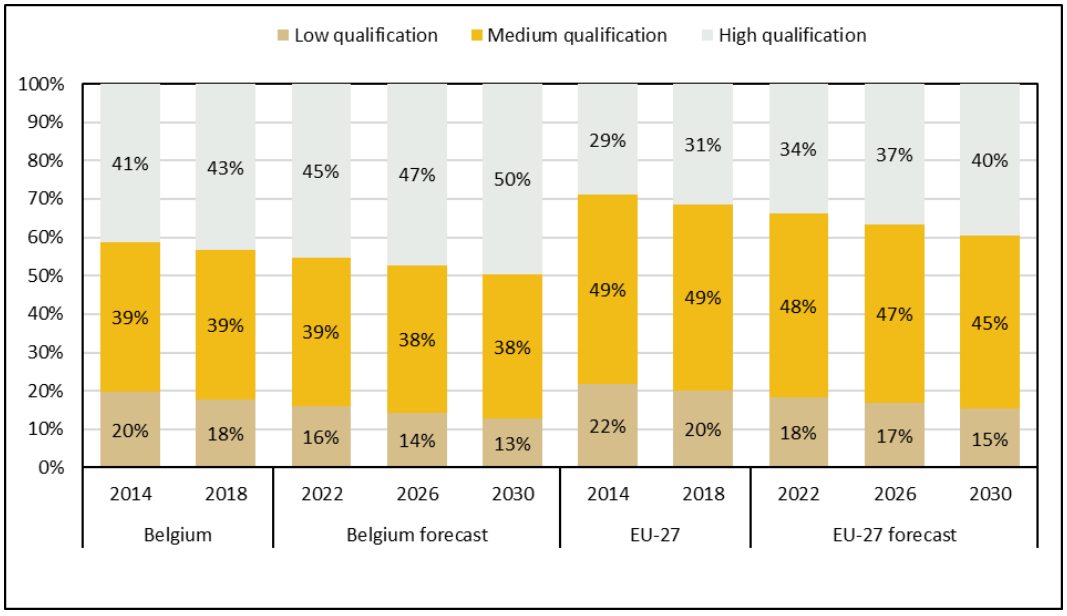
Source: Cedefop (2020 Skills Forecast).

Future labour supply trends depend on the size of the working age population (defined as aged 15 or older), the labour market participation rates, and the extent to which people acquire formal qualifications.

Figure 6 shows the development of qualification shares in the labour force in Belgium and the EU-27. Belgium is rapidly increasing its share of the higher qualified in the labour market. While the share was at 43% in 2018, it is expected to increase to 50% by 2030.

The increase in the share of the higher qualified has been predominantly through the gradual replacement of older, low qualified workers. The share of low qualified workers is expected to decrease from 18% in 2018 to 13% in 2030, while the share of medium qualified workers is expected to remain stable (38%). Relative to the EU-27 average qualification mix, Belgium is expected to continue to have a higher share of the higher qualified.

Figure 6. Labour force share by level of qualification, 2014-30



Source: Cedefop (2020 Skills Forecast).

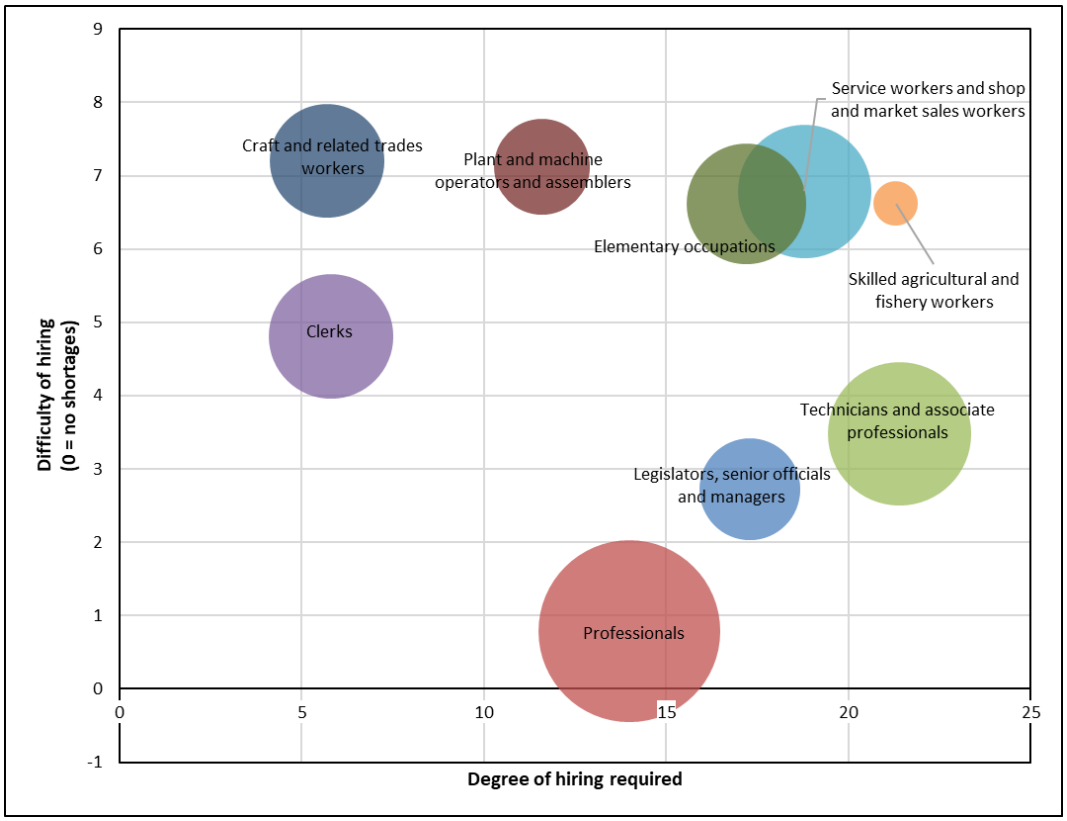
Overall, the forecast implies an increasing shortage, particularly among the medium qualified, while the supply of higher educated is forecast to sufficiently fill the demand within higher level occupations. Among the high-qualified, specific shortages can nevertheless be expected among specific skills – which could not

be included in the forecast. An example would be a likely difficulty in hiring IT-professionals despite a high-share of a highly educated workforce, not all of which are, however, specialised in the necessary fields.

Figure 7 shows an indicator, *difficulty of hiring*, whose aim is to approximate shortages of supply by qualifications and its impact on occupations. This measure, shown along the vertical axis, indicates increasing difficulties to fulfil demand given the available supply of qualifications used in the occupation. Along the horizontal axis, the *degree of hiring required* in the occupation is depicted. Higher values indicate that to reach the forecast result that occupation will need to adjust more (in terms of workers with particular qualifications) relative to the base year (2018) levels. These changes (degree of hiring required) can be due to a change in the qualifications required or increases in the number employed. The size of the bubble indicates the *overall employment level*, bigger bubbles indicate more employment while smaller bubbles less employment.

Occupations with both a high *degree of hiring required* and a high *difficulty of hiring* (i.e. towards the top right of the figure) are likely to have the most difficulties in achieving a suitable workforce.

Figure 7. Indicators of future hiring difficulties, 2018-30



N.B: Indicators were calculated at the level of the underlying two-digit occupation groups. Aggregation was based on the employment weights within each three-digit occupation group.

Source: Cedefop (2020 Skills Forecast).

The increasing supply of higher educated workers suggests that there could be shortages especially among the medium and the lower qualified. These shortages could mean that some higher educated workers will have to be employed within occupations at a lower level than they qualify for, or it will result in hiring difficulties. Medium level occupations such as *service workers and shop and market sales workers*, as well as *plant and machine operators and assemblers* and *craft and related trades workers* all show higher levels of hiring difficulties in the forecast (Figure 6). These occupations are expected to have different levels of change required by qualification, and thus different levels of hiring required. For example, *service workers and shop and market sales workers* are expected to have a particularly high degree of hiring required, while *craft and related trades workers* are expected to have a much lower degree of hiring required. While *professionals, legislators, senior officials and managers* and *technicians and associate professionals* are implied to have less hiring difficulties, as they usually hire from the supply of higher qualified, they also show a relatively high degree of hiring required in the forecasting period.

Hiring difficulties among *professionals* are similarly low across the underlying occupations. The degree of hiring required is expected to differ, though, with *legal, social and cultural professionals* reaching twice the level (28) as the average among all *professionals* (14), and *business and administration professionals* (20) along with associate *health professionals* (19). *Health professionals* (3) and *teaching professionals* show very low values (2) for the degree of hiring required.

Cedefop methodology and scenarios

The Cedefop Skills Forecast offers quantitative projections of future trends in employment, by sector of economic activity and occupational group. Future trends in the level of education of the population and the labour force are also estimated. Cedefop's forecast uses harmonised international data and a common methodological approach allowing cross-country comparisons between employment trends in sectors, occupations and qualifications. The forecast and methodology is validated by a group of national experts. The forecast does not substitute national forecasts, which often use more detailed methodologies and data, while they also incorporate in-depth knowledge of a country's labour market.

The latest round of the forecast covers the period up to 2030. The forecast takes account of global economic developments up to May 2019. The European economy is continued to expand for the seventh year in a row in 2019, with real GDP growing in all EU Member States. As global uncertainties continue to weigh, domestic dynamics are set to support the European economy. The key assumptions of the baseline scenario incorporate the Eurostat population forecast available in May 2019 (Europop 2015) ([2]) and the short-term macroeconomic forecast produced by DG ECFIN in May 2019 ([3]).

The Cedefop Skills forecast was developed before the global Covid-19 pandemic had begun. The short-term economic impacts of the pandemic and subsequent lockdowns in many countries are very uncertain, and therefore the current short-term forecast is likely to be over-optimistic. However, the key long-term factors (such as the ageing population, increasing use of automation/artificial intelligence, globalisation, resource scarcity and moves towards a carbon neutral economy) will still hold as the EU Member States put plans in place to deal with the virus and their economies move forwards. The trends in the longer-term forecast are therefore still likely to hold.

For the latest update and access to more detailed Cedefop skills forecast data please visit:
http://www.cedefop.europa.eu/el/events-and-projects/projects/forecasting-skill-demand-and-supply

([2]) https://ec.europa.eu/eurostat/web/population-demography-migration-projections/population-projections-data

([3]) https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2019-economic-forecast-growth-continues-more-moderate-pace_en

For more details, please contact Cedefop's Skills Forecast team at: Skills-Forecast@cedefop.europa.eu

The country fiche for Belgium has been developed in collaboration with Koen Hendrickx, research officer at the Federal Planning Bureau, Belgium.

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