European Centre for the Development of Vocational Training

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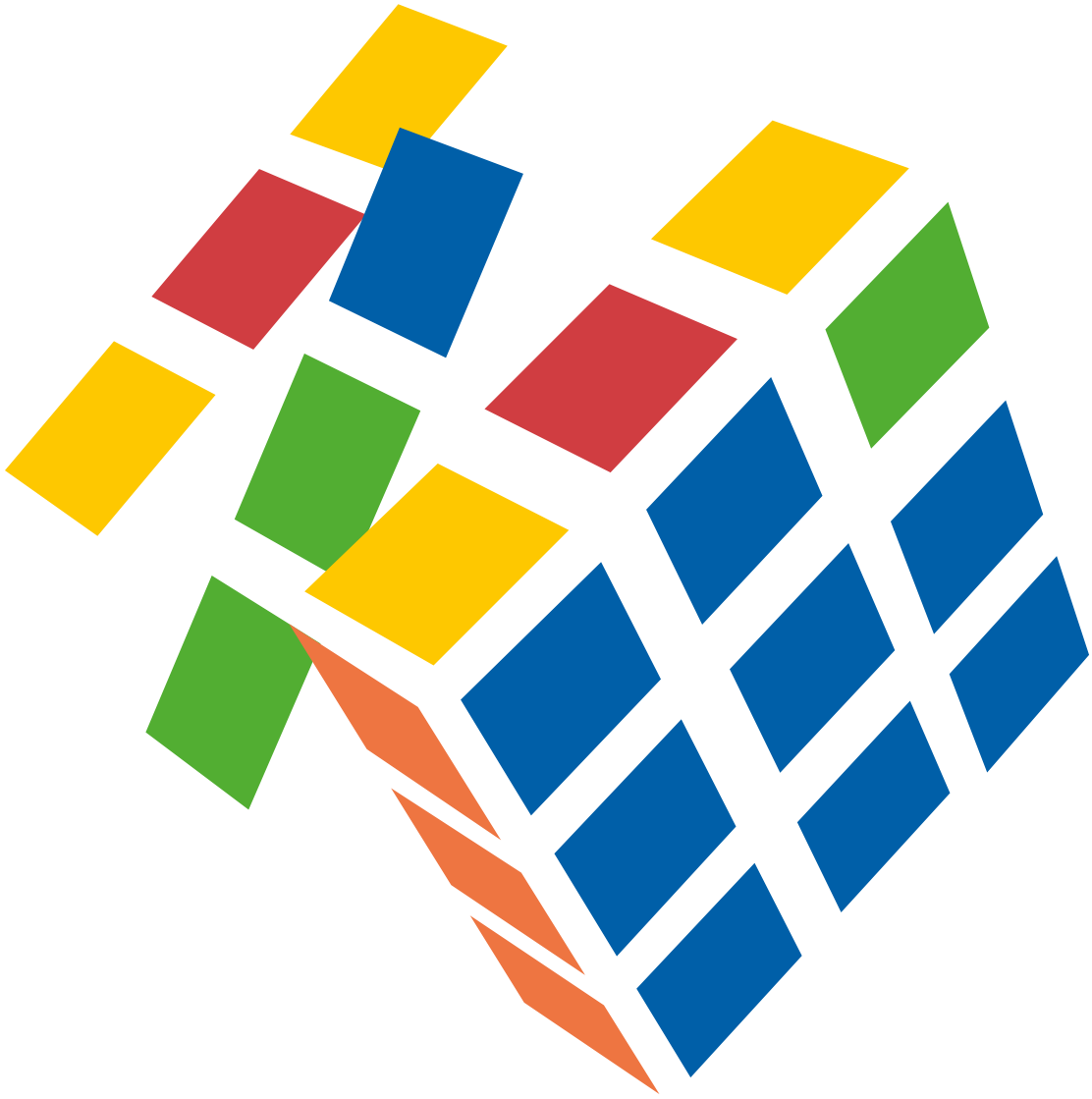


2023 skills forecast

Belgium

cedefop

SKILLS FORECAST 2023 BELGIUM

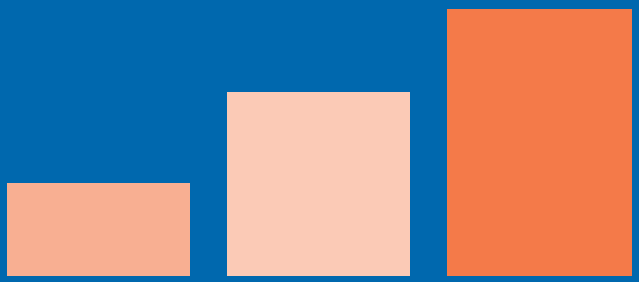
Employment in 2035

5 453 000

9.52%

increase 2021-35

% Employment growth 2021-35



2021-25
2021-30
2021-35

Fastest-growing sectors

2021-35% growth

32% Electricity, gas, steam & air conditioning supply

19% Administrative & support service activities

Total job openings, 2021-35

3 148 000

Replacement needs (85%)

New job openings (15%)

Highest-demand occupations

Largest creation of new jobs, 2021-35

81 000 Legal, social & cultural professionals

65 000 Information & communications technology professionals

56 000 Business & administration professionals

increase in high-skilled labour demand 2021-35

33%

Total job openings by skill level 2021-35

High-skilled non-manual occupations (54%)

Skilled non-manual occupations (19%)

Skilled manual occupations (16%)

Elementary occupations (11%)

EU overview 2035

3.4%
employment increase in 2021-35

Fastest growing occupation
Legal, social and cultural professionals

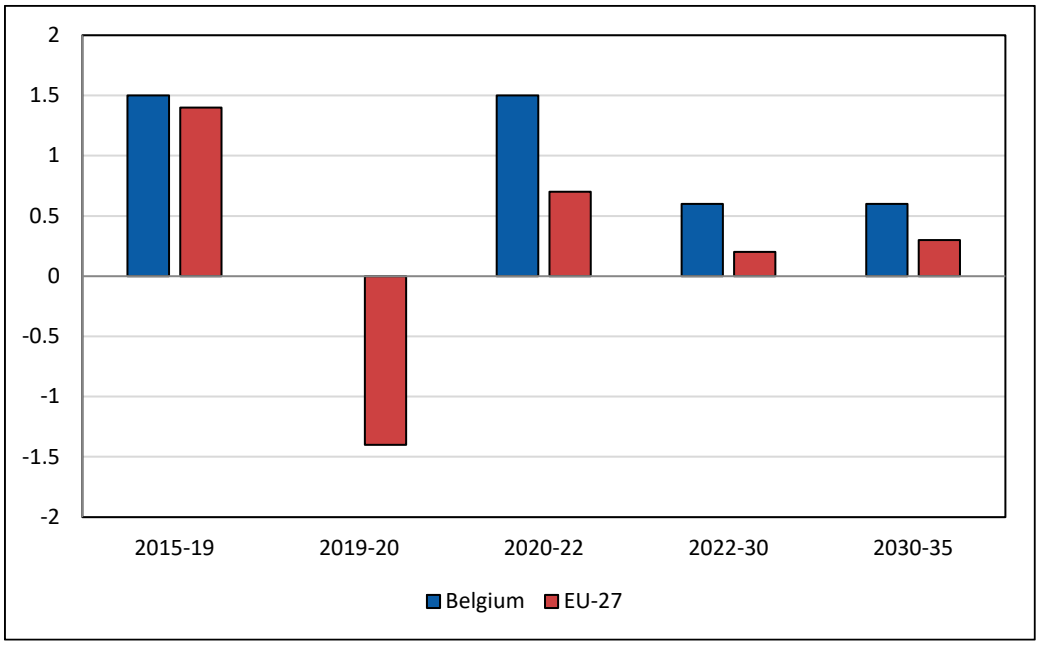
Fastest growing sector
Information and communication

Cedefop skills forecast: Belgium

1. Employment outlook

Employment in Belgium is forecast to continue growing over 2022-35, albeit slower than seen in 2015-19. Figure **1** shows that employment in Belgium remained stable in 2020, despite the start of the Covid-19 pandemic, which led to a fall of almost 1.5% in the EU-27 as a whole in the same year. The most recent figures for employment development in 2021 and 2022 showed an even better performance than those that were taken into account for the forecast. Thus, the employment development might underestimate the overall employment development somewhat. Across the forecast period, employment in Belgium is forecast to grow faster than the EU-27 average, especially in the medium term (2022-30), when the EU-27 as a whole is expected to see particularly slow employment growth.

Figure 1**. Annual percentage employment growth in Belgium and the EU-27, 2015-35**



Source: Cedefop (2022 Skills Forecast).

2. Labour force overview

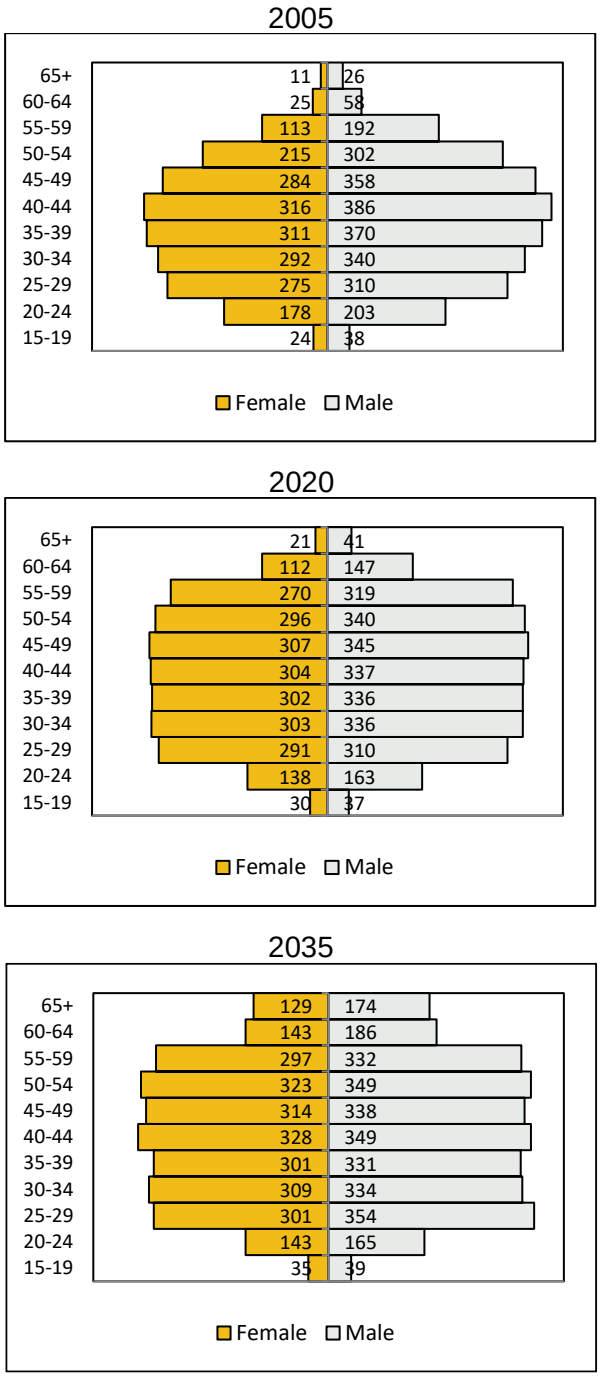
Figure **2** shows Belgium's labour force by age group in 2005, 2020 and 2035. The labour force in Belgium is expected to continue growing strongly over 2020-35, increasing by around 9.5% (compared with just under 3% for the EU-27) over this period compared with an increase of just under 10% (just under 5% for the EU-27) over 2005-20. This reflects increasing participation rates in all age groups, except 20-24 year olds, with particularly strong increases for those aged 50 and above. The total participation rate is forecast to increase by 2 pp over 2020-35. Although total population is forecast to grow over this period by just over 5%, this compares with an increase of more than 10% over 2005-20. The picture amongst the different age groups is mixed.

Apart from 40-44 year olds, the for all age groups between 30 and 64 is forecast to decline in Belgium over 2020-35, reflecting trends in the relevant younger cohorts in preceding periods. Generally, the population in Belgium is not ageing as strongly as elsewhere in the EU-27. However, the share of the labour force aged 65 or more is forecast to increase from just over 1% in 2020 to over 5% in 2035 as a result of increased participation in the higher age groups relative to earlier cohorts.

The decline in the participation rate of 20-24 year olds in Belgium reflects the continued trend of an increase in the number of years spent in education, although the decline of 2 pp in the participation rate for this age group over 2020-35 is much less than the decline of 14 pp that was seen over 2005-20. The other age groups between 25 and 39, which also saw declining participation rates over 2005-20 are expected to see a reverse in this trend over 2020-35.

For those aged 50 or more, participation rates are expected to show a significant increase of at least 8 percentage points (pp) over 2020-35, consistent with increases in retirement age and the dismantling of early retirement schemes being implemented in Belgium. The male participation rate is forecast to increase by 2 pp over 2020-35, while the female rate is forecast to increase by 3 pp over the same period, so that in 2035, the male rate is expected to be 60%, and the female rate 51%.

Figure 2. **Distribution of the labour force (thousands), 2005-35**



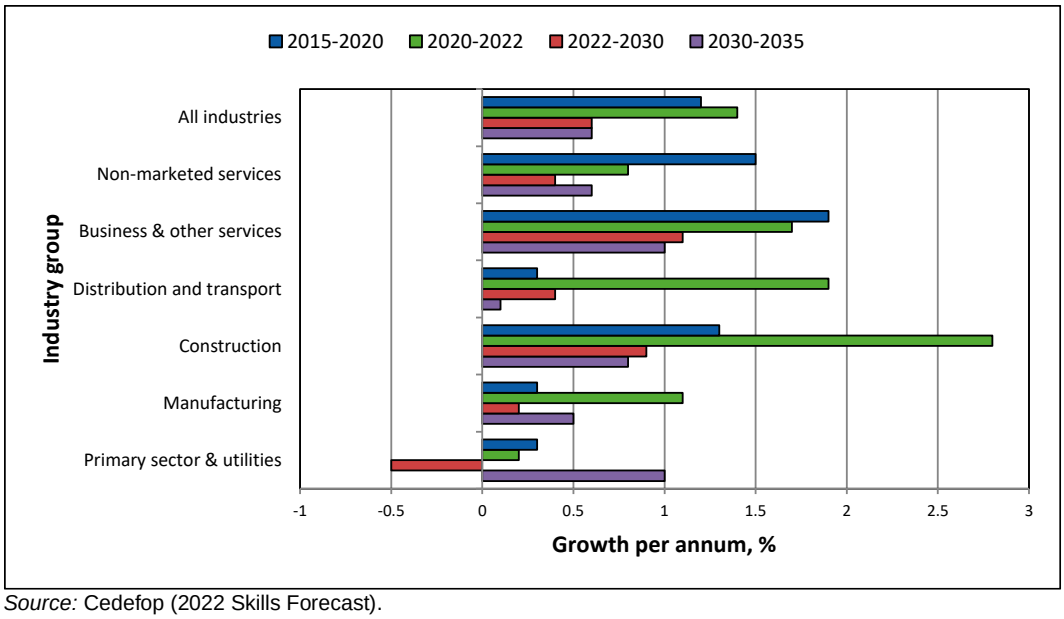
Source: Cedefop (2022 Skills Forecast).

3. Sectoral employment trends

Figure **3** shows annual average employment growth by broad sector in Belgium between 2015 and 2035. Employment is expected to increase in all broad sectors during the forecast period, apart from *Primary sector & utilities* over 2022-30, albeit generally more slowly than was seen over 2015-20 (which includes any impacts of the start of the Covid-19 pandemic in 2020) and 2020-22 (which includes some bounce back). The strongest growth is expected in *Business & other services* and *Construction,* with around 1% pa over 2022-35. Within construction a shift towards self-employment at the cost of salaried employment could be observed in the past years. Employment in the *Primary sector & utilities* is forecast to decline by 0.5% pa over 2022-30, followed by fairly rapid growth of 1% pa over 2030-35. The decline in employment in *Primary sector & utilities* over 2022-30 is due to a strong forecast decline in employment in *agriculture*, and although employment in *agriculture* is expected to continue to decline over 2030-35, employment growth in the broad sector as a whole is forecast to pick up, driven by strong growth in *electricity* over 2030-35 through the Green deal assumption of the forecast.

Growth in employment in *Manufacturing*, *Distribution & transport* and *Non-marketed services* is forecast to be relatively slow but steady over the whole forecast period. Overall, supply-side bottlenecks within specific qualifications or sectors could be encountered, challenging the projected employment growth.

Figure 3**. Employment growth by broad sector of economic activity, 2015-35**



Source: Cedefop (2022 Skills Forecast).

In terms of sub-sectors (i.e. below the level of the six broad sectors discussed above), services such as *architectural & engineering services*, *media*, *telecommunications*, *computer programming & information services*, *legal, accounting & consulting services* and *administrative & support services* are expected to be among the fastest growing sectors, thus driving the increase in *Business & other services* as a whole. Within *Distribution & transport*, *air transport* and *accommodation & catering services* are forecast to grow relatively strongly.

4. Job openings by occupational group

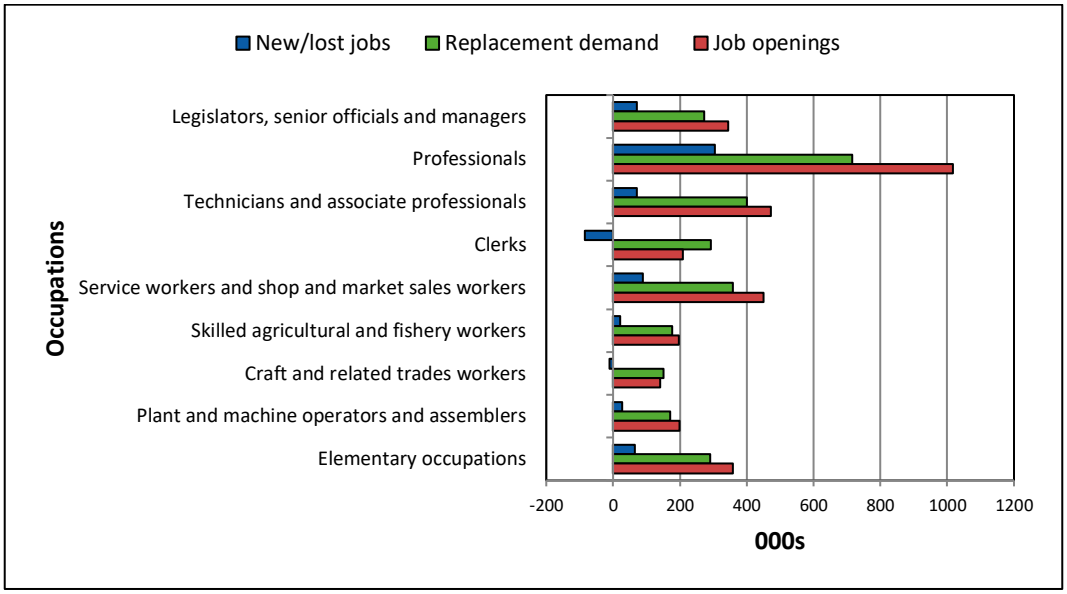
Cedefop skills forecasts estimate the total job openings by occupational group as the sum of net employment change and replacement needs. Net employment change refers to new jobs created or jobs lost due to the expansion or contraction of employment in that sector or occupation. Replacement needs arise 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 2020-35. 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 create the highest number of job openings, accounting for 30% of total job openings, and also to provide the highest number of new jobs (304,000). *Service workers & shop and market sales workers* (90,000), *Legislators, senior officials & managers* (72,000), *Technicians & associate professionals* (72,000), and *Elementary occupations* (66,000), are also expected to provide a relatively large number of new jobs. *Clerks* and *Craft & related trades workers* are expected to decline (84,000 and 10,000 jobs respectively), consistent with a high degree of automation risk for these occupations (especially *Clerks* seem to be declining). However, replacement needs in those sectors will still provide a certain number of job openings. In total, 560,000 new jobs within a total of 3.4 million job openings are expected to be created in Belgium between 2020 and 2035.

At the more detailed level, the greatest number of job openings (taking both new/lost jobs and replacement needs together) are generally expected to be in high skill occupations such as *business & administration associate* professionals, *legal, social & cultural professionals*, *health professionals*, *business &*

administration professionals and *teaching* professionals. Some skilled non-manual occupations, found mostly in services, such as *personal service workers*, *sales workers* and *personal care workers* are also expected to provide many job openings, including through new jobs. Also within skilled non-manual occupations, *general & keyboard clerks* and *numerical & material recording clerks* are expected to provide a relatively large number of job openings, through replacement demand, despite a declining number of jobs. Although skilled manual occupations, mostly found in *manufacturing* and *construction,* are expected to still provide some job openings, this is mainly due to replacement needs rather than through job expansion. The main exception is *building & related trades workers*, which are expected to see a relatively large number of new jobs and a large replacement demand. Among elementary occupations, *cleaners & helpers* are expected to provide significant job openings, thanks to growth in sectors such as *administrative & support services* and *health* and to subsidised government programmes. These employment developments hinge, as mentioned before, also on overcoming potential supply-side bottlenecks that are only partly represented in the forecast procedure. Especially among the popular voucher-based household services system, there are some indications that a lack of supply might hinder future growth.

Figure 4. **Job openings by broad occupational group, 2020-35**



Source: Cedefop (2022 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 national 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).

Changes in the level of specialisation within occupations and changes in industry size characterise the occupational composition of employment. However, in most cases, the magnitude of the changes due to the occupation effect is greater than the industry effect. Stronger occupation-specific and industry effects will increase the share of some categories of *Professionals (*i.e. *engineering professionals, business & other professionals), senior officials & legislators, administrative & commercial managers, and occupations in personal, care and protective services*. High-skilled occupations that can benefit the most from these trends are, for example, *chief executives, senior officials & legislators*, *administrative & commercial managers*, and, in particular, *business & other professionals*. Given the low impact of the occupation effect, the increase in industry size dominates the growth of *health professionals*. Relative to the historic development of this industry effect, the projected increases are already lower. A similar effect can be found among *personal care workers*. The share of *legal, social, cultural & related associate professionals* represents the category that will experience the highest increase. Its overall change is due to the high and positive impact of the occupation effect, which dominates the negative industry effect.

Therefore, the overall effect of occupational change depends on several factors that should be considered together. Increasing digitisation and moves toward a service-oriented economy, including within *manufacturing*, will lead to greater use of higher-level occupations at the expense of some medium-level occupations. Several intermediate occupations are expected to decrease, especially *general office clerks*.

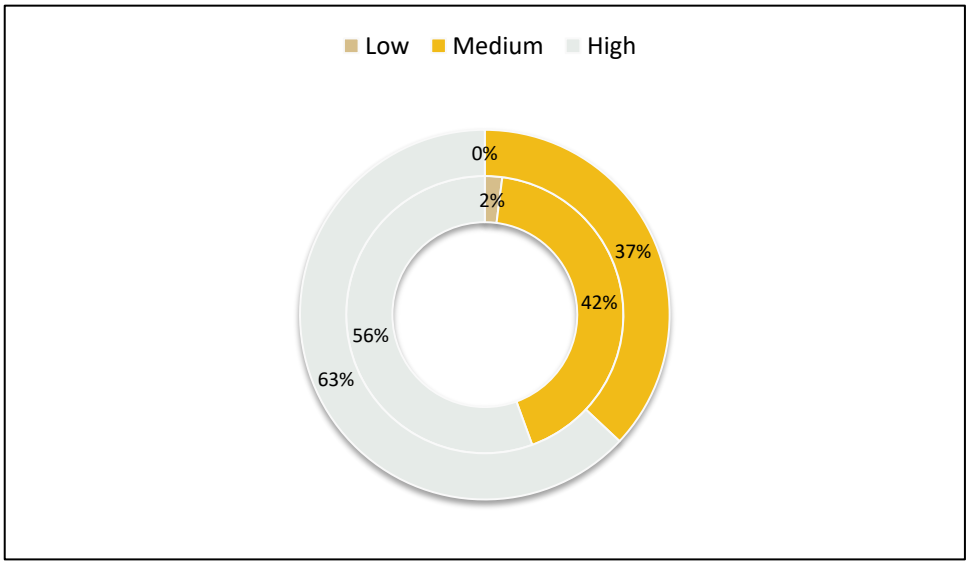
All lower-level occupations are forecast to continue growing. Among the lower-qualified occupations becoming stronger are *cleaners, refuse, street & related service occupations*. All relevant high-level occupations are expected to increase, except for *health associate professions*. While *health professionals*, a category of workers who mainly carry out research and apply scientific knowledge related to medicine, will continue to grow, *health associate professionals* represent workers who perform technical tasks and are expected to decrease.

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 employment. Three levels are distinguished, high, medium, and low, corresponding 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 for Belgium and the EU-27 over 2022-35. Most (63%) of the job openings in Belgium are expected to require a high qualification which somewhat surpasses the EU average (56%). A lower share of job openings is expected to require a medium qualification (37%), while almost no job openings require a low qualification.

Figure 5. **Shares of total job openings by level of qualification, 2022-35**



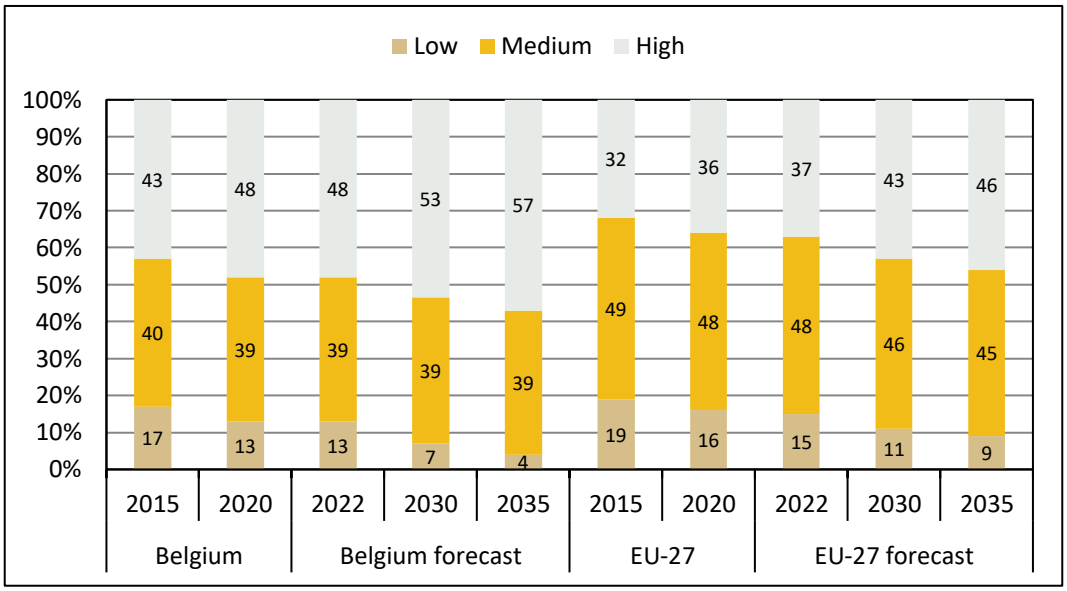
Source: Cedefop (2022 Skills Forecast).

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 48% in 2022, it is expected to increase to 57% by 2035.

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 13% in 2022 to 4% in 2035, while the share of medium qualified workers is expected to remain fairly stable (39%). In how far these projected shares can be reached also depend on the ability of the Belgian school system to also keep weaker students in the system and avoid school drop-outs which have been rising recently. 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, 2015-35**



Source: Cedefop (2022 Skills Forecast).

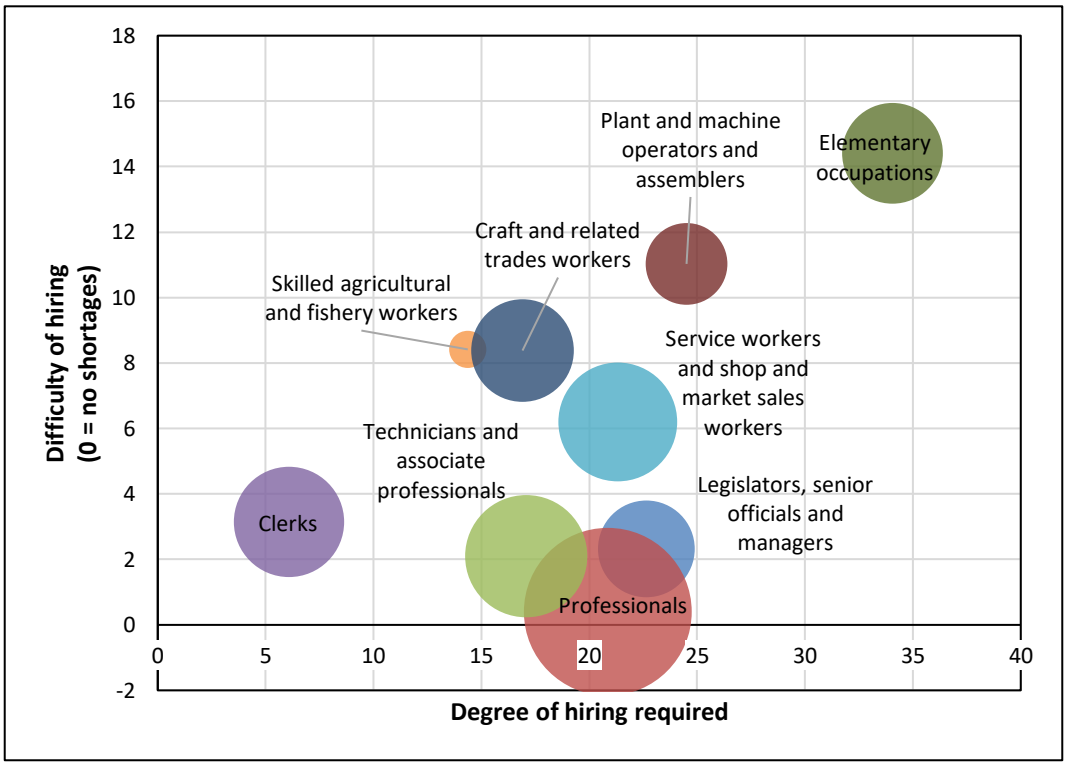
Overall, the forecast implies an increasing shortage, particularly among the low and medium qualified, while the supply of higher educated is forecast to sufficiently fill the demand within higher level occupations. Among the high-qualified, specific shortages can be expected among specific skills – which could not be included in the forecast. An example would be the likely difficulty in hiring

IT-professionals despite a high share of a highly educated workforce, not all of which are specialised in the necessary fields.

Figure **7** shows an indicator, *difficulty of hiring*, whose aim is to approximate supply shortages by qualifications and its impact on occupations. This measure, shown along the vertical axis, indicates increasing difficulties in fulfilling demand given the available supply of qualifications used in the occupation. The degree of hiring required in the occupation is depicted along the horizontal axis. Higher values indicate that to reach the forecast result, and the occupation must adjust more (in terms of workers with particular qualifications) relative to the base year (2022) 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 indicate 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, 2022-35**



Source: Cedefop (2022 Skills Forecast).

Note: Indicators were calculated at the level of the underlying 2-digit occupation groups. Aggregation was based on the employment weights within each 1-digit occupation group.

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 & shop & market sales workers*, as well as *Plant & machine operators & assemblers* and *Craft & related trades workers* all show higher hiring difficulties in the forecast (Figure 7). These occupations are expected to have different levels of change required by qualification, and thus, different hiring levels are required. For example, *Plant & machine operators & assemblers* are expected to have a particularly high degree of hiring required, while *Clerks* are expected to have a much lower degree of hiring required. While *Professionals, Legislators, senior officials & managers* and *Technicians & 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 forecast period.
Hiring difficulties among *Professionals* are similarly low across the underlying occupations.

Cedefop methodology

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 2035. The forecast takes account of global economic developments up to May 2022. The European Economy experienced a sharp downturn in 2020 due to the global pandemic, and partially bounced back in 2021. However, the strength of the recovery in the short term is threatened by global factors such as supply chain disruptions, the consequences of the war in Ukraine and high inflation.

The key assumptions of the baseline scenario incorporate the Eurostat population forecast available in May 2022 (Europop 2019) ([1]), and the short-term macroeconomic forecast produced by DG ECFIN in May 2022 ([2]). Several revisions to the data affect the Cedefop Skills forecast 2022, when compared to the 2019 update. For example, the population projections used in the 2022 update are generally more pessimistic than those used in the 2019 update (i.e. Europop 2015), with a corresponding impact on labour force figures. The source of historical labour force data is the European Labour Force Survey, which in 2021 underwent important methodological changes causing a break in the time series for several variables, including labour force. As a consequence, in many Member States the participation rates in 2021 are noticeably above/below historical trends, which causes the Cedefop Skills forecast 2022 to be revised in the same direction, compared to the 2019 update. Moreover, some Member States experienced significant revisions in the historical data series for sectoral employment from the National Accounts.

The Cedefop Skills forecast 2022 is made consistent with the objectives set by the European Green Deal by incorporating suitable assumptions in terms of additional investment, power sector technologies, energy balances and carbon pricing.

Energy and commodity price forecasts from the World Bank and the IEA are used as inputs to the Cedefop Skills forecast, which therefore incorporate the recent surge in prices.

([1]) https://ec.europa.eu/eurostat/web/population-demography/population-projections/database

([2]) https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2022-economic-forecast_en

For the latest update and access to more detailed Cedefop skills forecast data visit our Skills forecast project page.

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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