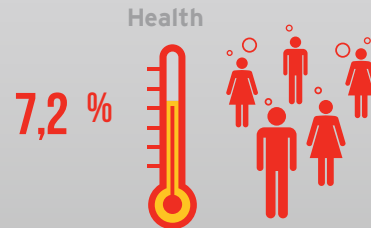


Socio-economic report 2016

FGTB

Together stronger



2016 socio-economic report

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Introduction

The usual economic indicators aren't particularly good criteria to measure people's well-being. Averages mask extremes. The GDP gives an indication of wealth but says nothing about the way it is shared. Even poverty figures are poor: for anybody, what does a «15% poverty risk rate» actually mean? Average income, average assets?

Traditional employment figures are not indicators for employment quality, they do not reflect the specific difficulties met by certain categories of workers: young, female, migrant, or older workers.

The indicators that we have developed in previous years in our barometer were primarily used to counter indicators from conventional economists and to provide an answer to the employers.

For the 2016 socio-economic barometer, we have looked for indicators to supply information on the quality of life, which, for many of us, has been deteriorating: fewer collective structures, pollution, increase in work intensity, unilateral flexibility, time-consuming commutes, increasing problems for work/life balance, access to health care becoming increasingly difficult ...

In order to better grasp a reality swept under a carpet of standard economic statistics, this barometer will feature the following four big themes:

- living decently
- living a quality professional life
- living together
- living on a unspoiled planet

Decent living is not measured solely in terms of GDP, employment rate or the median or average income. Employment is a necessary condition for social integration, but is no longer a sufficient guarantee. Besides the average worker who earns a good living, there are the «working poor»: migrant, posted, intermittent, temporary, part-time, or precarious workers. Employment, as reflected in the figures, is no longer synonymous with security.

Facing these gloomy observations, demanding marginal improvements is not enough.

We must regain the sense of social progress in terms of wealth redistribution but also in terms of quality of life. The context in which we live and work, the environmental factors are essential to our quality of life. In the «purely» economic analysis, they are often forgotten. When evaluating a policy, who still stands up for issues like quality of water, air, food, or housing?

Quality of life also depends on the collective services provided by the various public authorities. Their degradation due to disinvestment has consequences on public access prices and the price/quality ratio, but also generates discomfort, loss of mobility, insecurity, stress and loss of time.

Work can have a significant impact on the quality of life and on health, while work should simply be an individual's contribution to community life. Work should be a contribution to collective progress and better living for all, and not just for the enrichment of a minority gaming the economy.

Focusing on the quality of work also means detaching oneself from a purely monetary approach to life. Money is a means, not an end in itself. And it cannot be the ultimate criterion for measuring the success of a society. More than ever, redistributive instruments must be rehabilitated and strengthened, such as: social security, taxation, public services, and community infrastructure.

Money remains crucial, but the term «purchasing power» is often too simplistic as it refers only to the capacity to buy consumer goods. How do we define everything that contributes to better life in general for everyone, such as education, health, housing, public services, culture, social relations, etc.?

We must redefine the contours of a harmonious society that's safe, inclusive, friendly, collaborative, participatory and egalitarian. A new social contract is needed to strengthen democracy and citizenship. We cannot wait centuries for a better world. There is a planetary emergency to get things back on an even keel, under penalty of generating the worst disasters for the generations directly following us.

The 2016 «barometer» remains in line with the previous years to the extent that it focuses mainly on inequality and on the impact of wealth distribution tools. However, the 2016 edition is different from past years, because it's intended to be a compass for a better quality of life, at all levels, far from the economic standards that alone are insufficient.

Marc GOBLET
General Secretary

Rudy DE LEEUW
President

1 *Able to live decently*

What does it take for an ordinary citizen to “live well”?

- good job, good salary,
- security (physical and against the vagaries of life),
- proper housing,
- healthy and sufficient food,
- quality community services and public infrastructure,
- a good environment,
- quality education,
- good access to social life: culture, leisure.

Do we have that? Some of us do. Unfortunately, others don't. Without falling into complete egalitarianism that would erase all rewards for individual initiative, merit and competence, to live harmoniously, a society must minimize the inequalities and tensions generated. The diagnosis that we can pose today shows us that we are far from achieving that objective, considering that Belgium is one of the richest countries in the world.

But all these elements which contribute to well-being at society level are interrelated: a bad job usually doesn't go together with decent salary and proper housing. A bad job often leads to poor health and shorter life expectancy. Poor education doesn't open doors to good jobs. Poor-quality community services, bad health coverage can have a negative impact on household budgets or tip them over to precariousness (which can cut people off from social life) which in turn can lead to poor housing. A precarious situation weighs negatively on education, which in turn influences the quality of future life and future employment. A bad tax system does not properly fund collective services or reduce disparities.

Aiming at a more liveable society implies that we act at all levels to reach the equilibrium that would make a maximum of citizens “happy”.

With a Gross Domestic Product (GDP = wealth produced by a country in a year) per capita of \$ 40,000, Belgium is part of the club of the richest countries in the world.

By taking all households in Belgium and classifying them by income level, the National Bank (BNB) found in 2013¹ that the wealth (net assets, i.e. assets minus liabilities) of the household which is right in the middle amounted to 206,000 euros (incl. housing knowing that 70% are owners, the asset value increases with the income). This is the **MEDIAN** patrimony. Meanwhile, the **AVERAGE** patrimony amounts to 338,600 euros. It is obtained by dividing the overall (known) wealth by the number of households.

III-distributed wealth

The BNB explains that if there's a 132,000-euro difference between median and average, it's because wealth is unequally distributed and that the very rich push up the average while leaving the very poor in the shadow:

Taking into consideration all Belgian households,

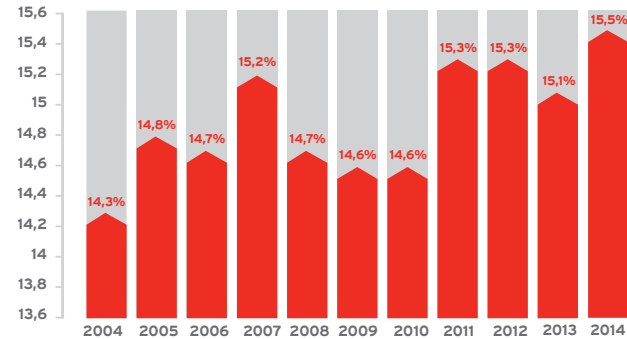
- The wealthiest 20% of the citizens own 61.2% of the overall PATRIMONY
- The 20% who have the highest REVENUES get 52% of the total REVENUES in the country.

At the other end of the distribution,

- The poorest 20% of the citizens hold only 0.2% of the overall PATRIMONY of the Belgian households
- Meanwhile, the 20% with the lowest revenues hold 3.5% of the overall REVENUES of the Belgian households.

In Belgium, 15.5% of the population is on the verge of the "poverty risk" threshold and this figure has increased by 0.9% as of 2010.

Poverty risk rate for the Belgian population

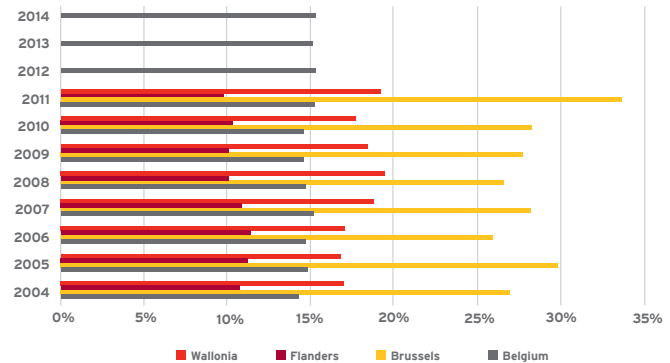


Source: Inter-federal poverty barometer, 2016

Note that the federal figures mask different regional realities.

The EUSILC survey does not supply reliable results for the Brussels Capital City region between 2012 and 2014.

Poverty risk rate by Region between 2004 and 2014



Source: Inter-federal poverty barometer, 2016

What is the poverty risk threshold?

It's living with:

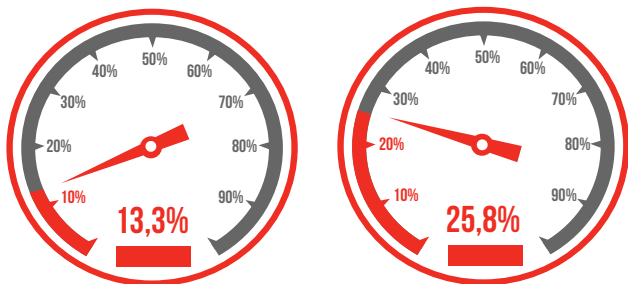
	Annual gross income	Monthly gross income
Isolated individual	13.023 euros	1.085 euros
2 adults + 2 children	27.348 euros	2.279 euros

Source : SILC, 2014

This figures represent "relative" poverty: they were calculated based on 60% of the median income. But this income does not include real estate revenues, because then the reference income would be higher and the poverty line would go up to 1,200 euros (for an isolated individual). Then 21% of the population would be "at risk of poverty".

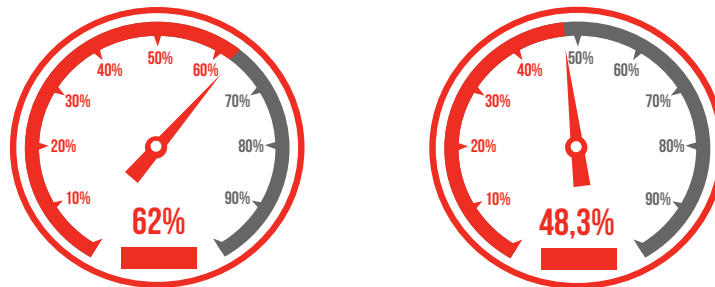
Where are the most fragile citizens?

Households with children and low professional activity (between 1/5 time and half-time on an annual basis) face a 13.3% poverty risk.



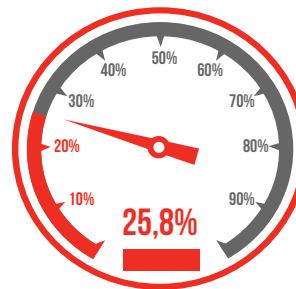
Individuals with a poor education level face a 25.8% poverty risk.

Migrants from outside the EU face a 62% poverty risk.



Single-parent families with children and a professional activity from inexistent to half-time (on an annual basis) face a 48.3% poverty risk.

Among invalids, this rate goes up to 25.8%.



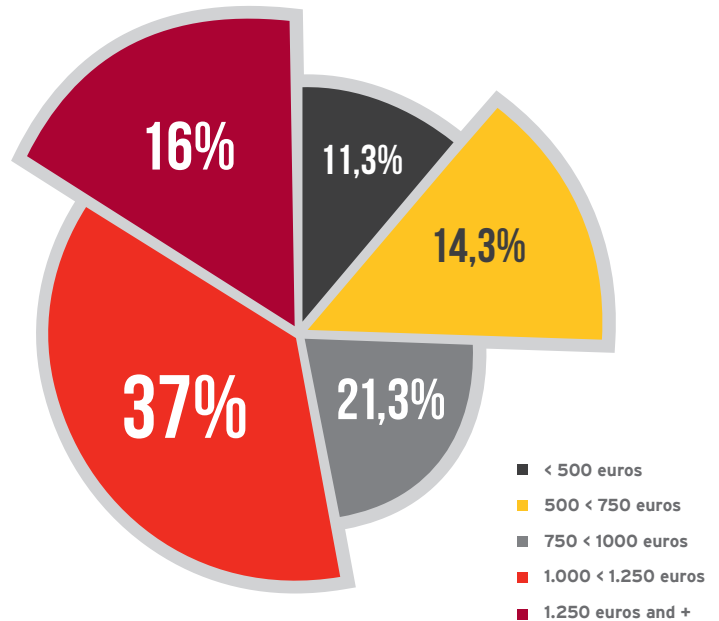
Source: Inter-federal poverty barometer, 2016

The unemployed face a 42.9% poverty risk.



Wholly unemployed workers receiving benefits = 570,902 among which 417,432 job seekers and 153,470 individuals who are no longer job seekers.

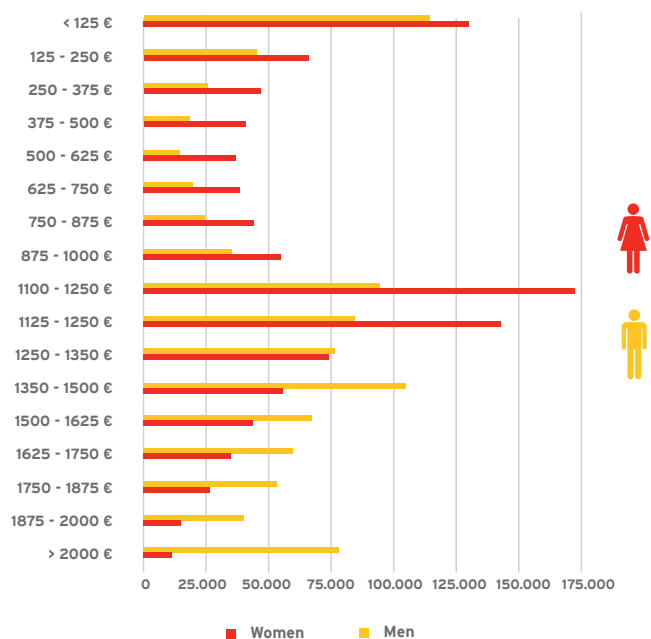
- Average monthly unemployment benefits:
 - Based on work : 1,018 euros
 - Insertion benefits²: 686 euros
- 47% of unemployed individuals receive less than 1000 euros/month
- 84% receive less than de 1,250 euros/month



Source: ONEM report, 2015

Among pensioners.

Number of beneficiaries by average gross monthly amount and gender - all careers included



Source: Statistics ONP, 2015

Half of the women live with a retirement pension below € 1,000. The calculation of retirement pensions in Belgium is harsh. Only those who can prove a 45-year career have rights to a full retirement pension. Fortunately, assimilated periods are now taken into account. These include periods of sickness, unemployment, time credit, RCC (early retirement with company supplement). Today 53% of the career of a female blue-collar worker consists of assimilated periods.

If the government decides not to take these into account in the future, we will see more and more women with low retirement pensions.

Men have higher retirement pensions, but still not very high. Prices for retirement homes are rarely below 1,600 euros per month. So there are also reasons for worry.

The Michel government wants to encourage 2nd pillar pension funds to complete the legal pension scheme.

In December 2015, the Court of Audit, when studying the Social Security contributions reduction system to encourage 2nd pillar pensions, however made this observation:

This policy, which represents a cost of more than 900 million euros a year for social security of salaried workers, doesn't achieve its objective, which consists in guaranteeing sufficient pensions to a maximum of workers. Reserves are unevenly distributed between workers, and only a minority of the reserves accumulated will provide a significant complement to the legal pension.

Moreover, 20% of the cost of this social policy (around 170 million euros), in the form of reduced contributions, will be devoted exclusively to ensure a minority of workers (0.5%) a higher pension supplement.

Source: Cahiers de la Cour des Comptes, December 2015

Poverty markers

▪ Poor children

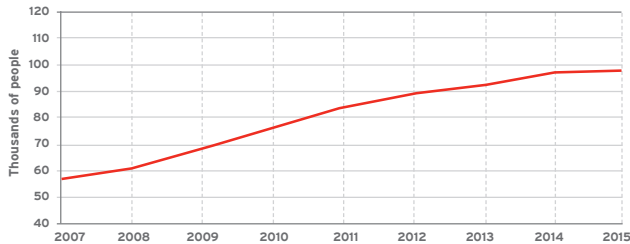
- 8% of the children younger than 16 live in a family that can't afford to buy new clothing
- 9% of the children live in a family that can not pay for their leisure activities
- 11% of the children do not have a proper place to do their homework

Source: OCDE, FOCUS: poverty in children, 2015

▪ Growing indebtedness

97,636 in 2015. The number of people in collective debt settlements steadily increased from 56,952 in 2007 to 97,636 in 2015.

Number of people who resort to collective debt settlement



Source: BNB, 2016

▪ Fuel poverty

No fewer than 18.5 % of households are potentially affected by an “objectivised” form of fuel poverty. This means that a percentage of these households (14%) spend too much on heating compared to their budget, or reduce their energy consumption to be able to make ends meet.

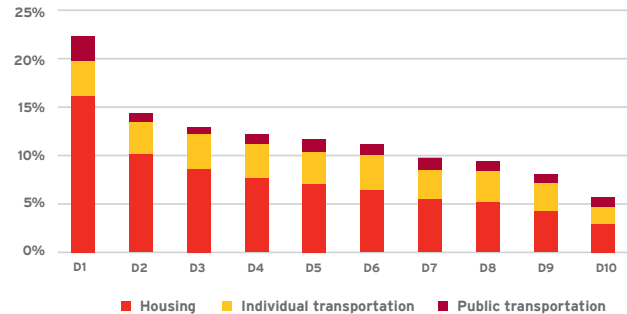
Households in the first decile (the 10% of households with the lowest income) spend nearly 25% of their budget on energy costs.

These households are “prisoners” of their own condition: they live in poorly insulated housing (so they consume a lot), but they don't have the means necessary to invest in insulation, solar panels or to buy energy-efficient appliances.

At the other end of the scale, 10% of households with the highest revenues (tenth decile of income, D10 in graphic) spend more than two times more money for their energy consumption.

However, this expenditure represents only 5% of their budget, since they earn about 10 times more than the poorest 10%.

Part of the budget for energy expenditure by decile of household income (in % utilization)



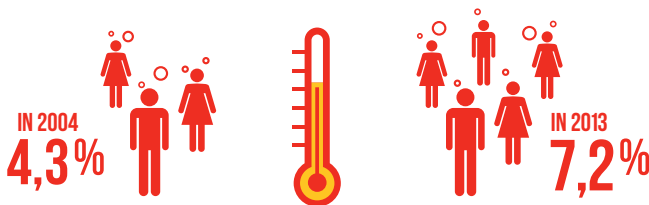
Source: SPF Economy, Price de of energy and fuel poverty, 2015

▪ Postponement of healthcare for financial reasons

In 10 years, rates of healthcare postponement for financial reasons have increased for low-income population categories:

In percentage %	2004	2013
Of the overall population	1,3 %	1,8 %
Of persons employed	0,6 %	1,1 %
Of unemployed individuals	4,3 %	7,2 %
Of retirees	0,9 %	0,9 %

Source: Eurostat, 2016



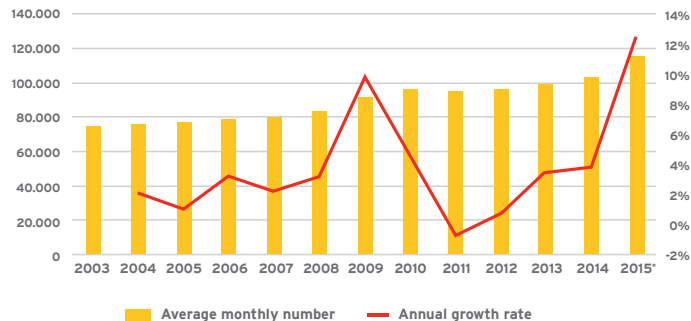
The percentage of unemployed individuals who postpone healthcare for financial reasons has almost doubled in 10 years.

This tendency can also be observed in the other groups, but it is less obvious.

▪ The number of beneficiaries of the social integration income

For over 10 years, and especially since the beginning of the 2008 crisis, the number of individuals living on a social integration income has grown steadily.

Monthly average of the number of beneficiaries of the social integration income and yearly evolution



Source: Public service against poverty, precariousness and social exclusion, 2016
* provisory

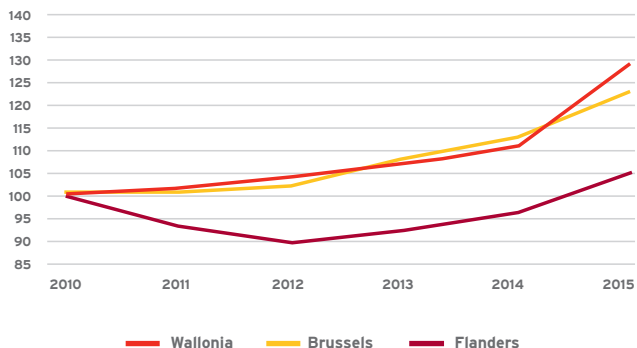
Between 2014 and 2015, this number has gone up to 12.4% for the country, with strong regional disparities.

Number of beneficiaries of the social integration income by region

	2010	2011	2012	2013	2014	2015
Brussels	26.736	26.959	27.449	28.885	30.154	32.800
Flanders	25.863	24.181	23.251	23.940	24.932	27.200
Wallonia	43.019	43.738	44.779	46.014	47.510	55.400
Belgium	95.618	94.878	95.479	98.839	102.596	115.400

Source: Institute for Sustainable Development, 2016

Number of beneficiaries of the social integration benefits 2010-2015, indexes 2010= 100



Source: Institute for Sustainable Development, 2016

This spectacular evolution is essentially linked to the end of rights for thousands of beneficiaries of the social integration benefits: Wallonia alone accounts for one half of the drop in social integration benefits³. Women and those between 25 and 44 are overrepresented in the growing number of beneficiaries of the social integration benefits.

Conditions for the less affluent are strongly linked to underemployment or inactivity. But wealth redistribution instruments such as taxation, social security, public services are limited as well. Employment itself, a necessary condition to wellbeing, is poorly distributed. And employment alone is not a sufficient condition for well-being, because there are good and bad jobs, good and bad statutes, high and low salaries. On top of this inherent inequality in employment, there's the inequality between labour income and income from other sources, mainly capital income and wealth (dividends, rents, interest, etc.).

What is a good job?

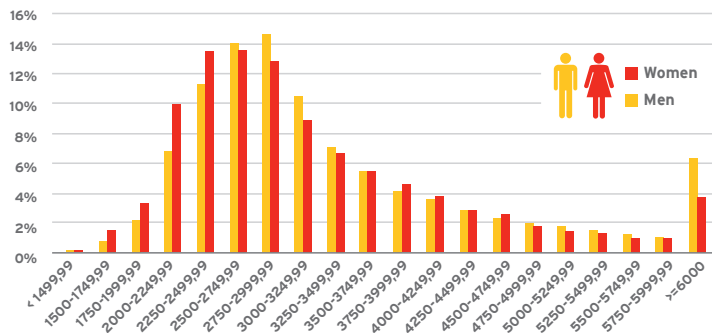
A good salary?

50% of the workers (full-time and part-time) earn less than 2,976 euros/month, gross income.

In 2014, a worker employed full time earned an average of 3,414 euros gross per month. However, this figure overestimates the real salary range. The median salary is closer to the truth because low salaries are very concentrated while high salaries are much more dispersed. The median is 2,976 euros gross per month. Half of the workers earn a monthly salary of less than that amount while the other half received a higher salary.

10% earn less than 2,220 € per month	10% earn more than 5,178 € per month
20% earn less than 2,440 € per month	20% earn more than 4,130 € per month
30% earn less than 2,629 € per month	30% earn more than 3,575 € per month
40% earn less than 2,797 € per month	40% earn more than 3,209 € per month
50% earn less than 2,976 € per month	50% earn more than 2,976 € per month

Distribution of the salaried workers in 250-euro salary categories (gross monthly salaries- 2014)

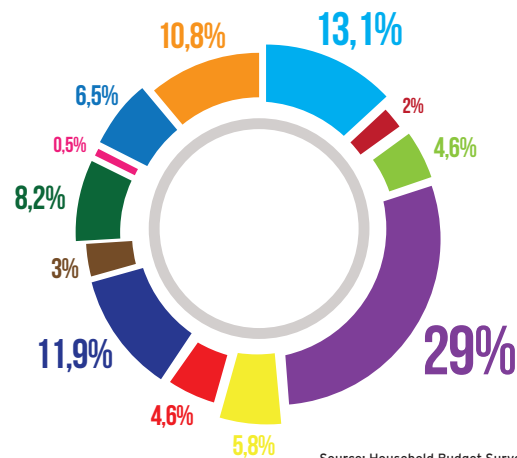


Source: SPF Economy, 2016

For an isolated worker without children, a gross salary of 2,976 euros currently equals 1,854 euros, social contributions and withholding taxes included. For a worker in a household with two salaries and two children, the net is 1,923 euros.

What do you use your salary for?

Average spending per year in %



Source: Household Budget Survey, 2014

- HEALTH
- TRANSPORTATION
- EDUCATION
- COMMUNICATIONS
- LEISURE AND FREE TIME
- FOOD AND NON-ALCOHOLIC DRINKS
- HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS
- FURNITURE, DOMESTIC AND HOUSEHOLD APPLIANCES, REGULAR MAINTENANCE
- ALCOHOL AND TOBACCO
- SHOES AND CLOTHING
- BARS, RESTAURANTS AND HOTELS
- PERSONAL CARE AND SERVICES

Households dedicate almost 1/3 of their spending to expenses related to housing, electricity, water and gas. This proportion increased over time, notably because of the tax measures that include a VAT increase from 6% to 21% in September 2015.

Purchase price increases for housing

Purchase prices for housing have risen significantly over the last 30 years (+ 94% in Belgium between 1980 and 2013 against + 60% for the consumer price index). Contrary to what happened in many other European countries, the recent crisis has had little effect on the housing market and prices have continued to rise.

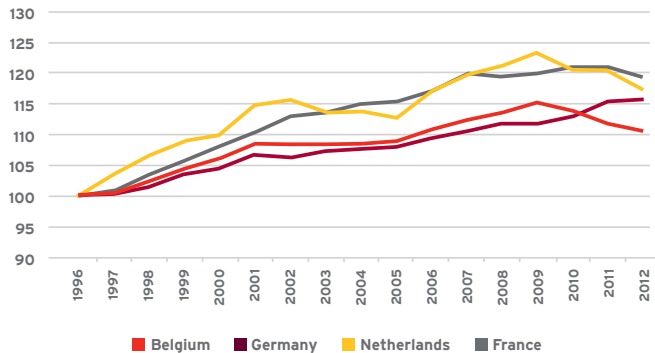
In all price categories, the values are higher now than before the crisis, but it is on the lower segment that relative prices have increased the most. The value of the most expensive real estate - usually villas located in semi-rural areas - started to decrease recently.

In Belgium, according to the OECD, over 35% of the population in the first quintile (the poorest) spend more than 40% of their total income on their total housing costs.

The purchasing power has deteriorated

While index price and salary curves could suggest that salaries have gone up, those of purchasing power show the contrary.

Evolution of the purchasing power of individuals per capita in Belgium and neighbouring countries



Source: National Accounts, Eurostat, Destatis, own calculations CCE, 2015

This graph shows that:

- the purchasing power of the Belgians (red line) has been steadily declining since 2009 and fell back to 2006 levels.
- The evolution of the Belgians purchasing power is lower than the evolution in France and the Netherlands since 1996, while the wage standard and the blocking of Belgian wages based on a comparison of salaries with these countries plus Germany. This comparison was used to justify the price index skip and salary freeze. To say that we live «above our means» is utterly false.

Productivity on the increase

Salaries are progressing in appearance only, and purchasing power is declining. Yet productivity continues to rise and it increases faster than wage costs. This shows that using as a base 1995 = 100, productivity increased to 118 while the hourly wage cost reached only 112.

Evolution of productivity versus evolution hourly wage cost (1995 = 100)



Source: Economic review BNB, September 2015

We must conclude that Belgian workers are more productive but that the additional profits from the productivity increases do not result into equivalent wage increases.

This notably explains why the share of labour income continues to decline compared to the added value of companies.

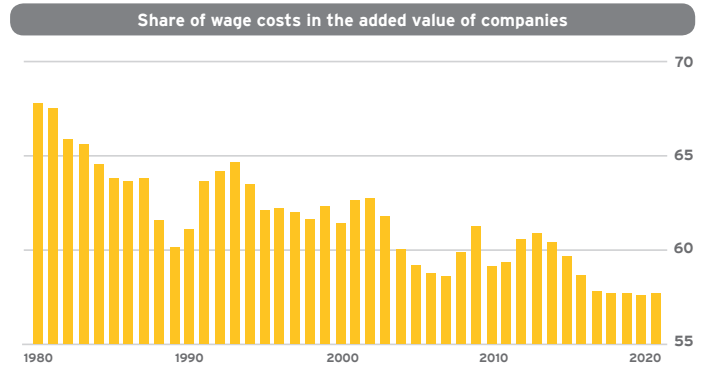
The share of wage costs compared to the added value is in decline

- ▶ In 1980, the share of wage costs represented 67.5% of the added value
- ▶ In 1999: the share of wage costs represented 62.5%
- ▶ In 2016: the share of wage costs represented 59.0%

Where does the wealth produced go to?

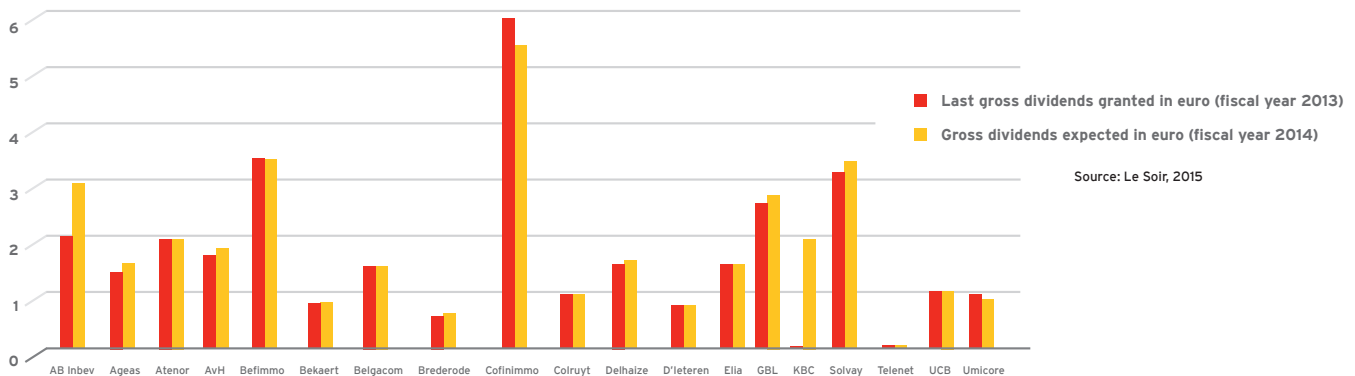
Part of the added value is transformed into profits that are in part:

- reinvested in the company,
- partly distributed to shareholders as dividends in varying proportions depending on investor appetite and politics



Source: Federal Planning Bureau, perspectives June 2016

The 20 largest companies of the ranking of listed companies (BEL20) do not seem to suffer from the crisis nor the size of wages that employers describe as excessive since distributed dividends increased by 9% between 2013 and 2014. Only one company is declining.



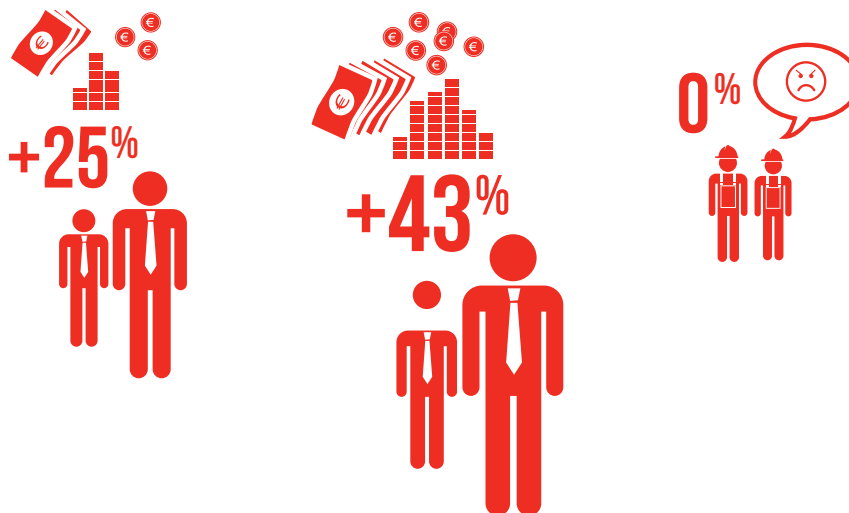
Source: Le Soir, 2015

The median remuneration of directors has, meanwhile, jumped by 25% between 2011 and 2013. That of corporate directors of smaller publicly traded companies (BelSmall) climbed by 43%. All this while wages were blocked.

Remunerations of company directors

Period	Median remuneration of Bel20 company directors	Median remuneration of BelSmall company directors	Workers
2011 - 2013	+ 25%	+43%	Wage freeze

Source: Guberna, corporate governance institute 2015

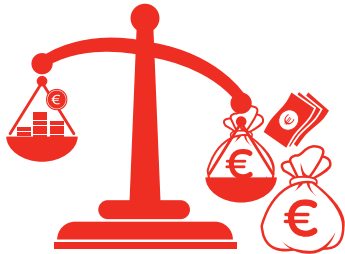


Gifts to the companies

Wage freeze is not the only advantage granted to the corporate world. In fact, every year the state rebates over 11 billion to businesses in the form of wage subsidies⁴ (reductions in social contributions and exemption from withholding tax). Between 1996 (the year the 1996 Act was introduced and 2014, wage subsidies have increased by 1953,33% (yes, one thousand nine hundred and fifty-three point thirty three percent!)

Over the same 1996-2014 period, salaries went up by 90% (in nominal terms; the actual salary increase is actually lower because of inflation), while net dividends went up by 153.76%.

We note a surprising parallel between the increase in dividends over the last 18 years (+ 11.972 billion) and the increase of wage subsidies (+ 9.93 billion).



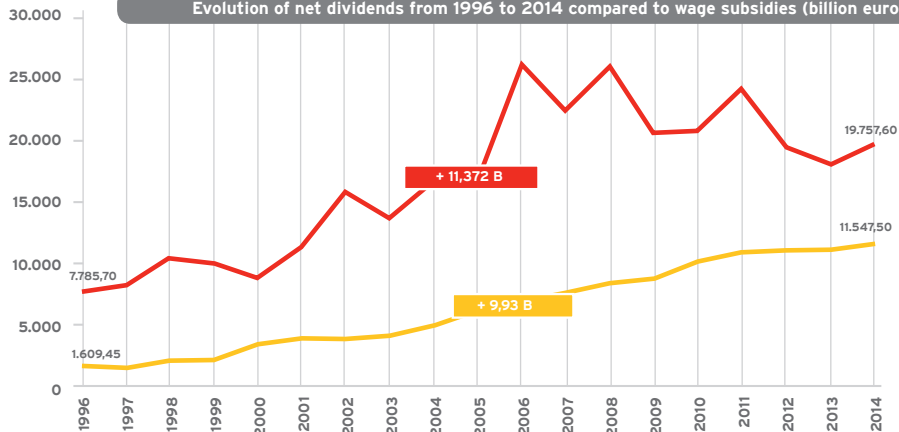
Source: BNB, CCE, 2016.

Evolution of public subventions to enterprises

			Evolution	Difference (billion €)
	1996	2013		
Salaries	72,302	137,806	90,60%	65,504
Operating income	22,471	41,099	82,90%	18,628
Investment in fixed assets	25,809	56,983	120,79%	31,174
Net dividends	7,786	19,758	153,76%	11,972
- Distributed dividends	13,835	37,945	174,27%	24,11
- Received dividends	6,049	18,187	200,66%	12,138
Decrease in employer contributions	1,31	5,38	310,69%	4,07
Wage subsidies	0,3	6,16	1953,33%	5,86

9,93

Evolution of net dividends from 1996 to 2014 compared to wage subsidies (billion euros)



- Net dividends
- Wage subsidies and decreased contributions

Source: BNB, 2016

These subsidies represent more than 4.5% of the payroll and the employers' organizations refuse to take these subsidies into account to assess the competitiveness of Belgian wages compared to our neighbouring countries.

Wealth produced and public finances

Social contributions and (in)direct taxes are the main sources of revenues for the State. They finance social security and public services. If the tax or contributions are not collected correctly or if they are misused, the quality of services and social protection will suffer, affecting our quality of life.

The country is rich but the State is getting poorer by the day. Yet we pay a lot of taxes: an isolated individual without children with an annual salary of 46,500 euros gets ultimately about 27,000 euros in his/her pocket; a couple with the same salary (for both) and two children has a net income of 35,800 euros according to the OECD⁵. So how is it possible that the state has growing difficulties to make ends meet?

Tax revenues

Today, work provides most of the state revenues: via direct income tax (the personal income tax), social security contributions, but also indirect taxes (mainly end users paying VAT and excise duties). Part of the taxes comes from unearned income (registration fees, inheritance, property tax and withholding tax, tax on pension saving schemes).

Finally, what one might call «tax on capital» i.e. the withholding tax on interest and dividends and corporate tax

Wage subsidies as % of payroll only represents 1.88% and 6.29% respectively of all tax revenues. We must say that this taxation on capital is rather loose. The corporate tax rate is theoretically 34% but in practice the average effective rate of only 26%. The withholding tax on interest and dividends is normally 27% but with exceptions and these revenues are not globalized with labour income.



Source: BFP, calculations secretariat CCE, 2015

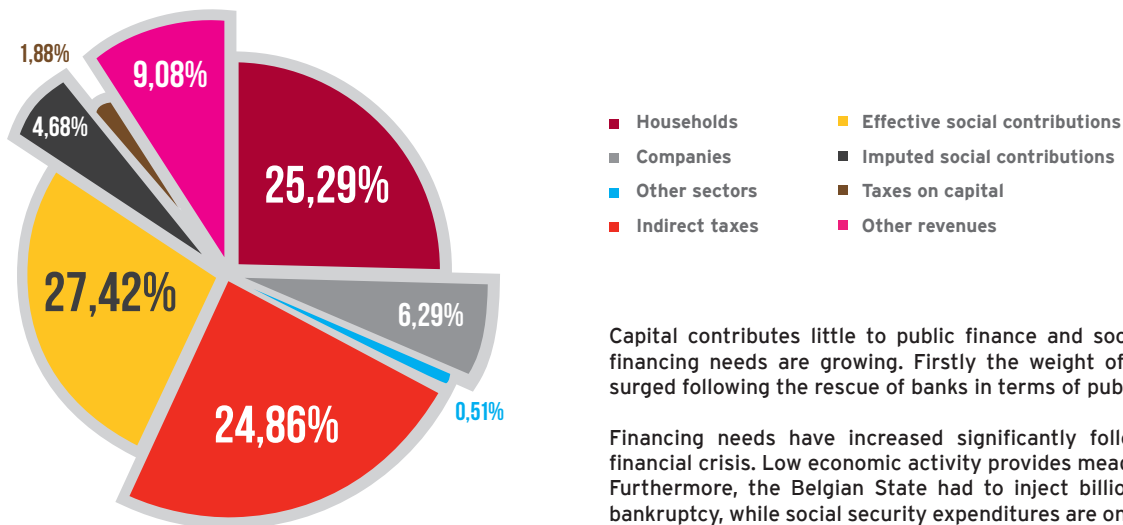
Share of tax on capital in tax revenues (in 2014)

Withholding taxes on dividends	Corporate tax
1,88 %	6,29%

Source: BNB, 2016

If we broaden the tax base by taking into account income from assets including property tax, inheritance tax, gift tax and registration, we only get a small 9.5% of revenue.

Tax revenues



Source : BNB, 2016

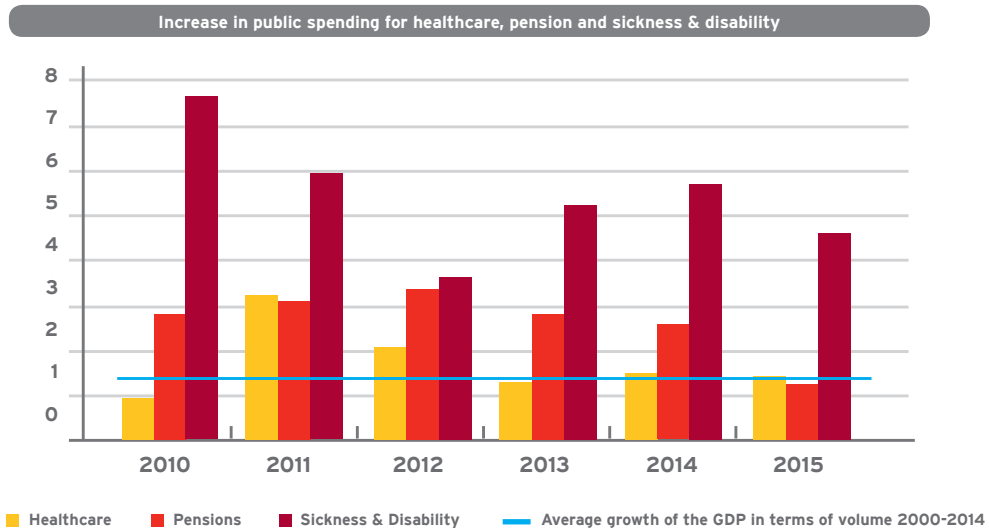
Capital contributes little to public finance and social welfare while financing needs are growing. Firstly the weight of public debt has surged following the rescue of banks in terms of public finances.

Financing needs have increased significantly following the 2008 financial crisis. Low economic activity provides meagre income taxes. Furthermore, the Belgian State had to inject billions into banks in bankruptcy, while social security expenditures are on the rise because of unemployment and the aging of the population.

Finally, public services suffer from decades of underinvestment and successive purges of personnel. This largely explains the deterioration of public services such as Justice and Education, or the decrepitude - and the huge debt - of our railways or the poor state of our roads.

Decent living thanks to adequate social protection

The financing of social security relies on social security contributions but also on a so-called «alternative» funding from VAT revenues. The successive reductions in employer contributions eroded the social security income. The aging of the population will inevitably weigh on spending in terms of health and pensions. According to the National Bank, the increase in spending in terms of pensions and health is after all «relatively small» compared to GDP growth. It is strong however in terms of disease & disability. Older workers and patients who no longer have access to pre-pension or early retirement schemes thus fall under sickness & disability insurance.



Source: BNB, 2016

Social security spending increases, but instead of addressing the situation in a balanced way, the government limits its measures to expenditures (by reducing health care spending and making it more difficult to access social security) and addition, the government is again dedicating revenues to further decrease employer contributions, from 32% to 25%).

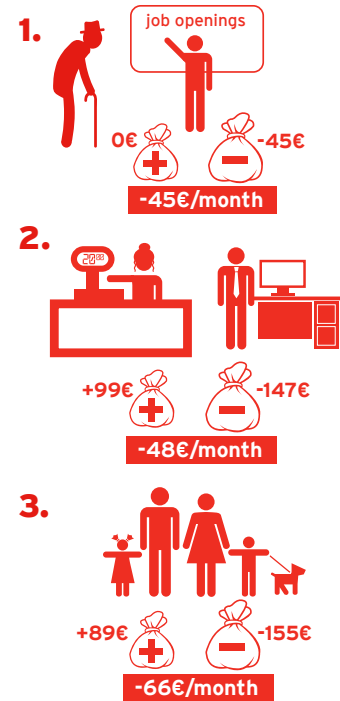
Moreover, no commitment has been asked to employers in order to invest these billions collected from social security. They can distribute them to shareholders or make them disappear in Panama, whatever. The tax-shift for employees is only beneficial for low wages. When adding up the loss due to the cost of living index skip and the wage freezes, the large part of the population loses out. For benefit recipients, the loss is the worst. They've been hit hard by austerity measures.

Examples of the impact of the tax shift

	Loss on an annual basis			Gain on an annual basis	Total	
		VAT electricity	Excises	Total		Tax reform
1. A retiree or an isolated unemployed individual with a gross monthly income of 1,220€	€ 293	€ 27 (based on an annual invoice of €220)	€ 216	€ 536	€ 0	- € 536/year or - € 45/month
2. Two full-time employees without children - monthly gross salary €3,000 + €1,600	€ 1.288	€ 43 (based on an annual invoice of €345)	€ 432	€ 1.763	€ 1.185 (with bonus)	- € 578/year or - € 48/month
3. Household with two full-time workers (€3,000 + €1,600/month)	€ 1.288	€ 138 (based on an annual invoice of €1,150€)	€ 432	€ 1.858	€ 1.064 (with bonus)	- € 794/year or - € 66/month

* The annual income is calculated by multiplying the monthly income by 13.92 (rounded to) in order to take into account the annual holiday ad the end-of-the-year bonus.

Source: FGTB unions



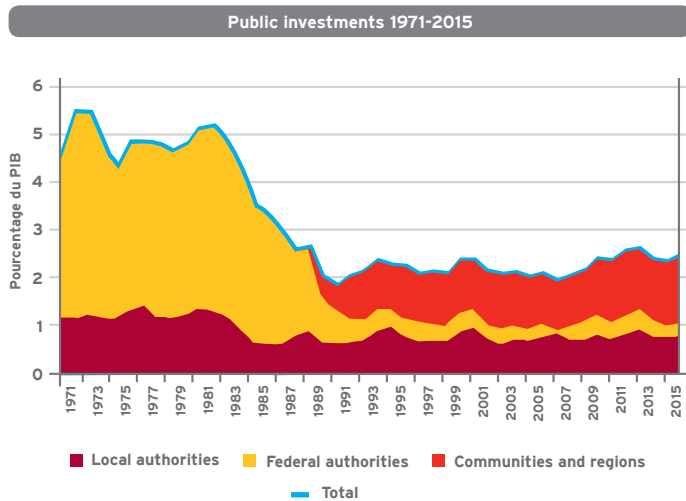
As an example, if these citizens live in Flanders, the measures taken by the Flemish government are added to the federal measures:

	A retiree or an isolated unemployed individual with a gross monthly income of 1,220€	Two full-time employees without children - monthly gross salary €3,000 + €1,600	Household with two full-time workers (€3,000 + €1,600/month)
End of right to training vouchers	/	-250	-250
Additional costs De Lijn. End of free access for children and people over 65	-101	/	/
Additional costs for water sanitation	-53	-53	-53
End of free electricity	-10	-16	-27
Turteltax	-100	-100	-100
Mandatory healthcare insurance becomes more expensive	-26	-52	-52
No more cost-of-living indexing for child benefit	/	/	-167
Increase in tuition fees for higher education	/	/	-540
Loss on an annual basis	-238	-471	-1085

Source: factuurregering.be

These examples illustrate the result of liberal policies currently applied in Flanders.

A decent life through adequate public services



Source: BNB, 2016

Public investments can take various forms: public buildings, public (transportation) infrastructure, transport equipment, intangible assets (including Research & Development), etc. In Belgium, these expenses amounted to some 10 billion euros in 2015.

In relation to GDP, public investment fell by half between 1970 and 2015. Today, they represent less than 2.5% of the GDP, whereas they had reached a peak of 5.5% in the early 1970s.

The decline in public investments in relation to the total spending is even more explicit, since their share has been almost divided by three. 45 years ago, Belgium was still spending 13% of its budget for investments. This proportion fell down drastically during the following 20 years, reaching 5% in 1990. Since then, this ratio has fluctuated around 5% of primary spending.

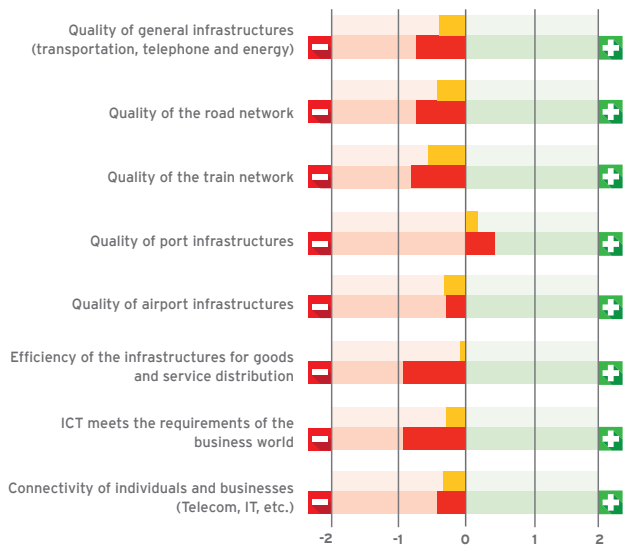
The BNB says that, together with other public spending, like those related to education or R&D, public investments obviously have a positive influence on the long-term growth potential.

This is because investments reinforce the productive capacity of the economy. They also have an indirect effect: public investments are likely to stimulate private investments and increase their productivity.

Transport infrastructures are deteriorating in Belgium. But a framework favourable to growth requires quality infrastructure. Belgium scores better than neighbouring countries only for port infrastructures. For other types of infrastructure, our country is behind compared to the three neighbouring countries and the gap has widened in recent years.

Transport infrastructures are deteriorating in Belgium

BELGIUM COMPARED TO THE THREE NEIGHBOURING COUNTRIES ■ 2008-2011 ■ 2012-2015



Source : BNB, 2016

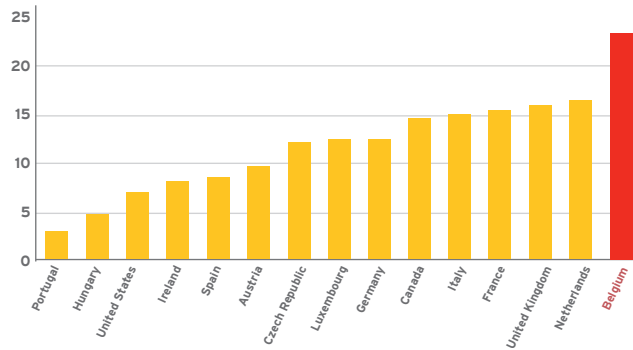
This lack of investments means a “well-being deficit” for most citizens and even for enterprises.

Trains delayed due to breakdowns of machinery or signalling, congestion of rail traffic and road congestion pose serious mobility problems, and have serious consequences on the productivity of Belgian workers.

According to the INRIX (observation of average speeds and road segments congestion levels in real time) Belgium is the most congested European country. In 2015, two Belgian cities - namely Brussels and Antwerp - were in the top 10 of the most congested European cities. In 2014, Ghent was also present.

Road congestion is significant

(INRIX Index, increase in percentage points compared to a fluid situation, 2013⁵)



Source: OCDE, 2016

Fiscal consolidation: a short-term view?

The weight of public debt and the fiscal consolidation efforts imposed at European level explain this disinvestment. But claiming that the debt repayment is necessary not to mortgage the future of the next generations is irrelevant. As emphasized by economist Paul De Grauwe:

“The prevalent opinion today is that governments can not increase their level of debt because they fear placing a burden on future generations. The truth is that future generations will inherit the debts but also the assets created by the government.

The future generations will not understand why these governments have not invested in productive assets improving the well-being of these generations, while the same governments can do it at historically low financing costs”

The demands of the FGTB

The FGTB reaffirms that Social Security allows everyone to live with dignity while looking for a job, when exceptional circumstances preclude work but also when it becomes impossible to work because of age. It also gives everyone access to quality healthcare. In this sense, it guarantees social cohesion, solidarity and harmonious community life.

It is a barrier against inequality. Public services play a similar role and are equally valuable.

Rather than reducing the budgets of social security and public services, it is their funding that needs to be reconsidered. To meet this objective, the FGTB demands fair taxation involving all incomes, especially those of capital.

Fairer taxes for more equality

A worker earns € 40,000 (yearly taxable income)	An annuitant earns €40,000 (investment revenue)	A company earns €40,000 (benefits)	A shareholder sells his stocks and makes a capital gain of €40,000 (stocks)
Tax: 14.000€ (35%)	Tax: 10.800€ (27%)	Tax: 6.000€ on average (15% on average)	Tax: 0%

- Since 2013, the European Commission has been investigating the fiscal gifts made to multinational companies. Examples: Illegal aids to Apple Ireland, to Starbucks or Amazon in the Netherlands as well as Fiat Finance & Trade in Luxembourg are in the firing line.
- One year ago, the services of Margrethe Vestager⁶, the Competition Commissioner, started an investigation on our anticipated ruling system on excess profits. The European Commission has established a list of 33 criteria facilitating corporate tax evasion to assess the tools available to Member States. The Commission takes into account certain forms of tax deductions and lack of measures against abuses. The Netherlands is the highest ranked country (17 of 33 indicators to evade taxes more easily), Belgium follows right behind (16 criteria).
- In January 2016 Europe decided to declare illegal the Belgian tax regime of excess profit rulings, considered as an illegal aid from the state. Companies that have benefited from these rulings will have to pay 900 million euros to our country. However, Prime Minister Charles Michel is selling our fiscal charm abroad ... and Belgium is planning an appeal to avoid forcing multinationals to pay!

This confirms the analysis of the FGTB and proves, once again, that capital is not, if at all, put to contribution. Unlike workers, young individuals, welfare recipients, pensioners and public services that have been exclusively targeted by the cost-saving measures of the Michel Government.

For more tax justice, there are several approaches. The challenge is to implement them and make the political priorities. Examples:

- The fight against fraud must be a priority. We must strengthen logistic and human resources of the Tax Administration. This can't be achieved without staff. In this regard, we can see that the opposite happened, since between 2006 and 2014, the Federal Tax Administration actually saw its staff cut by 21%!

	Staff - Total		Change
	2006	2014	2006-2014
Federal Tax Administration	31.658	24.983	-21,08%

Source : SPF personnel et organisation, 2016

- Transparency: it is not normal that only revenues from work or replacement incomes are known to the tax authorities. All revenues should be subject to an automatic statement and bank secrecy should totally disappear. A wealth inventory must be established.
- Equal treatment of all incomes: it is not normal that labour income is taxed at progressive rates of 25 to 50% (plus municipal tax) while capital income is taxed at a fixed rate of 0% (capital gains), 10% (liquidation proceeds), 15% (certain dividends), 27% (dividends, interest).

Rental income is not taxed except through increased property tax, which is around 15%.

2 *Able to live a quality professional life*

Unless you're wealthy by birth, a good life implies a good job, with a good contract, under a decent status, with decent work conditions and a good salary. Everyone is not that lucky.

In 2015, there were 570,904 full-time unemployed individuals receiving benefits, among which 417,433 job seekers.

INACTIVE JOB SEEKERS				INACTIVE NON-JOB SEEKERS			
After a full-time job	After their studies	After voluntary part-time work	RCC (unemployment with corporate supplement), job seeker	Social or family-related problems	Elderly unemployed	RCC, non-job seeker	After voluntary part-time work
331.177	58.489	22.080	5.687	2.026	49.099	96.176	6.170
417.433				153.471			

Source: ONEM, 2016

Able to live a quality professional life

Despite the triumphant press releases reporting a decline in unemployment, the figures can be interpreted differently. Many job seekers have actually dropped off the radar screens.

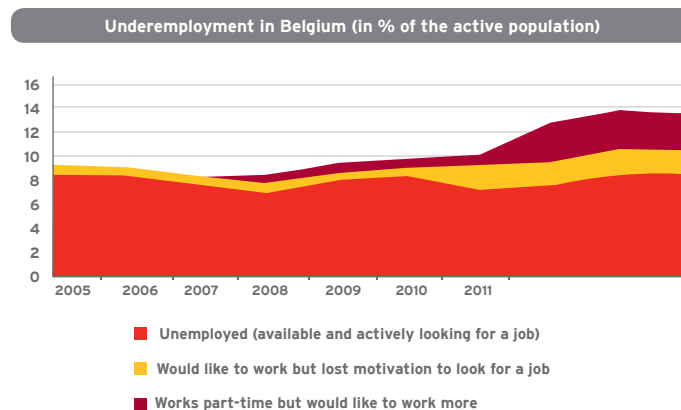
1. Those excluded

Never before have there been as many persons excluded from the unemployment benefit system as in 2015. These exclusions follow different procedures:

1. The “Dispo” procedure and the “transmissions” from the regional placement services. Today, unemployed workers are continually controlled in order to verify if they are looking for a job actively enough and are forced – after a certain time – to accept any job. In 2014, according to an activity report by the ONEM, 16,849 were sanctioned or excluded. And 15,425 for 2015.
2. The limitation of insertion benefits as of 2015⁷. In January alone, this already resulted in 18,432 exclusions. But each month, new cases are added. According to the latest annual report by the ONEM 2015, we reached 29,155 exclusions.
3. Some of the unemployed are punished during their waiting period because they have had a negative evaluation following their interview. This involved 19,517 persons in 2015.
4. In addition to the limitation of the insertion benefits in time, young people were hit by two measures:
 - Exclusion of young people who have left school but who lose their right to insertion benefits because they were 24 or older at the time of the request. Before, this limit was set at 30. The Michel government decided to bring the limit down to 24. As a result, many young people who followed long studies or those with a more atypical trajectory (wrong orientation, illness, etc.) can no longer claim insertion benefits. This was true for 862 young individuals in 2015.
 - Exclusion of individuals younger than 21 because they didn't have the required level of education. This measure was introduced by the Michel government since September 1st 2015. In 2015, 1,874 young individuals were hit by this measure.

A certain number of these excluded persons have been taken care of by the CPAS. The number of beneficiaries of the integration benefits continues to grow steadily (see above).

2. Unemployment and involuntary part-time employment



Source: Survey on the workforce, Eurostat, 2016..

According to the International Labour Organization (ILO), underemployment exists when a person is employed below his/her potential (in terms of skills) or working fewer hours than he/she could work. It is interpreted as a failure of the labour market resulting from increasingly precarious working statutes.

The number of part-time jobs «for lack of anything better» strongly increased since the beginning of the crisis. Counted as jobs, this part-time work still represents hidden underemployment, since these people would like to work full time.

The main reasons for part-time work in Belgium are:

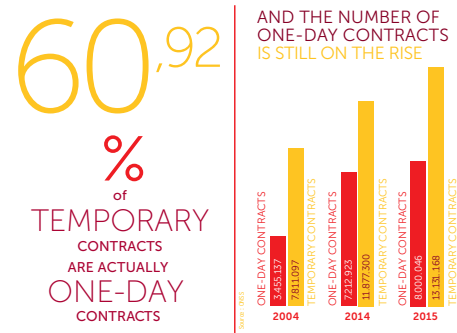
- Can't find a full-time job (10%)
- Obligation to provide care for dependant persons (19.5%)
- The position is only proposed as a part-time job (15.9%)

Statistics also show the proportion of the so-called «unmotivated» unemployed: job seekers who are tired of being systematically rebuffed and who have stopped their fruitless job search.

3. Temporary work

Another sign of unemployment is increasingly precarious working statutes. Temporary work is the most obvious example, with a constant increase in the number of temporary workers under one-day contracts.

- 60,92% of temporary contracts are actually daily contracts
- The number of one-day contracts continued to increase in 2015:
 - Total temporary work contracts: 13,131,168
 - One-day contracts: 8,000,046
- A growing number of temporary workers are facing daily contracts. 584,986 persons have worked in 2015 as temporary workers. At least 494,064 of them have worked at least once under a one-day contract. This figure is in constantly increasing. In 2015, it involved 27,724 more people than in 2014.
- An increasing number of temporary workers are employed through one-day contracts all year round: in 2015 some 13,601 jobs.



AN INCREASING NUMBER OF TEMPORARY WORKERS

FACE ONE-DAY JOBS



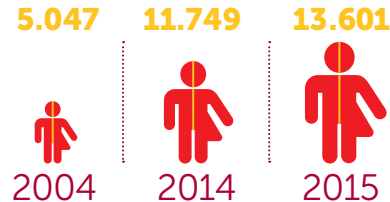
584,986 PERSONS HAVE WORKED AS TEMPORARY WORKERS IN 2015.



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THAT'S 27,724 PERSONS MORE THAN IN 2014.

AN INCREASING NUMBER OF TEMPORARY WORKERS WORK UNDER ONE-DAY CONTRACTS ALL YEAR ROUND



4. Those left behind

Within the active population, not everyone is equal when it comes to employment. For certain groups, it's more difficult to get into the job market or are treated less well. Groups who should be subject to particular attention are:

- **Women:** they're still paid less than men. The salary gap is still 20% compared to men, taking into account part-time work (without taking into account all kinds of advantages like company car, smartphone, Internet, etc.).

Men/woman salary gap

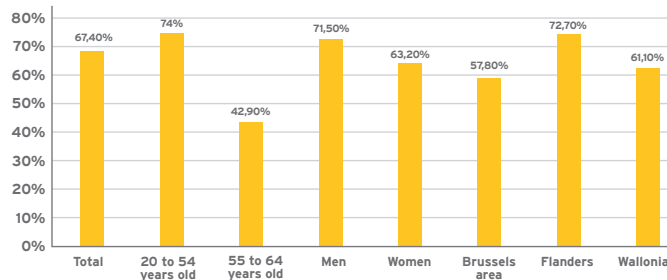
	1999	2015
Salary gap	28 %	20 %

Source: DGSIE, Survey on Wage Structure and Distribution, 2016

Since the first FGTB Equal Pay Day campaigns, in other words after over 10 years, the salary gap has been reduced. It has gone down by 8 % in 14 years. However, if we continue at this rhythm, we will have to wait until 2051 before reaching equal pay.

- **Young individuals:** the unemployment rate of young individuals between 15 and 24 (20.4% in 2015) is twice as high as those in the 15-64 segment.
- **Workers over 55,** whose unemployment rate is higher than the average.

Employment rates of 20 to 64 year olds according to their gender and region of residence (T1 2015)



Source: Statbel, 2016

- In general, the least qualified with multiple handicaps on the job market (school drop-outs, family-related and financial problems, poor reading and writing skills).
- Migrants, among whom the proportion of unqualified workers is relatively high.

Compared to the objectives defined by Europe, we note that, while Belgium has made progress compared to the objectives established by the EU regarding the activity of women and older workers, a clear regression has been observed for the young and unqualified.

Employment rate (in %) of specific groups versus 2020 European objectives

	Brussels 2015	Flanders 2015	Wallonia 2015	Objectives 2020
EMPLOYMENT				
Total (20-64years old)	58,7	71,9	61,5	76,0
Women	53,2	68,2	57,2	
55years old and above	45,6	45,6	40,8	

Source : DGSIE, Enquête sur la Structure et la Répartition des Salaires, 2016

Another way to look at employment

Besides those who are unemployed or underemployed, those who have a precarious job, there are those who work too much and would like to have more time to balance their work with their private life.

Private life does not necessarily mean leisure time. Private life is often made up of everyday activities, duties, or obligations. Children to educate and / or to care for, or simply to babysit because there's a lack of collective structures or money to be able to pay for child care, to be able to drive them to outside school activities; ageing and sometimes dependant parents, or a sick partner ...

There are also those whose work is tough in one way or another, sometimes harmful to health. The Dublin Foundation⁸, in its his five-year surveys, observed a work intensification resulting from increasing demands of productivity, stress, and the pressure linked to the employment situation, precarious statutes, etc. This series of elements lead to health problems, burnout, musculoskeletal disorders and back pain, depression.

Workers' complaints

< 30 years old	30-49 years old	50+
Uncomfortable positions		
31%	28%	33%
Very fast pace		
43%	41%	38%
Short deadlines		
46%	49%	47%
Compatibility work/family duties		
15%	16%	14%

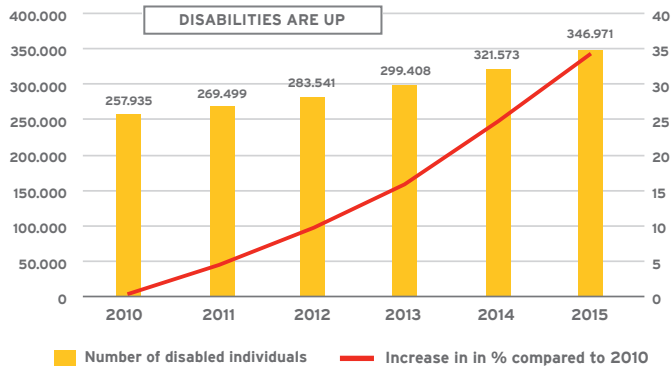
Source: Gérard Valenduc - Patricia Vendramin : «Le vieillissement au travail» CRISP/FTU, 2013

The aging of the active population caused by the increasingly forced prolongation of careers results in a significant increase in long-term sick leave.

Certain indicators are unmistakable.

Disabilities are up

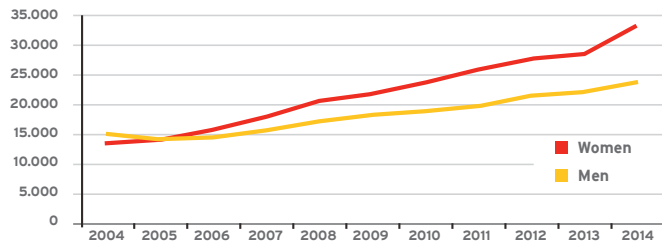
- The number of acknowledged disabilities went up from 257,935 in 2010 to 346,971 in 2015, i.e. a 34% increase.



Source: INAMI, 2016

- Moreover, each year, there are a growing number of newly recognized disabilities. Between 2005 and 2014, the number of persons recognized as disabled (worker on sick leave for more than 1 year) increased from 28,303 to 56,867 i.e. +100%, while for women, this progression is even +134%.

Number of persons newly recognized as disabled by sex (salaried status)



Source: INAMI, 2016

The Inami explains these tendencies as follows:

- The aging of the active population: as a population ages, the proportion of aged workers with arduous jobs increases, which generates an increase in people with work disabilities.
- The feminization of the labour market. We note an increase in the number of women in the higher age categories (following the raising of the retirement age from 60 to 65 years). As a consequence women in poor health in this age category, who before were retired or pre-pensioned, now find themselves with work disabilities. We also note that absenteeism is higher among women. This is explained by the fact that women on average have a heavier workload within the family than men, which comes on top of the burden of work.
- Musculoskeletal and mental disorders are the main causes of long-term absenteeism, and they are still on the rise.
- Measures taken targeting older unemployed workers (restrictions imposed in terms of early retirement and availability).

Measures taken in other sectors of social security (unemployment schemes with corporate supplement (i.e. the former early retirement, retirement and unemployment schemes) can, notably because of their toughness, increase cases of psychic and disorders and disability.

The burnout phenomenon is getting out of hand

Between 2010 and 2015, there's been a 67.32%⁹ increase of cases of burnout in salaried workers.

Regarding stress at work, data from the OECD shows that this trend has been on the rise for the last 10 years. Moreover, those who are the most exposed to stress are low-skilled workers (58.9%) and the 15-29 age group (42.9%).

Stress at work by age, gender and level of education (% of relevant workers)

	2005	2010	2015
TOTAL	36,9	46,3	39,3
15 - 29 years old	33,8	51,8	42,9
30 - 49 years old	36,9	44,7	38,2
50 - 64 years old	40,4	45,0	38,9
Men	38,5	48,3	39,7
Women	35,0	43,9	38,8
Poorly-skilled	55,0	63,8	58,9
Average skills	32,3	41,5	41,2
Highly-skilled	27,1	38,2	26,3

Source: OCDE, 2016

According to surveys by Securex:

- 64% of the workers in Belgium suffer from stress. This is 18.5% more than in 2010.
- 97% of the workers affected by stress declare that stress is harming their health
- One worker out of 10 says that he has suffered from burnout (9,2%).

Mobility problems

If there is one thing that steals time from private life is the home/work commute.

The last federal survey on the mobility of workers show that Walloons working in Brussels travel 44.3 km every day to go to work (and the same to go back home). Meanwhile, Flemish workers working in Brussels travel an average of 30.3 km to go to work. In 60 to 70 % of the cases, it is a car commute, while train is preferred if the distance increases.

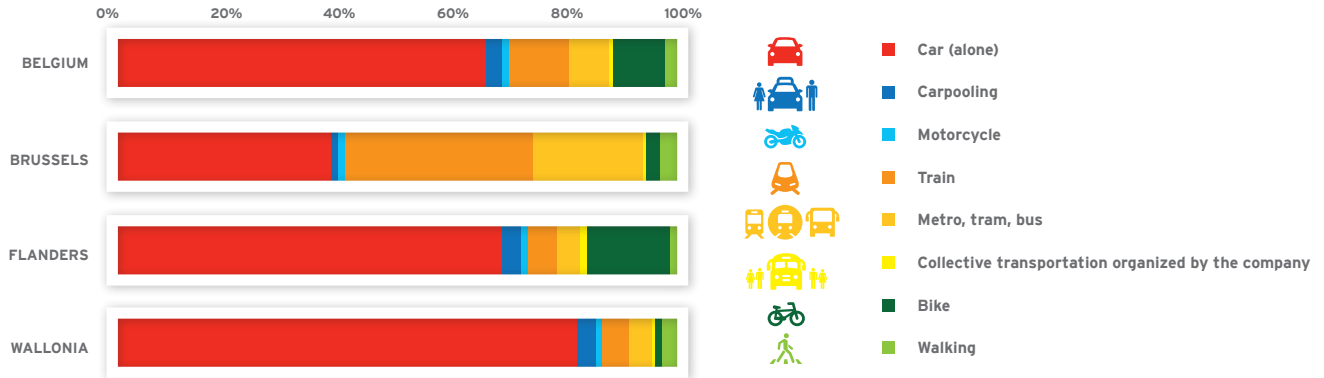
Home-workplace commute

Home	Workplace		
	Brussels	Flanders	Wallonia
Brussels	4,4 km	15,4 km	31 km
Flanders	30,3 km	12,6 km	35,9 km
Wallonia	44,3 km	43,1 km	12,9 km
Belgium	25,1 km	13,1 km	13,8 km

Source: SPF mobility, 2016

Since most of the commutes are made by car and our roads are among the most congested roads in the world, commuters are spending an awful lot of time driving to and from work. It's time that can't be dedicated to valuable activities, and that has a negative impact on the quality of life.

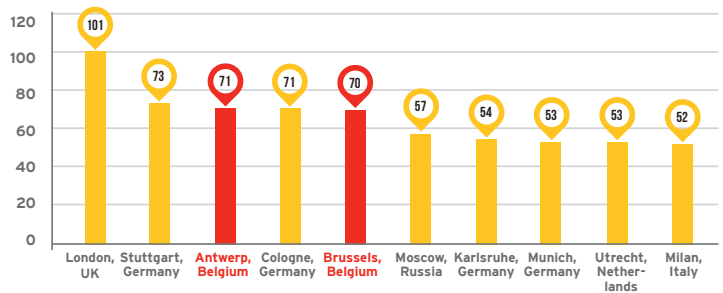
Home-workplace commute (according to workplace location)



Source: SPF mobility, 2016

Belgian cities are among the most congested in Europe as shown by the INRIX indicator in 2015.

Average hours spent in road traffic



Source: INRIX, Europe Scorecard, 2015

The success of time credit

There are plenty of individual schemes for working time reduction (career break, time credit, thematic leave, end of career employment and even the (so-called) time credit without motive (and without benefits). The success of these formulas shows how much there's a need to reconcile work and private life and find solutions to shortages in collective structures.

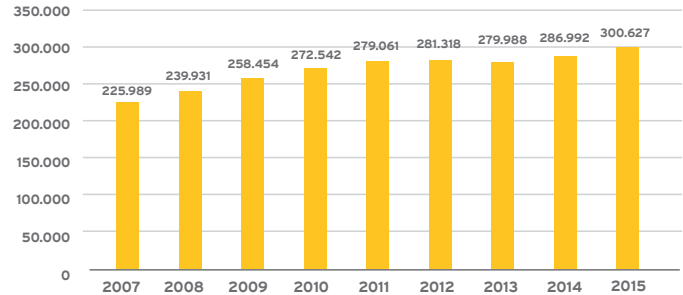
By way of illustration, the number of places available for 100 children in day-care centres for children younger than 3 (Flemish, German-speaking Community) or less than 2.5 (French Community) partly explains the success of parental leave, which represent 3/4 of thematic holidays.

Places available in day-care centres for 100 children

Flemish Community	Flanders	42
	Brussels	43
German-speaking Community		29
French-speaking Community	Wallonia	25
	Brussels	32

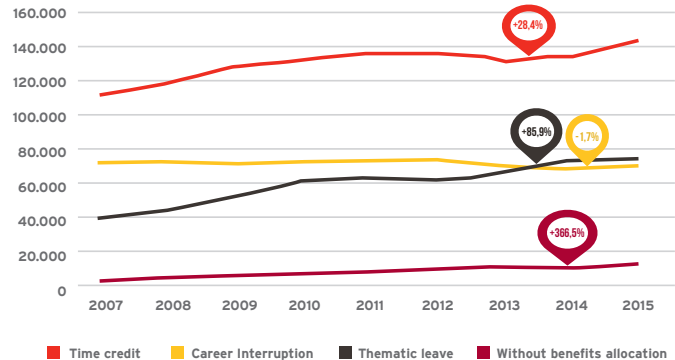
Source: ONE 2015

Evolution of the number of persons benefitting from career interruption and time credit



Source: ONEM, 2016

Reorganization and reduction of working time



Source: ONEM, 2016

The increasing pressure of professional life, work-related health problems and / or aging lead workers to voluntarily or involuntarily resort to schemes allowing them to reduce their working hours or shorten their professional careers.

To the question “do you think you could do the same job at 60? The answer is NO for more than half of the workers interviewed and young people are the most sceptical because for them the age of well-deserved rest is further away.

Doing the same job until 60?	< 35 years old	35-49 years old	50-59 years old
No, I don't think so	32%	28%	22%
No, I wouldn't want to	20%	16%	14%

Source: Gérard Valenduc - Patricia Vendramin Le vieillissement au travail (Ageing in the Workplace) CRISP/FTU, 2013

And this need to leave professional life earlier is felt more acutely for those who are less skilled. Their work is usually more burdensome and most of all their life expectancy in good health is lower than the retirement age of 65, let alone 67. The likelihood for them to enjoy their pension without health problems is very low.

Life expectancy in good health

	Life expectancy in good health at birth		Life expectancy in good health at 65 ¹⁰	
	Women	Men	Women	Men
Belgium	63,7	64	10,9	10,8
Norway	68,6	71	14,8	15

Source: Eurostat, 2016

In Belgium, we have a life expectancy in good health well below the Scandinavian countries, both at birth or at age 65. But we are an industrialized and developed country. This raises questions.

Having a 10-year life expectancy in good health is not synonym of having to work 10 more years.

Actually, at 65, after more than 40 years of work, men and women have the right to enjoy their retirement years and engage in various activities (leisure, family, associations, volunteer work, etc.).

If we want to treat everyone the same way, age cannot be the only criterion to take into account. Job hardship and difficulty must also be taken into consideration. That is why we must make work «feasible» throughout the career, adapt working conditions depending on age and modulate the retirement age based on hardship criteria.

In fact, the life expectancy of less qualified workers is drastically amputated compared to those with a higher education level. Between these groups, there's a gap of more than 9 years of life expectancy!

Differences in life expectancy as a function of social groups (2002-2006)



Source: UCL, demography department, 2015

The reduction of working time: an essential part of the solution

As evidenced by the barometer, many workers can't take it anymore, mentally and physically. Being constantly in a hurry, the rush to get to work on time, the difficult balance between private and professional life: for many people, this is too much! When you think about it, this is contradictory. Because there are many unemployed workers (often part-time) with precarious contracts who want to work more. Couldn't we reconcile the two situations?

The FGTB thinks it's possible. And the key to solve this problem of "too much work" and "too little work" goes through a reduction of working time. By integrating a shorter workweek, more persons could have a job. We won't actually decrease our economic activity; we will simply distribute it better between more people.

How? We continue to observe productivity gains. Less than before, but with robotics, automation and digitization, productivity is not stagnating. These productivity gains must be converted into time. It is true that a further reduction of working time will put us in front of challenges, but with a constructive social dialogue, it should be possible. No additional costs for the employer without any wage loss for the worker. We will thus achieve a 'win-win' situation. For a worker who enjoys more outside the work environment is a worker who is going to invest more during working hours. So what are we waiting for?

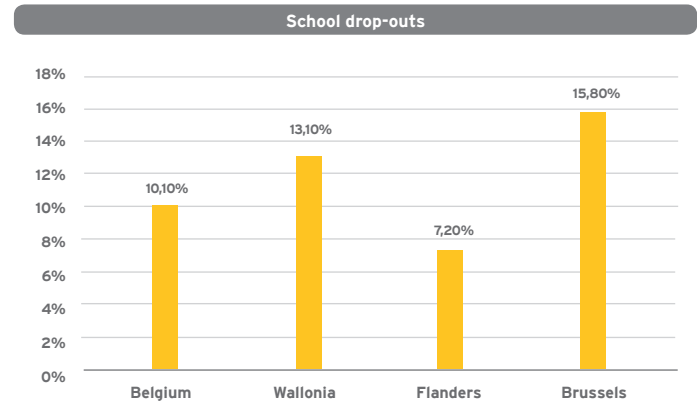
3 Able to live together

A harmonious life in society requires more equality, and not just a question of wealth redistribution. It also involves providing equality in terms of chances, of opportunity to prove one's merits. Everyone should be able to benefit from «*social mobility*» and we must provide the tools for emancipation. Otherwise, inequality repeats itself from generation to generation, polarizes society, and social tensions are exacerbated.

Personal fulfilment is only possible if the community guarantees access to education, culture, employment, ...

Young people

The integration of young people is a major issue in society and it implies, among other elements, fitting into the job market. This depends on their level of qualification. As noted by the OECD¹¹, «*investing in education is worth it, both in the workforce and in everyday life.*» In Belgium, in 2015, more than 10% of young people dropped out of school without a higher secondary education diploma or equivalent. For these young people, the fact of not having the basic skills compromises their chances to integrate durably into the job market and in life.



Source: Enquête sur les Forces de Travail (Workforce survey), 2015

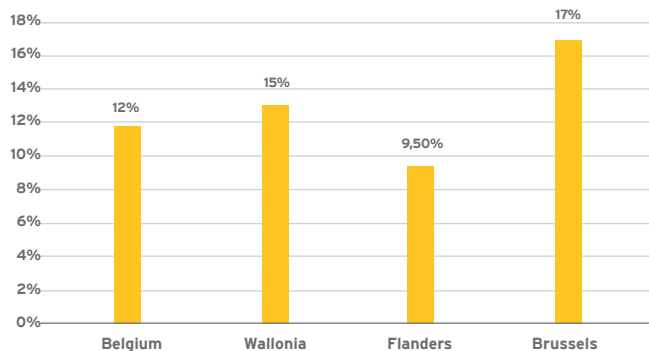
Note that these differences are noted at regional level. Only Flanders has established a target of reducing early dropouts from the education system for the 18-24 age group. The goal is set at 5, 2% for 2020.

The young unemployed

Another «*living together*» indicator is the rate of youth unemployed and not involved in education nor training. Regarding this subject, Belgium has made progress between 2000 and 2008.

However, since 2012, this rate has been going up, now reaching 12%. This data reflects the increasing number of young people who completely dropped off the radar. No one seems to know what they're up to. According to the commitments taken by Belgium in the context of the Europe 2020 strategy, this rate should drop down to 8.2% in 2020.

Young unemployed individuals not in education nor training (NEET)



Source: Eurostat, 2016

In-service training throughout life

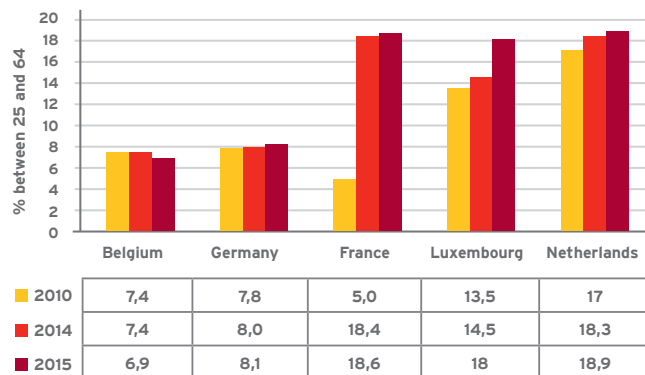
Actually, once in a job, in-service training is a central element in order to acquire new skills, follow the evolution of the job etc.

In this domain, Belgium lags far behind most European countries. In Belgium, the participation rate in training, according to Eurostat, is around 7%.

Moreover, this rate even dropped between 2010 and 2015, while this ratio is on the rise in neighbouring countries. Eurostat made a survey on workers between 25 and 64 who have followed training over the past 4 weeks.

Note that in Belgium a debate is currently going on between the social partners on this data. We made the choice to use Eurostat data as they allow a European comparison.

In-service training throughout life



Source: Eurostat, 2016

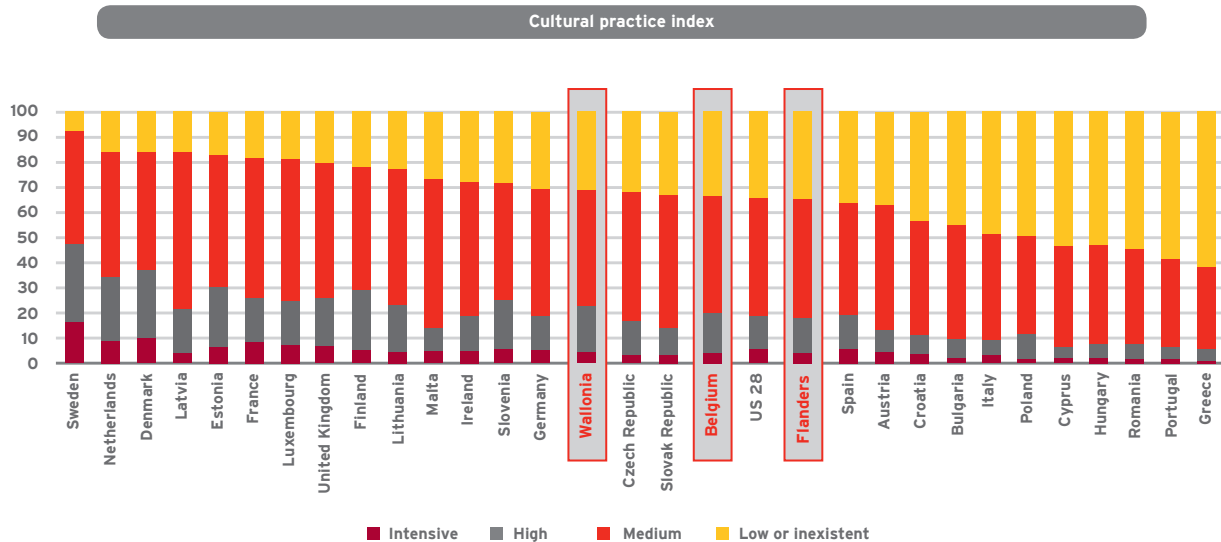
Access to culture

Culture is an important link in the social cohesion of our society. It is extremely important that, in our society, everyone is given the opportunity to access culture.

Culture... a very broad term, which includes a set of activities (film, music, museums, exhibitions, books, sports, etc.).

But what about Belgium compared to other European countries?

According to the Eurobarometer, the majority of Belgians can be classified in the “medium” category for cultural practice.



Source: Eurobarometer 2014

Immigrants and migrants

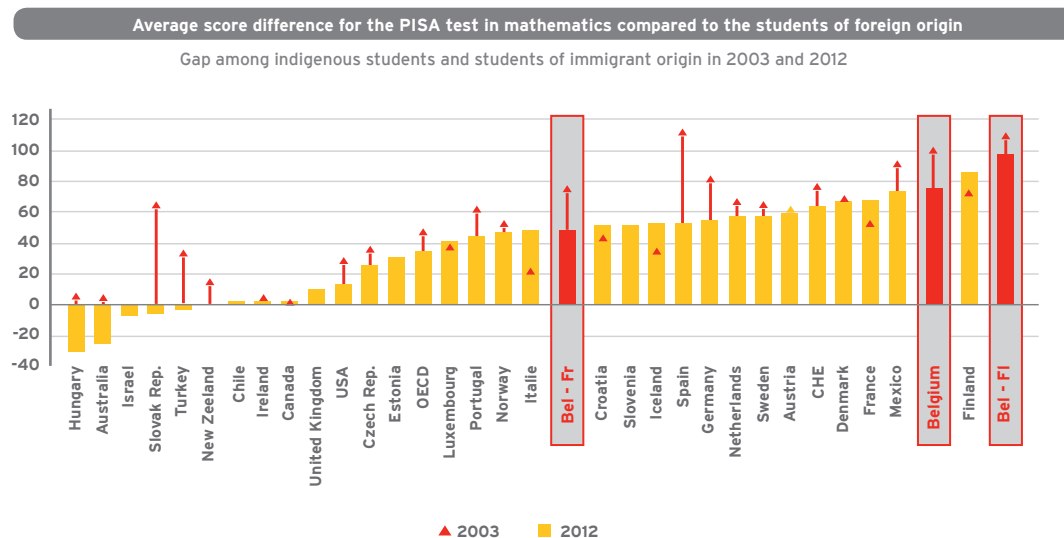
Nobody can deny the contribution of migrants to the economy, both in the past and in the future. A third of people between 18-60 years (active workforce) are of foreign origin. Given the aging of the population, migrants will make a crucial contribution to redress the age structure and help finance social security.

It is all the more important to integrate newcomers that migration waves will probably still increase in the future. Migrants are indispensable, yet suffer from multiple discriminations. Their ghettoization is not only geographical. It is also cultural, social and economic and it's an obstacle to a harmonious community life.

These discriminations can be observed:

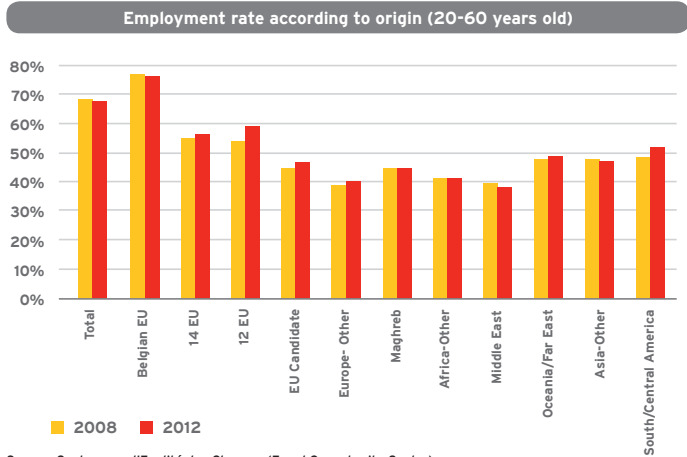
- **In terms of education**

Our educative system does not offer enough support to disadvantaged children in general and immigrant children in particular. The number of so called "ghetto schools" is increasing and funding is insufficient. Defeatism is the rule when it comes to the chances of development for these students. The consequences are often poor orientation or repeated classes.



Source: OECD, 2016

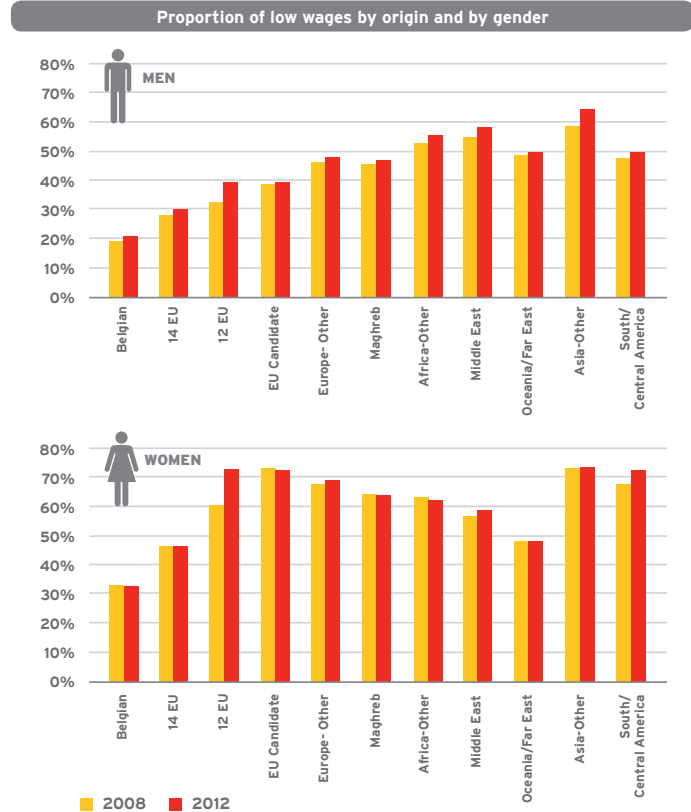
▪ In terms of employment



Source: Centre pour l'Égalité des Chances (Equal Opportunity Centre) Socioeconomic Monitoring, job market and origin

The average employment rate in Belgium for people between 18 and 60 was 65.5% in 2012. The employment rate for people of Belgian origin (73.3%) is higher than the average and higher than employment rates observed for persons of foreign origin. Only people from a EU-14 or EU-12 country have employment rates higher than 50%. People from the Middle East, other European countries and other African countries have the lowest employment rates (below 40%).

▪ In terms of job quality



Source: Centre pour l'Égalité des Chances (Equal Opportunity Center) Socioeconomic Monitoring, job market and origin

4 *Able to live on an unspoiled planet*

Well-being, decent living, is not only a question of what's going on in our heads and in our wallets, it's also a physical issue. Good health begins with the air we breathe and the food we swallow as well as the roof above our heads. Our physical integrity is related to the ability to protect us from the vagaries of nature. But human activities actually have a significant impact on the environment: air and water pollution, the use of fertilizers and pesticides, depletion of natural resources, greenhouse gas emissions, global warming.

The possibility for us to live in a healthy environment, on an unspoiled planet, will depend on our capacity to master the negative effects of our human activities and to make up for our errors. And also on our willingness to share the resources of our planet more fairly, starting with water and food, even if it implies a radical change in our consumption habits.

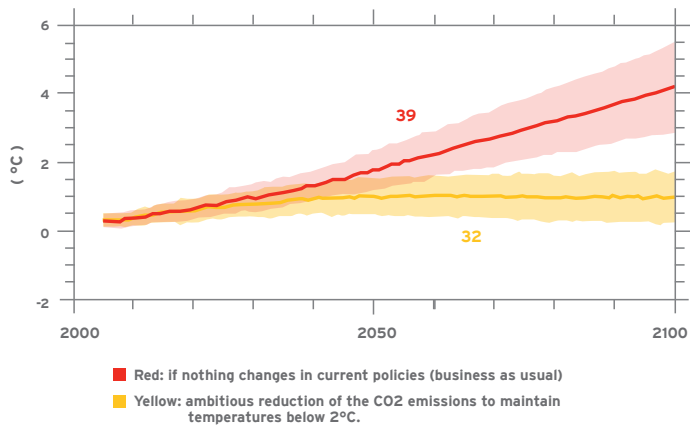
The climate challenge

If the current trend continues the Intergovernmental Panel on Climate Change (IPCC¹²) predicts that the average global temperature will increase by 4 °C by 2100, with uncontrollable consequences. Exceptional natural disasters such as severe drought, hurricanes, and typhoons will become more intense and frequent.

In 2012, for example, Hurricane Sandy forced some 150,000 people in the United States to move and caused, in general, the loss of their jobs for over 11,000 people. In 2014, the Haggupit typhoon in the Philippines destroyed the income sources of more than 800,000 people. If we do not act on climate change, it will cause more than 500,000 extra deaths in 2050 in the world due to lack of food resources.

According to the IPCC, drought and desertification, cyclones, floods, or other weather phenomena could generate significant population displacement. Right now, a person moves every second for climatic reasons, representing 19.3 million climate refugees per year in 82 countries (2014). There could be 250 million climate refugees each year around 2050.

Forecasts for earth temperature increases



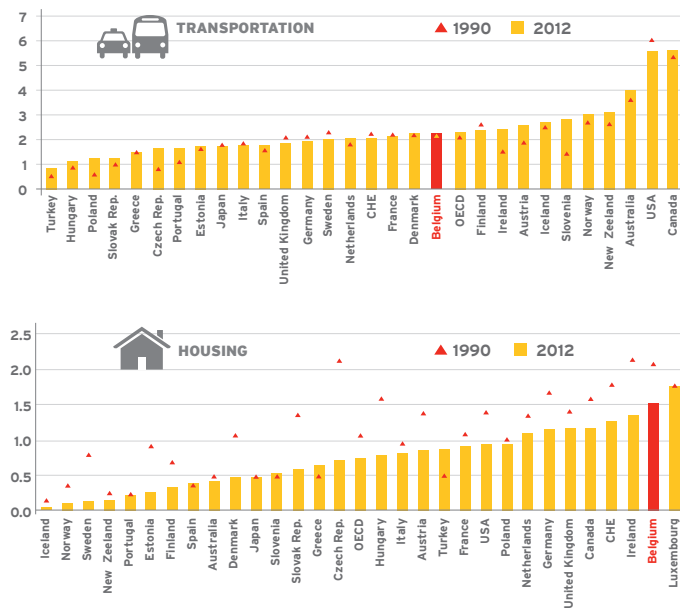
Source: IPCC, AR 5

The main cause of climate changes are CO2 emissions

Belgium has made progress in reducing greenhouse gas emissions, although it will be difficult to achieve the objectives that it has to meet by 2020 in this domain, according to its commitment towards the European Union. Energy industries and manufacturing activities are the sectors that contributed most to the overall decline in emissions since the mid-2000s.

However, insufficient progress has been made in the two main sectors falling outside the emission trading system: transportation, where emissions increased by 20.5% between 1990 and 2012 (with some stabilization as of mid-2000); and housing, where emissions have decreased but remain very high compared to OECD countries.

Emissions of greenhouse gas in the transportation and housing sectors



Source: OECD, 2016.

Fast action

In order not walk of that cliff, we must act fast. It is urgent to take action to reduce carbon emissions in order to limit global warming to 2°C or even 1.5°C.

A transformation of our modes of production and consumption must take place to move towards a low (or even zero) carbon future. Either it will be imposed and therefore brutal and violent for the world of work, or it will be coordinated with the workers and will thus provide a social foundation for this transformation. But one thing is certain: there are *«no jobs on a dead planet!»*

Therefore, the FGTB is advocating a Fair transition towards a low-carbon society.

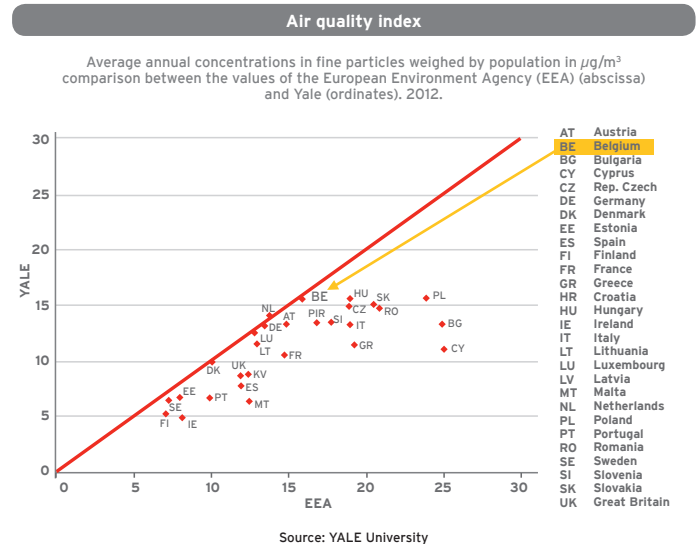
A transition based on:

- Social dialogue: transition should be anticipated, through social dialogue
- Investments creating decent jobs (and thus environment-friendly)
- Training oriented towards technologies meeting the climatic challenges
- Respect for human rights and labour laws
- Strong and efficient social protection systems: workers won't commit to this process unless their security is guaranteed.

Mobility and air quality









According to the American University Yale, Belgium is one of the worst students in the European class when it comes to air quality: fine particle concentration is 15µg/m³. It meets the European standard set at 25 micrograms /m³, but exceeds the standard set by the World Health Organization (WHO) which is 10 µg/m³. However, fine particles are the cause of many diseases, mainly cardiovascular and respiratory disorders (pneumonia, lung cancer, stroke).

Diesel engines are the main culprits, but domestic fuel is also a contributing factor.



Belgian cities are very congested and the air quality is one of the aspects of well-being where Belgians results are worse than the OECD average. It's because Belgians continue to favour their car for their commute.

Evolution of the means of transportation for home/work commutes

	Mode	2005	2014
	Car	66,8%	65,6%
	Car pooling	4,7%	2,9%
	Motorcycle	1,7%	1,2%
	Train	9,5%	10,9%
	Tram, metro, bus	5,9%	6,9%
	Collective transportation organized by the company	1,2%	0,8%
	Bike	7,8%	9,5%
	Walking	2,4%	2,4%

Source: SPF Mobility 2016, Diagnosis of home/work commutes, 2014

The very favourable fiscal status of company cars contributes to this situation. Actually we can observe that:

- Households with a company car have on average more cars and more powerful cars.
- Members of households with a company car have a tendency to use the car more often to go to work, which increases the number of cars on the roads.
- The presence in the household of a company car has an impact not only on home/work commutes, but also on the number of kilometres driven for private purposes.

The Federal Planning Bureau calculates the loss of welfare caused by this tax system at 905 million euros per year, or 0.23% of GDP. This misallocation of resources also generates environmental costs and additional external congestion.

What to do?

Operate a change in our mobility habits and evolve towards durable mobility:

- Mobility, which takes into consideration these challenges of congestion and environmental impacts, health, climate, quality of life and economy.
- Mobility based on an ambitious vision of public transportation.
- Mobility accessible to the greatest number.
- Mobility that does not exclude the use of cars but that integrates it in a multimodal vision.
- Mobility that preserves the social gains of workers but offers them a range of possibilities and alternatives.

Beginning with:

- Reducing car use and thus the congestion generated. The very use of the company car must be less stimulated fiscally. Therefore, the provision of a company car **MUST** be accompanied by the granting of a subscription to a public transportation company;
- Increasing the supply of public transport, with a strong railway network, affordable and with a much broader offering; taxing vehicles with high emission of fine particles (and therefore particularly diesel)..

Finally, for the FGTB, it is important that these loops remain as local as possible to avoid unnecessary transport and the corresponding CO2 emissions generated. This will also encourage local and difficult to delocalise jobs.

Circular economy

Circular economy is an alternative to the current model since the industrial revolution, namely the model «extracting-producing-consuming-discarding». This out-dated model presupposes the existence of abundant, limitless resources easily available and disposable at low cost.

The purpose of a circular economy is to produce goods and services while greatly limiting the consumption and waste of raw materials and sources of non-renewable energy.

Remember that circular economy is not limited only to recycling. In circular economy, there are four forms of economic activity, also called «*loops*»:

- the maintenance and repair loop
- the re-use loop
- the restoration and article reproduction loop
- the recycling loop

5 Conclusion : There is ~~no~~ AN alternative

Reading this barometer, with its graphics, tables and analysis might seem arid. But we believe that the four angles of attack that we have adopted to draft it - **to be able to live decently, to live a quality professional life, to live together, to live on an unspoiled planet** - allow for a more complete picture of the state of our society than conventional indicators.

These four axes translate the legitimate aspirations of everyone to a better quality of life for the greatest number as well as for future generations. By doing so, our goal was to put forward the values and ethics as well as policies that translate them into action programs, placing them above conventional economic criteria. Our life is largely determined by political choices. Choices that shape our living environment and even determine our freedom. Ideology and a rigid approach to the economy often lead to erroneous policy choices. To choices which serve only a certain part of the population.

This socio-economic barometer of the FGTB therefore wants to reaffirm that the economy must serve man and not vice versa. We must leave the systems that only benefit the «1%». We need to regain control. We must abandon the idea of systems claiming that making a little group richer is good for everyone, and that it's the only one that exists and is eternal.

Economics is not an exact sciences. It is a human science since it's meant to meet the needs of people.

Whatever the side we're on, the objective of economy is to preserve the prosperity of a society. But prosperity is not synonym with happiness. Certainly not if it's not fairly distributed, if it's only acquired through the exploitation of some for the benefit of a few others. Certainly not if wellbeing comes at the cost of poorer living conditions, and forms a threat to the entire planet.

To fulfil these simple and legitimate aspirations, another vision of society is needed. An alternative vision of the economy. The public interest must urgently become the priority at the expense of the interest of a few individuals.

In defending **the power to live decently, we denounce the high poverty rate in Belgium**. Our social security system is a good safety net but it still lets too many people slip through the net and even more so now that the stitches are becoming looser. Not on their own: budgetary savings obtained by reducing benefit rights or their amounts, contribute to this laxity of the net. Austerity policies increase poverty.

We can only conclude that the austerity policies serve as a pretext for gradual and programmed dismantling of the welfare state. The balance of the post-war social contract (in which it was agreed that productivity gains would be shared evenly between workers and employers) is no longer respected.

Unemployment benefits are no longer a protection against poverty: they are too low and for some downright unreachable. Furthermore, structural unemployment is increasing: we're no longer able to integrate people durably in the job market.

We protest against the pension *«reforms»* of minister Bacquelaire. They further reduce the amounts of pensions, seek to undermine state pensions (pillar 1) to encourage hazardous private pension (2nd pillar). If reforms have to be done, the thing to do is to increase and sustain legal pensions by expanding the basis of social security financing.

We are pleading for a renewal of funding the social security system and tax reform for a system overly favourable to capital income and wealth.

By emphasizing on the capacity to live **a quality professional life**, we express the aspiration of workers to work to live, not live to work, to better reconcile work and private life. We protest against the excessive flexibility that affects social life, the balance between private and professional life as well as personal development. We protest against the degradation of statutes and labour flexibility, which is the objective - for example - of the "Peeters" law proposal.

We also demonstrate that wages are not too high and many are too low. That these salaries are not *«loads»* but the actual engine of the economy. We stand against social dumping and the unabated push for competition between workers within and between Member States that are supposed to be member of a European UNION.

Quality professional life also means that everyone has access to employment. The reduction of working time with compensatory hiring can be a solution to structural unemployment. In addition, it can also be a response to the growing need for a better balance between private and professional life.

Higher employment rates through a reduction in working time would also remove the pressure on the labour market between workers with different status, young and old, Belgians and immigrants, the unemployed and the overworked. With the reduction of working time, access to training and to culture would improve, social cohesion as well. This is what we call **the capacity of living together**.

Finally, there are no jobs on a dead planet. Current and future generations are entitled to **live on a preserved planet**. The unregulated market economy participates in the climate change and all *«natural»* disasters associated with it. The transition to an economy that respects the planet must be done in a *«fair»* way. A *«fair transition»*. This also implies a different organization of the economy and that we get rid of the *«all-for-profit»* mentality.

We have pointed at everything that doesn't work, to everything that must be changed, and how we intend to do it.

References

- ¹ Source: BNB 2013: “Structure and distribution of household patrimonies: a survey based on the HFCS”. [Structure and distribution]
- ² Insertion benefits are unemployment benefits based on the curriculum followed, without having worked beforehand. (these benefits were formerly known as “waiting benefits”).
- ³ Belgian companies benefit from a significant support from the public authorities in the form of reductions in social contributions or tax deductions, in what is called wage subsidies.
- ⁴ Source: Income taxes 2013-2014, OCDE, 2016.
- ⁵ The INRIX index is a barometer of the intensity of road congestion. For an uncongested road segment, the value equals zero. Each additional index point corresponds to a one point percentage increase in the average duration of a rush hour commute compared to fluid traffic.
- ⁶ Source: European Commissioner for Competition Margrethe Vestager, 2016.
- ⁷ Insertion benefits are now limited to 3 years. At the end of their credit, those individuals are excluded.
- ⁸ The Dublin Foundation (Eurofund) is the European foundation for the improvement of life and work conditions.
- ⁹ Source: INAMI, 2016
- ¹⁰ We're talking about people who arrive in good health at the age of 65 (not affected by diseases). This group is thus smaller than the entire population of 65-year olds.
- ¹¹ Source: OECD, Regards sur l'éducation, 2015. [Perspectives on education]
- ¹² Groupe d'experts intergouvernemental sur l'évolution du climat (GIEC) – in English IPCC for Intergovernmental Panel on Climate Change – is an intergovernmental organization open to all countries members of NATO. AR5: 5th report



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