VOW in Belgium

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Some milestones of the Belgian case study

- Belgian welfare competences spreaded between different levels of power (Federal, Communities, Regions)

- Centralised model of industrial relations (interprofessional, sectors, enterprises) with State intervention
  - High level of coverage
  - BE is (particular) part of the so called Ghent System
  - Distinction between agreements for blue and white collars (under reform)

- Voluntary private expenditures in Welfare are quite limited in BE (but growing)
  - From 5.9% of total SP expenditures in 1990 to 7.3% in 2009 (+23.7%)
  - 2.3% of GDP in 2009 vs 29.7% for public expenditures
  - Private expenditures mainly related to pensions and health

- Long-standing tradition of sectoral social funds financed by employers
  - Funds for Security of existence: pensions, health, training, health and safety,.. More than 170 funds
  - Educational paid leave
  - Extra-legal pensions
  - Child care
  - On total represents 4% of all employers’ contributions in 2011 (FSE = 3.2% of this)

- Second pillar pensions are the main domain of private expenditures in BE
  - Development since mid-nineties
  - Regulated by 2003 Law on Supplementary pensions: increase coverage (33% of private workforce prior to 2004, around 70% now), regulation of management and guarantee of return
  - Lower coverage for blue collars, temporary and part-time workers (gender impact) and small enterprises
Health care benefits in enterprises

• ENTERPRISES (SDWORX survey: 334 firms in 2010)

  • The most frequent benefit is the hospital insurance benefit, provided by 69% of the enterprises to their whole workforce, up to 79% if provided only to some categories. A special attention is also given to the prevention of seasonal disease: 64% of the enterprises provide a flu vaccination to their workers. The benefit that is less granted by the enterprises is the ambulatory fees insurance, with only 15% of the enterprises.
  • Executives are the best protected by the enterprises with higher coverage rates especially regarding hospital insurance (74%), extralegal work injury insurance (44%) and invalidity insurance (39%). Blue collars are those who are less granted these kind of benefits but, on the other hand, they are better covered for medical check-up (46%) and flu vaccination (66%). The largest difference in coverage is between executives and blue collars in the invalidity insurance coverage with 20% points distance.
  • More coverage in bigger companies,

• WORKERS (REFERENCE VACATURE on-line survey: 45,769 workers in 2012): general question on receiving health insurance

  • 60,4% of the workers are extra-insured for medical costs but there is quite a difference between men (65,4%) and women (54,8%).
  • the higher the level of education, the higher is the level of coverage among the workers.
  • workers with an open-ended contract (63%) and/or working full time (63%) are the best covered
    • Fixed-term workers (43,9%) and temporary agency workers (18,8%) part-time workers (45,9%)
  • Higher coverage in Bank, Finance and Insurance sector (79,9%) and Manufacture sector, (where the Automotive industry included) with 62,6%. In the macro-sector of Agriculture and Food Industry the level of coverage is 53,4%, twenty point higher than Detail and Wholesale Trade (33,8%).
Specific leaves

- Parental leave
- Leave for care of dependants
- Leave for palliative care

WT modulation or interruption

- Career interruption (part or full-time)
- Time Credit
- Educational leave
Reconciliation work and family/private life 
enterprise level

• Provisions explicitly aimed at reconciling work and family/private life
  – day nurseries (5%), washing and ironing services (9%) or grocery shopping services (2%)

• Provisions aimed at financially supporting families
  – birth bonus (84%), supplementary family allowances (9%)

• Working time arrangements potentially linked to the reconciliation of work and family/private life
  – part-time work (90%), flexible work schedules (59%), flexibility of working time (56%), days of working time reduction for full time (66%) and part-time (53%) workers, telework (45%).

• Leave provisions potentially linked to the reconciliation of work and family/private life
  – extra days linked to seniority (70%), non-statutory company holidays (39%), non-statutory non-working-days (39%), sabbatical leaves (39%), unjustified sickness leaves (39%)

Main differences: less frequent for blue collars, more frequent in big enterprises and in sector of services
Continuous Vocational Training in Belgium

• In Belgium CVT for workers is mainly organised and funded by social partners through (sectoral) collective agreements and specific funds (Fonds sécurité existence).

• State provides also specific schemes related to education (education leave) or training (Time Credit) allowing workers to partly or fully interrupt their work.

• # numbers according to sources (NBB 2010 vs CVTS 2010)
  – Providing enterprises: 12.4% vs 32.6%
  – Workers in training: 33.3% vs 36%
  – Costs in % total staff costs: 1.02% vs 1.16%
  – In % total hours worked: 0.66% vs 0.71%
  – Average hours per worker: 27h vs 28h

• Participation is higher in Financial service activities (72.7%) and Fabrication and repair of machinery and devices (64%), around 50% Food industry & Retail sectors.

• Participation rates tend to increase with the size of companies.

• Women are also receiving on the average less hours of CVT than men.
MOTIVATIONS FOR OFFERING VOW

- **COMPANIES** (SDWorx survey)
  - Increasing workers' satisfaction (31%), keeping workers (22%), cost containment (21%), attracting workers (11%), increasing productivity (10%)

- **SOCIAL PARTNERS** (interviews)
  - Improve working conditions and respond to workers’ needs: TU in banking and food industry. Less shared by TU in retail sector where main challenge is increase working-hours of fragmented part-time workers and secure employment.
    - Employers refer to securing purchasing power of workers
    - Maintain a long standing tradition in some sectors, notably banking, is advocated by TU, less by employers.
    - Trade-off with wage moderation: expressed by TU representatives in all sectors, but challenged by employers’ representative of banking sector arguing the automatic system of wage indexation
    - Using possibility of tax advantages is evoked by all employers’ representatives, and confirmed by TU, who underline also the loss for social security funding
    - Increasing workers’ satisfaction and thus commitment is recognised by both employers and TU.
    - The role of VOW in attracting and retaining (highly skilled) workers is underlined only in the banking sector, by both employers and TU.
    - Moderated impact of VOW in terms of industrial conflicts or legitimacy of TU. If some TU say that granting VOW may improve their legitimacy for workers, the others TU say that this was in the past and that now VOW benefits are mainly decided more unilaterally by companies.
• VOW have only a limited extent in the Belgian welfare system
• VOW are not really an issue in Belgian social dialogue, as they are mainly decided at company level
• Margins of improvement of the VOW are seen as limited given the crisis context, and even dangerous for some TU (rather improve the public SP)
• Consensus on VOW as supplements and not substitutes to public welfare
• Need to improve available information on VOW but perceived as difficult