

Public employment in Belgium

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Introduction

Public employment forms the subject of debate concerning such matters as the size of the public sector in Belgium in relation to other comparable countries, how it has varied over the years, and whether the ageing of the workforce may present an opportunity for adjusting the volume of employment in this sector. More generally, the underlying question concerns the extent to which public employment is a potential source of structural savings. That question is particularly relevant today as the budget position has worsened and the budgetary cost relating to population ageing is being felt more keenly. Yet the answer to this question is not simple, as it needs to take account of factors other than the wage bill, particularly the services performed for society and the operation of the administration.

This article is intended to contribute to the debate on public employment by analysing the most coherent possible set of statistics on its development and characteristics. The article comprises three sections. The first describes the general framework, including an overview of the situation in 2007 and a brief international comparison. The second section goes into more detail on employment trends in the general government sector, while the third section discusses some of the characteristics of public employment.

1. Overview of public sector employment

1.1 Employment in the general government sector

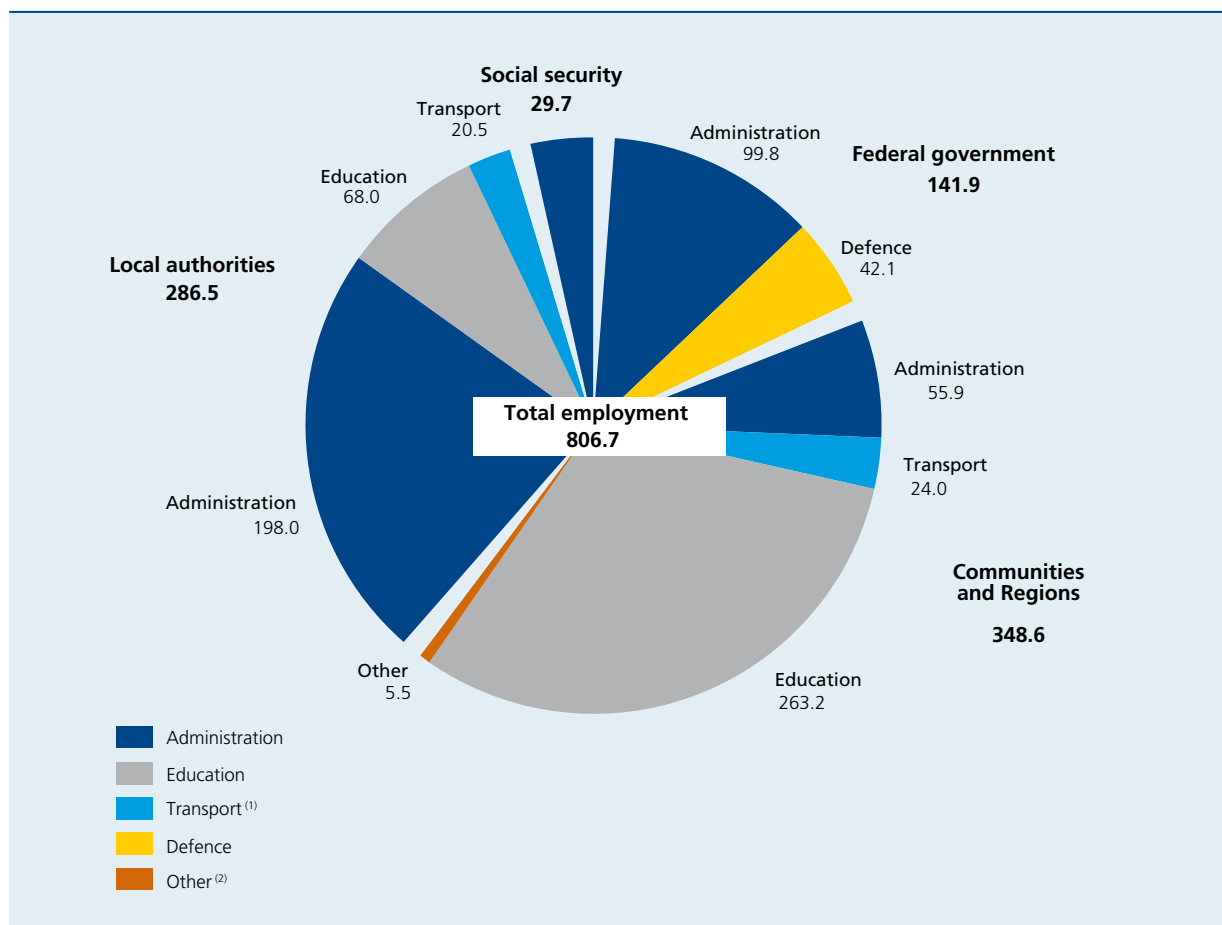
In all, just over 800,000 persons were employed in the general government sector in 2007, according to the national accounts data compiled in conformity with the ESA 95 rules (see box 1).

The federal government and social security together account for only one-fifth of employment in the general government sector. The federal government employs only 17.6 p.c. of general government sector workers, almost one-third of whom are military personnel, the others coming mainly under administration. Apart from civil servants, this includes magistrates, prison warders and federal police officers. Social security employs 3.7 p.c. of workers in the general government sector. Mutual organisations' staff assigned to compulsory health insurance account for half of the employment in this sub-sector.

The Communities and Regions represent the bulk of employment in the general government sector, accounting for 43.2 p.c. This high percentage is attributable to education, since employment in this sub-sector, namely schools run by the Communities and subsidised privately run schools, corresponds to 32.6 p.c. of total public employment. Administration and transport, together with related services, also employ many people – 6.9 and 3 p.c. respectively of employment in the sector. In the case of transport, this mainly concerns the staff of De Lijn, TEC and STIB/MIVB, which – unlike BNRC – are regarded as

⁽¹⁾ The data used in this study were supplied by the General Statistics Department. The authors would particularly like to express their thanks to Isabelle Brumagne, Eric Fagnoul and Claude Modart.

CHART 1 EMPLOYMENT IN GENERAL GOVERNMENT BY SUB-SECTOR AND BY BRANCH OF ACTIVITY
(thousands of persons, 2007)



Sources : NAI, NBB.

(1) Regional public transport companies and other supporting transport activities.

(2) Public broadcasting corporations.

non-market enterprises since their own revenues do not cover half of their costs. The other categories – mainly the public broadcasting corporations – represent only 0.7 p.c. of general government employment.

Local authorities employ just over one-third of workers in the general government sector. Municipal and provincial schools account for 8.4 p.c. of employment in this sector. In all, education therefore represents no less than two-fifths of that employment. Moreover, almost a quarter of the sector's staff are employed in the administration branch of local government. This activity covers numerous functions, ranging from the local police to social work provided by bodies such as the CPAS/OCMW, and including the municipal and provincial administrations.

1.2 Public employment in the broad sense

The definition of employment in the general government sector according to the national accounts does not include either workers in market public enterprises or those in subsidised employment. If these people were included in public employment, that would increase the numbers to around 1.4 million.

Public enterprises comprised a total of almost 120,000 jobs in 2007. Most of them come under non-financial public enterprises, which employ just under 100,000 people, and particularly the BNRC group, the Post Office and Belgacom. In 2006, some 17,300 persons were employed by the market intermunicipal associations active mainly in electricity, gas and water supply, other supporting transport services, and collection and treatment of waste.

Box 1 – Definition of the general government sector

Distinguishing what does or does not come under the general government sector is a particularly tricky undertaking. In most countries, numerous definitions coexist. The sectoral employment statistics, compiled for the national accounts, have the advantage of being subject to methodologies developed and coordinated by a number of international institutions. In the EU, the implementing rules are determined by the European System of National and Regional Accounts, more commonly known as the ESA 95.

The boundaries of the general government sector are defined in theory by applying three criteria to the various units considered. A unit is recorded as forming part of this sector if it is an institutional, public and non-market unit. A unit is institutional if it has decision-making autonomy in the exercise of its principal function and if it keeps or could obtain a complete set of accounts. A unit is public if it is controlled by a public authority, e.g. if such an authority owns more than half of its shares. A unit is non-market if the proceeds from sales cover less than half of the production costs.

In Belgium, the NAI is responsible for compiling and publishing the annual accounts. In that capacity, the NAI allocates the units to the institutional sectors and publishes the list of units in the general government sector each year⁽¹⁾.

Notable examples of units included in the general government sector are schools, including subsidised privately run schools, mutual health care organisations in respect of their activities relating to compulsory insurance, regional public transport companies (De Lijn, TEC and STIB/MIVB), public broadcasting corporations (VRT, RTBF and BRF) and intermunicipal associations identified as non-market.

Conversely, the NAI considers hospitals and retirement homes to be non-financial corporations since most of their revenue is deemed to come from households, because health care spending, including funding by INAMI/RIZIV which is the same for both private and public institutions, is treated as sales. Similarly, public enterprises such as the BNRC, the Post Office and Belgacom, and market intermunicipal associations are classed as non-financial corporations. The NBB and the CBFA are included under financial corporations, as are all banks and insurance companies, whether or not the majority shareholder is part of general government. At local level, many facilities (such as crèches, cultural centres and sports centres), once they form an entity separate from the local authority, are classified outside the general government sector, either as non-financial corporations if their activity is regarded as market, or as non-profit institutions if their activity is regarded as non-market.

(1) The application "classification of institutional sectors" can be consulted on the Bank's website. It gives the definition and distinguishing criteria of the institutional sectors, plus a list of named examples. The latest version of the list of units for the whole of general government is available in French and Dutch via <http://www.nbb.be>.

There is no statistical definition of subsidised employment. It is approximated here by the jobs derived from the service voucher system and the human health and social work branches. In this way, the categories considered probably also include non-subsidised jobs. Moreover, this approach is not exhaustive. For example, no account is taken of various subsidised activities such as those of many associations which enjoy management autonomy and are present in the social, sporting or cultural sphere. In 2007, around 210,000 jobs were recorded in the health sector, including hospitals, and more than 200,000 in

social work, including retirement homes. The service voucher system introduced in 2003, which is also heavily subsidised, has been a great success and accounted for over 50,000 jobs in 2007.

In all, considered in this broader form, public employment expanded by around 20 p.c. between 1997 and 2007. Its growth outpaced that of the general government sector and domestic employment as a whole, both of which rose by 12 p.c. During this period, half of the increase in domestic employment was attributable

TABLE 1 EMPLOYMENT IN THE GENERAL GOVERNMENT SECTOR AND OTHER PUBLIC OR SUBSIDISED JOBS
(thousands of persons, unless otherwise stated)

	Number of persons in 2007	Change since 1997	Change since 1997 (in p.c.)
General government sector	806.7	+87.9⁽¹⁾	+12.2⁽¹⁾
Public enterprises	118.6	-18.6	-13.6
of which:			
Market intermunicipal associations ⁽²⁾	17.3	1.3	7.8
Non-financial public enterprises	98.5	-19.5	-16.5
of which:			
Belgacom	13.9	-10.4	-42.8
the Post Office	36.9	-9.1	-19.8
BNRC group	38.5	-3.4 ⁽³⁾	-8.1 ⁽³⁾
NBB	2.3	-0.5	-16.8
Subsidised jobs			
of which:			
Social work	203.2	+70.0	+52.6
Health	210.9	+43.9	+26.3
Service vouchers	51.2	+51.2	-
Expanded total	1,390.5	+234.4	+20.3
<i>p.m. Total domestic employment</i>	<i>4,365.0</i>	<i>+465.5</i>	<i>+11.9</i>

Sources: NAI, NBB.

(1) The increase would be only 82,900 persons (or 11.5 p.c.) excluding the public broadcasting corporations, which have only come under the general government sector since 2002, and Aquafin, which ceased to form part of that sector in 2005.

(2) 2006 data. Including certain autonomous municipal undertakings such as the ports of Antwerp and Ghent. Retirement homes and hospitals come under social work and health respectively.

(3) Change since 2000.

to that of public employment in the broad sense. The dynamism of subsidised and public employment is due above all to the rapid expansion of service vouchers and the big increase in employment in social work and health care. Conversely, employment has fallen in public enterprises.

1.3 International comparison

International comparisons of general government sector employment are particularly risky, as the ESA 95 methodology may result in significant differences between countries in the boundaries of this sector. Those variations are due to different methods of organising health care, education, transport, broadcasting, the environment, etc. Thus, in some countries such as Germany and the Netherlands, hospitals form part of the non-financial corporations sector, as they do in Belgium. In other countries, they are included in the general government sector. For the first fifteen EU countries, that applies to all those

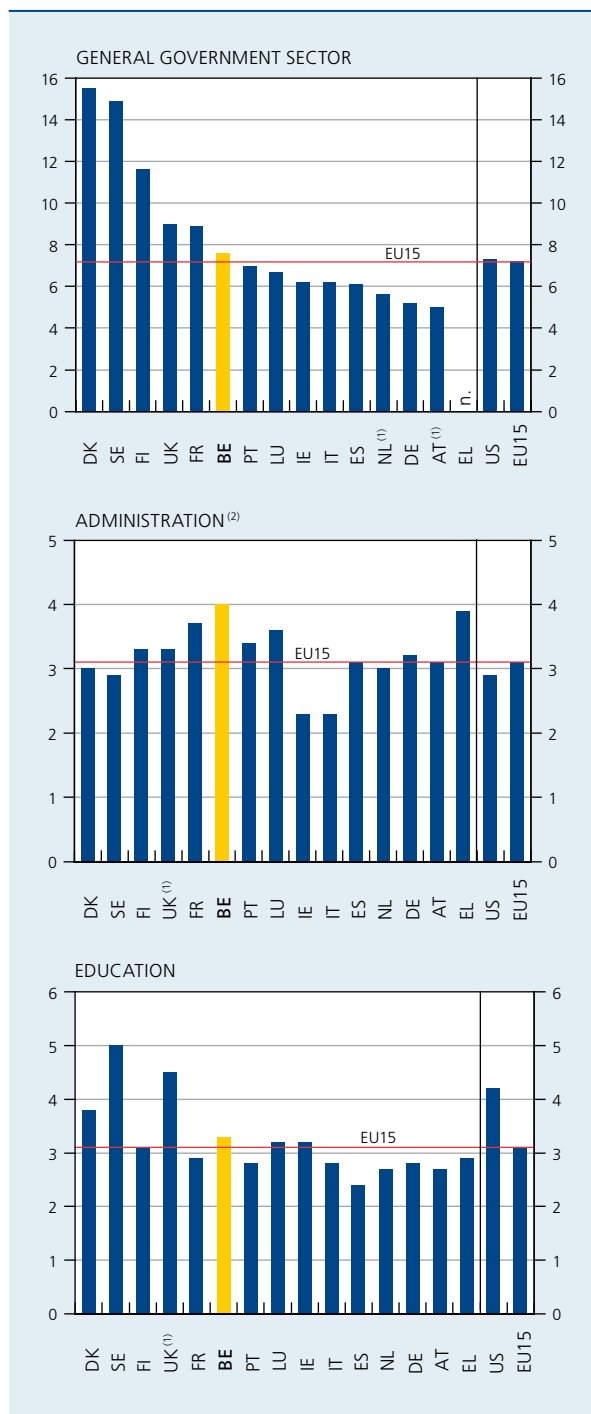
which, in 2006, had a higher ratio of the population in general government sector employment than Belgium, namely Denmark, Sweden, Finland, the United Kingdom and France.

To avoid the problem of variations between countries in the boundaries of the general government sector, some international comparisons focus on employment in a number of branches of activity where the general government sector has a strong presence, such as administration and education.

Belgium has the highest proportion of the population employed in administration. Nonetheless, international comparisons of employment in this branch of activity suffer from significant bias. Thus, while in Belgium the NAI allocates various activities to the administration branch – notably social work excluding retirement homes at local level – that is not the practice in other countries.

CHART 2 INTERNATIONAL COMPARISON OF PUBLIC EMPLOYMENT

(public employment per 100 inhabitants, 2006)



Sources: DESTATIS, EC, OECD, NBB.

(1) 2005.

(2) Including defence.

Sweden, the United Kingdom and Denmark have more teachers per head of population than Belgium. International comparisons of employment in this branch of activity are also not immune to bias, since there are

private jobs in education. In Belgium, that mainly concerns driving schools. In other countries such as the United States and the United Kingdom, private schools – and particularly universities – come under sectors other than the general government sector.

2. Employment trends in the general government sector

2.1 Long-term trend

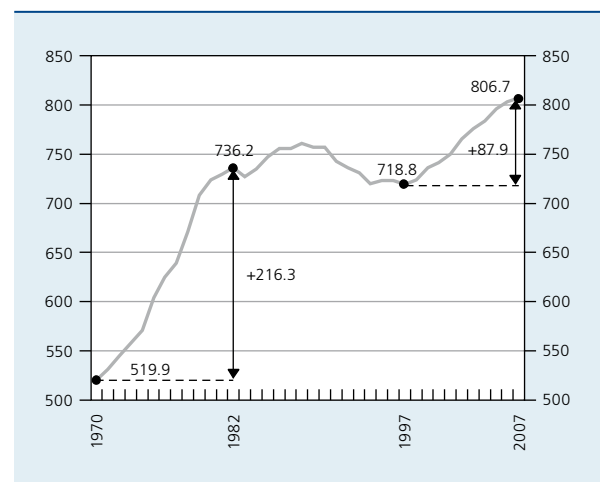
In Belgium, general government sector employment has shown a clear upward trend since 1970. That trend can be divided into three phases corresponding to the main shifts in fiscal policy.

Between 1970 and 1982, over 200,000 public jobs were created. At that time, civil servants and teachers were recruited in large numbers to offset the private sector job losses caused by the economic crisis and the structural decline in competitiveness. In those days, the fiscal policy stance was expansionary.

From 1982 onwards, the consolidation of public finances became the priority for successive governments. This restrictive fiscal policy stance was reinforced during the 1990s, when Belgium tried to meet the convergence criteria for joining the euro area at the start. In that context, the number of workers employed in the general government sector first stabilised and then declined. It reached a

CHART 3 GENERAL GOVERNMENT SECTOR EMPLOYMENT IN BELGIUM

(thousands of persons)



Sources: NAI, OECD, NBB.

low point in 1997, another reason being the suspension of military service which took effect in 1994. In the space of a few years, the 30,000 or so people doing military service thus disappeared from the general government sector employment statistics.

Finally, between 1997 and 2007, the volume of general government employment expanded by 87,900 jobs. In that period, the fiscal policy stance reverted to expansionary, as the primary surplus of general government diminished over the years.

In the rest of this article, the analysis focuses on the period 1995-2007, which is the period covered by the data published by the NAI. Two adjustments were made to avoid breaks in the series following the transfer of the public broadcasting corporations from the non-financial corporations sector to the general government sector, in 2002, and the transfer of Aquafin, a water treatment company operating in Flanders, from the general government sector to the non-financial corporations sector in 2005. At the time of their reclassification, VRT, RTBF and BRF employed around 5,700 persons, and Aquafin around 700. Disregarding these four companies, the general government sector employed 801,100 workers in 2007, or 78,200 more than in 1995. Over the period as a whole, public employment therefore expanded by 10.8 p.c.

2.2 Trend by branch of activity

Between 1995 and 2007, the main rise in general government sector employment occurred in the administration branch of activity. The number of jobs devoted to that function increased by more than 60,000, or 18.6 p.c., over the period as a whole.

In the education branch of activity, growth was more moderate than in the general government sector as a whole, and it is only since 2001 that employment in this branch has risen again. Nonetheless, the total increase came to 21,000 persons between 1995 and 2007. It occurred mainly in the Flemish Region⁽¹⁾.

In the transport-related branches, comprising mainly the regional public transport companies and other supporting transport services, employment has also grown strongly since 1995, by a total of 11 p.c. However, that only represents an extra 4,400 persons.

(1) If the education branch is considered as a whole, including the few jobs which come under other institutional sectors, particularly driving schools, paid employment increased between 1995 and 2006 by 20,316 persons in the Flemish Region (+12.4 p.c.) and 1,492 persons in the Brussels Capital Region (+3.3 p.c.), while it declined by 214 persons in the Walloon Region (-0.2 p.c.).

TABLE 2 GENERAL GOVERNMENT SECTOR EMPLOYMENT⁽¹⁾
(thousands of persons, unless otherwise stated)

	1995	2007	Percentage changes 1995-2007
By branch of activity			
Administration ⁽²⁾	323.2	383.3	18.6
Education	310.3	331.2	6.8
Transport	40.0	44.4	11.0
Defence	49.5	42.1	-14.8
By sub-sector			
Federal government and social security ⁽³⁾	173.5	180.1	3.8
Communities and Regions	320.4	343.1	7.1
Local authorities ⁽³⁾	229.1	278.0	21.4
Total	723.0	801.1	10.8

Sources: NAI, NBB.

(1) In order to avoid a break in the series due to statistical reclassification, the public broadcasting corporations and Aquafin were dropped from the data.

(2) At federal level, jobs which come under education and publishing were reclassified under administration.

(3) Data adjusted for the transfer of 8,500 former gendarmes from the federal government to the local authority police districts in 2002. Without that adjustment, the respective changes in employment at the level of federal government, including social security, and local government come to -1.1 and 25.1 p.c.

Within the general government sector, defence is the only branch of activity to record a fall in employment since 1995. The number of army personnel is down by 7,300, or 14.8 p.c.

2.3 Trend by general government sub-sector

2.3.1 General view

Between 1995 and 2007, employment increased in each of the government sub-sectors, albeit in very different proportions. It was at local authority level that employment expanded the most. The transfer of around 8,500 gendarmes from the federal government to the local authorities in 2002 is only a minor factor in this increase⁽¹⁾. Disregarding that transfer, local public employment actually expanded by more than one-fifth over the period as a whole, or 48,900 jobs. Employment growth was weaker in the Communities and Regions, where it amounted to 22,700 jobs or 7.1 p.c. Finally, at the federal government and social security level, employment also increased, but the expansion came to only 6,600 units or 3.8 p.c. between 1995 and 2007.

The growth of employment in administration accounts for three-quarters of the increase in general government sector employment between 1995 and 2007. In the administration branch of activity, the expansion was substantial in each of the sub-sectors, especially in local authorities. Education also contributed to the growth of public employment, both in municipal and provincial schools, on the one hand, and in subsidised privately

run schools and schools run by the Communities, on the other.

2.3.2 Federal government and social security

In the federal government and social security, public employment expanded in administration between 1995 and 2007, while it declined in defence.

On the basis of data published by FPS Personnel and Organisation, relating to a sub-set⁽²⁾ of the administration branch at the level of the federal government and social security, employment between 2004 and 2008 displays significant variations between functions. The number of federal personnel was boosted mainly by activities relating to justice, where over 2,800 jobs were created in central administration, in penal institutions and in community justice centres, i.e. expansion of 31.8 p.c. in four years. Staffing levels also increased in other functions, notably health – which includes FPS Public Health and the Federal Agency for the Security of the Food Chain. At the same time, other departments reduced the size of their workforce: this applied in particular to FPS Finance, which shed almost 2,000 staff, a reduction of 6 p.c. in four years, something that was partly explained by computerisation.

(1) In the rest of the article, unless otherwise stated, the analyses at sub-sector level exclude this transfer.

(2) The sub-set comprises roughly 82,000 persons of the 129,200 active in the administration branch at the level of the federal government and social security. Unlike the NAI data, the FPS Personnel and Organisation figures (pdata) take no account of the mutual health care organisations or special bodies (civil judiciary and administrative staff of the civil courts, federal police, Council of State and Finance Inspectorate).

TABLE 3 CONTRIBUTION OF THE SUB-SECTORS AND BRANCHES OF ACTIVITY TO THE GROWTH OF EMPLOYMENT IN THE GENERAL GOVERNMENT SECTOR BETWEEN 1995 AND 2007⁽¹⁾

(thousands of persons)

	Federal government and social security	Communities and Regions	Local authorities	Total
Administration	16.2 ⁽²⁾	12.7	33.5	60.1
Education	– ⁽²⁾	6.8	14.2	21.0
Transport ⁽³⁾	–	3.2	1.2	4.4
Defence	–7.3	–	–	–7.3
Total	6.6	22.7	48.9	78.2

Sources: NAI, NBB.

(1) Excluding the public broadcasting corporations, Aquafin and the transfer of 8,500 former gendarmes from federal level to the police districts in 2002.

(2) At federal level, jobs coming under education and publishing were reclassified under administration.

(3) Regional public transport companies and other supporting transport services.

2.3.3 Communities and Regions

In the Communities and Regions, employment expanded between 1995 and 2007 in the three main branches of activity considered: education, administration and transport.

A specific study was conducted in order to estimate for each entity the change in the number of persons working in administration. Reliable detailed data were only obtainable for the period 1997-2007. These show that employment increased in each of the federated entities, but at varying rates. The biggest increase occurred in the Flemish Community, so that by the end of the period, almost half of the administrative workers in federated entities were employed there. The Walloon Region personnel represented just over a quarter of all administrative jobs in the federated entities in 2007, a proportion more or less unchanged since 1997. The French Community saw the smallest increase in the number of administrative staff.

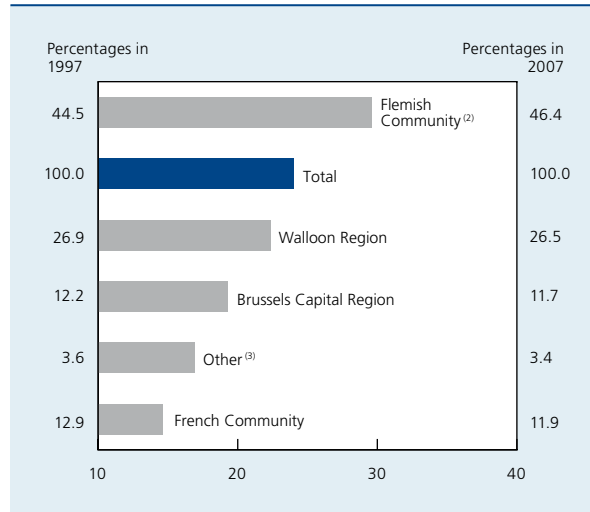
2.3.4 Local authorities

In the case of the local authorities, it is possible to offer some explanation for the large rise in employment in the administration branch of activity on the basis of the detailed data supplied by the NSSO-PLA and adjusted to reflect the NAI definitions more closely. However, reliable data were only obtainable for the period 1997-2007. According to these data, the number of jobs in the administration branch at local level increased by 34,900, or 19.2 p.c.

The most rapid employment growth occurred in the Public Social Welfare Centres or CPAS/OCMW. In 2007, they employed just over 50,000 people, or 9,400 more than in 1997, corresponding to an increase of 22.9 p.c. Municipalities and police districts, considered together in order to avoid a break in the series owing to the creation of the police districts in 2002, still account for the bulk of local employment with 149,000 jobs at the end of the period considered. With around 24,000 new jobs, the workforce of the municipalities and the police districts has grown by 19.4 p.c. since 1997. The provinces employed 16,700 people in June 2007, or 1,400 more than ten years earlier. Here, the rise in employment came to only 8.9 p.c. In non-market intermunicipal associations, the workforce barely reached 600 people, and employment dipped slightly over the period considered.

In the case of the CPAS/OCMW, many factors contributed to the dynamism of employment. First, the number of people on income support increased, necessitating

CHART 4 EMPLOYMENT IN THE ADMINISTRATION⁽¹⁾
BRANCH OF ACTIVITY AT THE LEVEL OF
THE FEDERATED ENTITIES IN BELGIUM
(total percentage changes from 1997 to 2007,
unless otherwise stated)



Sources: NAI, NSSO, NSSO-PLA, NBB.

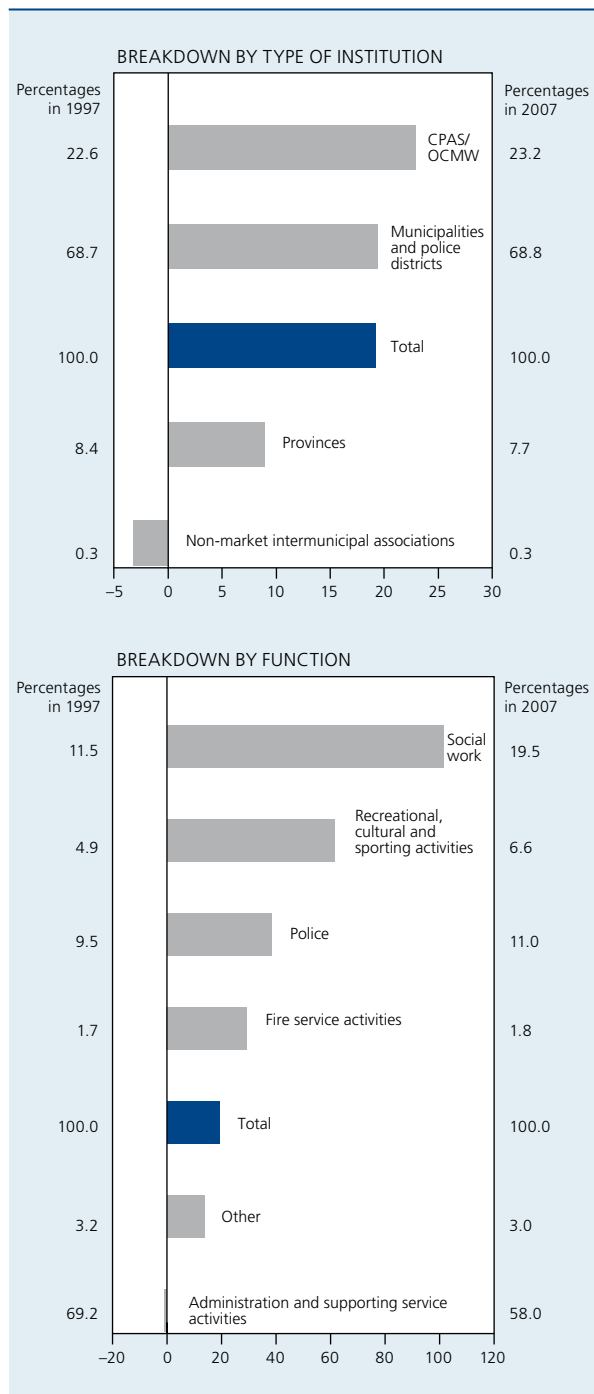
- (1) The NSSO and NSSO-PLA data were adjusted to reflect the NAI definition of employment in the administration branch at the level of the Communities and Regions sub-sector. Education, public transport companies and public broadcasting corporations, were therefore excluded from the analysis. Vocational training and university research were also disregarded. Employment in other supporting transport services could not be separated and was therefore included.
- (2) Including matters falling within the responsibility of the Flemish Region.
- (3) Community Commissions (Cocof, VGC and Cocom) and the German-speaking Community.

more staff to deal with this. Next, the functions of the CPAS/OCMW have been extended and diversified, to include debt mediation and the issue of heating oil vouchers, for example. Finally, and above all, the surge in the 1990s was due to amendments to the law and the desire of the CPAS/OCMW to give priority to integration into society and the world of work, rather than purely providing income. The number of persons getting back into work increased considerably from 1997. The statistics record these persons as CPAS/OCMW workers. The increase here is connected primarily with the rise in the number of persons employed pursuant to Article 60 of the law on the CPAS/OCMW⁽¹⁾. Those persons may either be assigned to the internal needs of the CPAS/OCMW, or made available to third parties. Changes in the law in the late 1990s authorised the latter option, generating over 5,000 jobs.

(1) Organic Law of 8 July 1976 on the CPAS/OCMW.

CHART 5 EMPLOYMENT IN THE ADMINISTRATION BRANCH OF ACTIVITY AT LOCAL AUTHORITY LEVEL ^{(1) (2)}

(total percentage changes from 1997 to 2007 ⁽³⁾, unless otherwise stated)



Sources: NAI, NSSO-PLA, NBB.

(1) The NSSO-PLA data were adjusted to reflect the NAI definition of employment in the administration branch in the local authority sub-sector. Hospital activities, retirement homes, education, transport, and market intermunicipal associations were notably excluded.

(2) Disregarding the transfer of 8,500 former gendarmes to the local authorities in 2002.

(3) Data as at 30 June for each of the years considered.

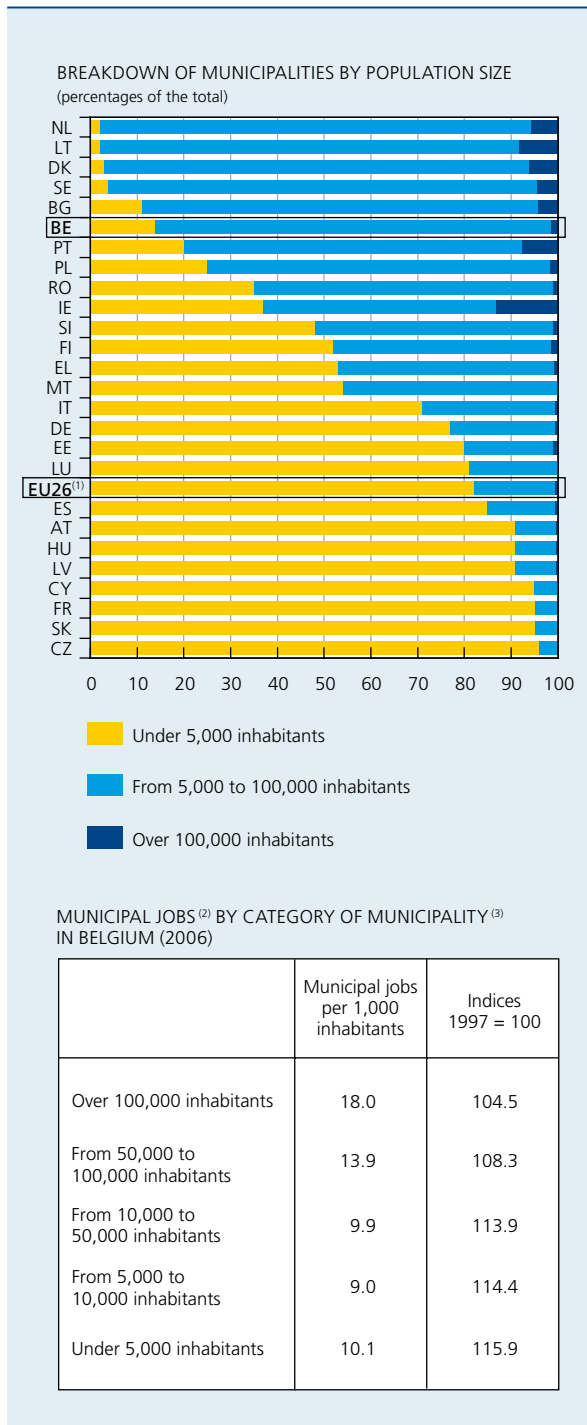
The main point to emerge from the breakdown of public employment according to the principal functions performed by the staff is that the growth of local public employment has not occurred in the civil service functions: in that category, comprising 126,000 persons, employment more or less stagnated over the period as a whole. Of the 34,900 jobs created in local authorities, 21,300 were in social work. Of those, 5,300 new jobs were in crèches and nurseries⁽¹⁾, organised by the municipalities, the CPAS/OCMW or the provinces, and 15,000 other jobs were created for the purpose of social work in the CPAS/OCMW. Around 5,500 persons were recruited between 1997 and 2007 by the municipalities and provinces in connection with recreational, cultural and sporting activities, particularly the cultural and sports centres. Apart from 900 new fire fighters, the municipalities and police districts took on 6,000 police workers, excluding the transfer of 8,500 former gendarmes to the local level. That transfer took place in 2002 in connection with the creation of police districts, usually grouping several municipalities together. The rise in the number of police officers appears to reflect a political will to strengthen public security.

More detailed analysis of the data on the municipalities reveals that widespread mergers among them would not drastically reduce the volume of local public employment. For one thing, the Belgian municipalities are among the biggest in the EU. Only five countries have a lower proportion of small municipalities (under 5,000 inhabitants). Also, in Belgium, the smaller the municipality, the lower the volume of municipal employment per head, except in the case of municipalities with fewer than 5,000 inhabitants. The higher volume of municipal employment in the large municipalities may be due in particular to specific needs, e.g. regarding security and inner city policy, and the running of some activities for which small municipalities use intermunicipal associations. Between 1997 and 2006, the increase in the number of municipal staff per head of population was slower the bigger the municipality. This slower employment growth in the large municipalities is probably connected partly with the requirements imposed on many of them by the supervisory authorities, which may include limits on the increase in the wage bill.

(1) Crèches and nurseries where the employer is a local authority have to be divided into two groups: If the facility is autonomous and identified by the NAI, it is reclassified under non-financial corporations. If it is not autonomous, it remains under the general government sector.

CHART 6

INFLUENCE OF MUNICIPALITY SIZE ON MUNICIPAL EMPLOYMENT



Sources: Dexia, DGSEI, NSSO-PLA, NBB.

(1) EU excluding United Kingdom.

(2) In order to reflect the NAI definition of employment in the administration branch more closely, municipal teaching staff were disregarded. To avoid problems of temporal consistency relating to the creation of the police districts, police staff were also excluded from the analysis.

(3) Categories of municipalities based on their population at 1 January 2007.

3. Characteristics of general government sector employment

The following characteristics of public employment are discussed in succession: employment status, gender and standard of education. Next, the question of the age pyramid of general government sector workers is examined in depth. Since the NAI does not have data on the workers' characteristics, the analysis was based on primary data from the NSSO and the NSSO-PLA. Also, the definition of the general government sector used in this section differs from that adopted by the NAI⁽¹⁾. Nevertheless, the results offer a good approximation of the trends apparent in the general government sector as defined by the NAI.

3.1 Status

The proportion of general government sector workers with civil servant status is steadily declining, and the latter are now only slightly in the majority. On 30 June 2006, they accounted for 54.3 p.c. – a significant fall compared to the 59.8 p.c. statutory civil servants in the sector as at 30 June 1997. Changes are relatively slow, as the reduction in the number of civil servants mainly occurs as they retire.

In education, a substantial majority of the staff are statutory civil servants, representing almost 60 p.c. of the workforce. However, that proportion has fallen sharply since 1997, when it still stood at 68.2 p.c. In the rest of the general government sector, the proportion of statutory civil servants varies considerably according to the level of government. In June 2006, it ranged from 39.4 p.c. in the Communities and Regions to 72.7 p.c. at federal government level, including social security and the army. In the local authorities taken as a whole, statutory employment also amounts to only around 40 p.c. of workers. In this sub-sector, substantial differences between types of institution are also evident: in 2006, 94.6 p.c. of police district workers and 59.1 p.c. of provincial staff were statutory employees, while the proportion was lowest in the CPAS/OCMW (30.1 p.c.) and municipalities (37.9 p.c.).

(1) The general government sector as defined by the NAI is smaller than that arrived at by combining the NSSO and NSSO-PLA data. According to the latter approach, the legal status of the institutions takes precedence. The main differences concern public enterprises, hospitals, retirement homes and market intermunicipal associations which are not included under the general government sector in the national accounts.

3.2 Gender

In the public service, female employment is more common than in the rest of the economy. Thus, as at 31 December 2007, women formed the majority in the general government sector, while men still accounted for more than half of private sector employees. The predominance of women is particularly marked in education and in local authorities. Conversely, men still formed the majority elsewhere in administration, including defence.

Men fill the majority of statutory posts, while more women are employed in contract jobs. As at 31 December 2007, 53 p.c. of men held statutory posts, while 63.9 p.c. of contract posts were filled by women.

The predominance of women in the public service is also increasing. There are considerably more women than men in the under 45 age groups, and they actually represent over 60 p.c. of those under the age of 30 years. Conversely, men outnumber women in the higher age groups.

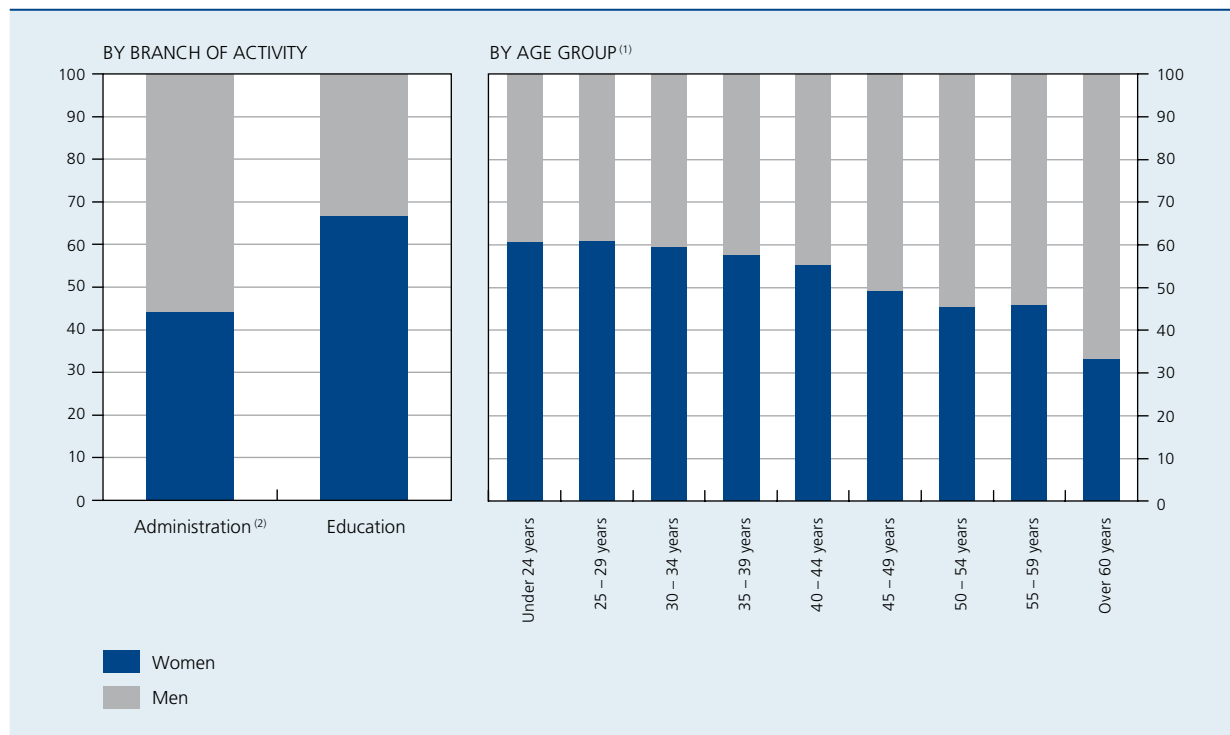
3.3 Standard of education

General government sector staff are increasingly well qualified. In the administration branch, the proportion of those with higher education qualifications increased from a quarter to a third between 1995 and 2007. Over the same period, the proportion of low-skilled workers with no more than a certificate of lower secondary education declined from one-third to less than a quarter, while the proportion of moderately skilled workers holding at most a certificate of higher secondary education remained broadly stable, at around 40 p.c.

However, the government still employs large numbers of low-skilled persons. For example, 60 p.c. of federal government employees hold at most a certificate of secondary education (levels C and D), and the proportion of these persons is around 50 p.c. or more for all age groups⁽¹⁾. The proportion of levels A and B (higher education qualifications) is nevertheless rising in the youngest age groups, particularly among persons aged between 25 and 35 years.

(1) According to the FPS Personnel and Organisation data (pdata) as at 30 June 2008.

CHART 7 BREAKDOWN OF GENERAL GOVERNMENT SECTOR WORKERS BY GENDER
(percentages, as at 31 December 2007)

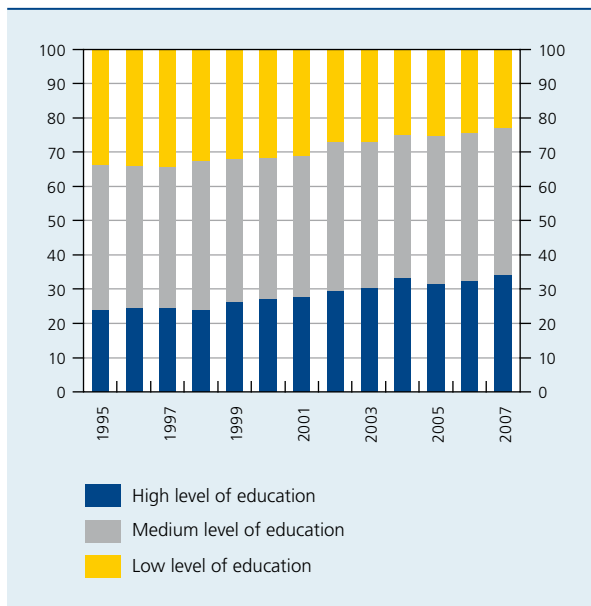


Sources: NSSO, NSSO-PLA, NBB.

(1) Workers who come under the NSSO-PLA are not included in the breakdown by age group.

(2) Including defence.

CHART 8 BREAKDOWN OF WORKERS IN THE ADMINISTRATION⁽¹⁾ BRANCH OF ACTIVITY AGED FROM 25 TO 64 YEARS, BY HIGHEST LEVEL OF EDUCATION COMPLETED
(percentages of the total in the branch)



Source: DGSEI (Labour Force Survey).
(1) Including defence.

3.4 Age pyramid

In the general government sector, the age pyramid of the workers varies significantly from one branch of activity to another.

The most striking pyramid concerns defence personnel. These people retire earlier than those in other branches. Thus, the proportion of workers aged 60-64 years is negligible, and the 55-59 age group is much smaller than in other branches of activity. Almost 45 p.c. of staff are in the 40-49 age group. If the effective age of retirement remains unchanged, the Belgian army will therefore face mass departures in a few years' time.

Overall, the age pyramid is fairly flat in the education branch, so that there should be hardly any mass departures in this branch of activity on the whole, and it seems that the workforce has so far been replenished by the steady recruitment of young workers.

The age pyramid is more marked in the administration branch. Thus, taking all levels of government together, a peak is apparent for the 45-49 age group and the adjacent groups, while the proportion of young staff is

smaller⁽¹⁾. That must be taken into account in designing a dynamic staffing policy for the public service.

Some people have suggested that the next five to ten years offer a unique opportunity for revising staffing levels. They argue that since general government sector staff are relatively old, a large proportion of them will soon be retiring. This means that the number of public sector workers could be reduced by not replacing all those who leave.

In that regard, it must be said that, in each of the branches of activity considered, the percentage of staff over the age of 60 is small, or even minimal in the case of defence. In fact, most general government sector workers retire before the maximum age, which is usually set at 65 years. A considerable number draw their pension at age 60 in the general government sector as a whole, in both the education branch and in administration. In general, defence personnel retire earlier, often at 56 years. In the administration branch, there are also many police staff who retire before the age of 60.

Only 10 p.c. of general government sector workers retiring between 2002 and 2005 had reached the age limit. In most cases, this concerned military personnel, for whom the limit is lower than for other general government sector workers⁽²⁾. In the administration and education branches, most of those retiring during that same period took immediate early retirement. This system allows staff still in service to draw their pension from age 60 once they have been in service for at least five years.

Assuming a constant proportion of workers aged over 60, the numbers retiring over the next five years can be estimated on the basis of the number of persons aged between 55 and 59 years in 2009. The numbers leaving in the following five years can be estimated on the basis of the number of persons aged between 50 and 54 years on that same date.

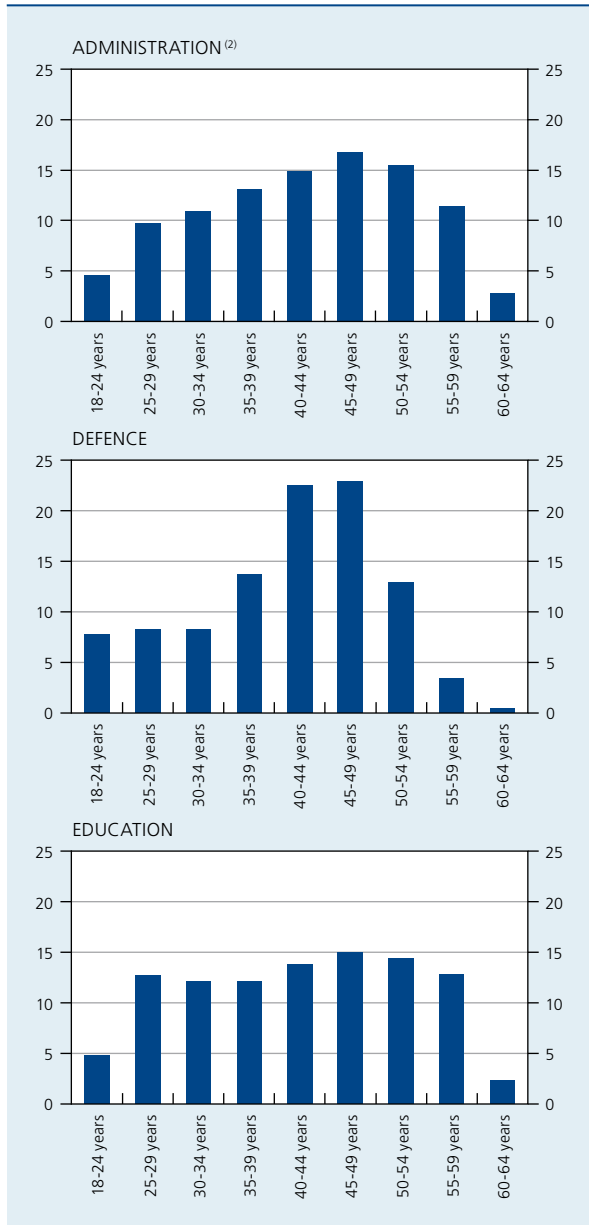
Around 65,000 persons, or only 12 p.c. of staff in the administration branch, are likely to retire in the next five years. In the following five years, 85,000 persons will join them, or 16 p.c. of staff in that branch of activity. Over a period of ten years, the numbers leaving will

(1) The age pyramid varies considerably between sub-sectors or local institutions. Thus, it is flatter in the Communities and Regions, and more marked at federal level, especially in social security. At local level, the age breakdown of staff in the police districts is fairly linear, while the age pyramid is more marked in the provinces, municipalities and CPAS/OCMW.

(2) For military personnel, the maximum age for taking retirement varies between 45 and 61 years, according to grade and appointment (Kluwer, 2008, Mémento des pensions). In most cases, the maximum age is 56 years or less. A limit of less than 65 years also applies to other categories of public sector personnel, such as the police.

CHART 9 BREAKDOWN BY AGE AND BY BRANCH OF ACTIVITY OF GENERAL GOVERNMENT SECTOR WORKERS⁽¹⁾

(percentages of the total for the branch of activity, 30 June 2007)

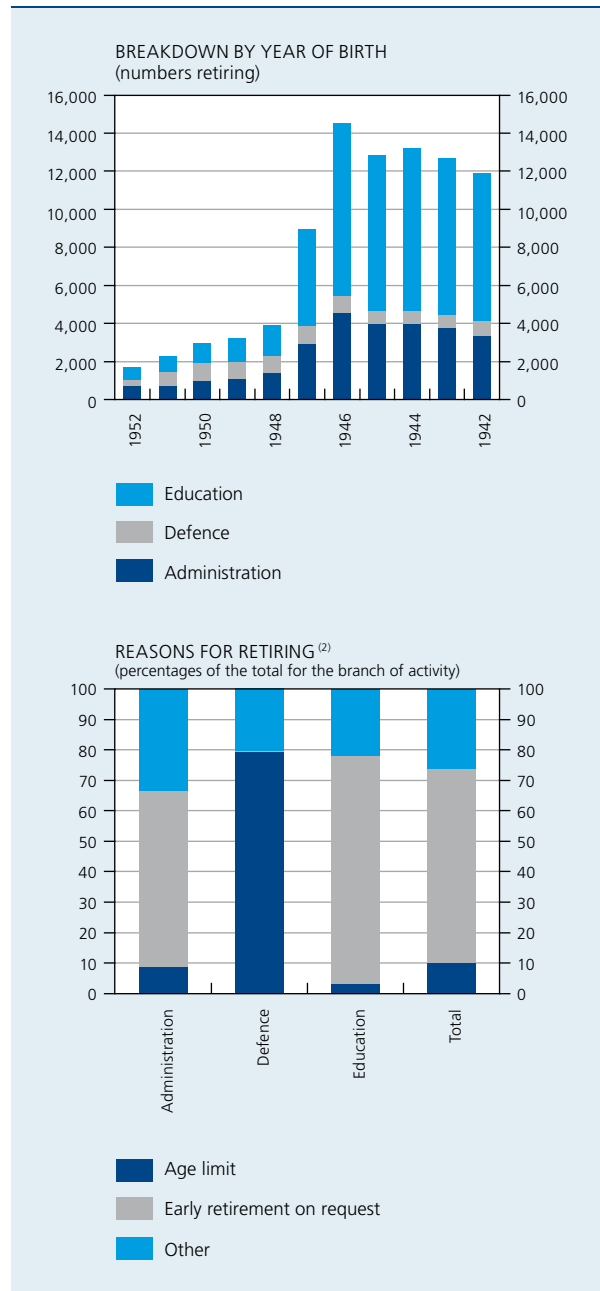


Sources: NSSO, NSSO-PLA, NBB.

- (1) The NSSO and NSSO-PLA data were adjusted to reflect the NAI's definition of the general government sector and the branches illustrated here. For example, workers recorded by the NSSO in various branches of activity were reclassified in the administration branch. In regard to compulsory social security, the staff of mutual health care organisations were taken into account, whereas the NSSO considers them as belonging to the private sector.
- (2) All workers contributing to the NSSO-PLA were allocated to the administration branch, even though some of them do not come under the general government sector.

CHART 10 NUMBERS RETIRING IN THE GENERAL GOVERNMENT SECTOR⁽¹⁾

(data as at 1 July 2007)



Sources: SDPSP/PDOS, NBB.

- (1) The public pension data have been adjusted to reflect the NAI's definition of the general government sector and the branches illustrated here. The definition used here corresponds to that adopted in the public sector pensions statistics, excluding retirement pensions paid to staff of autonomous public enterprises and intermunicipal associations, and those paid to ministers of religion.
- (2) Based on all new applications submitted between 2002 and 2005.

therefore total 150,000 or 28 p.c. of the staff. That percentage is hardly surprising considering that the average career lasts around 35 years. There is therefore no need to expect mass retirement in the coming five to ten years.

In the subsequent ten years, it is possible that more people will actually be leaving, since 30 p.c. of the staff in the administration branch are estimated to be aged from 40 to 49 years in 2009.

TABLE 4 NUMBER OF WORKERS IN THE ADMINISTRATION BRANCH OF ACTIVITY ATTAINING THE AGE OF 60 BETWEEN 2010 AND 2019

(estimated situation in 2009 based on data as at 30 June 2007)

	Number of workers (in thousands of persons)		Percentage of the workforce	
	50-54 years	55-59 years	50-54 years	55-59 years
Federal government and social security	22	15	18	12
Communities and Regions	4	3	14	12
Local authorities ⁽¹⁾	54	42	16	12
Workers not attributable to a sub-sector ⁽²⁾	5	4	14	12
Total	85	65	16	12

Sources: NSSO, NSSO-PLA, NBB.

(1) All workers contributing to the NSSO-PLA, even if some of them do not belong to the general government sector (e.g. market intermunicipal associations), the local authority sub-sector (e.g. Cocof and VGC) or the administration branch of activity (e.g. some members of the municipal and provincial teaching staff). In the absence of data by age, an approximation was produced on the assumption of a uniform distribution per year across the five-year age groups (45-49 years, 50-54 years and 55-59 years).

(2) Workers contributing to the NSSO for whom it is not possible to determine whether they come under the federal government or the Communities and Regions.

In the next ten years, the largest absolute number of staff leaving will be in the local authorities, with a total of 96,000. However, the proportion leaving is likely to be higher in the federal government (including social security), as 30 p.c. of staff there are estimated to be aged between 50 and 59 years in 2009.

There are large variations between institutions and departments. Thus, at federal level, over 40 p.c. of the staff of FPS Finance are aged between 50 and 60 years, while fewer than 25 p.c. of staff in FPS Justice are in that age group. At local authority level, the percentage of staff aged between 51 and 60 years is higher in the provinces than in the municipalities and the CPAS/OCMW. Managing these variations in age structure between institutions and departments therefore presents a major challenge for the human resources policy throughout the general government sector.

Conclusions

In Belgium, the general government sector defined according to the rules of the national accounts employs just over 800,000 workers. The main employers in the sector are the Communities and Regions and the local authorities, while the federal government and social security together represent only one-fifth. If the concept used is broader than general government, and includes public enterprises, market intermunicipal associations and heavily subsidised jobs (health, social work and service

vouchers), there could be 1.4 million persons in public employment.

Over the long term, the variations in public employment correspond to the major fluctuations in budgetary policy. Employment in the general government sector expanded particularly strongly during the 1970s. Following a period of virtual stabilisation from 1982 onwards, employment in the sector increased again between 1997 and 2007. The analysis reveals that this expansion was not uniform across the branches of activity. During the recent period, employment has declined in defence and in some federal government departments, such as FPS Finance. Conversely, growth has been particularly marked in transport and in administration, especially where those services come under the local authorities or certain federal departments such as justice. In a broader context, employment in public enterprises has shown a marked fall, while there has been a big increase in subsidised jobs, be it in health and social work or under the service voucher scheme.

All government sub-sectors have shared in the employment growth recorded since 1995. The Communities and Regions account for almost 30 p.c., and the federal level, including social security, represents 10 p.c. The biggest contribution comes from the local authorities which account for over 60 p.c. of that growth. In the local authorities, the new jobs created in the administration branch of activity did not relate to civil service functions but concerned social work, the police and cultural and sports positions.

An ever diminishing proportion of staff has civil servant status, and women are increasingly in the majority. Moreover, the standard of skills of public sector personnel is constantly improving.

In view of the age pyramid and current retirement and pre-retirement patterns, departures should be staggered without reaching disproportionate levels in the next five to ten years. However, the numbers leaving are expected to be greater in some branches, departments and institutions.

Any discussion on possible staff cuts in the general government sector must form part of a broader debate which takes account of efficiency and performance. Thus, to counterbalance the increase in the tasks delegated to the government in recent years, it would be appropriate to review the social benefits of older functions which may have become obsolete. The adjustments resulting from such an analysis would require human resources management to operate an active mobility policy. That mobility is also necessary in response to the normal retirement or early retirement of cohorts of general government sector workers.

EMPLOYMENT IN THE GENERAL GOVERNMENT SECTOR

(number of persons, data adjusted for breaks in the series⁽¹⁾)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Federal government and social security	173,503	172,042	173,108	174,512	177,269	179,237	180,815	182,599	181,685	179,135	180,682	179,567	180,095
Administration ⁽²⁾	124,043	124,326	126,492	127,709	130,837	132,598	135,142	137,746	136,792	135,135	136,422	136,521	137,977
Defence	49,460	47,716	46,616	46,803	46,432	46,639	45,673	44,853	44,893	44,000	44,260	43,046	42,118
Communities and Regions	320,398	313,951	312,036	314,232	318,254	316,292	316,893	321,477	327,936	334,071	338,515	341,807	343,081
Education	256,404	248,302	244,223	245,081	247,091	245,514	245,453	247,901	251,962	256,432	260,421	262,766	263,196
Administration	43,199	44,326	45,932	46,214	47,778	47,420	47,935	48,632	49,989	53,692	55,035	55,738	55,910
Transport ⁽³⁾	20,795	21,323	21,881	22,937	23,385	23,358	23,505	24,944	25,985	23,947	23,059	23,303	23,975
Local authorities	229,057	236,872	233,070	234,930	239,997	245,098	250,790	255,484	259,572	264,328	271,250	276,267	277,969
Administration	155,959	158,328	154,616	155,735	160,596	164,736	167,398	172,460	177,153	179,668	184,809	188,081	189,461
Education	53,854	58,632	59,186	60,193	60,434	60,796	63,633	64,964	63,811	65,030	67,075	68,035	68,041
Transport ³	19,244	19,912	19,268	19,002	18,967	19,566	19,759	18,060	18,608	19,630	19,366	20,151	20,167
General government sector	722,958	722,865	718,214	723,674	735,520	740,627	748,498	759,560	769,193	777,534	790,447	797,641	801,145
<i>p.m. Idem, not adjusted for breaks in the series . . .</i>	<i>723,396</i>	<i>723,359</i>	<i>718,755</i>	<i>724,262</i>	<i>736,142</i>	<i>741,274</i>	<i>749,169</i>	<i>765,987</i>	<i>775,641</i>	<i>783,947</i>	<i>796,144</i>	<i>803,301</i>	<i>806,689</i>

Sources: NAI, NBB for the breakdown by sub-sector and by branch of activity.

(1) In order to avoid breaks in the series due to statistical reclassification, the public broadcasting corporations and Aquafin were dropped from the data. They were also adjusted to neutralise the impact of the transfer, in 2002, of 8,500 former gendarmes from the federal government to the local authorities.

(2) At federal level, jobs which come under education and publishing were reclassified in the administration branch.

(3) Scheduled passenger transport (only for Regions) and other supporting transport activities.