

Report on the role of the public sector in Belgium

Ty Yiu

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In a 2,500 words (+/- 10%) report describe and analyse the role of the public sector in a chosen country. Conduct proper research and The areas of interest may include but are not limited to: the historic development of the public sector, the size of the public sector, taxation, welfare provisions, the role of state in the economy.

Any special aspects?

- I believe there is a wealth tax and/or higher than usual income tax
 - [Belgium, New Tax on Resident and Nonresident, KPMG Global](#)
- There's unusually high public spending in Belgium relative to other European countries. This is due to the decision to increase public spending made in 2008 following the financial crisis, aiming to increase economic activity and provide stability. (Which it did) since then though, public spending hasn't been radically changed.
- A quick search about the public sector in reference to Belgium revealed recent Labour strikes, heavily criticizing the public spending of the government. (What is this about, considering the last bullet-point?)

Executive Summary

Introduction

[OECD Country Fact Sheet Belgium 2015](#)

- 11.2M = Population

- Declining population
- 49,512 US\$ per Capita = GDP
 - Declining GDP
- 7.1% unemployment of labour force
- 121.9% of GDP = government debt
- 117.4% of disposable income = household debt
- 12.1% of GDP = tax on personal income
- High increasing trend in spending in education
- 52.2% of GDP = General government spending
- 11,731.6 SDR millions in reserves
- 4.1% of GDP = corporate tax collected
- 44.6% of GDP = tax revenue
- 2nd highest social spending among OECD countries
 - [Social protection - Social spending - OECD Data](#)
- Highest OECD public unemployment spending, more than double that of the OECD average
 - OECD (2019), Public unemployment spending (indicator). doi: 10.1787/55557fd4-en (Accessed on 07 April 2019)-

Relative to average OECD public spending on labour markets, Belgium spends a high amount into PES (public employment services) or subsidies. There's a slight decreasing trend in said spending.

Public spending on labour market programmes includes public employment services (PES), training, hiring subsidies and direct job creations in the public sector, as well as unemployment benefits. PES includes placement and related services, benefit administration and other expenditure. Training includes institutional, workplace and alternate/integrated training, as well as special support for apprenticeship. Employment incentives includes recruitment incentives, employment maintenance incentives, and job rotation and job sharing. Out-of-work income maintenance and support includes full unemployment benefits, unemployment insurance, unemployment assistance, partial unemployment benefits, part-time unemployment benefits, redundancy and bankruptcy compensation. Data are based mainly on information about individual labour market programmes which appears in state budgets, and the accounts and annual reports of bodies which implement the programmes. This indicator is measured as a percentage of GDP.

- OECD (2019), Public spending on labour markets (indicator). doi: 10.1787/911b8753-en (Accessed on 07 April 2019)-

Pension spending is similar to Germany and Spain in terms of amount spent. There's a ¼ more spending compared to the OECD average.

[Belgium - OECD Data](#)

The role of the public sector in Belgium

- Public spending:
 - Public Employment:
 - * [Working in the public sector - Région bruxelloise - Brussels Gewest](#)

- Taxation:

Ever since the introduction of the new legislation of Article 6 of the VAT Code of July 1, 2007 – which has been altered numerous times since then – a lot has changed for the Belgian governments. In general it can be said that the VAT duty has been extended.

- [Deloitte Belgium | Public Sector](#)

Conclusion

References