

Lead Piece

By Jean-Claude Marcourt and Frank Vandenbroucke

A call for action and dialogue in the interest of economic recovery and social progress⁷

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In the current economic and financial crisis the authorities should take direct and efficient action at all levels to reestablish the confidence of enterprises and citizens alike and to guarantee their social and financial security. At the European level, the Party of the European Socialists (PES) has just approved a recovery plan. We ask the member states and the European Union to urgently take proactive and coordinated measures through investment programs in order to preserve employment, avoid dismissals and develop a sustainable economy. In Wallonia and Flanders, our regional governments proposed ambitious recovery measures to facilitate the granting of credit to companies, to accelerate and to promote public and private investments in sustainable economic development, and to strengthen our labor market policies, especially for workers hit by restructuring. Together with the federal government we are constructively collaborating to the elaboration of a general short-term anti-crisis plan.

In the same constructive spirit, we also participated in the discussions that occurred within the framework of the inter-community dialogue. A debate on institutional reform is for us neither a fetish nor a taboo. Quite to the contrary, it is a way of guaranteeing in the long run the further development of both the federal state and the federated entities. We believe that, if each authority is given clearly circumscribed competencies, enhancing the federated entities's capacity for action can go hand in hand with enhancing that of the federal authority. Each of the entities can thereby become more efficient, while the whole they form can become more coherent.

We believe that what binds together both the authorities and all the citizens of this country is a strong and therefore sustainably financed Social Security system, i.e. one that guarantees, in particular, sound pensions and health care for all. To achieve this, we must make sure that more people are in work. As a point of departure, we assert that labour law, wage policy, the various branches and funding mechanisms of the Social Security system should remain a federal competence. On the other hand, the federated entities must be enabled to exercise all the competencies that are required in order for them to fulfill their main assignment with regard to employment, namely the active counseling and the following-up of job seekers and workers, including training (alternate work and study schemes, paid educational leave), taking the specificities of their respective labour markets into account. Thus, the general rules regarding suitable employment and exemption from availability for work remain federal, whereas their concrete implementation is performed by the regions, who have to make commitments to the federal authorities within this framework.

⁷ The original version of this text appeared on December 8, 2008, simultaneously in Dutch (in *De Standaard*) and in French (in *Le Soir*). It can be downloaded from http://www.vlaanderen.be/servlet/Satellite?c=Article_C&cid=1227854145950&pagename=minister_frank_vandenbroucke%2FArticle_C%2FArticlePageMIN&lang=NL and from http://www.vlaanderen.be/servlet/Satellite?c=Article_C&cid=1227854152573&pagename=minister_frank_vandenbroucke%2FArticle_C%2FArticlePageMIN&lang=NL

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In this connection, we would like to investigate whether there may be a point in regionalizing some measures of job matching and of employment, such as the Local Employment Offices (*PWA/ALE*), outplacement, the counseling of employees in the context of restructuring, and temporary work permits. As regards reductions in Social Security contributions and employment plans, we plead for a simplification of the current schemes and for better targeting, tailored to the regional realities. In this domain, however, we await the conclusions of the ongoing negotiations between the trade unions and employer organizations.

In aforementioned reforms one obviously needs to take account of the customs of negotiation between the social partners. Lastly, a strengthening of the competencies of the regions and communities should be coupled with a funding scheme that combines incentives and accountability while taking the needs and capacities of each government into account and yielding a positive return on investment for both the regions as the federal authority.

This is an outline of our position regarding the institutional reform of employment policy. A strengthening of regional labour market policy affords us a greater opportunity to collaborate in order to make our labour market more dynamic. But launching such dynamics requires unblocking the inter-community deadlock and resuming work within the framework of the inter-community dialogue. A new conflict between communities would be unacceptable, indeed irresponsible on the background of the present economic crisis. Finally, we consider that what we can achieve in this area should be achievable in other areas too.