

This Annex monitors Belgium’s progress in ensuring a fair transition towards climate neutrality and environmental sustainability, notably for workers and households in vulnerable situations. In 2021-22, the number of jobs in the green economy rose in Belgium. Green skills are key to support the fair green transition, in line with the Council Recommendation⁽⁵⁹⁾, and the implementation of REPowerEU. Belgium’s recovery and resilience plan (RRP) as well as its European Social Fund Plus (ESF+), outline important reforms and investments for a fair green transition⁽⁶⁰⁾. The RRP supports training and labour market reforms aimed at increasing training for the unemployed and improving efficiency in activating jobseekers.

While the green economy is expanding, employment in Belgium’s sectors most affected by the green transition remains stable, but workers in declining activities need active support. The employment rate in Belgium is at 71.9% in 2022, well below its 2030 target of 80%. The greenhouse gas (GHG) emissions intensity of Belgium’s workforce declined from 19.2 to 16.6 tonnes per worker between 2015 and 2021, still above the EU average of 13.7 tonnes (see Graph A8.1). Employment in Belgium’s energy-intensive industries (EII) represented a stable share of 2.6% of total employment in 2021 (in 2020: 2.6% vs 3.0% in the EU), with 44 300 jobs in the manufacture of fabricated metal products. Total jobs in the environmental goods and services sector grew by 17.1% (to 48 000) during 2015-19 (EU: +8.3%), reaching 1% of total employment (the EU average is 2.2%, see Annex 9 for circular jobs specifically). The job vacancy rate in construction, which is a key sector for the green transition, stands at 5.9%, above the EU average (4.0%)⁽⁶¹⁾, indicating a tight labour market in this sector that risks creating bottlenecks in the green transition. To respond to those challenges, 16% of the ESF+ funding contributes to green skills and

jobs, including support for self-employment in the green economy.

Upskilling and reskilling in declining and transforming sectors slightly increased, but skills mismatches remain important. An increasing job vacancy rate coupled with low employment and high inactivity rates suggest that there are substantial skills mismatches including in sectors requiring low- to middle-levels of skills. Skills are key for smooth labour market transitions and preserving jobs in transforming sectors. In energy-intensive industries, workers’ participation in education and training increased from 6.1% in 2015 to 8.7% in 2021 (EU: 8.9%), while 40% of citizens believe they do not have the necessary skills to contribute to the green transition (EU: 38%)⁽⁶²⁾. To address this challenge, the RRP invests in training infrastructure related to the green transition (in Wallonia).

⁽⁵⁹⁾ Council Recommendation of 16 June 2022 on ensuring a fair transition towards climate neutrality, 2022/C 243/04 covers employment, skills, tax/benefit and social protection systems, essential services and housing.

⁽⁶⁰⁾ See 2022 Country Report (Annex 6) and Annex 3 for an overview.

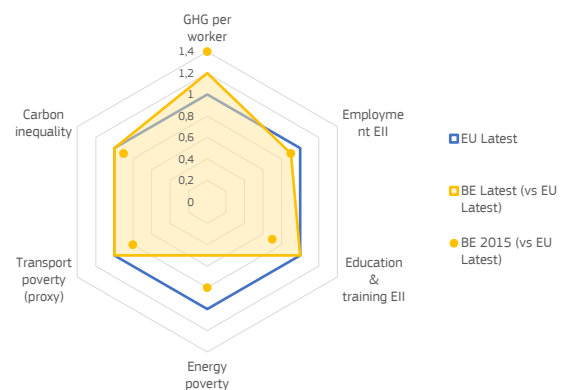
⁽⁶¹⁾ Eurostat (JVS_A_RATE_R2)

⁽⁶²⁾ Special Eurobarometer 527. Fairness perceptions of the green transition (May – June 2022).

⁽⁶³⁾ Energy poverty is a multi-dimensional concept. The indicator used focuses on an outcome of energy poverty. Further indicators are available at the [Energy Poverty Advisory Hub](#).



Graph A8.1: Fair transition challenges in Belgium

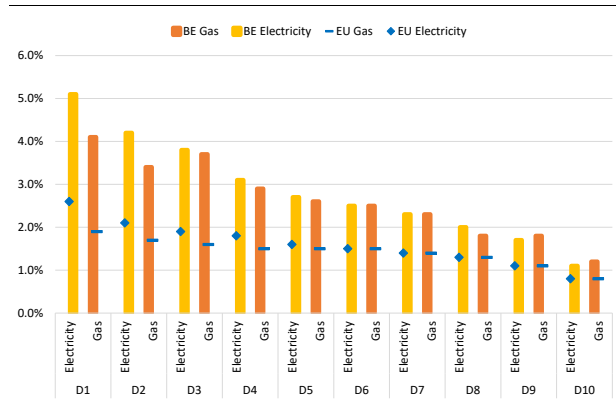


Source: Eurostat, EMPL-JRC GD-AMEDI/AMEDI+ projects and World Inequality Database.

Energy poverty indicators have improved in recent years, but the current spike in energy prices reversed this positive trend. The share of the population unable to keep their homes adequately warm declined to 3.5% in 2021, before returning to pre-crisis level of 5.1% in 2022⁽⁶³⁾. In particular, 12% of the population at risk of poverty were affected in 2022 (EU: 16.4% in 2021), and 3.2% of lower middle-income households (in deciles 4-5) in 2021 (EU: 8.2% in 2021). Before the energy price hikes, an estimated 23.2% of the

total population and 57.9% of the (expenditure-based) at-risk-of-poverty (AROP) population had residential expenditure budget shares on electricity, gas, and other fuels⁽⁶⁴⁾ above 10% of their household budget (in comparison with the estimated EU average of 26.9% and 48.2%, respectively).

Graph A8.2: **Distributional impacts of energy prices due to rising energy expenditure (2021-2023)**



Mean change of energy expenditure as a percentage (%) of total expenditure per income decile (D) due to observed price changes (August 2021 – January 2023 relative to the 18 months prior), excl. policy support and behavioural responses. **Source:** EMPL-JRC GD-AMEDI/AMEDI+ projects, based on Household Budget Survey 2015 and Eurostat inflation data for CP0451 and CP0452.

The impact of rising energy prices in 2021-23, linked to Russia’s war against Ukraine, on purchasing power of households has been largely mitigated by the automatic indexation of wages and benefits. However, the impact is not even across the income distribution, benefitting in particular households with a high income⁽⁶⁵⁾. On the other hand, low-income households benefitted proportionally more from targeted government support. As a result of energy price changes during the August 2021 to January 2023 period relative to the 18 months prior (see Annex 7), in the absence of policy support and behavioural responses, the fraction of individuals living in households spending more than 10% of their budget on energy would have increased by 35.2 pps for the whole population and by 32.5 pps among the (expenditure-based) AROP population (16.4 pps and 19.1 pps in the EU,

⁽⁶⁴⁾ Products defined according to the European Classification of Individual Consumption according to Purpose ([ECOICOP](#)): CP045.

⁽⁶⁵⁾ Capéau et al. (2022)

respectively)⁽⁶⁶⁾. For electricity and gas, expenditure shares of low and lower-middle income groups would have increased the most, in line with EU-wide effects, as shown in Graph A8.2. Among the (expenditure-based) AROP population, the share of individuals living in households with budget shares for private transport fuels⁽⁶⁷⁾ above 6% would have increased more than the EU average (8.8 pps vs 5.3 pps in the EU) to 37.1% in January 2023 due to the increase in transport fuel prices. According to Special Eurobarometer 527, almost all citizens (96%) consider rising energy prices to be a serious problem⁽⁶⁸⁾. Looking to promote energy efficiency, the RRP aims to renovate 200 000 residential and social dwellings across regions.

Access to public transport displays an urban-rural divide. Overall, citizens perceive public transport to be fairly available (53% vs 55% in the EU), affordable (52% vs 54% in the EU) and of good quality (54% vs 60% in the EU). As regards these perceptions, rural areas in Belgium perform worse than urban areas, on average at the same level as rural areas in the EU overall. The share of employees in the private sector with a company car is high (22%) and continues to increase (+26.1% as compared to 2016)⁽⁶⁹⁾. This limits the attractiveness of public transport. The average carbon footprint of the top 10% of emitters among the population in Belgium is 4.8 times higher than that of the bottom 50%, in line with the EU average (5.0 times higher). The average levels of air pollution in 2020 stood below the EU average (9.4 vs 11.2 µg/m PM2.5), with 38% of the population living in regions exposed to critical levels of air pollution⁽⁷⁰⁾, leading to significant health impacts, in particular on vulnerable groups, and 3 927 premature deaths annually⁽⁷¹⁾.

⁽⁶⁶⁾ [EMPL-JRC GD-AMEDI/AMEDI+](#) ; see details in the related technical brief.

⁽⁶⁷⁾ ECOICOP: CP0722.

⁽⁶⁸⁾ Special Eurobarometer 527.

⁽⁶⁹⁾ Acerta (2022)

⁽⁷⁰⁾ Two times higher than the recommendations in the WHO Air Quality Guidelines (annual exposure of 5µg/m3).

⁽⁷¹⁾ [EEA- Air Quality Health Risk Assessment](#).

Table A8.1: **Key indicators for a Fair Transition**

Indicator	Description	BE 2015	BE Latest	EU Latest
GHG per worker	Greenhouse gas emissions per worker - CO2 equivalent tonnes	19.2	16.6 (2021)	13.7 (2021)
Employment EI	Employment share in energy-intensive industries, including mining and quarrying (NACE B), chemicals (C20), minerals (C23), metals (C24), automotive (C29) - %	2.8	2.6 (2020)	3 (2020)
Education & training EI	Adult participation in education and training (last 4 weeks) in energy-intensive industries - %	6.1	8.7 (2021)	8.9 (2021)
Energy poverty	Share of the total population living in a household unable to keep its home adequately warm - %	5.2	3.5 (2021)	6.9 (2021)
Transport poverty (proxy)	Estimated share of the AROP population that spends over 6% of expenditure on fuels for personal transport - %	28.4	37.1 (2023)	37.1 (2023)
Carbon inequality	Average emissions per capita of top 10% of emitters vs bottom 50% of emitters	4.7	4.8 (2020)	5 (2020)

Source: Eurostat (env_ac_ainah_r2, nama_10_a64_e, ilc_mdcs01), EU Labour Force Survey (break in time series in 2021), EMPL-JRC GD-AMEDI/AMEDI+ projects and World Inequality Database (WID).