Industrial relations in Belgium

Belgrade, 25th October 2019

Annick HELLEBUYCK, Senior adviser
ah@vbo-feb.be
### About Belgium ...

<table>
<thead>
<tr>
<th></th>
<th>Belgium</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
<td>11,376,070</td>
</tr>
<tr>
<td><strong>GDP per capita</strong></td>
<td>38,518 €</td>
</tr>
<tr>
<td><strong>Real GDP growth</strong></td>
<td>1,5 %</td>
</tr>
<tr>
<td><strong>Employment rate</strong></td>
<td>69,7 %</td>
</tr>
<tr>
<td><strong>Unemployment rate</strong></td>
<td>6,0 %</td>
</tr>
<tr>
<td><strong>Public debt in % of GDP</strong></td>
<td>100 %</td>
</tr>
<tr>
<td><strong>Below poverty line</strong></td>
<td>16,4 %</td>
</tr>
</tbody>
</table>

Source: National Bank of Belgium & Statbel
Summary

1. FEB
2. Social dialogue in Belgium
3. Bipartite dialogue at 3 levels
4. National Labour Council (CNT)
5. Central Economic Council (CCE)
6. Benchmark
7. Conclusion
1. FEB
the voice of Belgian business

1895

CCTI
(Central Committee of Industrial Labour)
First intersectoral employers' federation

1913

CCI
(Central Industrial Committee)
- Expansion of representativeness
- Objective: to defend the general interests of industry

1946

FIB
(Federation of Belgian Industries)
- Social Pact
- Emergence of a social dialogue-based economy

1973

FEB
(Federation of Enterprises in Belgium)
- Merger between FIB (Federation of Belgian Industries) and FENIB (Federation of Non-Industrial Enterprises of Belgium)

2002

FEB ASBL
(non-profit association)
- FEB adopts legal personality
FEB represents...

- 3 regions
- 50,000 companies (profit sector)
- 75% of employment in the private sector
- 80% of exports
- 2/3 of added value
Our members federations
FEB's internal structure

Six competence centres

- Law & Business
- Sustainable Development & Mobility
- Economics & Business Cycle
- Europe & International
- Taxation & Investment
- Labour & Social Security

- Legal Committee
- Economic Committee
- SME Committee
- Belgian Association of Listed Companies
- Social Affairs Committee
- Supplementary Pensions Working Group
- Ad hoc groups

- European Environmental Policy Platform
- Mobility Platform
- International Platform
- Belgian Business for Europe
- Tax Committee
Adapt to the challenges of the 21st century

Save the date
13/02/2020
FEB: role in social affairs

• Negotiations:
  o Bipartite: wages and working conditions
  o Tripartite: e.g. “Solidarity Pact between Generations”

• Joint management of social security

• Lobbying:
  o at national level
  o at European level
2. Social dialogue in Belgium

History of the “Belgian socio-economic model”:

• Social Pact: 1944
  ✓ institutionalized collaboration
  ✓ compulsory social security

  ✓ 3 levels
  ✓ ‘representative organisations’
  ✓ collective labour agreements + extension by Royal Decree
  ✓ unique: gross wages follow automatically the evolution of inflation
  ✓ trade unions enjoy a number of protections and privileges
Which are the representative social partners?

✓ Legal criteria
✓ Employers’ Organizations
  - **FEB** (profit sector)
  - **UNIZO & UCM** (SME’s)
  - **Boerenbond** (agriculture)
  - **UNISOC** (social profit)
✓ Trade Unions (min. 125,000 affiliates)
  - **ACV-CSC** (catholic) 52%
  - **ABVV-FGTB** (socialist) 37%
  - **ACLVB-CGSLB** (liberal) 11%
3. Bipartite social dialogue at 3 levels

- **Company level**
- **Sectoral level**
- **National Labour Council**
- **Group of 10 National Labour Council**

Levels:
- **Informal**
- **Formal**

Groups:
- **Interprofessional level (national)**
1) At National level (intersectoral)

- "Group of 10": general framework (private sector):
  - Biennial
  - Wage increase (on top of "wage indexation")
  - Improvement working conditions

- **National Labour Council** (CNT): Advisory function / CLA’s / Recommendations in employment affairs

- **Central Economic Council** (CCE): Advisory function in economic affairs

- Governing bodies of **national social security** institutions
Example: social agreement private sector 2019-2020

- Wage margin: +1,1% labour cost
  - on top of indexation
  - law prohibits exceeding this margin
- Increase minimum wage (now 1.650 EUR/monthly gross salary)
- Mobility: net allowances for public transport
- Targeted revaluation of social benefits in order to reduce poverty (envelope 700 million EUR)
- Small progress in flexibility: overtime chosen individually
- Early departure: gradually increase age and conditions
2) At Branch/sector level (approx. 170 Joint Committees)

- Implementation of national (wage) agreement
- Autonomous items (working conditions, working [over]time, early retirement, ...)
- Possibility of autonomous “social funds”
- CLA’s need to be signed by all member organizations
  - => Extension by ‘Royal Decree’
- Conciliation in joint bodies at branch level

Topic: white-collar & blue-collar JC to be merged in the same branch but lot of resistance
Consultation bodies at sectoral level

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Joint Committees*</td>
<td>100</td>
</tr>
<tr>
<td>Number of Joint sub-Committees*</td>
<td>62</td>
</tr>
<tr>
<td>Number of mandates</td>
<td>5.260</td>
</tr>
<tr>
<td>Number of people with (at least) a mandate</td>
<td>2.890</td>
</tr>
<tr>
<td>of which employer representatives</td>
<td>1.886</td>
</tr>
<tr>
<td>of which employee representatives</td>
<td>1.004</td>
</tr>
</tbody>
</table>

* Most JC’s have established one or more Funding (social) Funds
3) At Company level

- **Formal dialogue**: information and/or consultation of elected bodies
  - Companies (≥ #100 workers): Works Council
  - Companies (≥ #50 workers): Prevention & Protection Committee (OSH)
  - Depending on different thresholds below #50 (fixed by the JC): Union Delegation only on request of the unions: role is defending individual rights & claiming collective interests

- **Informal dialogue**: direct participation
  - Companies without Union Delegation (< 50 workers / SMEs)
  - Companies with formal bodies (voluntary process)

I. What?

• Public-law body financed by Government (permanent secretariat)

II. Composition

• Members are designated by representative employers’ organisations (EO) and trade unions (TU). Appointed by Royal Decree for 4 years
• Chairperson is appointed by Royal Decree
• Secretariat: organizes the meetings; writes the minutes; collates documentation
• Structure:
  - executive body
  - (many) bipartite Committees: experts from EO & TU
  - plenary Council
III. Tasks

a) Delivering **opinions** (consultative mission)
   - Advises government and parliament on labour law and social security (opinions, proposals, reports)
   - On its own initiative or at request of Government or Parliament
   - Opinions can be unanimous or divided
   - Unanimous opinions generally taken into account by government and parliament

b) Concluding collective **collective labour agreements**
   - 143 CLA’s (+ updates) until now : see website [www.cnt.be](http://www.cnt.be)
   - CLA’s can be extended (declared generally binding) for all companies of private sector by Royal Decree
Themes of collective labour agreements: employer-employee relationship

- Wages
- Employment contract
- Working time, flexibility
- Work/life balance: time credit, parental leave
- Lifelong learning
- Early retirement
- Peaceful industrial relations
- Etc...
5. Central Economic Council: CCE

I. What?

• Autonomous and bipartite public-law body financed by Government
• Interface Government/Social partners on social-economic policy

II. Composition: similar to National Labour Council

III. Tasks: consultative mission

• Advises Government and Parliament on social-economic policy
• At their request or on its own initiative
• Drafts annual report on employment and labour cost (BEL compared to DE/FR/NL) in order to set wage margins every two years (link with “Group of 10”)
Belgium & Finland: central level is dominant

Source: ICTWSS database (Visser 2015).

(1) 5 = bargaining predominantly takes place at central or cross-industry level and there are centrally determined binding norms or ceilings to be respected by agreements negotiated at lower levels; 4 = intermediate or alternating between central and industry bargaining; 3 = bargaining predominantly takes place at the sector or industry level; 2 = intermediate or alternating between sector and company bargaining; 1 = bargaining predominantly takes place at the local or company level.
High representativeness ratio & high coverage of bargaining

Trade union density

Employer organisation density

Collective bargaining coverage
“Industrial relations index” by Eurofound (1°)
“Industrial relations index” by Eurofound (2°)

- Belgium
- EU28

Diagram showing indices in industrial democracy, industrial competitiveness, quality of work and employment, and social justice.
Mutual trust among social partners

Data on workplace social dialogue EU countries

EU-level: high level of trust  >  <  Belgium: low level of trust

Source: European Foundation Dublin, 3rd EU Company Survey, 2015
(interesting qualitative data on workplace dialogue via survey amongst 30,000 management and workers representatives)
Strike actions

Average number of strike days per 1000 employees
(Source: WSI, DE)

Average 2007-2016

Number of strike days in Belgium
(Source: RSZ)
7. Conclusion
Bipartism: tool of success?

Strenghts

• **Bipartite bodies** are important platforms for ‘tough’ but fruitful discussions/agreements on difficult social and economic issues

• **Unanimous opinions** of bipartite bodies are largely taken into account by government

• **Collective agreements concluded in CNT** can be extended for all companies by Royal Decree. Idem at branch level in JC’s. Importance of level playing field

• **Secretariat’s work** (quality of minutes, preparation of reports and studies) allows quality negotiations and gain of time

• **Chairmen/women** can help to achieve consensus
Weaknesses

• Too little mutual trust

• Not enough common vision on the necessary adaptations of the labour market

• CLA’s are not enforceable towards trade unions (no legal personality of TU) ; no clear rules on the right to strike ; right of veto to change the organization of work (night work, atypical schedules)
  => This can lead to immobilism
  => Political institutions question the added value of social partners

Challenge

How to renew the “social pact 1944” in order to develop growth and jobs in the 21st century?
Some useful links

- Federal Government: [www.belgium.be](http://www.belgium.be)
- Central Economic Council [http://www.ccecrb.fgov.be](http://www.ccecrb.fgov.be)
- Federation of Enterprises in Belgium (FEB): [www.feb.be](http://www.feb.be)