

# Industrial relations in Belgium

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# About Belgium ...



2019	Belgium
Population	11.376.070
GDP per capita	38.518 €
Real GDP growth	1,5 %
Employment rate	69,7 %
Unemployment rate	6,0 %
Public debt in % of GDP	100 %
Below poverty line	16,4 %

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

1913

1946

1973

2002

**CCTI**  
(Central  
Committee of  
Industrial Labour)

First intersectoral  
employers'  
federation

**CCI**  
(Central Industrial  
Committee)

- Expansion of  
representativeness
- Objective: to  
defend the general  
interests of industry

**FIB**  
(Federation of  
Belgian  
Industries)

- Social Pact
- Emergence of a  
social dialogue-  
based economy

**FEB**  
(Federation of  
Enterprises in  
Belgium)

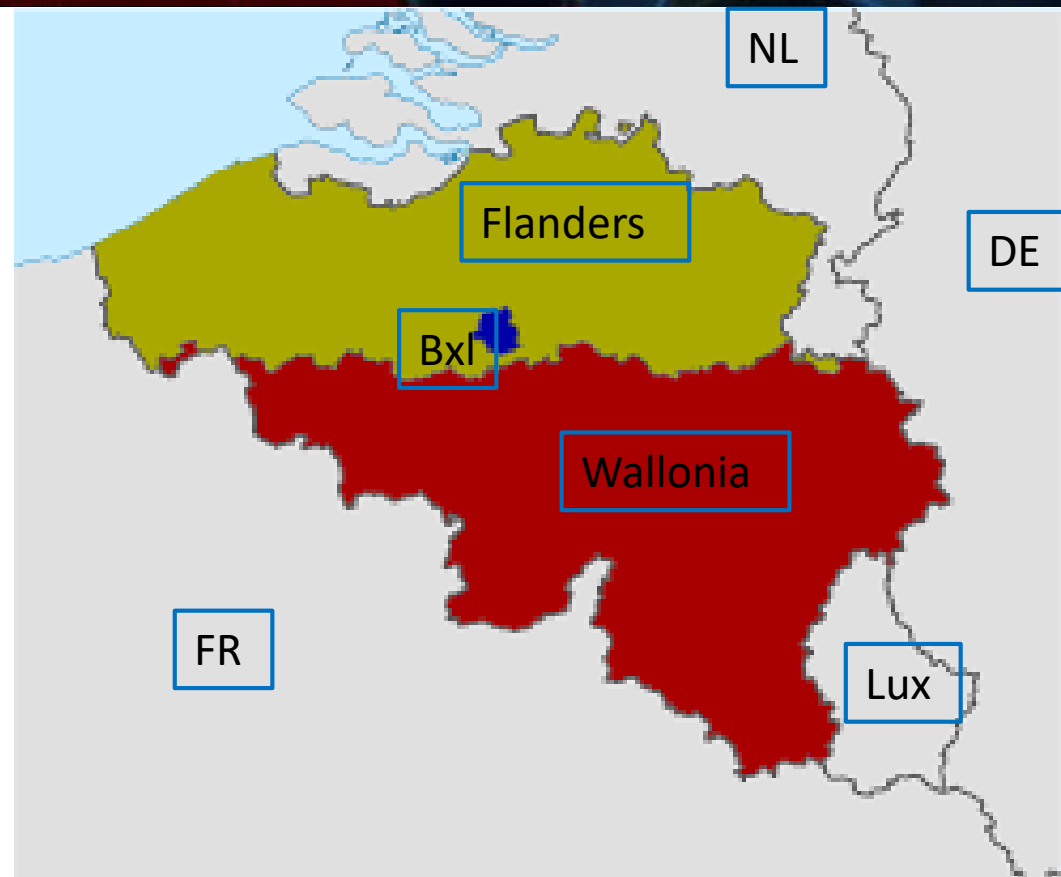
- Merger between  
FIB (Federation of  
Belgian Industries)  
and FENIB  
(Federation of  
Non-Industrial  
Enterprises of  
Belgium)

**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



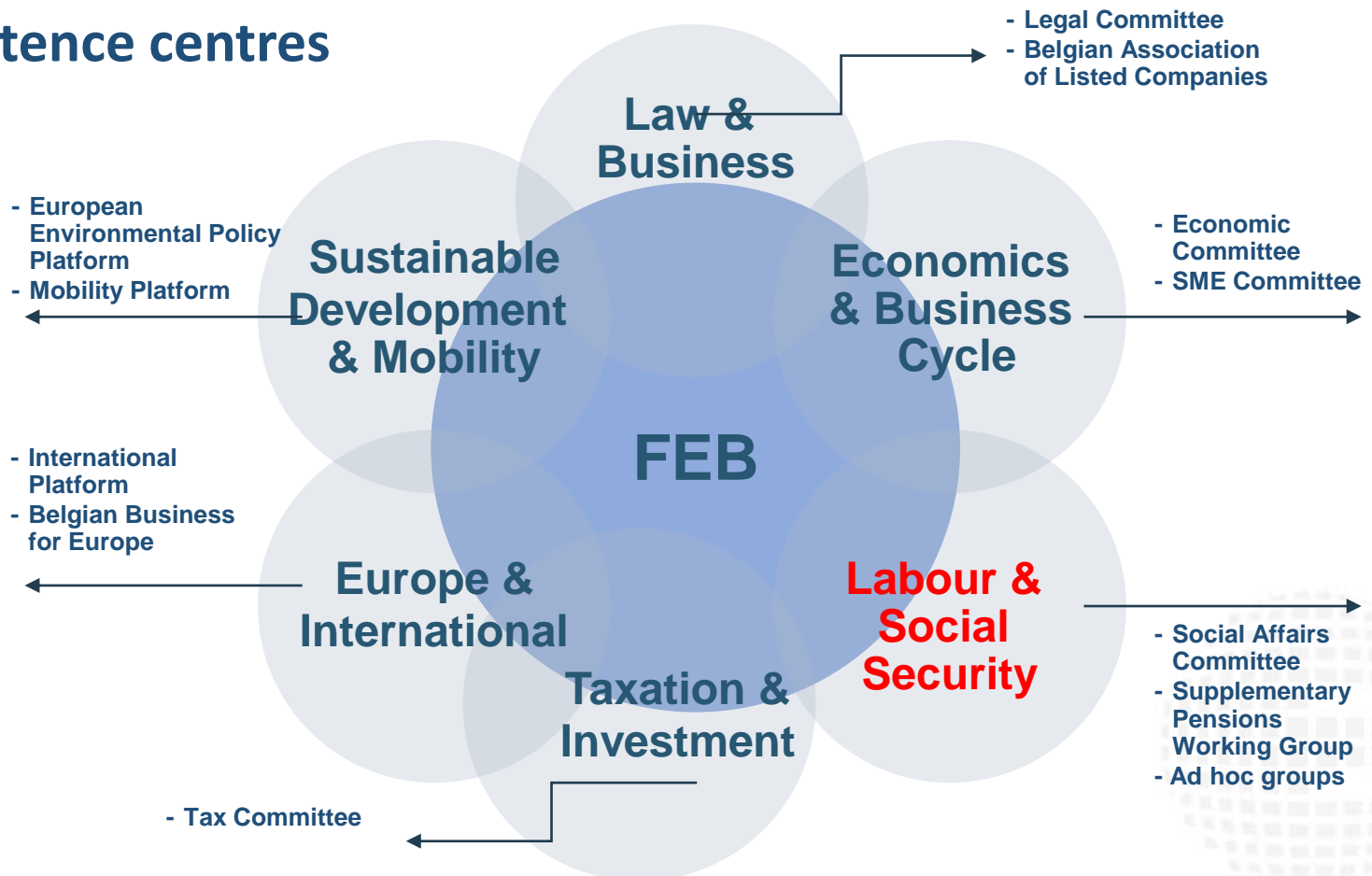


# Our members federations



# FEB's internal structure

## Six competence centres





Adapt to the challenges of  
the 21<sup>st</sup> century



Save the date  
13/02/2020







## FEB : role in social affairs

- Negotiations :
  - Bipartite: wages and working conditions
  - Tripartite: e.g. “Solidarity Pact between Generations”
- Joint management of social security
- Lobbying :
  - at national level
  - at European level

## 2. Social dialogue in Belgium

### History of the “Belgian socio-economic model” :

- **Social Pact : 1944**
  - ✓ institutionalized **collaboration**
  - ✓ compulsory **social security**
- **Social dialogue : laws 1948, 1952, 1968, 1991, 1996, ...**
  - ✓ 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

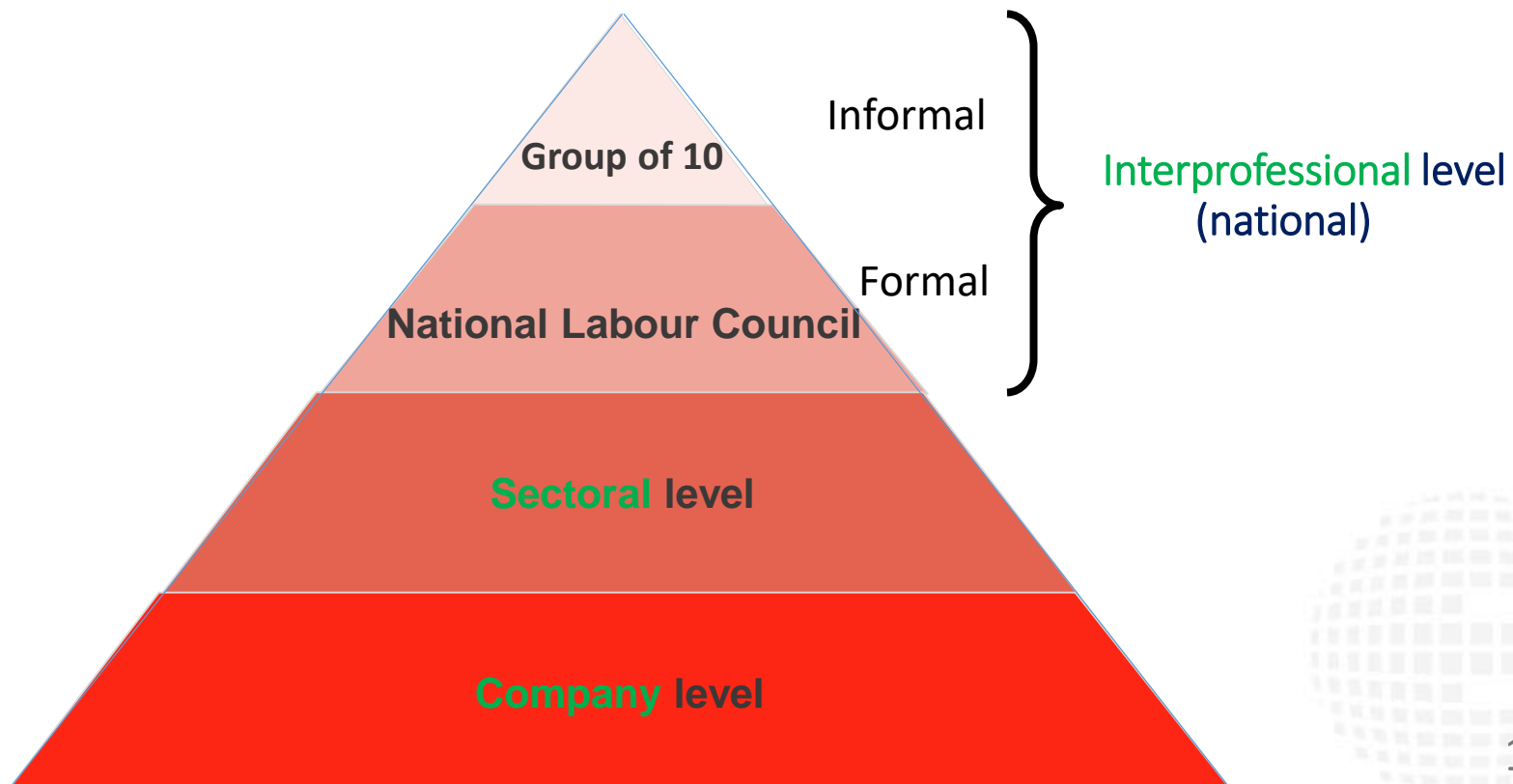


## Which are the representative social partners ?

- ✓ 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





## 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

	2019
Number of Joint Committees*	100
Number of Joint sub-Committees*	62
Number of mandates	5.260
Number of people with (at least) a mandate	2.890
of which employer representatives	1.886
of which employee representatives	1.004

\* *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 ( $\geq$  #100 workers): **Works Council**
  - Companies ( $\geq$  #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)

## 4. National Labour Council : CNT

### 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

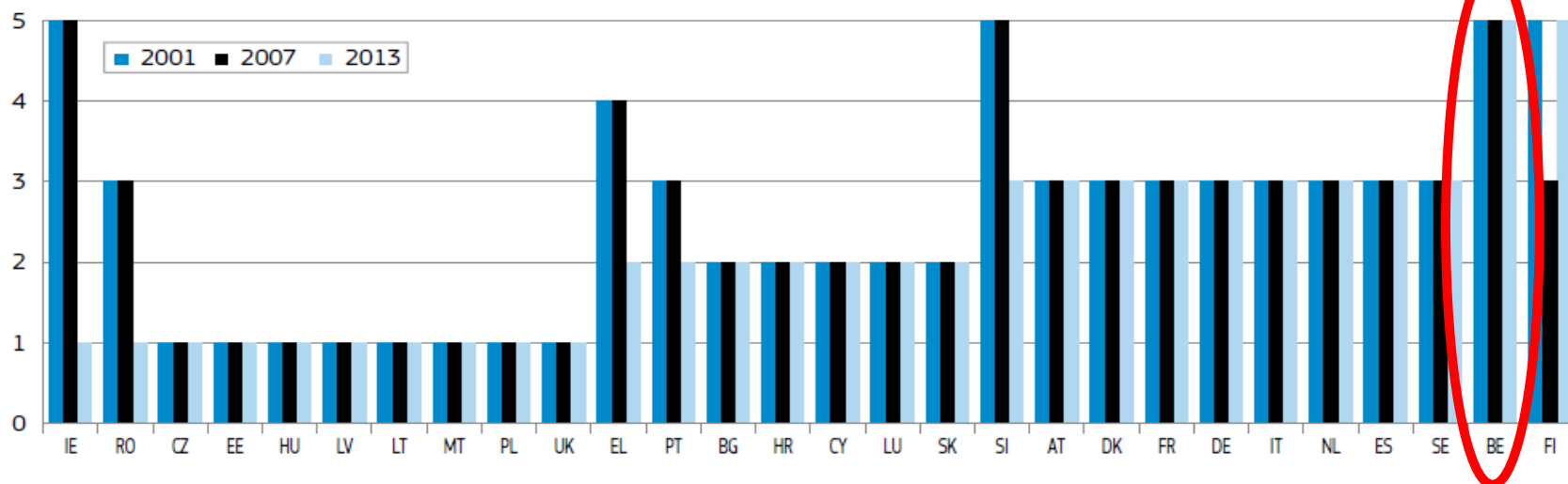
### III. Tasks : consultative mission

- 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”)

## 6. Benchmark

### Belgium & Finland : central level is dominant

Chart 1.5. Dominant level of bargaining<sup>(1)</sup> in EU Member States, 2001-13

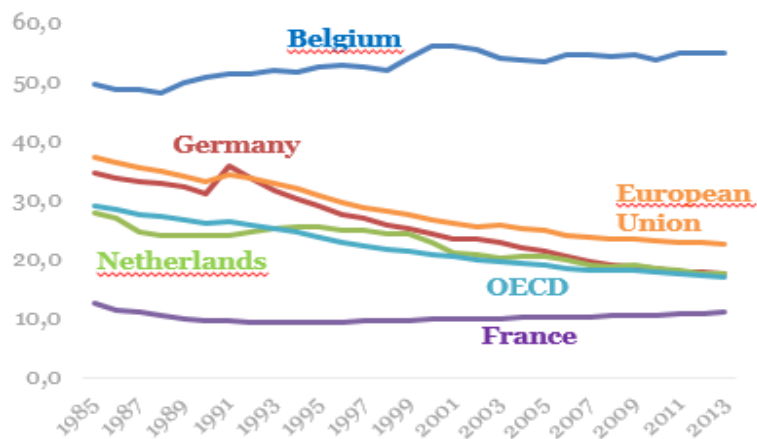


Source: ICTWSS database (Visser 2015).

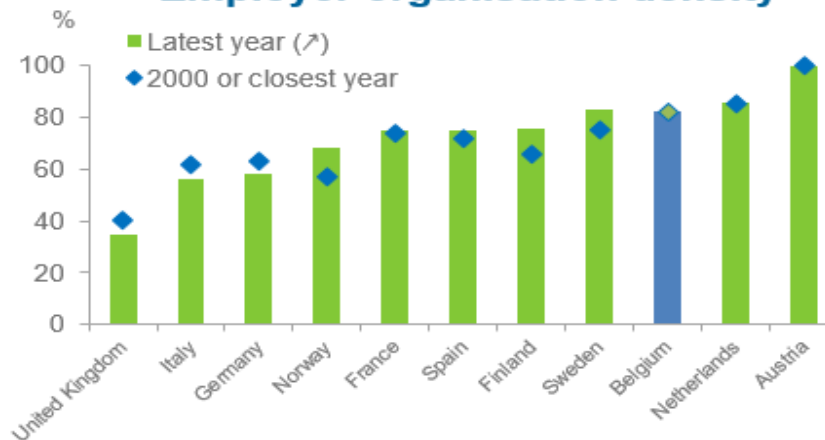
- <sup>(1)</sup> 5 = bargaining predominantly takes place at central or cross-industry level and there are centrally determined binding norms or ceilings to be respected by agreements negotiated at lower levels; 4 = intermediate or alternating between central and industry bargaining; 3 = bargaining predominantly 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

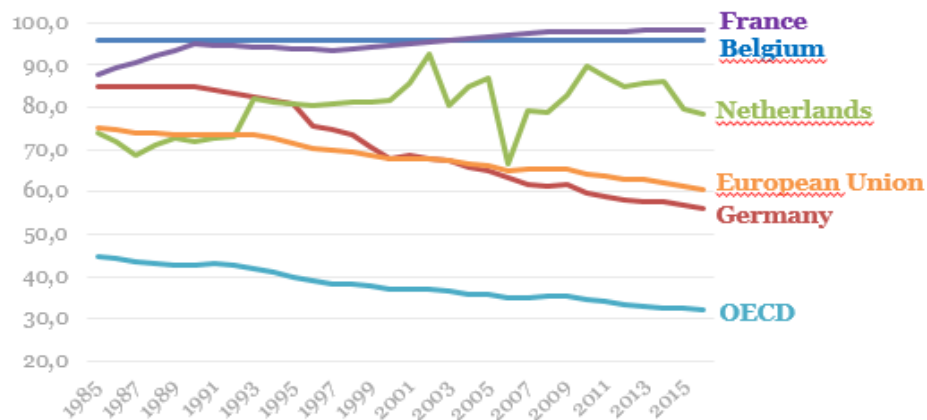
## Trade union density



## Employer organisation density



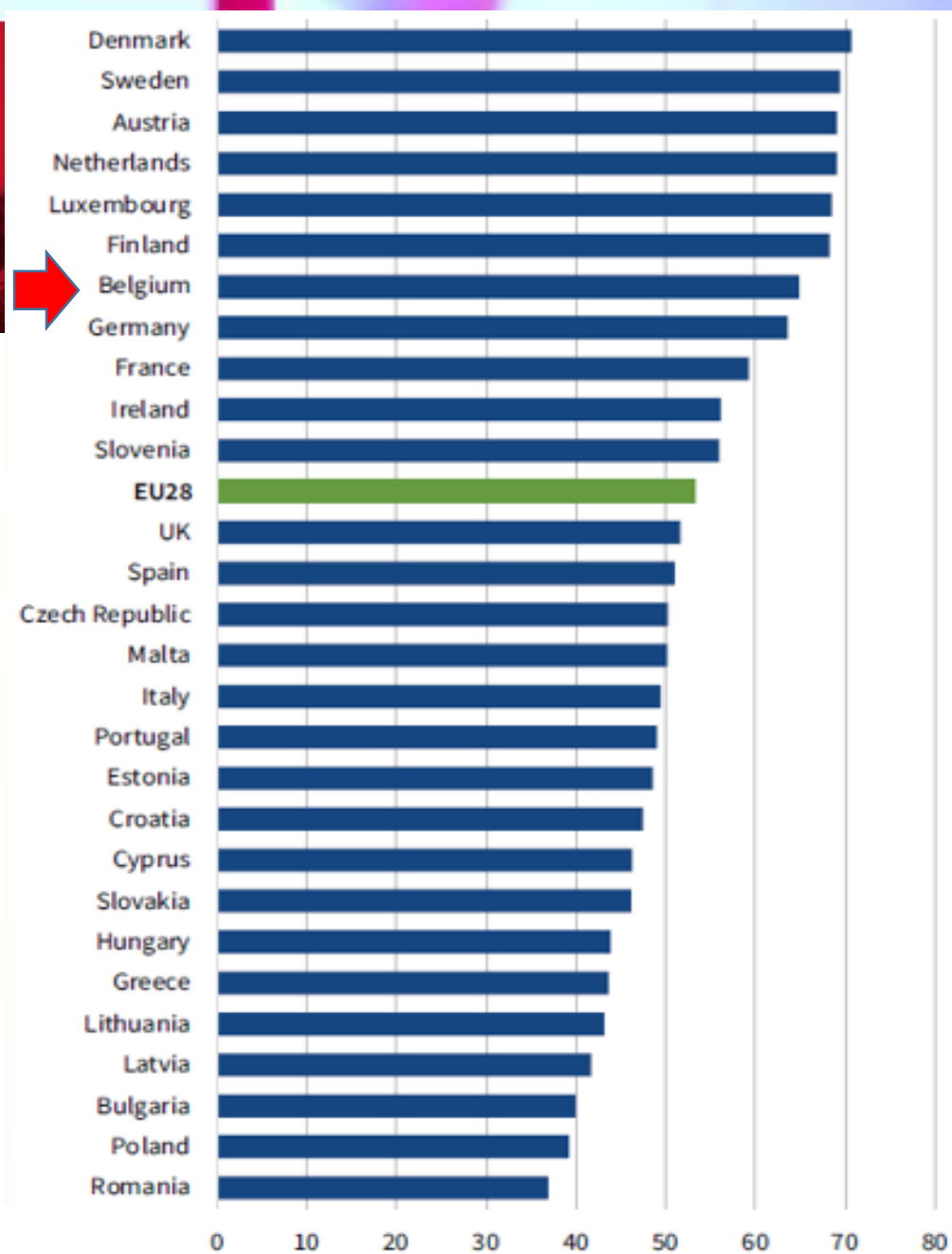
## Collective bargaining coverage





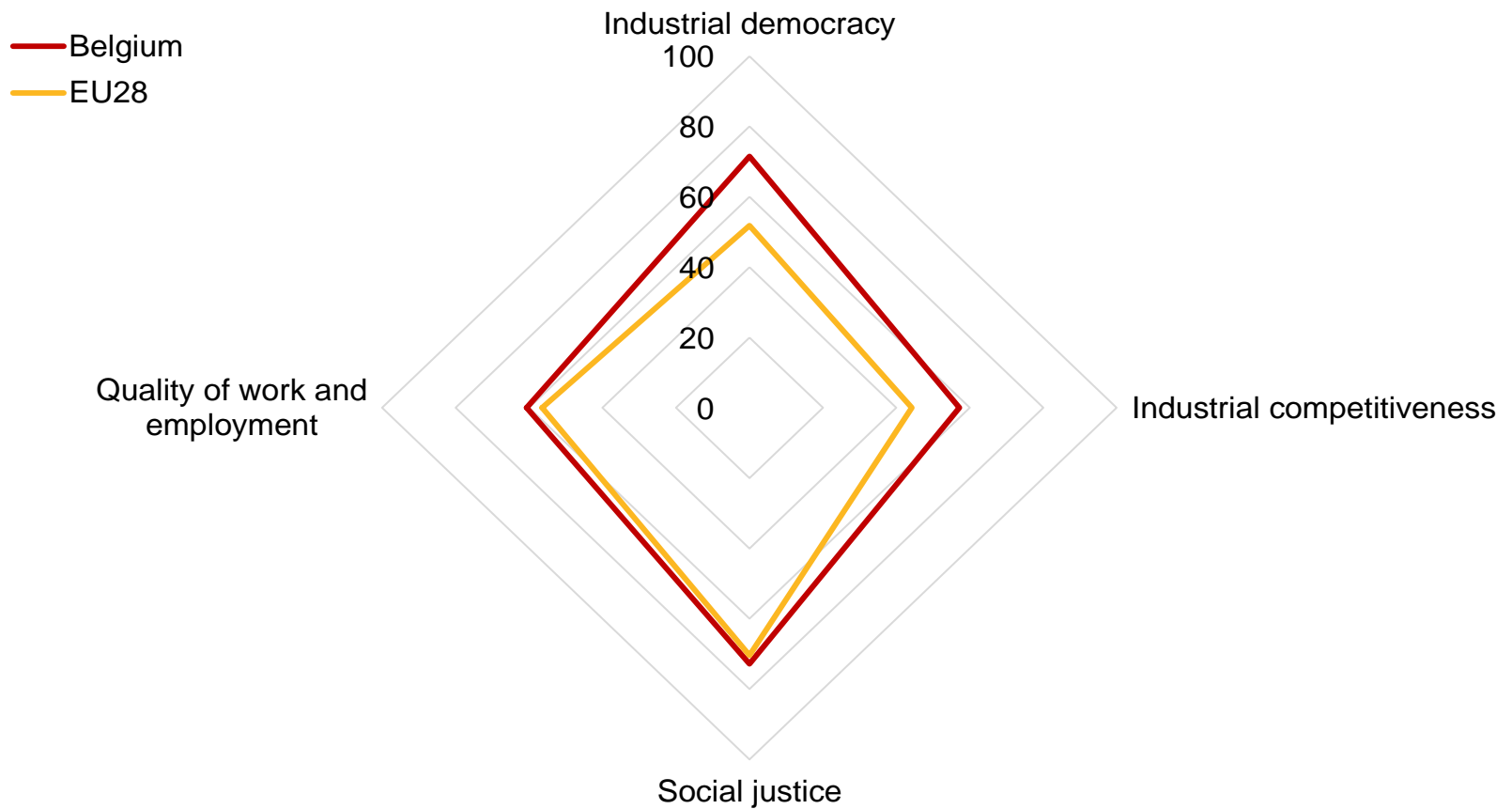


“ Industrial relations index”  
by Eurofound (1°)





## “Industrial relations index” by Eurofound (2°)



# Mutual trust among social partners

Data on workplace social dialogue EU countries

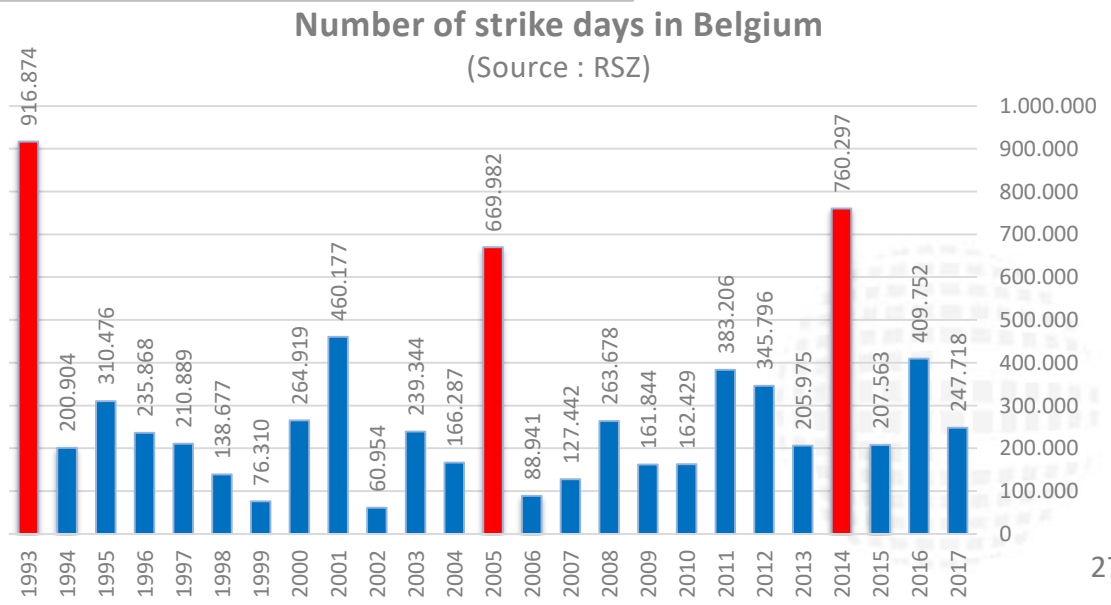
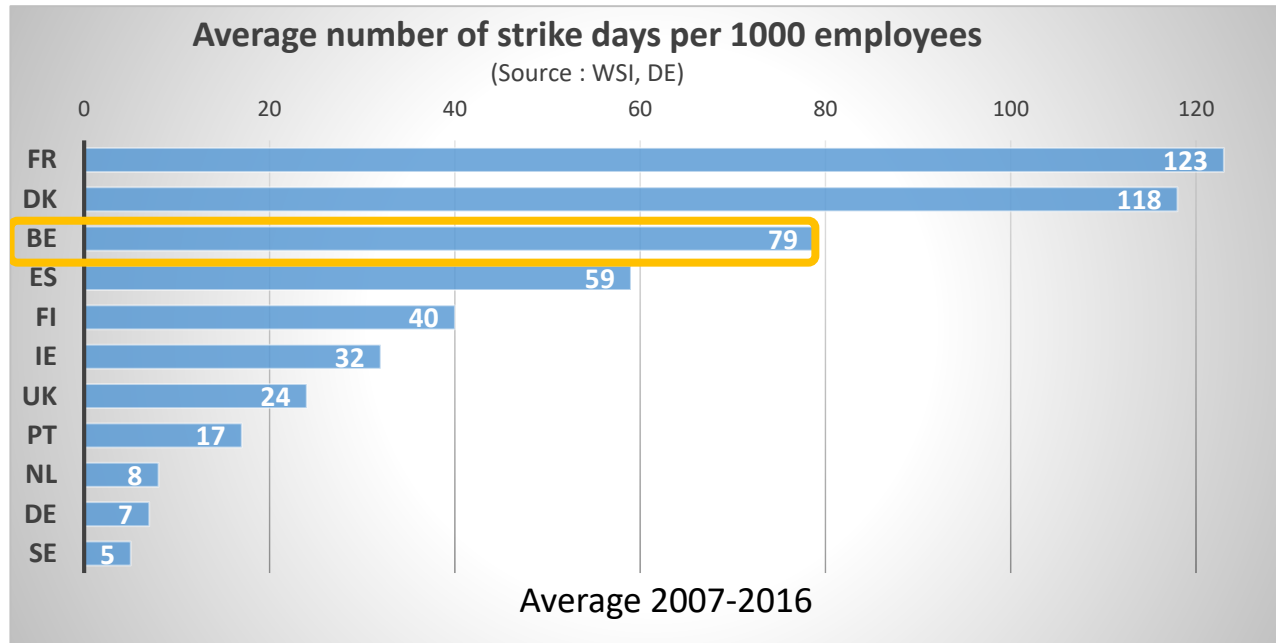
EU-level : high level of trust > < Belgium : **low** level of **trust**

Figure 53: Trust in management and employee representation, by country



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



# 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 21<sup>st</sup> century ?

# Some useful links

- Federal Government: [www.belgium.be](http://www.belgium.be)
- Federal Public Service Employment, Labour and Social Dialogue : [www.emploi.belgique.be](http://www.emploi.belgique.be)
- National Labour Council <http://www.cnt-nar.be>
- Central Economic Council <http://www.ccecrb.fgov.be>
- Federation of Enterprises in Belgium (FEB) : [www.feb.be](http://www.feb.be)



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