

## Chapter 3

# Opposites attract? Decentralisation tendencies in the most organised collective bargaining system in Europe

## Belgium in the period 2012–2016

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### 1. Introduction

In this chapter we present an overview of recent decentralisation tendencies in the Belgian collective bargaining system. In Belgium, organised social dialogue is a core element of consociationalism as governance system, a form of democracy in which harmony in segmented societies is maintained through the distinctive role of elites and the autonomy of organised interests (Deschouwer 2012). A dense network of social dialogue bodies and concertation structures is created at the national level to maintain social peace and cohesion, and to stimulate economic growth. The characteristics of this industrial relations system include: full union participation, recognition and integration; a legal framework; centralised and strong organisations on both the employers' and the employees' side; socio-economic policy concertation; a mix of self-governance (paritarism), subsidiarity and state action with regard to social security; mechanisms of information and consultation (but not codetermination) in the workplace; and ideological pluralism among the actors (especially on the trade union side) linked to historical 'pillarisation' (Van Gyes *et al.* 2009). Collective bargaining in Belgium, and especially wage bargaining, is known for its high levels of coordination, organisation and coverage. A traditional three-level structure is framed by two-year intersectoral bargaining, automatic wage indexation, a central wage norm and a statutory minimum wage (Vandekerckhove and Van Gyes 2012; Dumka 2015). Despite politically polarised positions and regular failure to achieve consensus, the institutional apparatus remains intact and there is in general social peace holds sway.

The focus of this report is the period 2012–2016. A second economic dip after the 2009 recession, linked to the Eurozone crisis, resulted in a period of economic stagnation, rising unemployment and continued fiscal problems. Belgian politics, having finally resolved a four-year ethno-linguistic dispute and spurred by European recommendations, embarked on ambitious reforms, targeting fiscal austerity and international cost competitiveness. Ending a record period of 514 days without a federal government, the country was governed from 2011 to 2014 by a broad multi-party coalition of socialists, Christian Democrats and liberals, led by prime minister Elio Di Rupo. In autumn 2014, a centre-right government of liberals, Christian Democrats and right-wing Flemish nationalists was formed under prime minister Charles Michel. Although institutional continuity reigns, social dialogue has come under pressure. In particular, the presence of the non-traditional party N-VA and the lack of political allies in the government challenged the trade unions, which still enjoy large-scale support among the workforce and have maintained a union density rate above 50 per cent. The

unions started political strikes and protested against the government(s), but struggled to have the same impact as before in the changing environment for social concertation. The labour movement has come under increasing criticism by politicians and media. Social dialogue has been called into question for 'not delivering'.

With this changing political climate of social dialogue as context, we will investigate the extent to which the Belgian system of collective bargaining exhibits the decentralisation tendencies observed elsewhere. To do so, we first depict the traditional and even today still strongly organised framework and practice of collective bargaining in Belgium in the next section. In Section 3 we then examine decentralisation trends in this system using a seven-dimensional operationalisation of the general decentralisation concept. In the closing Section 4 we illustrate these trends by summarising the findings from interviews in two sectors: the metal industry (manufacturing) and retail (services). The main conclusion is that although in comparative perspective the Belgian collective bargaining system is arguably the most organised and centralised in the EU or the OECD (OECD 2017), this does not imply that, in absolute terms, employee relations are rigidly fixed and settled only by centralised powers of social dialogue. Decentralisation tendencies are also part of the system and today even considered to be interesting solutions by the social partners.

## **2. The traditional collective bargaining system (at the start of the period under examination)**

### 2.1 Institutional and legal framework

The traditional collective bargaining system in Belgium is entirely regulated by the Act of 5 December 1968 on collective bargaining agreements and sectoral joint committees (1968-12-05/01) in which the right to organise and bargain collectively is recognised and protected. Wage bargaining is structured through three interlinked levels: the highest, national level, with centralised cross-sectoral agreements covering the entire economy; an important intermediate level covering specific sectors; and company-level negotiations as a complement or substitute for the sector-level bargaining. In principle, lower-level agreements can only improve (from the employees' perspective) what has been negotiated at a higher level; in other words, there is no derogation.

Every company and employee is assigned to a sectoral joint committee as soon as the company applies for a social security number and the employee is registered. In this way, both the employee and the employer can retrieve the sectoral settlements for collectively agreed wages, generally including a job classification system and a wage grading scheme. These systems can be further developed and are often supplemented by company-level systems. Finally, the effective wage level may also include an individual raise, notably for higher-level jobs or for occupations characterised by employment shortages.

At the sectoral level the collective agreements are concluded within joint committees or joint subcommittees by all the organisations that are represented by them. There

Table 1 Largest joint committees by employment size, Belgium, 2015

Number	Committee	Statute	Number of workers
200	Auxiliary committee white-collars †	White-collar	422 973
330	Health sector	White/blue-collar	253 961
322	Temporary agency work/personnel services ‡	White/blue-collar	224 010
124	Construction	Blue-collar	143 061
111	Metal industry	Blue-collar	115 468
302	Horeca	White/blue-collar	114 083
201	Retail (non-food)	White-collar	88 722
140	Transport	Blue-collar	77 261
207	Chemical industry	White-collar	76 956
319	Social work	White/blue-collar	68 835
209	Metal industry	White-collar	65 248
118	Food industry	Blue-collar	58 960
310	Banks	White-collar	55 193
311	Warehouses	White-collar	54 048

Notes: † Includes employees from the business service sector, and white-collar workers from sectors in which they are a small minority, such as construction. ‡ Includes a voucher system subsidised by the state, mainly used for household chores. Source: Social Security Administration RSZ/ONSS.

are around 165 joint (sub)committees that make decisions on pay levels, classification schemes, working time arrangements, training and so on (see Table 1 for the most important ones). The sectoral collective bargaining agreements apply to all the employers and employees covered by the joint committees or subcommittees concerned. As negotiations at this level give legal content following the agreements at the national cross-sectoral level, the sector remains the most important bargaining level overall. Moreover, for many non-wage items, this is the highest level of negotiation. When all parties sign the sectoral agreements, legal extension by royal decree is fairly easy and is therefore nearly always applied.

By virtue of the 1968 Act, all employers who are members of an employers' organisation that has concluded a collective agreement at national or sectoral level, or who have themselves concluded a collective agreement, are bound by such agreement (Humblet and Rigaux 2016). The essence of Belgian law on collective agreements is that as soon as an employer is bound by such an agreement, the entire workforce becomes bound. In other words, a collective agreement binds the employees merely by virtue of the fact that they work for an employer who is bound by an agreement. Consequently, workers who do not belong to a signatory organisation (that is, a trade union party to a collective agreement), but who are employed by an employer member of a signatory organisation, are bound by the agreement. This corresponds to the notion that a trade union negotiates on behalf of all the workers in a particular economic sector.

Furthermore, when these agreements are concluded at the national or sectoral level, they can be declared binding *erga omnes* by Royal Decree. This holds only for collective agreements that have been concluded in joint bodies. Once a collective agreement has been extended, its provisions become binding – without any possibility of deviation – on all employers and the employees in their service, provided they fall within the territorial and professional scope of the agreement. Two consequences flow from this extension to non-affiliated parties:

- (i) collective agreements that have been declared generally binding will bind all employers and employees falling within the jurisdiction of the joint body, insofar as they fall within the scope stipulated in the agreement;
- (ii) it is an offence for an employer not to comply with the normative provisions of a collective agreement.

An employer cannot avoid the application of normative provisions by disaffiliating from the signatory employers' organisation. According Article 21 of the 1968 Act: 'An employer whose affiliation to an organisation bound by the agreement comes to an end shall remain bound by the said agreement unless and until the terms of the

**Box 1 Hierarchy of legal norms in Belgian labour law according to Article 51 of the Act of 5 December 1968**

The sources of obligations arising out of the employment relationship between employers and employees shall be as follows, in descending order of precedence:

1. the law in its peremptory provisions;
2. collective agreements declared to be generally binding, in the following order:
  - a. agreements concluded in the National Labour Council;
  - b. agreements concluded in a joint committee
  - c. agreements concluded in a joint subcommittee;
3. collective agreements that have not been declared generally binding, where the employer is a signatory thereof or is affiliated to an organisation signatory to such an agreement, in the following order:
  - a. agreements concluded in the National Labour Council;
  - b. agreements concluded in a joint committee;
  - c. agreements concluded in a joint subcommittee;
  - d. agreements concluded outside a joint body;
4. an individual agreement in writing;
5. collective agreements concluded in a joint body, but not declared generally binding, where the employer, although not a signatory thereof or not affiliated to an organisation signatory thereto, falls within the jurisdiction of the joint body in which the agreement was concluded;
6. work rules;
7. the supplementary provisions of the law;
8. a verbal individual agreement;
9. custom.

said agreement are so amended as to bring about a considerable modification of the obligation arising out of the agreement.’ This provision guarantees some stability in labour relations and avoids a situation in which an employer who is dissatisfied with a collective agreement negotiated in a joint body attempts to avoid its application by disaffiliating from the signatory organisation.

In order to prevent conflicts between collective agreements concluded at different levels, but covering the same industry, the legislator has established a hierarchy of collective agreements. Article 51 establishes a hierarchy between collective agreements concluded within the National Labour Council, a joint committee, a joint subcommittee and outside a joint body, as outlined in Box 1.

By virtue of this article, certain provisions of collective agreements may therefore be declared null and void on the basis that they are contrary to provisions contained in a hierarchically superior collective agreement. Consequently, the outcome of collective bargaining which has taken place in the body with the largest sphere of influence prevails over the others.

However, in this hierarchy one can also see that collective agreements concluded in a joint body, but not extended or declared generally binding by Royal Decree, rank below the individual agreement in writing. Article 26 of the law stipulates that the normative issues related to the individual employment relationship (that is, wages, working time and so on) in such a non-extended sector or national agreement are, in principle, binding (supplementarily binding), if not stated otherwise in the individual employment contract. As a consequence, it is common practice in the Belgian system to ask for the collective agreement to be declared generally legally binding by Royal Decree, to avoid this kind of derogation.

The *social peace obligation* obliges parties to refrain from formulating any additional claims concerning matters regulated by the collective agreement during its period of validity. Also, the peace clause may go further and prohibit any additional claim during the same period. This obligation may be expressed tacitly or explicitly. When the collective agreement does not explicitly address social peace, this obligation is restricted, in the sense that it relates only to matters regulated by the collective agreement. The social peace obligation is the transposition into labour law of the principles of civil law related to the execution of contracts, namely the autonomy of will, the obligatory (binding) force of contracts and their execution in good faith. Once it has been negotiated and concluded, a contract must be executed in accordance with the parties’ agreement. In general, social peace clauses form part of the obligatory portion of the collective agreement. This means that they do not bind either employers or employees, whether unionised or not, but only their representative organisations. However, social peace clauses could also be considered as forming part of the normative provisions when their wording is such that their scope of application is broader than that of signatory parties. The wording of the social peace clause therefore determines which persons are bound by it.

To ensure implementation in good faith, signatory parties to a collective agreement are obliged to inform their members of the content of collective agreements and to exert influence on their members to live up to the normative provisions of the agreement. This obligation is not absolute, since signatory parties are not ultimately responsible for their members' conduct. Furthermore, when one signatory party violates the social peace obligation, the right of the other party to be indemnified is limited. Article 4 of the 1968 Act provides specifically that in the case of non-performance of contractual obligations, damages can be recovered from an organisation when the collective agreement specifically provides for such a possibility. This never happens in practice, however.

## 2.2 Centralised instruments of coordination

Although, as already mentioned, the legal focus of collective bargaining is the sectoral level, the wage bargaining system in particular has developed into a more centralised and coordinated system. This is reflected in Belgium's very high score in the ICTWSS centralisation index (Visser 2013). The centralised set of coordinating instruments that shape the wage bargaining process in this way include: a statutory minimum wage, automatic wage indexation, and bi-annual social programming determined by a central wage norm.

### 2.2.1 Minimum wage

In 1975, the guaranteed average monthly minimum wage (GAMMW) was introduced through a collective agreement concluded in the National Labour Council.<sup>1</sup> A royal decree gives the agreement legal force, so that it applies to all private-sector wage earners in Belgium. The GAMMW is the minimum wage that private-sector employers must guarantee to a full-time worker for an average month. It is indexed through the pivot mechanism (see below) and was last raised in real terms in October 2008.

To determine whether the employer has complied with this obligation, the worker's average monthly wage is calculated. The definition of the wage – what components should be brought into the equation – is left to the sectoral joint committees. If the joint committees have not concluded an agreement, the average monthly wage consists of the compensation for normal hours worked (for example, wages in cash or in kind, bonuses and benefits based on normal hours worked), excluding certain elements such as payment for overtime hours, union bonuses and double holiday pay. The elements are added up for a calendar year to obtain the annual wage and a monthly average is calculated. The average monthly wage thus obtained can be compared with the GAMMW which the employer has to meet.

### 2.2.2 Wage indexation

Belgium is one of the few remaining countries in western Europe that have nearly universal automatic index-linking for setting wages. This means that pay and social security benefits are linked to a consumer price index. The link is intended to prevent

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1. Dutch: Nationale Arbeidsraad (NAR); French: Conseil National du Travail (CNT).

the erosion of purchasing power by inflation. Often misunderstood by critics, the system is not centrally organised, but rather a patchwork of sectoral mechanisms agreed upon freely by the members of the joint committees (NBB 2012). They differ in terms of timing, indexation system, calculation of the moving average of the index, rounding rules, target groups, and other details. The only restriction, imposed by the law (Royal Decree 1993-12-24/34; Act 1994-03-30/31) is that sectors that index wages have to use the so-called Health Index, which is the normal consumer price index excluding the prices of cigarettes, alcohol and fuel for motorised vehicles. In practice, the sectoral agreements refer to the Social Index<sup>2</sup>, which is a four-month moving average of the Health Index. Two types of wage indexation exist:

- (i) Pivot system: when the Health Index reaches an increase of 2 per cent, wages are also increased by 2 per cent (sometimes with a delay of one month or more). This system is, for example, applied in the public sector. Not the date, but the pay increase is fixed.
- (ii) Coefficient system: this system looks at the reference index at a certain point in time and compares it with another point in time. This percentage difference will be applied to wages. This can be done on a monthly basis, quarterly, every half year, yearly and so on. Annual indexation is found most often, with January being the usual month for indexing wages. In this system the date of adjustment is known, but not the increase.

### 2.2.3 Bi-annual intersectoral programming and the wage norm

At the national level, informal pay negotiations in the private sector take place every two years outside the permanent official bipartite structure – that is, outside the National Labour Council. The result is a national cross-sectoral agreement<sup>2</sup> that defines the *wage norm*, which is the upper limit for sectoral and firm-level pay increases for the following two years. The bargaining group, called the ‘Group of Ten’, meets in seclusion, away from the media and the general public, and consists of the key representatives of the national social partners recognised by the Central Economic Council<sup>3</sup> and National Labour Council. It is led by a representative of the largest employers’ federation, the FEB-VBO. These ‘social-programming’ agreements constitute political and moral commitments and are considered very influential, although they are in principle not legally binding. In the absence of a final agreement, however, the government may legally enforce parts of it in law. While wage increases are further specified in sectoral collective agreements, non-wage elements of the agreements are often implemented by national collective agreements settled in the National Labour Council. Hence one could argue that these agreements are the functional equivalent of a bipartite social pact, but reached in close interaction with the government.

The state supports the biannual negotiations with a strict law on monitoring and intervention in the wage-setting system and through the services of the Central Economic Council. The purpose is to manage wage increases and balance the automatic indexing of wages and sectoral bargaining. The 1989 Law on the competitiveness of the

2. Dutch: Interprofessioneel Akkoord (IPA); French: Accord Interprofessionnel (AIP).

3. Dutch: Centrale Raad voor het Bedrijfsleven (CRB); French: Conseil Central de l’Economie (CCE).

economy (1989-01-06/31) authorises government intervention if the average overall wage increase results (based on past performance) in an upsurge of relative labour costs and in a deteriorating external performance of companies in the private sector. The 1989 Law was extended in 1996 (1996-07-26/32) to enable the government to monitor the wage bargaining process even more closely. The most important changes with respect to the 1989 Law were a shift from an assessment of labour costs based on past performance to one that predicted future performance, and the fact that the number of countries used as a benchmark was reduced to three. The forecast weighted growth of foreign hourly labour costs (a weighted average for France, Germany and the Netherlands) now acts as an upper limit for wage negotiations at all levels (macro, sector and company). This limit is suggested to the social partners to be adopted as the wage norm. The lower limit remains, as before, the automatic price index.

### 3. Decentralisation and centralisation tendencies

Collective bargaining and especially wage bargaining in Belgium is thus known for its high degree of coordination and the importance of the sectoral level of negotiations. During the crisis, unlike in other European countries, no major institutional changes were made in wage-setting mechanisms (Vermandere and Van Gyes 2014; Dumka 2015). However, more recently tendencies towards (de)centralisation can be detected, and although they do not yet represent major institutional reforms of the system in question, they do represent change and transformation.

#### 3.1 Conceptual framework

There is no real consensus on the definition or measure of decentralisation in the literature on decentralised collective bargaining. In broad terms, decentralisation means that decision-making authority or power is transferred from the higher/central to the local/lower level. Applied to industrial relations, this means that the process of setting wages and other contract terms moves downwards in the hierarchical levels of labour regulation (Soskice 1990). The 'decentralisation' discussion of collective bargaining institutions centres around the question of whether wages should be set at the company or workplace level, the industry level (intermediate) or the national level (centralised).

Table 2 Conceptual arena of potential decentralisation/centralisation by levels, Belgium

	Single company	Sectoral or multi-company bargaining	Intersectoral
Local	Company/establishment	–	–
Region/province	–	–	–
National	–	National sector agreement	National pact/agreement
International	–	–	–

Source: Authors' elaboration.



Table 2 shows that more options are available with regard to the shifting of labour-regulation powers, for instance adding the geographical dimension. From a Belgian perspective – which in recent decades has, politically, become a ‘federalised’ country, in which the regions have gained importance – considering the regional level within a study of ‘decentralisation’ is certainly a sensible possibility. An additional perspective is the occupational divide, which could be added to the table, making it three-dimensional, indicating whether agreements at any level or geographical circumscription apply to all occupations or are occupation-specific, in which case this fragmentation of collective bargaining is another form of decentralisation.

The next element in the decentralisation discussion is how regulatory or bargaining power is decentralised or centralised. Borrowing from the broader conceptualisations in administrative science, the following might be mentioned:

- *Decentralisation strictu sensu*: A clear pattern of decentralisation strictly speaking (or ‘devolution’) is provided when collective labour regulation is shifted from a higher to a lower level, in the most extreme case from a national, intersectoral, multi-occupational bargaining agreement to an agreement for one occupational group at a local company or establishment.
- *Deconcentration*: The creation of new joint negotiation bodies at the same level, which take over powers or responsibilities of the former bodies.
- *Delegation/empowerment*: The shifting of bargaining power or tasks to lower levels; they gain the independence to decide issues on their own, even though they are still controlled. The higher level is also still involved. This route can be designated as empowerment because the local or lower-level players are explicitly granted decision-making power, while the central intervention or agreement establishes the local consultation/bargaining procedures and facilities.
- *Derogation/opting-out*: Deviant collective bargaining agreements organising the undercutting of collectively agreed standards by lower-level company agreements. This process is facilitated by the necessary inclusion of procedural derogation clauses in higher-level collective agreements.

Besides these clear and formally detectable trends of decentralisation, implicit or indirect forms of decentralisation can be distinguished (Tros 2001), as well as a shift in the balance of power through state intervention:

- *Centralised retreat*: The abolition, non-continuation or slimming down of substantive rules at a centralised or higher level, leaving it open who will fill in the regulatory gap. This will always be a lower-level decision-making unit.
- *Deliberate (or not) abstention*: New issues are not picked up or are deliberately left to other levels of bargaining and regulation.
- *Overruling/state intervention*: In this case the bipartite bargaining process is overruled by a state intervention imposing a new labour regulation.

In what follows we discuss these dimensions with regard to the development of the Belgian collective bargaining system in recent years.

### 3.2 Decentralisation strictu sensu: maintenance of multi-level bargaining, with tendencies towards regionalisation

Traditionally in Belgian collective bargaining, the most importance is attached to the sectoral level. However, Table 3 draws a more nuanced picture for the largest sectors and sector joint committees (referred to by their number or name). Notably in the capital-intensive sectors, where labour cost is only a minor issue – although with high operational importance – sectoral agreements have never been very important. Furthermore, pattern bargaining or bargaining coordination between different sectors is a pervasive practice in not-for-profit sectors such as health care and social work. The table also mentions many intermediate forms, highlighting the multi-level character of the bargaining system and the complementarity between the different levels. This is also the case for other domains of collective bargaining besides wage setting, such as working time regulations. It is thus a fallacy to describe the Belgian practice of collective bargaining as a homogeneous, centralised sector system.

However, despite the various levels that are in operation at the same time, the coverage rate of collective agreements is still a stable 90 per cent or more. Only particular

Table 3 Typology of sectors by dominant bargaining form, Belgium

	Category	Key examples
1	Sectors together	Social (health, social work, socio-cultural sector)
2	Sector; only additional company bargaining in a very few large companies	Joint committees 106, 118, 119, 121, 124, 130, 140, 201, 226, 303, 304, 314, 317, 327 Blue-collars: construction and construction-related sectors, graphical industry, transport White-collars: small retail; horeca, transport, arts White-collars/blue-collars: hairdressers and parlours, cleaning, private security; sheltered employment for people with disability
3	Sector; additional bargaining in largest companies	Garages, textiles, electricians White-collars: food retail Large retailers
4	Sector acts as a target-setting framework for company bargaining	Non-ferro and metal manufacturing
5	Sector acts as a substitute when no company agreement is reached or settled	Petro-chemical industry and chemical industry Auxiliary committee for white-collar and blue-collars workers (100 and 200) Banking
6	Company agreements	Steel and paper industry

managerial staff (so-called '*cadres/kaderleden*') are not bound by these agreements, but their working conditions follow at least the increases of the lower-level employees.

As far as decentralisation goes, *regionalisation* is perhaps a deeper trend. In October 2011, a sixth state reform was agreed at the political level, continuing the transfer of powers to the regional governments and split the electoral constituency of Brussels-Halle-Vilvoorde, which had been a contentious issue for several decades. Under that reform, additional labour market powers were transferred to the regions from 1 July 2014, such as reductions in social security contributions for specific target groups, paid educational leave and employment plans for job-seekers, while social security, labour law, organisation of social dialogue and wage setting remain federal competences. Before the reforms, the federal state was responsible for the 'passive' component of employment policies (benefits), while the 'active' component was a shared responsibility between regions, communities and the federal government. Now the regions will have more competences regarding active labour market policy (ALMP): vocational training, a set of employment incentives, direct job creation policies (for example, the household service vouchers system) and controlling and sanctioning active job search behaviour.

Because of the creation of autonomous regional government levels in the 1980s, proper policy instruments were needed (Ongena 2010). Especially in Flanders – the largest region, which called most for state reforms – the creation of a proper social-economic dialogue channel for both the social partners and the political elite was a priority. Early on, regional social and economic councils were installed. For instance, two important bodies are active in the Flemish social dialogue: SERV (Social and Economic Council of Flanders) and VESOC (tripartite commission). SERV (Social and Economic Council of Flanders) is the consultative and advisory body of the Flemish social partners, in which they determine their common viewpoints and formulate recommendations and advice. SERV provides advice on all matters with a socio-economic impact for which the Flemish government is authorised. In Flanders SERV is viewed as a centre of dialogue and expertise. The tripartite dialogue between government, trade unions and employers takes place within the Flemish Economic and Social Consultative Committee (VESOC). If a consensus is reached within VESOC, the Flemish government commits itself to carrying out all resolutions for which there is consensus. The Flemish social partners defend this consensus to their members and contribute to its implementation. The chairman of the VESOC committee is the Flemish minister president, the head of the Flemish government ([www.serv.be/en/serv](http://www.serv.be/en/serv)).

Comparable institutions exist also in the other regions (Conseil économique et social de Wallonie, CESW; Conseil économique et social de la Région de Bruxelles-Capitale, CESRBC).

The regional social dialogue and consultation has led to specific employment pacts or agreements. Examples include the Career Agreement in 2012, the Jobs Pact of 2015 and the Training and Education Pact of November 2016 in Flanders. In Wallonia

concertation was concentrated around the Walloon government's consecutive 'Marshall plans' to revitalise the economy.

In Flanders these tripartite agreements led to the negotiation of sectoral covenants between the sectoral social partners (often still organised at the federal level) and the Flemish government. Although these agreements do not regulate the employment relationship and thus are not collective agreements *strictu sensu*, they form a 'tripartite' contract. These sectoral covenants provide a framework that commits all social partners in a sector to targets with regard to increasing diversity, school–labour market transitions and lifelong learning. These targets do not have to be met in each enterprise separately: the social partners are expected to apply for support and to implement plans on the company level on a voluntary basis. Examples of targets include: the number of diversity plans to be concluded within the next year, the share of migrant workers in training courses set up by the sector and so on.

When sectoral covenants are approved by the Flemish government, the sector receives funding for the recruitment of sectoral consultants who assist the social partners in the implementation of their sectoral plan and the preparation of dossiers. Sectoral covenants are agreements for 2–3 years. After each year, the industry should provide a progress or final evaluation report to the Flemish government. All sectoral covenants are monitored and evaluated annually by the Flemish government. The first generation of sectoral covenants were concluded within the framework of the Flemish Employment Agreement 2001–2002. The policy became structural following a specific Flemish decree on sectoral covenants in 2009.

On 22 May 2015, a new policy framework was agreed by VESOC. A performance-oriented follow-up system was the main innovation. To date, 34 sectoral covenants have been concluded. Execution and coordination of the targets included in the covenants is done by 120 consultants, employed by joint sectoral organisations but subsidised by the Flemish government.

One result of the growing importance of the regional level has been closer collaboration on the employers' side between the different organisations. Although unions also have different coordination and preparation bodies to internally discuss the different regional activities and negotiations, they are still confederated (mostly) at national level (Pasture 2000). However, regional social dialogue is organised on the employers' side by different organisations, among which VOKA, Flanders' Chamber of Commerce and Industry, stands out. Since 2012 and the state reform, closer concertation has been organised between the different employers' umbrella organisations – eight in total - to coordinate and prepare cross-sectoral social dialogue talks at different levels on a monthly basis. This Intersectoral Employers' Dialogue is coordinated by the main and still federal umbrella employers' organisation FEB-VBO, but includes also regional-specific employers' confederations (BECEI, UCM, UNIZO, UWE and VOKA).

However, labour law (including collective agreements and their organisation) remains a federal power.

### 3.3 Overruled by government intervention

In the period 2011–2012 Belgium came under fire from financial markets and under the close supervision of the EU semester. Politics and government, temporarily freezing the ethno-linguistic conflict, took the lead in a programme of austerity and structural reforms, of which budget cuts, welfare reforms, an increase in the retirement age and wage moderation are key aspects, touching core features of existing agreements between social partners.

Table 4 National cross-sectoral 'programming' by the Group of Ten, 2009–2016

Time line and content	Support and implementation
<p><i>2009–2010 Agreement – 'exceptional' in response to crisis</i></p> <ul style="list-style-type: none"> <li>– Wage premiums (above indexation) of EUR 125 in 2009 and EUR 250 in 2010 without increasing costs for employers.</li> <li>– Eco-cheques: pay check is a voucher, granted with social tax exemptions, focusing on buying ecological or 'green' consumer goods.</li> <li>– Temporary unemployed higher benefit; employer's new social tax reductions to recruit long-term unemployed.</li> </ul>	<ul style="list-style-type: none"> <li>– Full support.</li> <li>– Implementation by collective agreements.</li> </ul>
<p><i>2011–2012 Difficult, joint proposal rejected</i></p> <ul style="list-style-type: none"> <li>– A postponement of discussion on whether to maintain automatic wage indexation system.</li> <li>– A very limited wage rise of 0.3% above inflation rate.</li> <li>– A roadmap for harmonising blue-collar and white-collar statutes into one uniform statute.</li> </ul>	<ul style="list-style-type: none"> <li>– Two out of three unions rejected the proposal.</li> <li>– Implemented by government.</li> </ul>
<p><i>2013–2014 High hopes, talks collapse after wage freeze by government</i></p> <p>Not relevant.</p>	
<p><i>2015–2016 In tense climate, agreement reached because some wage increase possible, 'look-alike' IPA</i></p> <ul style="list-style-type: none"> <li>– Wage norm set at 0.5 for the total wage bill, creating the possibility to increase gross wage by 0.37%.</li> <li>– Additional envelope of 0.3% made available to accord in other, less taxed types of pay, thus less costly for employers.</li> <li>– In recurrent negotiations about 'welfare adaptation' of social benefits, agreement stipulated that all minima (for pensions, unemployment and disability compensation) were to be increased by 2%, but with differences for particular groups. • Additional envelope of 0.3% made available to accord in other, less taxed types of pay, thus less costly for employers.</li> <li>– In recurrent negotiations about 'welfare adaptation' of social benefits, agreement stipulated that all minima (for pensions, unemployment and disability compensation) were to be increased by 2%, but with differences for particular groups.</li> </ul>	<ul style="list-style-type: none"> <li>– ABVV-FGTB withdrew from negotiations; only agreement by a 'Group of Eight' and mainly implemented by government</li> </ul>

### **Tighter monitoring of wage coordination**

Centralised wage coordination came under the direct supervision of the government in 2013 (it had previously happened in the 1980s and 1990s) (Van Gyes *et al.* 2017). The negotiations between employer and employee representatives on the IPA 2009–2010 were difficult and only successful thanks to the financial mediation of the government. Negotiations on the IPA 2011–2012 failed. The proposed agreement was rejected by ABVV-FGTB and ACLVB-CGSLB unions. The government decided to impose the draft-IPA. As a consequence, the norm is no longer indicative as in previous periods but imperative. In the ensuing years, the impact of the government has been growing, resulting in less independence of the social partners. The period 2013–2014 is the low point of autonomy. There was not even a draft agreement and the government decided unilaterally not to allow extra wage increases above the automatically wage indexation. For the period 2015–2016 this arrangement was reversed with a plan to skip a 2 per cent indexation, imposed by the government and a negligible room of 0.5 per cent for sectoral bargaining.

These interventions happened amidst continued discussion and differences of opinion about automatic wage indexation and possible revision of the 1996 Law, also in accordance with recommendations made within the European Semester from 2012 onwards. Then in December 2016 the Michel government proposed a new and stricter revision of the 1996 Law, which was adopted by the Parliament in March 2017. Box 2 lists the main elements of the new bill.

### **Overruling early retirement settlements**

During the 1970s and 1980s, the end-of-career debate was part of the larger debate on unemployment (Struyven and Pollet 2015). It was felt that older workers were blocking opportunities for the young entering the labour market. Generous early retirement systems were set up, regulated by a series of sectoral agreements to organise early retirement (collective financing by sector-specific Social Assistance Funds, sector-specific age thresholds and so on). By the 1990s, the debate was disconnected from the unemployment issue and moved towards the ageing issue and the financial sustainability of the pension system. Reform initiatives were launched. In 2006 a first (moderate) reform was implemented by the so-called Generation Pact. Originally this was a Pact negotiated between the social partners, but when the unions pulled out of the final negotiations, the Verhofstadt government pushed through these first reforms.

Learning from the observation that the social partners had not made much progress in increasing the employment rate for 55–64 year olds, the Di Rupo government (2011–2014) took up the issue, leading to a ‘Generation Pact Bis’. This new set of measures included the measure that early retirements coming from collective redundancies would still be granted from the age of 52, while those coming from collective agreements would have to be 60. Individual applications for early retirement would be considered only from the age of 62. The Generation Pact Bis was meant to accelerate the pace of raising the actual retirement age. In October 2014, the new Michel government, consisting of coalition partners of the political centre-right, announced its programme, in which the pension reform would be one of the main components, although no party had it in their manifesto – rather it followed from pressures from the European Commission. The

Box 2 Summary of the 2017 revision of the Wage Norm bill

- The maximum margin available for an increase may be calculated by using the ‘available national and international forecasts’ instead of the current OECD figures, which are generally regarded as being too optimistic. This new calculation base will allow the CEC to make the calculations in accordance with the principle of ‘prudence’ to avoid an overestimating forecast.
- The principle of the bi-annual setting of the wage norm between the social partners or by the Council of Ministers if no agreement is reached between the two sides remains in place. However, the wage norm margin will be laid down in a generally binding collective labour agreement, set by the National Labour Council, or by a Royal Decree if no agreement is reached between the two sides. In the first situation it can no longer be framed as an ‘IPA gentlemen’s agreement’ that has to be implemented by the sectoral agreements.
- Automatic wage *indexation* and *seniority*-based increases (cf. key part of sector and company pay scales) remain outside the scope of defining the wage norm.
- A new element concerns implementation of *ex post correction* mechanisms to correct unjustified increases in the previous period. In this connection, the following steps are taken:
  - The remaining margin is to be calculated every two years by the CEC, as is the macroeconomic productivity advantage;
  - Most of the cost savings resulting from the tax shift, currently being implemented by the Michel government and including a social tax reduction for employers, and at least 50 per cent of new tax savings will be used exclusively to reduce the so-called historical ‘gap’: the labour cost gap dating from before 1996 – a much disputed issue between the social partners. However, it remains unclear how all these kind of calculations will be taken into account.
  - If Belgian wages grow more slowly than those of our neighbours and when the historical handicap is still negative, at least half of the surplus should be dedicated to further reducing the historical backlog.
- A *safety margin* has to be provided in the calculated wage norm to absorb potential errors in the forecasts *ex ante* (the index development and hypothesised wage trends in neighbouring countries). This safety margin will be a quarter of the margin, and at least 0.5 per cent. If this safety margin remains unused, it will be added on top of the margin for the next period.
- Employers who exceed the maximum wage norm will be penalised by an administrative *fine* ranging between EUR 250 and EUR 5,000 (per employee working for the employer and whose wage violates the norm).
- Calculation of the margins will be the sole responsibility of the secretariat of the CEC – an autonomous civil service agency – and no longer a point to be settled by the bargaining social partners. These national bargainers can only discuss how and to what extent the calculated margins will be used (with all the corrections prescribed by law taken into account).

retirement age was set at 66 by 2025 and 67 by 2030. Early retirement on an individual basis would by 2018 be possible only at the age of 63. Collectively bargained early retirement would be raised to the age of 60 by 2017. The measure received positive feedback from the employers' side and met with fierce resistance – including strikes and demonstrations – from the trade unions in response to the consecutive decisions by the Di Rupo and Michel governments that overruled existing practices and the regulations on early retirement laid down in sectoral agreements.

### 3.4 Deconcentration: fine-tuning of joint committees and harmonisation of worker statutes

According to Article 38 of the 1968 Act, sectoral joint committees and joint subcommittees are competent to:

- collaborate in drafting collective agreements;
- promote dispute conciliation between employers and employees;
- advise the government, the National Labour Council and the Central Economic Council on matters falling within their competence, at the latter's request or on their own initiative;
- carry out any other task imposed on them by law or by virtue of a collective agreement.

Articles 35 and 36 of the 1968 Act regulate the establishment, competence and scope of application of joint committees: the Crown may, on its own initiative or at the request of one or more organisations, establish joint committees of employers and employees. It shall specify the persons, economic sector or undertakings to which these committees shall apply and their territorial scope. Whenever the Minister considers recommending that the Crown establish a joint committee or alter the scope of an existing committee, he or she shall inform the relevant organisations in a notice published in the *Moniteur Belge*. In circumstances in which the Crown acts on its own initiative, there must be consultation with the representative organisations. Moreover, Article 37 provides that: 'At the request of a joint committee, the Crown may establish one or more joint subcommittees. After consulting the affected joint committee, the Crown shall specify the persons and territory falling within the scope of the defined subcommittees. At the request of the joint committee itself the Minister can thus establish a joint subcommittee.'

In recent years efforts have increased to rationalise and modernise the number of joint committees, as well as to revise and update the scope and coverage of specific joint committees. A key event in this regard was the 'decoupling' of the so-called auxiliary joint committee for white-collar workers No. 218 in 2015 and its merger with the other auxiliary joint committee No. 200. Workers from certain non-profit (known in Belgium as 'social profit') sectors and B2B services were transferred to new joint committees with a particular scope (public lotteries, social housing, support staff in the liberal professions, such as accountants or notaries). Another example is making existing subcommittees in the transport and logistics sector official, thereby preventing



'regime shopping' between joint committees in relation to logistical activities. This joint committee No. 140 now has official and clearly defined subcommittees for bus and coach transport (No. 140.01), taxi drivers (No. 140.02), road transport and logistics for third parties (No. 140.03), ground handling at airports (No. 140.04) and moving companies (No. 140.05). Today the Belgian collective bargaining system includes 40 joint committees and 40 subcommittees for blue-collar workers; 20 joint committees and 3 subcommittees for white-collar workers; and 63 mixed (sub)committees.

In July 2013, an agreement was reached between the social partners about the (partial) harmonisation of the two main employment statutes, namely the blue- and white-collar statutes. With a deadline imposed by the Constitutional Court acting as a 'sword of Damocles', a compromise was struck, with, as the main reform in the short term, a single dismissal procedure for all employees, both white- and blue-collar. The harmonisation also covers other matters and has reinvigorated the debate on merging existing blue-collar and white-collar joint committees. This splitting of sectoral bargaining (and also company bargaining) by occupational statute is found mainly in the manufacturing sector. However, the merger debate also affects the current internal structure of the (largest) trade unions (ACV-CSC and ABVV-FGTB), which usually separate sectoral federations for blue-collar and white-collar workers.

In this regard, the 2016 policy brief of Federal Minister of Work Peeters, put before Parliament in November 2015, stated the following:

The landscape of joint committees had developed historically in such a way that the logic of the field of competence had somehow been lost. This has resulted in a series of difficulties: (i) the complexity hampers labour market mobility; (ii) the structure does not always reflect economic reality; and (iii) wage bargaining does not always coincide particularly well with company structures and the diminishing statutory differentiation between blue- and white-collars. To give an extra boost to the dialogue on modernising this landscape, additional analyses and guidelines will be made available for the social partners. A working method will be prepared to arrange the transition of collectively-agreed rules from one sector to another in an orderly and legally correct way.

One example of this 'concentration' movement in the field is the decision by the blue-collar and white-collar joint committees of the petroleum industry to bargain for both committees (Nos. 117 and 211) in one, common meeting.

### 3.5 Fading away of (minor) derogation clauses

As explained in Section 2.1, derogation of higher-level collective agreements is possible only when done explicitly and if the agreements have not been made generally binding by a Royal Decree. As the practice of legal extension is pervasive, (wage) standards at company level can in principle only be higher than those set at sectoral level. Company-level standards can undercut sectorally-defined minimum or absolute standards only

when this possibility is explicitly foreseen in the sectoral agreement, for example in an opening clause allowing them to do so. However, whatever room the sectoral agreement might provide for company deviations, in all cases the interprofessional minimum wage must be respected (Keune 2010).

This kind of opening clause refers, for example, to not adopting the sectoral pay scales and job classifications when a particular company agreement already exists on this matter. The same goes when a sectoral system governing extra occupational pension benefits is set up, but the company already has its own system. However, such practices remain exceptional, bound to the introduction of new benefits. Hardship clauses, as mentioned by Keune in his 2010 study of Belgium, have in any case not been expanded in recent years. In any case, the sectors he mentions for the 2009–2010 bargaining round (for example, department stores and the manufacturing of food products) did not include this kind of opening clause in the recent bargaining round (2015–2016).

### 3.6 No centralised retreat

The abolition, non-continuation or slimming down of substantive rules at a centralised or higher level, leaving it open who will fill the regulatory gap – in any case a lower level of decision-making – does not seem to have characterised the Belgian collective bargaining system in recent times.

#### **At the sectoral level**

On the contrary, it seems that, due to the small margins and limited opportunities available in wage bargaining, sectoral bargainers have focused on new topics. This includes the development of occupational pension schemes in addition to the (rather low) legal pension scheme in the private sector, experimentation with ‘innovation agreements’, and the establishment of funds for ‘sustainable work’. In the stimulus strategy that Di Rupo launched at the end of 2013, a new law states that at the sectoral level an agreement must be reached on innovation in the first year after signing a new IPA. It should include a report on innovation performance and commitments to improve innovation and be based on a ‘scoreboard’. The national social partners broadened the approach to sectoral ‘structural challenges’. At the end of 2014, about 22 joint committees had already reached agreement on the necessary ‘dashboard’. Some included existing improvements, so this policy innovation got off to a slow start. However, there were interesting new experiments, such as the chemical industry agreement of 18 February 2015, outlined in Box 3. In a press statement Koen Laenens, social director of the employers’ organisation Essencia, concluded:

We want the unions to engage in a broad debate on product and process innovations, and on innovations in work organisation. This agreement provides an opportunity for all social partners to optimally connect the competitiveness of the Belgian chemical and life sciences industry to employment. This collective agreement provides us with the opportunity to engage in an innovative social dialogue.

**Box 3 Sectoral bargaining innovations in the chemical industry agreement of 18 February 2015**

The agreement stated that it wanted to organise a sectoral social dialogue on the following topics:

1. The sector's innovation capacity.
2. The importance of government support measures for innovation and structural transformation.
3. R&D investment in the sector and its impact on production and employment.
4. The status of present and future employees' innovation competences.
5. Boosting the importance of innovation in social dialogue.
6. Promoting chemical innovation to the broader public and the optimisation of the 'go-to-market' process.
7. Work organisation as a tool for sustainable work and competitiveness.

In the new sectoral agreement that implemented the IPA wage deal for 2015–2016 the sector also introduced a so-called 'Demographic Fund'. As indicated by the legal wage norm, the maximum room for wage increases could be complemented for 2016 with an additional increase in average labour costs of 0.3 per cent. The social partners in the chemical industry decided to reserve this 0.3 per cent for the sector's occupational pension scheme (0.15 per cent) and for the financing of a Demographic Fund (0.15 per cent). Inspired by German examples the Fund is supposed to develop projects and distribute budgets to keep workers in work longer in a motivated and feasible way.

**At the National Labour Council**

The story of the National Labour Council is somewhat different. In recent years, it has provided more advice than usual (Cox 2013), but it also concluded 15 new national agreements in the period 2012–2015. This increase is related to the government's heightened social and labour policy reform activity since 2011. But the Council's role as driver or instigator of new regulation is very constrained, partly because the political side wants to take the lead, partly due to rising tensions between employers and employees on the core issues of macroeconomic governance (for example, the focus on competitiveness and 'austerity'). As a result, the Council's activities and especially national collective agreements have become more technical than before, in a complex, multi-level set of regulations on particular issues, and can be defined more as 'implementation agreements' of government decisions (linked to the reforms of leave systems and early retirement). However, some more substantial agreements were also reached, for instance on temporary agency work (Box 4).

**Box 4 Summary of the new national agreement on temporary agency work**

On 16 July 2013, at the National Labour Council, the social partners concluded Collective Agreement No. 108 on temporary work and temporary agency work. The following changes were introduced:

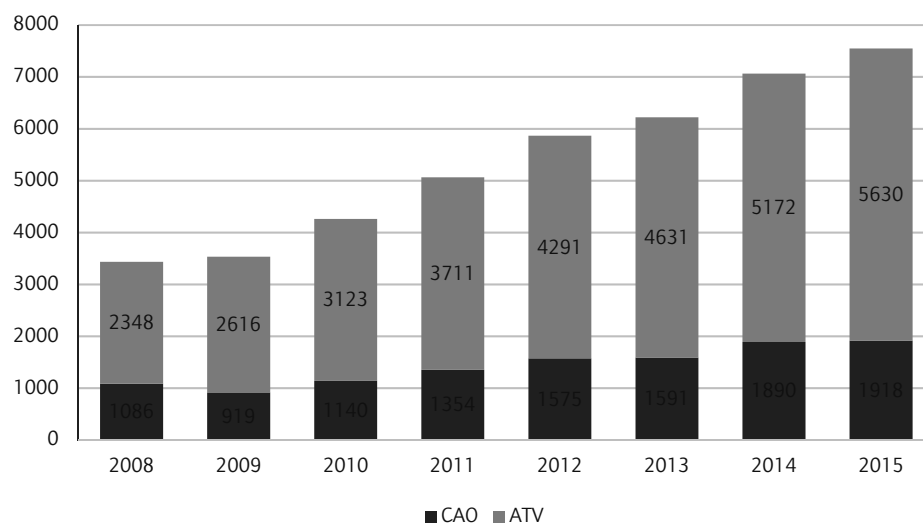
- Daily work contracts permitted for the ‘flexibility needs’ of the ‘customer-user’. There has to be proof that the flexibility is needed. ‘Customer-user’ employers must consult their works’ council or a trade union delegation, explaining why such contracts are necessary.
- A new condition allows the hiring of temporary agency workers on the grounds of ‘insertion’. Temporary agency workers can now fill vacant posts for a maximum of six months. After this ‘trial period’, a permanent contract can be offered but it is not compulsory.
- New procedures oblige ‘customer-users’ and temporary work agencies to notify trade unions when temporary agency workers are employed.

### 3.7 Deliberate abstention or organised delegation: company bonus agreements and local bargaining

These new initiatives, but also wage freezes, have also contributed to a proliferation of company agreements, not instead of, but rather in addition to sectoral or national initiatives. In the early crisis period the extraordinary measures on temporary unemployment (for white-collar employees) already necessitated more company agreements. The continued wage moderation also strengthened an ongoing trend of agreeing additional wage benefits at company level in stronger sectors and larger companies.

A key instrument in this regard has been the framework developed by national collective agreement No. 90, agreed in 2008. Belgian employers may confer benefits on their employees in the form of a non-recurrent performance-related bonus. The bonus may be granted only when a predetermined objective is achieved. A plan needs to be agreed on this objective in advance. This plan is in fact confirmed by a company collective agreement or by an act of accession, which should be approved by the sectoral joint committee. In the collective agreement the target has to be clearly defined, the objective concretely formulated, the monitoring methodology stipulated, the target period determined and the payment date agreed. The objective should be concrete, measurable, verifiable and, obviously, uncertain of achievement. There may also be multiple objectives in a single plan. Examples of objectives: to achieve specific sales or revenue growth; the realisation of a particular project; obtaining an official quality standard certificate; or reducing absenteeism. Up to a certain amount, such bonuses are exempt from income tax and, apart from a 13.07 per cent employee solidarity contribution, only a special social security contribution of 33 per cent is payable by the employer. The maximum bonus that can be paid under such a scheme is indexed each year. The number of employees receiving a bonus increased from

Figure 1 Company agreements and accords on collective bonus pay system, Belgium, 2008–2015



Source: Eurostat.

150,000 in 2008 to 600,000 in 2014 (Figure 1). It represented almost 2,000 company agreements and more than 5,500 accession acts in 2015. The bonus system represented a wage bill of more than EUR 526 million. Between 2009 and 2015 the percentage of the total wage mass coming from this bonus system rose to almost 1 per cent.

In Belgian companies, employee representation exists in the form of information and consultation rights through the works council and the Committee for Prevention and Protection at Work (CPP). A third form of formalised workplace representation consists of the union delegation, which is the main responsible actor for bargaining on company agreements (together with a required signatory trade union official). This workplace social dialogue has been granted more responsibilities in recent years. As in the early 1980s and mid-1990s, the difficulty of selling or implementing ‘flexibilisation’ and ‘moderation’ or ‘savings’ policies led to new rights or consultation opportunities for employee representatives. In the rising discussion of ‘sustainable work’ – linked to the reforms implemented in the retirement system – the focus is increasingly on issues such as stress and mental health. Already in the 1990s the Belgian social partners agreed on a common approach on the matter of psychosocial risks, first by collective agreement, later by law. This law was again thoroughly revised in 2014. The new laws reinforced and enlarged on previous definitions of ‘psychosocial risks’ in the workplace. The Committee for Prevention and Protection at Work is given important consultation and control rights at different stages.

Another innovation was the obligation for companies to establish employment plans for older workers. The works council – or in its absence, other employee representation bodies – has been granted consultation rights on this new initiative. The Di Rupo government, aspiring to complement its cuts in early retirement policies by positive incentives to keep more employees aged 55–65 at work, asked the social partners in the National Labour Council (NAR/CNT) to develop a framework agreement for company-level employment plans. National Collective Agreement No. 104 (agreed in June 2012) suggested a non-limiting list of initiatives that employers could use in drawing up an annual ‘company employment plan for recruiting and/or retaining 45+ year-old employees’. Initiatives include: recruitment of new staff aged 45 or over, training and developing competences, career guidance, internal changes, adapting working hours and conditions to meet the needs of older employees, preventing or remedying physical barriers and recognising acquired competences (experience). One condition is that employers must negotiate this plan with their employee representatives (union) or, in small or medium-sized enterprises, inform the workers. Companies with fewer than 20 employees are exempt from this obligation. First monitoring data, based on a survey of ACV-CSC employee representatives in 2014, show that in four out of five cases the works council receives information on the plan. Consultation is organised in about two-thirds of works councils (Pollet and Lamberts 2016).

#### **4. Sectoral case studies**

We shall now illustrate the functioning and nature of the Belgian wage bargaining system laid out in Section 2 and the decentralisation tendencies discussed in Section 3 by looking in detail at the development of collective bargaining in two key sectors: the metal industry and the retail sector. This is based on interviews with the trade union representatives responsible for bargaining (see Annex).

##### **4.1 Case study I: metal industry**

The metal sector (NACE 24-30) consists of several subsectors. Our focus in this study are the metalworking industry and steel and non-ferrous metals. Each of these subsectors has its own autonomous joint committee which is responsible for collective bargaining within its subsector. This is the largest industrial sector in the country, but it has experienced downsizing and job losses in the crisis (for example, between 2010 and 2015 metalworking lost almost 15,000 jobs, employment falling from 167,000 workers to 153,000).

Belgium is one of the biggest steel exporters in Europe. Over recent decades, however, the Belgian steel sector has undergone restructuring and downsizing, which has particularly affected companies not specialising in high-tech materials and with little access to (sea) transport. ArcelorMittal is the biggest steel producer in Belgium, where it accounts for approximately 40 per cent of steel production. The economic crisis also impacted the non-ferrous metals sector (in which Umicore is the largest company). Since 2008–2009 the sector has seen a slow and varying recovery.

Table 5 Sectoral collective bargaining structure, Belgium

	Blue-collar joint committees		White-collar joint committees	
	Number	Number of workers	Number	Number of workers
Metal (construction) sector	111	115 873	209	66 204
Steel sector	104	7 213	210	4 092
Non-ferrous sector	105.1	4 313	224	2 755

Note: \* As of 03/2016.

Source: RSZ-ONSS.

### The industrial relations landscape

Sectoral bargaining is organised in several joint committees. For the metalworking sector blue-collar workers are mainly situated in joint committee No. 111, white-collar in No. 209. The sector has a historical tradition of some subsectoral bargaining and bargaining by province. As the most important bargaining venue (in industry), the sector has always been a frontrunner in procedural innovation in the Belgian wage bargaining system: a ‘tight’ peace clause is complemented by specific trade union benefits; there is a regulated procedure for opting-out; and an agreed earnings increase can be implemented in companies in a flexible way by choosing one of the possible options (increase the basic wage or implement a set of premiums or wage benefits).

In the metal sector a wide spectrum of topics is discussed within the joint committees, including: wage increases, flexibility, working time, time credits and working conditions. Since the joint committee for metal working (No. 111) is the biggest, it plays a major role in setting an example for the other joint committees. The smaller joint committees base the topics they discuss on those determined by joint committee No. 111. In addition, the blue-collar unions in the metal sector traditionally play a leading (and if necessary mobilising) role in Belgian social dialogue.

The joint committees responsible for the steel sector are No. 104 for blue-collar workers and No. 210 for white-collar workers. The collective bargaining tradition in the sector differs from that in the metalworking sector. The main level of collective bargaining in the steel sector has always been the company. GSV (Groupement de la Sidérurgie – Staalindustrie Verbond) is the employers’ federation active in the sector, although because the sector has traditionally been dominated by a few very large companies (ArcelorMittal, Aperam, NLMK), it has significantly less bargaining power and capabilities than its counterpart Agoria in the metal sector. In addition, collective bargaining for non-ferrous production is organised at sectoral level by separate joint committees, namely No. 105.1 (blue-collar) and No. 224 (white-collar); this sector consists mainly of Umicore and several of its divisions. Because of the small number of companies in the sector, no separate employers’ federation is active. Therefore, bargaining is situated mainly at the company level. The Umicore management plays a key role in representing the employers within the sector.

On the trade union side, ACV-CSC (represented by ACV-Metea for blue-collar workers and the Flemish LBC-NVK and French CNE-GNC for white-collar workers) is now the largest trade union (due mainly to its stronger representation in the Flanders region and also among white-collar workers). The ABVV-FGTB metal federation has traditionally been more militant (also within the socialist trade union itself). In the early 2000s the Flemish and Walloon federations separated. White-collar workers are represented by BBTK-SETCA in the socialist confederation. The third Belgian confederation ACLVB-CSLB is less important in the sector (but growing).

Before 1996 wage increases were based less on formal rules and more on 'gut feeling'. However, in 1996 the wage norm was introduced, initially it had a more indicative role which became more imposing over the years. In practice the sectoral wage norm has always been implemented. Because of the use of the wage norm and the continued use of the automatic wage indexation mechanism at the sectoral level there is little room for wage setting based on productivity indicators.

The wage indexation system differs across the sectors as well. Both the metal sector and the non-ferrous sector make use of a coefficient, mainly on an annual basis. The steel sector, on the other hand, makes use of a pivot index of 2 per cent.

With regard to job grading and wage classification a distinction is drawn between the biggest joint committee (No. 111) and the others within the sector. Within joint committee No. 111 (metalworking) there is no wage classification. Because of the companies' heterogeneity it is not possible to distinguish a number of profiles. Exceptions are the provinces of East and West Flanders, which do have a form of provincial classification, which means that a certain degree of wage classification is possible here.

A peace clause has been implemented in every collective agreement that states that all matters settled within the agreement cannot be subject to future negotiations or actions to force such negotiations. In exchange for social peace the employers pay into a sectoral fund to cover part – 70 per cent – of the employees' trade union membership fees. If the peace clause is violated employers have the right to reduce their union contribution.

### **Decentralisation**

The sector is characterised by the following forms of decentralisation and centralisation.

*Overruling/state intervention:* Despite the importance of the sectoral level, the national level still plays a significant role in collective bargaining. Trade union interviewees from the metal sector said that they wait until the intersectoral (also called 'interprofessional'), national agreements have been concluded (whether successfully or not) to provide guidance on structuring the topics of discussion and formulating the bargaining agenda and demands at the sectoral level. Within the past six years or so, however, only one such agreement has been concluded and signed by all partners at the national level, because the state intervened in the wage bargaining process at the national level by imposing a wage freeze.



The sectoral levels have developed their own negotiation traditions and are not severely affected if an interprofessional agreement is not concluded. If negotiations on the national level do succeed, the sectoral level has to respect its conclusions. For example, if a wage norm is established, it has to be followed by the lower levels. In that case the sectoral level negotiators use the nationally agreed wage norm as a starting point and framework for further negotiations.

As already mentioned, in the steel sector the company level has always been the most prominent. The sectoral level handles only matters that legally have to be discussed on that level (for example, early retirement). Even though the sectoral level is less dominant, all successful interprofessional agreements have to be followed as well.

*Decentralisation strictu sensu:* As a result of the limited flexibility brought about by the increase of interprofessional agreements (for example, the wage norm), trade union representatives have noticed a rise in individual remuneration. Especially in the case of white-collar workers and executives, companies are increasingly providing wage optimisation services for individual employees. Representatives have been unable to reverse the trend but instead have attempted to frame the individualised measures within collective agreements at the company level.

In the metal construction sector a provincial level is also active. These so-called joint sections do not have the same autonomy as joint committees; they can negotiate on certain topics but always have to report back to the federal level for validation. For example, the end-of-year bonuses for the metal construction sector are negotiated at this level. This intermediate level has always existed.

*Implementation of CBA 90 as organised decentralisation:* Because of the limiting framework created by the wage norm at national level, many companies see a need to increase their flexibility with regard to remuneration. Especially in the metal, steel and non-ferrous sector the competition between companies to acquire qualified technical personnel is high. Therefore, companies feel obliged to make their remuneration systems more attractive. One way of this doing is to resort to Collective Agreement No. 90. This collective agreement, dating back to 2007, arranges non-recurring benefits that are related to the collective results of either the company, a group of companies or a specific group of employees predefined based on objective criteria. On the other hand, the results must be definable, clearly measurable and uncertain when the benefit is introduced.

*Delegation/empowerment:* Particularly in the metal sector sectoral-level trade union officials use a form of delegation. Two systems are used to delegate certain decisions to the company level. In the first, which is more often utilised in bigger companies, the company level has considerable freedom to choose the manner in which they apply the wage margin (for example, basic wage increase, hospitalisation insurance and so on). In other (often smaller) companies, negotiators at the company level are allowed to choose from a list of four options. If in any case the negotiators reach an agreement before the deadline stipulated in the sectoral framework agreement, the agreement is deemed valid. If no agreement has been concluded the (base) wage will increase automatically

according to the wage margin defined in the sectoral agreement. This system is called the 'company envelope'. According to the people we interviewed, it is a 'balanced' approach, satisfying both sides of the sectoral bargaining table. From the company management standpoint, there is room for negotiation flexibility at the company level and an opportunity for made-to-measure company wage negotiations. However, from the trade union side a significant amount of sectoral influence and coordination is still secured in the process and the sectoral level maintains control over the general direction and trend of wage developments. Minimum wages are still negotiated at the sectoral level as well and are increased with the established wage margin.

*Derogation/opting out:* This form of decentralisation has occurred in rare cases, as in the case of supplementary occupational pensions. In 1999 companies within the sector were allowed to consider whether or not they would participate in the sectoral collective agreement on this matter or to maintain their own supplementary pension system. Ultimately, 53 out of approximately 7,500 companies opted to use their own system. However, they are still obliged to apply the same extra raise in (occupational) pensions (in one form or another) as the other companies.

*Centralised retreat:* Given the authority enjoyed by Agoria at the sectoral level in the metal sector, trade union interviewees deemed it unlikely that the federation would agree not to reach a sectoral agreement. This appeared to be on the cards only in 1989, when no wage rise seemed possible. This deadlock eventually led to negotiations at the provincial level and the creation of provincial wage scales. Even today there are two minimum wage scales in the metal sector, the national and the – more generally used – provincial wage scale.

### **Conclusion**

The metal sector has always been a vanguard sector in the Belgian system of collective bargaining and industrial relations. It experienced major growth in parallel with development of the institutional system of Belgian social dialogue (from the 1930s to the 1970s). It is probably the key example of Belgian '*Konfliktpartnerschaft*'. On one hand, relations between the social partners have always been difficult, but on the other hand the drive or need to strike deals has always been high (due to the sector's competitiveness and export-orientation). In metal manufacturing this has led to coordinated and centralised bargaining at the sectoral level, while in the basic metal industry, where labour costs are only a small part of total production costs, company size is large and (skilled) workers play a key role in production operations, the main focus of collective bargaining has always been the decentralised company level.

In metalworking, sectoral dominance in bargaining has meanwhile evolved in a multi-layered bargaining setting. Nevertheless, sectoral actors continue to play an organising and intermediating role. Traditionally, sectoral bargaining was complemented by lower-level flexibility in bargaining additional income components and working time features. The loosely structured wage grading system in the sector also facilitated labour cost flexibility. In recent times, these flexible opportunities have been expanded by transforming the sectoral accords into framework agreements that can be adapted to company particularities and preferences. Alongside the higher-level imposition

of a wage norm and more opportunities for variable pay, sectoral organisations try to maintain their role by translating the wage norm into an ‘envelope’ or ‘menu’ for wage bargaining. Additional or innovative forms of reward are framed in procedural or substantive sectoral wage agreements (cf. occupational pension system, variable pay under CBA-90).

## 4.2 Case study II: retail

Commerce is a very important sector in the Belgian economy. In total, more than 400,000 people are employed in the commercial sector, including wholesalers and retailers. They account for 11 per cent of Belgian GNP. In this section, however, we focus only on the retail sector, thus all ‘shops’ (large and small), every seller to an end-user. In the retail sector, over 24,000 employers and over 200,000 employees are active, the large majority of them white-collar workers.

### **Industrial relations landscape**

In the most recent social elections in 2016 ABVV-FGTB obtained over 47 per cent of the mandates in works councils and committees for prevention and protection at work. It thus continues to represent the most employees in the sector. ACV-CSC and ACLVB-CGSLB are the second and third largest employee representative organisations, respectively. Even though the unions’ ideological foundations differ, collaboration at the national, sectoral and company levels on employee representation has been described as very productive. Nevertheless, declining influence has been noted, along with a tendency to be more pragmatic because of increasing competition and loss of jobs in the retail sector.

On the employers’ side, the key organisations are Comeos, Unizo and UCM. Comeos represents employers in the retail and in wholesale sectors. In the retail sector, store chains as well as franchises can join Comeos. Participating in social dialogue at all levels in the commerce sector (wholesalers, small and large retailers), Comeos has a very powerful position. Unizo and UCM unite and represent independent entrepreneurs and the self-employed, respectively, in Flanders and in Wallonia – in other words, very small, independent shop owners and retailers. The difficulty for these employer representatives is to achieve consensus between the various companies they represent, whose objectives and interests differ. Interest aggregation is a major challenge, according to the trade union bargainers we interviewed.

The retail sector is organised into seven statutorily recognised sectoral joint committees. The sectoral level is thus dominant but fragmented:

- (i) JC 201: independent retailers, covering 95,000 employees. This committee covers food retailers employing fewer than 20 employees, and non-food retailers employing fewer than 50 employees.
- (ii) JC 202.01: medium-size food businesses, covering 7,000 employees. This autonomous subcommittee includes companies with only one shop, but employing more than 20 employees. These are mainly franchises of larger stores.

- (iii) JC 202: retail of food products, covering 52,000 employees. These are large food retailers with at least two stores and more than 25 employees.
- (iv) JC 311: large retailers, covering 50,000 employees, including white- and blue-collar workers. These are large retailers employing more than 50 employees and sell only one or two kinds of goods (for example, clothes and shoes). Because of the very small number of blue-collar workers, the negotiations are carried out by white-collar workers' representatives.
- (v) JC 312: warehouses, covering 12,000 employees, including white- and blue-collar workers. These companies also employ more than 50 employees, but sell three or more kinds of goods. Here, too, negotiations are conducted by white-collar representatives.
- (vi) (JC 119): blue-collar workers in the food retail sector, covering 37,000 workers. This joint committee is not discussed here because it is very different from the core retail sector.
- (vii) (JC 313): pharmacists, covering 14,000 workers. This joint committee is not discussed here again because it is very different from the core retail sector.

Enterprises are allocated to a joint committee according to size (number of employees; FTE), based on the idea that the self-employed and small enterprises do not have the same resources and thus should not be compelled to meet the same standards. When larger enterprises found their way to Belgium in the 1950s, JC 312 was created to protect small enterprises from the power and influence of large store chains. Gradually, more forms of differentiation were addressed by establishing new joint committees. Currently, JC 312 provides the best (or, according to interviewees, 'least bad') working conditions, but only contains three large shops: Hema, Cora and Carrefour. Currently, the trade unions oppose the allocation of companies to joint committees on the basis of employment size and prefer business turnover as a threshold.

Even though collective agreements are concluded and applied by joint committees, negotiations for the five core joint committees in the sector take place mainly in two concertation committees. This division was developed at the request of the trade unions in the mid twentieth century to increase their influence and representational power.

JC 201 and 202.01 are taken together as representing small enterprises, while JC 202, 311 and 312 form a concertation committee for the large retailers. In general, working conditions are better in the large retailers than in the small ones. For example: the working week is 35 hours as opposed to 38 hours and on average there is a wage basket difference of 20–25 per cent.

Currently, the trade unions would prefer to abandon this negotiating structure because of the increased use of franchising by the larger retailers, which entails a shift of the personnel of these large retailers to the joint committees of small retailers (and the accompanying less favourable labour conditions). According to some trade unionists, collective bargaining by joint committees would be more effective and beneficial. Nevertheless, the current negotiation process in both concertation committees is described in the following paragraphs.

Collective bargaining in the retail sector is organised by means of two concertation committees, based on size of company. These committees are not legal entities, implying that agreements are always officially signed, in a second step, at an official meeting of the separate joint committees. This arrangement could be referred to as segmentation or deconcentration.

Historically, the standards in the committees of large enterprises are higher because trade unions agreed that the self-employed, with fewer resources, cannot meet the same standards. The interviewees indicate that negotiations are friendly in the concertation committee of small companies, but in the end only small steps can be achieved. This is mainly because they strongly insist on never matching or surpassing the standards of the large retailers. For example, two years ago they negotiated a wage margin of 0.8 per cent, which was transposed into a gross bonus of EUR 250 (0.8 per cent, not including social security charges/taxes) at the large retailers, but only EUR 188 (0.8 per cent including social charges/taxes in the calculation) for employees of the small retailers. Nevertheless, sectoral agreements are important for providing a generally agreed minimum. Because there are no statutory representative bodies in small enterprises, workers' representation is more limited and sectoral trade union bargainers, although they have more leeway with regard to bargaining position, have less mobilisation power. Guaranteeing a sectoral minimum framework is thus very important especially in the group of small retailers.

In the committee for large companies, interviewees stated that negotiations progress more slowly because employer representatives need to inform and consult their organisations before making decisions. The main difficulty, however, as indicated by the interviewees, is the increasingly rigid attitude of Comeos. Formally, Comeos declares that this is because of the heightened competition between firms (partly because of franchises) and the fact that retailers are first of all employers, implying that wage costs are an important factor and have to be kept low. Customer flows are another key factor often brought up by employers. These tendencies have caused a sectoral standstill in the past 12 years, and even a power shift: employer representatives now also formulate their demands and state from the outset that they will not exceed the standards set by small retailers. According to trade unionists, the introduction of franchises in the concertation committee of small retailers has indeed increased competition, but was merely a strategy on the part of large retailers to lower their standards. This has given rise to a tendency towards low general minimum standards. In recent years this trend has been reinforced by falling profit margins in the sector (due, among other things, to fluctuating and moderate sales figures).

A basic wage rate is laid down by the state in the form of a guaranteed minimum monthly income. Sectors are bound to these minima and their options for raising standards are limited. Given the frequent use of contracts with limited working hours, this guaranteed minimum is very important in the retail sector.

Biannually, the social partners (trade unions, employer representatives and government) conclude an interprofessional agreement, including a wage norm. A key element of this agreement is a declaration of intent to increase wages at an agreed pace. The wage

norm, however, has evolved from indicative to imperative, implying that the sectoral negotiations are limited. Specific agreements are made by each concertation committee and formally concluded by each joint committee.

All joint committees in the retail sector use a pivot indexation system, but the index varies between 1 and 2 per cent.

Sectoral job classification is linked to pay brackets and is used by a majority of companies. However, it has been described as 'desperately outdated'. Only some large retailers define their company-specific classification. Trade unions have called for a renewal of the sectoral classification to harmonise wage conditions within and between joint committees. However, no action has been taken because this demands time, money and effort. This could cause grading difficulties, but currently trade unions are exhibiting common sense in their use of this 'outdated' instrument.

Every sectoral agreement includes a legally required and accorded extension which makes it binding for unaffiliated companies. Trade unionists consider this to be very important because of the breadth and variance in the retail sector, to limit (wage/cost-based) competition within the sector and to secure the (income) protection of all employees. Nevertheless, it is difficult for trade unions to monitor companies' compliance, especially in the case of small retailers because there is almost no employee representation.

A peace clause is also always added to sectoral agreements, defining a two-year period during which the agreement may not be violated. However, for most agreements either trade unions or employers ask to breach the clause to discuss certain aspects once again. This is not linked to the trade union premium (see above). Under the trade union premium, as we have seen, trade union members get part of their membership fee refunded by a sectoral fund.

### **Decentralisation tendencies**

In general, the sectoral level is still the most important bargaining level, but it is losing impact. Underpinning this evolution are certain decentralisation tendencies.

*Decentralisation strictu sensu:* Interviewees stress that this rarely happens and that it should be avoided because full protection cannot be guaranteed. The only circumstances in which this happens is when companies ask to apply personal bonuses, based on collective agreement No. 90 (collective agreement on non-recurring results-linked remuneration). Even though trade unions refuse to organise this at the sectoral level, it is often asked for by small companies to boost employees' commitment.

*Deconcentration:* Historically, deconcentration has been included in the sectoral bargaining structure. Different (sub-)sectoral joint committees covered different sectors (food and non-food) and various company sizes. However, as, on one hand, employers seemed to use this differentiation to indulge in 'regime shopping' and trade unions strove as much as possible for 'equal' workers' rights, bargaining developed or became 'concentrated' in practice into a 'centralised' two-committee system. Even though

negotiations take place mainly in two concertation committees, trade unionists define these in terms of a rationalisation of effort, rather than as a newly inserted negotiation level. Therefore, they state that there is no tendency towards deconcentration.

*Delegation, empowerment:* Given the substantial variety in the retail sector, trade unionists find it important to leave some freedom of implementation. Therefore, they have noticed a tendency towards more delegation and empowerment. A minimum level or a framework is decided in the sectoral bargaining, offering some possibilities for made-to-measure implementation at the company level. For example, in the last sectoral agreements on purchasing power, the total value of the bonus was defined, but companies could choose between alternatives such as meal vouchers, gross bonuses or group insurance.

*Derogation, opting out:* This is allowed only in exceptional cases as part of drastic restructuring processes and can only impact agreements on purchasing power. Also, these cases are always announced and discussed during the relevant negotiations.

*Centralised retreat:* The interviewees indicate that this does not happen. However, the interviewed trade unionists mentioned multiple new topics of discussion in the sector: work on Sundays, reintegration of the long-term unemployed, student work and e-commerce. It is not always easy to make binding sectoral agreements on these matters. The discussion on e-commerce is particularly important. According to all interviewees, employer representative organisations discuss e-commerce only in relation to night work. While they state that trade unionists block all discussion of the issue, the latter argue that, according to existing regulations, retailers can operate only between 5 am and midnight, which they estimate to be sufficient for small retailers to organise e-commerce. Moreover, trade unionists acknowledge that they make specific arrangements at company level and that employers are satisfied with the current situation. Nevertheless, talks on revising the rules on night work are still ongoing, among others pressed by the federal government and the minister of labour. However, partly due to legal revision, night work related to e-commerce is now allowed in Belgium, but it still has to be arranged by company agreement and with the involvement of the works council and/or union representation at the workplace.

*Deliberate (or not) abstention:* The interviewees admit that this is sometimes the case in the retail sector, and that it is occurring more often than in the past. When issues are very complex and involve many partners, and the discussions are likely to be difficult, this is sometimes assigned to a work group, which is composed of all partners involved and can be expanded with the use of experts. Nevertheless, experience shows that such groups do not work particularly well. For example, they are used in relation to the wage classification system.

*Overruling, state intervention:* On one hand, the Belgian system implies a form of supersession by using interprofessional agreements and the wage norm that are laid down by the government and implemented by the social partners and companies. On the other hand, interviewees notice that state intervention has increased in recent years. They feel that the current government prefers to arrange things directly at the

company level, thus ignoring the sectoral level. For example, by making the wage norm imperative instead of indicative, the possibilities for sectoral negotiations are limited. The increased strictness of the wage norm for basic wage negotiations is, however, combined with rules that define exceptions (labour cost or income increases that are not bound or covered by the wage norm). The key example in this regard is the collective bonus system (organised by national collective agreement No. 90), for which there are also tax incentives.

The trade unions oppose this tendency because it hampers the protection of employees by lowering the degree of harmonisation of labour conditions and by limiting the possibilities for representatives to compare their company with similar ones. The interviewees fear that this encourages social dumping within the sector.

### **Conclusion**

In conclusion, collective bargaining and especially wage bargaining in the retail sector has traditionally been organised according to Belgian 'norms' by focusing on the sectoral level, acknowledging the role of the statutory minimum wage and applying automatic wage indexation. However, a differentiated or 'implicit' decentralising factor was built into the system by organising this wage bargaining in a series of joint committees (differentiated by occupation, type of trade and company size). In recent decades this differentiation was nevertheless counter-acted by 'centralising' tendencies. First, by coordinating joint committee bargaining in two informal committees and in a second step by an ever more supervening intersectoral wage norm. The latter decreases the room for sectoral bargaining, especially in recent years, when this wage norm was in addition superseded by state-imposed wage freezes. In addition to this general factor, the interviewed trade union bargainers observe stronger difficulties on the employers' side to keep interests aggregated and to come to the bargaining table with a strong mandate, as competition and restructuring are increasing in the sector. Partly to counteract this trend, particular employers – looking for stronger commitment and loyalty from their employees – are getting more and more interested in the decentrally-bargained variable pay system organised by an intersectoral, national framework collective agreement.

## **5. Conclusion**

Looking at the Belgian collective bargaining system in recent years in the perspective of decentralisation/centralisation we can conclude, first, that although Belgium is categorised in European comparison as very centralised, this global view should be corrected. Traditionally, the sectoral level has been very important, but for a series of important sectors, this level only provides a framework of basic regulations (for example, for the chemical industry, banking and so on). Multi-employer bargaining has, on one hand, always been very organised and pervasive, but on the other hand it also has additional layers with sub-sectoral joint bargaining committees and a regional level. Nevertheless, the hierarchy between different levels and high coverage at central levels have always been respected and stimulated by legal instruments, avoiding opening clauses and promoting extension erga omnes.



Strong trade unions – in terms of membership, militancy and representation in the workplace – have always been an important factor in this system. It is perhaps no coincidence that in this context a political actor that wants to intervene in this organised system does not opt for decentralisation (which would only pit the social partners against each other as opponents in many more localities), but resorts to state intervention. The centralisation tendencies often mentioned in relation to the recent history of Belgian social dialogue are in this regard better understood as an attack on the traditionally highly-valued autonomy of the social partners to organise and set wages and working conditions. Stricter control, overruling or ignoring of collective bargaining and social dialogue have been on the increase since Belgian governments – perhaps under European surveillance – opted for a programme of austerity. In stronger terms, as decentralisation would not guarantee the proposed neoliberal reforms of flexibilisation and wage moderation in the strongly organised Belgian system, or would even be counterproductive, governments have opted for a more radical form of state intervention.

However, this does not mean that this organised system of social dialogue and collective bargaining is 'dead'. It has rather reverted (temporarily?) to a 'minimal' approach. Instead of bipartite social dialogue that rules, as it were, alongside politics, it is in a constant tripartite battle situation, correcting or complementing the stream of new government labour and social regulations in the implementation phase. Although thus less maximal, that does not mean that the institutional structures themselves have been reformed. In addition, it leads to (new) forms of decentralisation in the system which may be indirect, unintended (by politicians) and perhaps less on the (international) radar.

- The continued wage moderation and recent wage freezes have been partly, but certainly willingly circumvented by bargaining on all types of (new) benefits (ecocheque, company cars, occupational extra-pension) and especially collective variable pay beyond the 'blocked' basic pay increase. It is an organised form of decentralisation as all parties agree at the central level which kind of premiums/benefits are bound by the wage norm or not.
- Labour reforms are accompanied with extra powers at the workplace level, not to substantially alter the new regulations, but to guide, help, control and monitor them in a procedural way. However, these new rights are not always granted in the form of collective bargaining authority, but in terms of information and consultation rights for union representation at the workplace (for example, works councils).
- Most of the time these decentralisation tendencies are 'organised' and 'framed' in higher-level agreements (see the envelope system in the metalworking sector). Sometimes, however, they are also a result of 'retreat' or 'abstention' by the higher level (one might mention the e-commerce night work regulations). However, derogation or opening clauses are not part of this decentralisation tendency and, as already stated, sectoral bargainers and actors have managed to maintain at least an intermediary role.

To summarise this Belgian story concisely, instead of decentralisation, collective bargaining in Belgian is being overruled and superseded by state intervention and

political reforms. This state centralisation, however, has increased the attractiveness of 'organised' decentralisation and deconcentration. Hence at the local level the imposed wage moderation is 'moderated', the agenda for workplace social dialogue is undergoing innovation and reform implementation is subject to guidance. As a result, Belgium's multi-layered industrial relations governance system has become more complex than it used to be.

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All links were checked on 18.12.2017..

## Annex

Table 6 lists the collective bargaining characteristics of 23 EU member states.

**Table 6 Level of collective bargaining, degree of centralisation, coordination, trade union density, coverage, employer organisation density and quality of labour relations**

	Predominant level	Degree of centralisation / decentralisation	Coordination	Trade union density in the private sector	Employer organisation density	Collective bargaining coverage rate
Austria	Sectoral	Organised decentralised	High	20–30%	≥ 90%	≥ 90%
Belgium	Sectoral/national	Centralised	High	50–60%	80–90%	≥ 90%
Czech Republic	Company	Decentralised	No	10–20%	60–70%	40–50%
Denmark	Sectoral	Organised decentralised	High	60–70%	60–70%	80–90%
Estonia	Company	Decentralised	No	< 5%	20–30%	10–20%
Finland	Sectoral/national	Centralised	High	50–60%	70–80%	80–90%
France	Sectoral	Centralised	Low	5–10%	70–80%	≥ 90%
Germany	Sectoral	Organised decentralised	High	10–20%	50–60%	50–60%
Greece	Company/sectoral	Decentralised	No	10–20%	40–50%	40–50%
Hungary	Company	Decentralised	No	5–10%	40–50%	20–30%
Ireland	Company	Decentralised	No	20–30%	50–60%	40–50%
Italy	Sectoral	Centralised	Low	20–30%	50–60%	80–90%
Latvia	Company	Decentralised	No	5–10%	40–50%	10–20%
Lithuania	Company	Decentralised	No	5–10%	10–20%	5–10%
Luxembourg	Company/sectoral	Decentralised	No	20–30%	80–90%	50–60%
Netherlands	Sectoral	Organised decentralised	High	10–20%	80–90%	80–90%
Poland	Company	Decentralised	No	5–10%	20–30%	10–20%
Portugal	Sectoral	Centralised	Low	10–20%	30–40%	60–70%
Slovak Republic	Company/sectoral	Decentralised	No	10–20%	30–40%	20–30%
Slovenia	Sectoral	Centralised	No	10–20%	60–70%	60–70%
Spain	Sectoral	Organised decentralised	Low	10–20%	70–80%	70–80%
Sweden	Sectoral	Organised decentralised	High	60–70%	80–90%	≥ 90%
United Kingdom	Company	Decentralised	No	10–20%	30–40%	20–30%

## **Annex 2: Interviews conducted for the sectoral case studies**

### Retail

Chris Van Droogenbroeck – ACV

Delphine Latawiec – ACV

Myriam Delmée – ABVV

Jan De Weghe – ABVV

Tom Van Droogenbroeck – ACLVB

### Metal

Frans Biebaut – ABVV Metaal

Swat Clerinx – ACV LBC

Marc De Wilde – ACV Metea