



Belgian trade unions and the European Semester: reciprocal but limited influence

Case study Belgium

Executive summary

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The Research Paper analyses the involvement of Belgian trade unions in both the domestic and EU cycles of the European Semester (ES) between 2014 and 2018. It provides an overview of channels for access, resources available, influence, strategies for involvement and links between the ES and national social dialogue in Belgium. It includes an in-depth case study on the development across the Semester of a specific national policy initiative linked to the Semester, namely the reform of the wage norm setting mechanism into a mandatory regulatory framework.

The results are based on a combination of literature review, analysis of secondary sources and semi-structured interviews carried out with a range of stakeholders in the ES process in Belgium. These include social partners' representatives, Trade Union Semester Liaison Officers, a European Semester Officer, members of the Belgian desk at the European Commission (EC) and representatives of the national public authorities.

Since the start of the ES, the EU has exerted considerable pressure in relation to several policy issues in the Country-specific Recommendations (CSRs) addressed to Belgium: the wage-setting system, pensions, taxation (low wage burden), labour market participation of older workers and vulnerable groups, youth employment, early school-leavers, and shifting away from tax on labour.

Belgium belongs to the 'Social Partnership' cluster of the industrial relations' typology, characterised by an intermediate union density rate (54.2%) and high coverage of collective bargaining, as 96% of workers are covered by collective agreements. Since 2000 these parameters have remained constant. As social bargaining became more difficult during the economic crisis, there was a marked tendency towards greater and more one-sided involvement of the federal government in the process, notably in the wage-setting mechanism which applied

when the social partners failed to reach a national agreement. Between 2010 and 2016, the social partners could not reach any cross-sectoral agreement. Tensions between and within social partners, and an increasingly interventionist government in key areas of social dialogue, explain the current difficulties of the Belgian social dialogue model. This tension in collective bargaining has been noticeable since the coming to power in 2014 of an unprecedented (dubbed 'Swedish' or 'kamikaze') government coalition. In this context, some political actors are openly questioning the usefulness and effectiveness of the existing social dialogue model, calling in particular for a greater decentralisation of consultation to sectors and companies.

The Belgian trade unions have considerable experience of European issues and are well informed about the ES procedures. They have all the political, organisational, cognitive and human resources they need to participate fully in the ES, even if there is always room for improvement. At national level, unions have access to the Semester process through the National Labour Council (NLC) and the Central Economic Council (CEC) which are consulted during the drafting of the National Reform Programme (NRP). At European level, unions can interact with the EC and the European Trade Union Confederation (ETUC). The quality of these interactions is considered positive at European level but poor at national level, with the national government reluctant to engage in a real dialogue with the social partners when drafting the NRP. However, the social partners strongly regret that the process has so far been more informative than participatory.

The trade unions consider it useful to be involved in the Semester, as almost all the key themes of the Semester correspond to the issues discussed in the national social dialogue. Most of the reforms implemented in recent years under European pressure are directly related to their core business. The reform of the wage-setting mechanism is an excellent example of this, as is the pension reform. Both trade unions and public authorities use the messages of the Semester, either to support their actions at national level (for example the recommendation to cease subsidising company cars) or to impose unpopular reforms on the pretext that Europe has called for these (blame avoidance).

To exert some influence, trade unions have essentially developed insider strategies targeting policy-makers through bilateral meetings. Other 'outsider' modes of action include the publication of press releases, organising of demonstrations, etc. However, the impact of these strategies is described as moderate by trade unionists. There are very limited possibilities for modifying the content of the NRP. Still, the social partners' collective contribution through the National Labour Council is directly annexed to the NRP, which gives union views more prominence. The same applies to CSRs. The European Commission's Country Report is identified as the key output document to be influenced since it serves as the basis for recommendations. The unions have taken the initiative of organising bilateral meetings with the Belgian desk in the Commission's Directorate General (DG) for Employment, Social Affairs and Inclusion (DG EMPL) to present an alternative Country Report. These meetings are an opportunity to highlight the errors and

inconsistencies in the Commission's report, to present other figures, other studies and factual elements that allow the desk to correct the report in order to better reflect the situation in the country. Some of the issues highlighted by trade unionists have been found over the years in Country Reports, thus suggesting trade union influence. However, it is not possible to establish a direct correlation.

The in-depth case study highlights how, in the framework of the ES, wage negotiations on the margins for wage progression during the two years covered by a central collective agreement were radically altered in response to the points made in the CSRs. Since 2010, wage setting has evolved from a 'gentlemen's agreement' between social partners to an agreement subject to greater constraints from the government and the control mechanisms have been included in the reformed Law on competitiveness. The 'wage norm' is still the result of collective bargaining, but subject to greater control and certain restrictions, as was called for in the CSRs to Belgium even prior to the ES.

The real challenge for Belgian trade unions is to try to restore a dialogue between themselves and the federal government. This is of course difficult when neither government nor employers are calling for such a dialogue, as is currently the case in Belgium. Despite their relatively low influence at European level, and their lack of influence at national level, Belgian trade unions are not considering withdrawing from the process.

The trade unions need to enhance and improve their interactions with the Commission in order to fine-tune the Commission's diagnosis in the Country Report. This will help to influence the content of the CSRs to better reflect the national challenges emerging from the analysis consensually made by the trade unions. They also should continue to promote and deepen the interaction gateways, allowing the development of common consensual positions and analyses. The joint note containing the union analysis of the reforms highlighted in the CSRs and the NRP is a positive step in this direction. The national government should better involve the social partners in the drafting of the NRP, to ensure more consistency and a closer match between reforms presented in the NRP and the socio-economic reality. It should also develop an agenda which allows trade unions sufficient time to analyse, consult and react properly to the key Semester documents (NRP, CSRs).

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