

European Round Table

Improving the scope and coverage of collective bargaining in Europe

Panel: wage bargaining – the road from socio-economic arguments to union pressure actions

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Framework for Belgian wage negotiations: a straitjacket for workers (1)

- Belgian Wage Norm Law (or Wage Law): see the presentation of Noah Vangeel
- But with limited control:
 - no control on the company level or on individual agreements
 - escape route: unilateral contract promises (= no agreement)
 - control on the sectoral level only when the social partners ask for a royal decree for an application *erga omnes*
 - in practice no control if there is an attestation of the sectoral negotiators that the collective agreement is in conformity with the Wage Law

Framework for Belgian wage negotiations: a straitjacket for workers (2)

- Plenty exceptions: profit premiums, participation in the capital, consumption cheques, supplementary pensions (with 4.4% solidarity)...
- Collective agreements with one of the governments as third party are excluded

Most important impact: the Wage Law puts employers in a seat; *“I am punishable if your requests are met”*

Footnote: nothing of these “nuances” costs anything to the employers: every exception (in law or in practice) will reduce for 100% the wage norm for the next biannual negotiation round.

The Wage Law is disruptive. But is it also destructive? (1)

On the one hand

- collective bargaining is more than negotiating wages and working time reduction without wage loss
- collective bargaining is more than the Group of 10: center of gravity of our model is in the sectoral bargaining
- until now: biannual sectoral bargaining became much more difficult but knew to survive (*even expansion to new branches*)
- our system of automatic indexation survived (thank God)... until now

The Wage Law is disruptive. But is it also destructive? (2)

At the other hand:

- Interprofessional coordination has been replaced by state control and unilateral governmental interventions (also for social security)
- More decentralization and individualization and for that reason more wage inequality
- More evasion of taxes and social security contributions: replacement of gross wage increases (and more and more existing gross wages) by “alternative remunerations”, with a new commercial industry for “cafeteria plans”, around companies

Trade union strategy (1)

- The classic pentagram - communication, negotiations, lobbying, strikes and demonstrations – failed
- A citizen petition led to parliamentary hearing, *that's all*
- Complaint to the Committee for the Freedom of Association of the ILO, which led to a strong condemnation of Belgium, *but without any impact until now*
- Reaction of Belgian employers: our automatic indexation is also a violation of the freedom of collective wage bargaining (*rubbish! automatic indexation is not statutory but based on collective agreements*)
- Next step: complaint to the European Committee for Social Rights (together with ETUC)

Trade union strategy (2)

The new European directive on adequate minimum wages is very helpful...

(a) promote the **building and strengthening of the capacity of the social partners to engage in collective bargaining** on wage-setting, in particular at sector or cross-industry level;

(b) encourage constructive, meaningful and informed negotiations on wages between the social partners, **on an equal footing**, where both parties have access to appropriate information in order to carry out their functions in respect of collective bargaining on wage-setting;

(c) take measures, as appropriate, **to protect the exercise of the right to collective bargaining on wage-setting** and to protect workers and trade union representatives from acts that discriminate against them in respect of their employment on the grounds that they participate or wish to participate in collective bargaining on wage-setting

Trade union strategy (3)

To read together with the new European Council Recommendation on strengthening social dialogue:

*“ensure an **enabling environment** for bipartite and tripartite social dialogue, including collective bargaining, in the public and private sectors, at all levels, including cross-industry, sectoral, company, or regional level that:*

*(a) **respects the fundamental rights of freedom of association and collective bargaining;**“*

*“foster trust in and between social partners and **promote the conclusion of collective agreements**”*