

# ARITAKE-WILD

Joint European Level Social Partners'  
Work-Programme 2009 – 2010

Joint Study on Restructuring in the EU  
- Final phase

Belgium

Summary note of the meeting that took place in  
Brussels on 14<sup>th</sup> October 2009

Alan Wild  
ARITAKE-WILD  
January 2010



Project of the European Social Partners with the financial support of the European Commission

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*Introduction*

The twenty-fifth seminar in the joint European level social partners' project, "Joint study on restructuring in the EU" took place in Brussels, Belgium on the 14<sup>th</sup> October 2009. It was attended by the Belgian social partners, European social partners and experts. An attendance list is attached as appendix one.

The Project coordinator, Alan Wild, opened the meeting explaining the background to the project in the context of previous social partners' work programmes and the work already undertaken on restructuring in the other Member States. He explained that the current phase of the project would facilitate a review of restructuring in every member state of the EU. A major conference will be held in January 2010. He stressed the importance of good and open debate in helping assure a high quality contribution to the overall project from Belgium.

For the European social partners Maria Helena André (ETUC) welcomed those present explaining she was looking forward to the discussion of the report which had presented a number of interesting and important issues being addressed against the background of a strong system of social dialogue. As she would have to leave prior to the end of the meeting she commented on the challenges posed by demographic change, the need to increase the employment rate, general skills mismatches that were serious amongst some sub-populations of the workforce and the rate of improvement in productivity.

*Belgian national dossier – section one*

The project expert for Belgium, Valeria Pulignano presented the first section of the Belgian National Dossier – "A macroeconomic review of restructuring in Belgium" (slides attached as appendix two). At the end of the presentation she left the Belgian social partners with the following questions;

1. How will the economy deal with the issues associated with an aging population combined with the current challenges of low participation rates for women, older workers and migrants?
2. Whilst the country has high levels of university graduates, it also has a higher than normal number of people with low levels of education. Is this a major problem for the economy and how can it be tackled?
3. Although Belgium is a small country, regional differences in unemployment are very high. What can be done to address the issues of geographical and skills mobility?

4. Belgium is one of very few countries in Europe where the profitability and productivity of small and micro enterprises is very high. What are the reasons for this?
5. Anticipation of change is a major issue for all economies. Belgium has a high share of GDP and employment in two industries affected dramatically by the current financial and economic crisis – the motor industry and financial services. How will the economy change in the medium terms and how will the effects of these changes be addressed?

Following the presentation, the points summarised below were made by those present to further explain the context in which the report had been drafted, to add new information and, to help shape conclusions in order to contribute to the content of the final national dossier;

- ✧ Issues associated with recent data on productivity growth are relatively simple to explain. Belgium is a high cost, high productivity economy and has been for some time. This means that the start point for productivity growth is set at a very high level compared to those countries where much higher growth has been witnessed. To date increases in Belgian productivity have more than matched increases in costs. An opposing view was voiced suggesting that the Belgian labour market was very rigid and that where there was flexibility relating to the balance between work and non work activities, it worked more in the interests of workers. It was also suggested that the countries high productivity had been generated as much by capital investment as by labour;
- ✧ Belgium is a country with an economy based on small and medium sized enterprises, many of which are subcontractors to major corporations. To this extent they are very vulnerable to changes in companies like VW and Opel;
- ✧ Belgium has a long history of inward migration to fill jobs at times of labour shortage. Economic crises of the 1970s, 80s and 90s have left many migrants in low pay and low skilled jobs. The management of migration and the place in the economy and society of migrants is a complex problem and the social partners have signed an agreement aimed at preventing discrimination when hiring migrant workers. This issue takes time to resolve and inclusiveness varies by region and by company. A number of larger multinational companies have made positive efforts to improve workforce diversity;
- ✧ The Belgian social partners have a strong reputation for trying to find the best way through difficult scenarios and restructuring is an inevitable part of economic development. It is seen however by many workers as a purely negative phenomenon and this makes the task more difficult;

At the end of the session a presentation was made of the Belgian government “one stop shop” for restructuring information and advice. Banque Carrefour is an on-line information service provided by the government that now contains a comprehensive section on restructuring. The site gives comprehensive details on the types of restructuring taking place; examples of mitigating measures; and steps to take in

anticipation of restructuring. It was generally agreed that the facility was both impressive and unique in European terms.

*The Belgian national dossier – section two*

Valeria Pulignano presented the second part of the Belgian dossier “The role of the social partners in restructuring” (slides attached as appendix three). The social partners were asked to consider the following questions;

1. The Belgian social partners play a very influential role in the anticipation and management of restructuring through the content of collective agreements, information, consultation and negotiation arrangements in the event of collective redundancies and through tripartite consultations. How effective have these structures been in dealing with the current financial crisis?
2. What new and existing initiatives have been particularly successful in mitigating the employment effects of the financial crisis?
3. How do Belgium’s trade union and employers coordinate activities successfully in the context of regional, political, religious and linguistic differences?
4. Belgium’s labour market is generally categorised as one of the more restrictive in Europe. To what extent does this help or hinder the process of restructuring?

Following the presentation, and in similar fashion to the discussion of section one above, the points summarised below were made by the seminar participants;

- ✧ Works councils have existed in Belgium since 1948 and are very well developed. Some international companies are initially very surprised about the extent of the existing requirements to inform and consult workers in Belgium, but they learn how to adapt to Belgian laws;
- ✧ The economic and financial crisis has led to the role of the state becoming increasingly important. Whilst increasing government involvement encroaches on the role of the social partners they have to learn to accept that government programmes have proven themselves to assist in the process of coping with the crisis;
- ✧ The report focuses on employee relations and social dialogue but the section dealing with laws relating to restructuring is quite light. In particular SMEs have to bear a huge and increasing burden of costs and bureaucracy. The lawmakers do not put themselves in the place of small business owners that tend to keep their workers for as long as possible and only resort to job losses when there is no other alternative. They are then faced with expensive and time consuming processes like the establishment of employment cells that they are not well placed to afford;
- ✧ The costs and benefits of outplacement services through employment cells was debated at length and counter claims were made relating to their effectiveness in generating job to job transitions for younger and older populations. It was

suggested that often the costs to public purse of early retirement are not factored into the business cost/benefit equation;

- ✧ Early information and consultation is essential if arbitrary and rushed decisions are to be avoided. It is clear that limiting the social impact of business decisions takes time and this should be factored into the company's planning cycle.

#### *Joint EU social partners work relevant to restructuring*

Representatives from the European social partners presented their recent work in the area of restructuring (slides attached as appendix five).

#### *Case study one – Subcontractors of Volkswagen*

The VW subcontractors' case study is described in the national dossier.

#### *Case study two – DAF Trucks*

The DAF case study is described in the national dossier.

#### *Case study three – La Poste*

The La Poste case study is described in the national dossier.

#### *Summary discussion*

Following the presentations, discussion and case studies, the European level social partners made the following broad observations;

- Valeria Ronzitti (CEEP) was pleased to have witnessed a genuine and lively discussion that reflected a genuine social partnership. Listening to the discussion on the changing role of government in the crisis she did not have the impression that government engagement was having a negative impact on social dialogue. From the point of view of central and public administration modernisation, much could be learned from the Banque Carrefour presentation and by the Copernicus plan.
- Steven D'Haeseleer (BUSINESSEUROPE) thought the quality of the report was good and reflected accurately a mix of positive elements and cautionary indicators. He felt that Belgium today was regressing on certain socio-economic indicators and he did not feel the sense of emergency that he had anticipated in the day's discussions in the context of the crisis. He would have liked to pursue this discussion further but time prevented it.

Nonetheless D'Haeseleer remained convinced that Belgium has a high potential when it comes to employment, particularly in the employment of older workers and minorities although this is often easier said than done. An issue to consider is that of innovation in social dialogue. The crisis has impacted upon social dialogue in some ways. The government has also played an important part. He pondered the extent to which the Belgian social concertation model is relevant to other countries in Europe.

- Helen Hoffmann (UEAPME) commented on the institutionalised nature of social dialogue in Belgium and the impact of strong and mature social partners on government and business decisions. She highlighted the finding relating to the high level of productivity of SMEs in Belgium and would like

have extended the discussion on the relationship between this and the stated high bureaucratic and cost burden on SMEs, including for restructuring. In this context she shared the view of Valeria Ronzitti welcoming the concrete on-line support offered by the government through a website on restructuring.

- Juliane Bir (ETUC) commented from a trade union perspective on the generally proactive views taken by mature social partners' organisations and welcomed the openness of the discussion. Belgian social partners had a reputation for "managing the challenges" – sometimes despite the odds against it. Social dialogue in Belgium is underpinned by good organisation of labour market institutions and strong collective bargaining.

She raised three challenges that had not always come to the fore in discussions;

- The population challenge including younger people, older people and migrants;
- The gap between the need and the available skills;
- The Belgian approach to flexicurity.

At the end of the meeting, the social partners were thanked for their participation in the meeting and for their positive engagement in the process. Additional thanks were offered to the interpreters for making the discussions possible.

## APPENDICES

1. Attendance list for the seminar;
2. Agenda of the seminar;
3. "A macroeconomic review of restructuring in Belgium" – Expert presentation;
4. "The role of the social partners in restructuring" – Expert presentation;
5. "Joint EU social partners work relevant to restructuring" – presentation by the European level social partners.



## Annex 2:

## NATIONAL SEMINAR ON RESTRUCTURING IN BELGIUM AGENDA 14 October 2009

DATE		
0845	WELCOME COFFEE	
0900 – 0915	Introduction to the project	Alan Wild, Expert coordinator
	Expectation from the national seminar	EU social partners (BUSINESSEUROPE on behalf of employers, ETUC on behalf of trade unions)
0915 – 1000	Presentation of the national report sections on macroeconomic background and the nature and extent of restructuring.	Valeria Pulignano National Expert
1000 – 1030	Plenary discussion “To what extent do the national social partners have a shared understanding of the main restructuring challenges they face?”	Facilitated plenary discussion
1030 – 1045	COFFEE BREAK	
1045 – 1115	Presentation of the national report section on the role of the social partners in restructuring in Belgium at national, sectoral and enterprise levels.	Valeria Pulignano National expert
1115 – 1130	Presentation of ‘Banque Carrefour’ on Restructuring Portal	Presentation by Mrs Laeremans
1130 – 1200	Plenary discussion to explore and add to this section of the report, identifying good and innovative practices and why they work.	Facilitated plenary discussion
1200 – 1230	Presentation of the outcomes of the European social dialogue relevant to restructuring.	European social partners’ presentation
	Discussion	
1230 – 1400	LUNCH	
1400 – 1445	Case study one ( <i>Subcontractors of Volkswagen</i> ) and discussion	Presenters: Marc Jaspers & Gilles Vangeenberghe
1445 – 1530	Case study two ( <i>DAF Trucks</i> ) and discussion	Presenter: Stan Hens
1530 – 1545	COFFEE BREAK	
1545 – 1630	Case study three ( <i>La Poste</i> ) and discussion	Presenters: Marc De Mulder & Marc Michiels
1630 – 1715	Summary discussion, identifying the strengths and weaknesses of overall social partner activity in the area of restructuring covering both macro and micro interventions	Expert coordinator and participants
1715 – 1730	European level social partner reflections on the discussion and close of the seminar	Expert coordinator Alan Wild and EU level social partners