

How to promote the social dialogue at national level

Capacity building seminar Serbia.

What are we going to do?

1. We are not talking about Belgium as such, but that is not important in itself.
2. Try to understand what guarantees are needed “for it to work.” What is needed for a social dialogue to function properly?

Belgium = a
specific
national
context
enshrined in
the text of the
social pact of
1945

- Belgium, still today, and in spite of fears arising from the establishment of a right-wing government, can boast of:
 - Social partners deeply rooted in the economic and social history, down to the present day;
 - A high level of unionisation (55% to 57%) with three trade unions, each of which covers all sectors of occupational (public and private) and inter-occupational activity;
 - High degree of organisation of trade union structures.
 - A collective bargaining coverage rate of $\pm 90\%$;
 - Social partners a priori still interested in the reciprocity of the social dialogue: social peace, game of consensus, preserving the autonomy of the social partners to the maximum at all levels.

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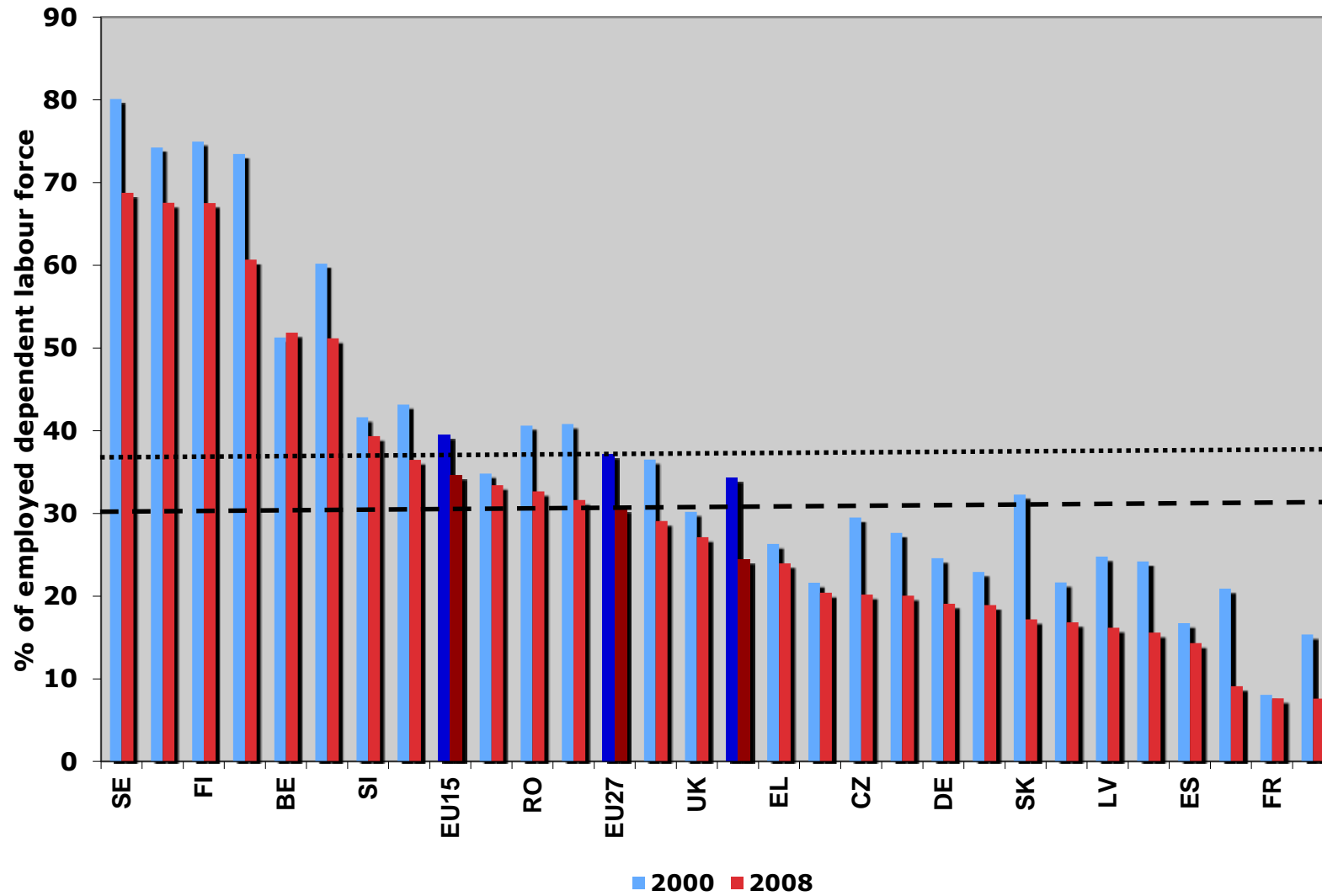
- A strong and unequivocal trade union message relayed by the press and often taken into account by the political parties...
- Employers, and workers, managers of social security,
- and present in the composition of the labour courts.
- The trade unions and employers' organisations provide services to their members.
- Even if criticisms are being heard + impact of the policies of European economic governance and the impact of an enhanced regionalisation to be taken into account.
- **And above all, historically: Establishment of an inter-occupational consultation, cooperation and negotiation entity – the National Labour Council (CNT) (in '52)**
- **A framework law of 5 December 1968 on the general status of collective bargaining agreements and levels of consultation!**
- **The recognition of the sector as level for negotiating wages – not the company, at least not in the front ranks!**

In the press,
recently...

- **“The trade unions represent the greatest forces of democratic change in our history”**
- **“The existence of counter-powers such as strong trade unions enrich a democracy.”**

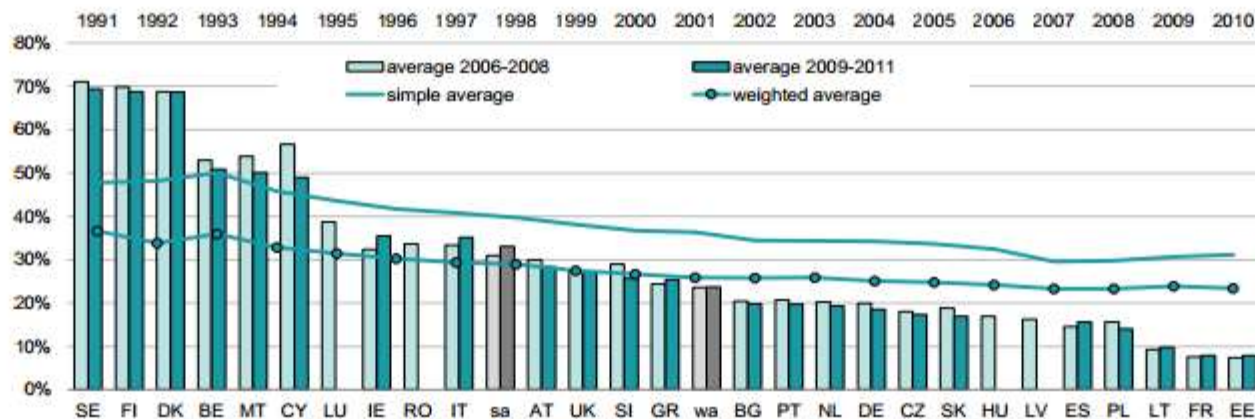
Some figures by way of elucidation

Chart 1.3: Union density by country.2000-2008



Collective organisation and action of workers

Figure 5.10 Union density per country (2006-2008 and 2009-2011) and per year (1991-2010) in EU27



Source: Visser (2013).

Notes: BG and CZ: average 2006-8 and 2009; CY: average 2006 and 2008 and 2011; DK, ES, FR, LT, PT, SE, UK: average 2006-8 and 2009-10; EE: average 2007-8 and 2009-10; GR: average 2006-8 and 2011; HU and LU, LV: average 2006-8; PL: average 2006-8 and 2010; RO: average 2006 and 2008; SI: average 2006 and 2008 and 2009-11; sa: simple average; wa: weighted average.

Continued de-unionisation?

Effective collective bargaining depends on, among other factors, the membership rate of the organisations representing the interests of workers and employers (Traxler et al. 2001). Figure 5.10 provides an overview of the development of trade union density in 27 EU member states. The line graphs (right-hand scale) depict the annual development of the (weighted) EU27 average union density over the last two decades. The bar graphs (left-hand scale) ideally compare the average union

density in 2006-8 and 2009-11. Indeed, when comparing the two periods (2006-8 and 2009-11), there is a group of countries actually displaying an increase – albeit mostly small – in union density. French and Italian unions have been able to recruit more members, while the number of wage- and salary-earners has remained relatively stable. In 2011 Italian union membership (minus pensioners' unions) even stood at its highest level since 1986.

Other countries, significantly affected by the crisis and the 'austerity syndrome' (EE, ES, GR, IE, IT, LT), saw some growth in unionisation, at least until 2011. This finding must first and foremost be explained by the decrease in the denominator, i.e. the drop in the number of wage- and salary-earners hav-

ing the coverage of collective bargaining and works councils, might explain the further German de-unionisation (Addison et al. 2010), although some unions have been able to increase their membership (Dribbusch 2014). Finally, in some countries (DK, FI, SE, UK) the loss in membership has been rather limited (at least up to 2010/2011).

The picture of unionisation in Europe is thus mixed. Considerable divergence in unionisation rates remains (cf. Schnabel 2013). Some unions are indeed still able to recruit new members, sometimes inspired by the 'organising model', although in most cases their membership gains cannot keep pace with the (increasing) labour market participation. In conclusion, the stability or even

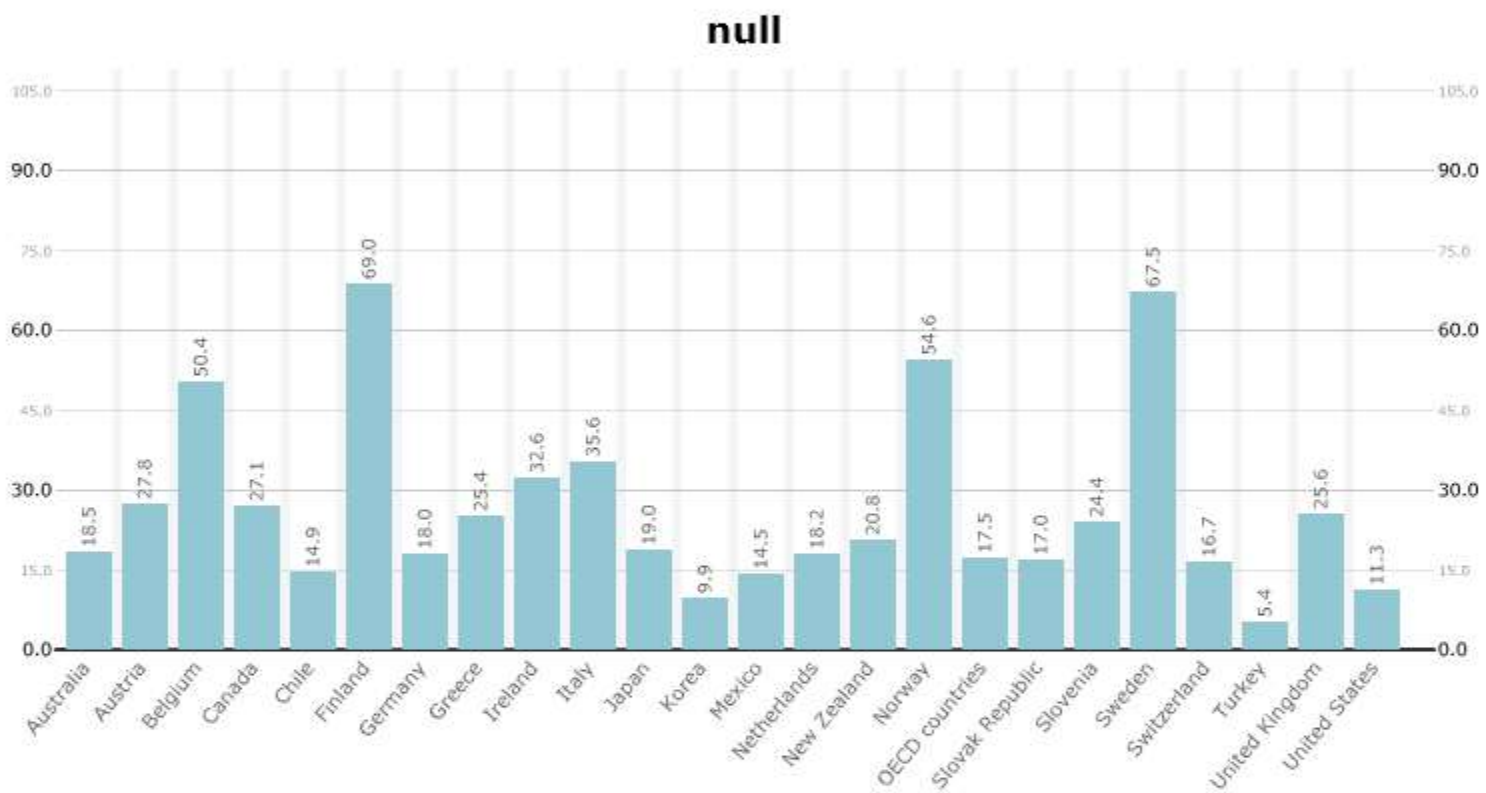
- Requêtes populaires
- Réinitialiser
- Marché du travail
- Salariés
- Indicateurs ILOSTAT

Taux de syndicalisation

Personnaliser Exporter Graphiques Mes requêtes

CACHER LA NAVIGATION

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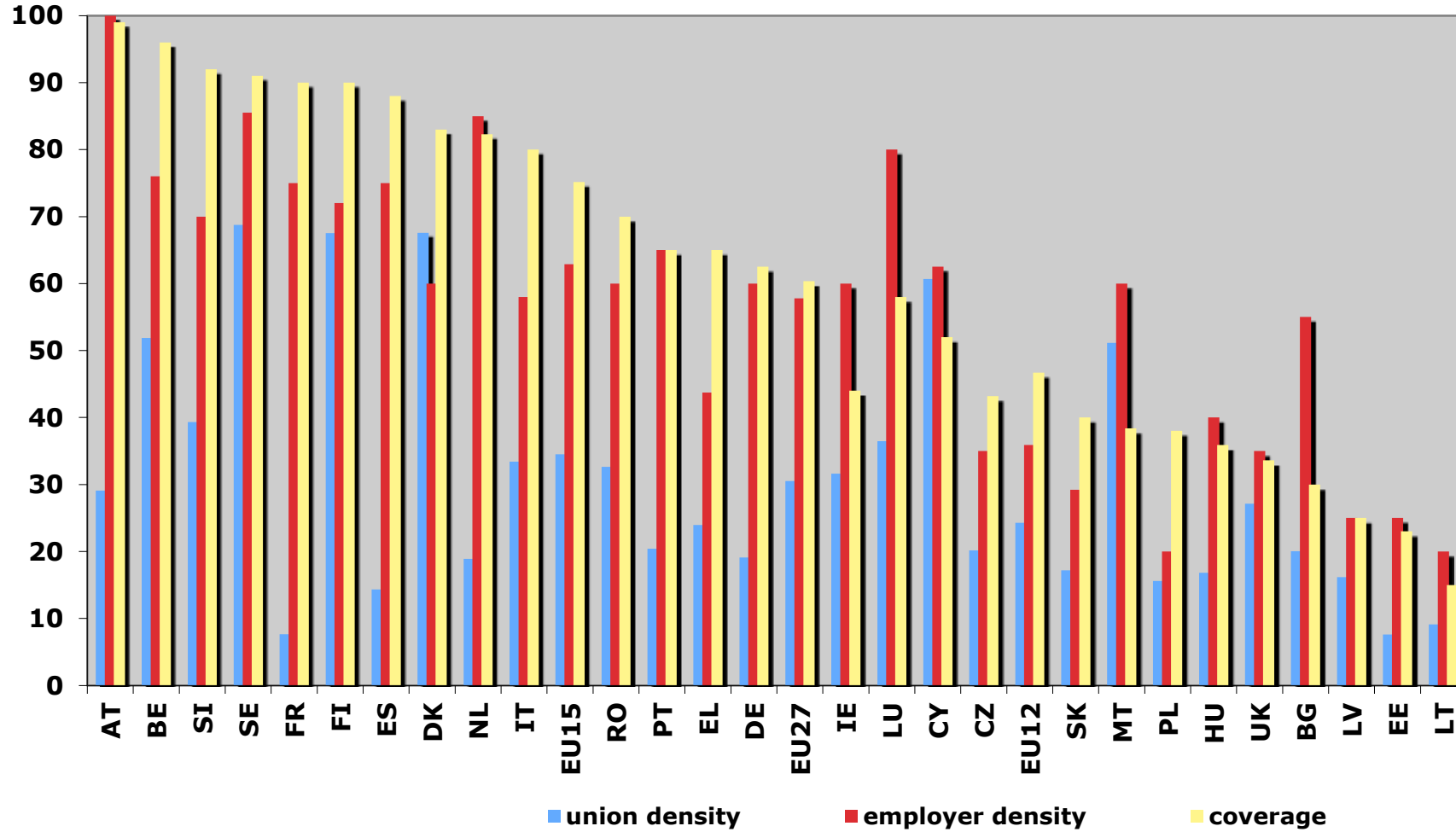


MONTRER LA INFORMATION

Chart 1.8 Union and employer density, 2008



Chart 1.10: Bargaining coverage, union and employer density, average 2007-9



Lithuania and Latvia have largely recovered and returned to the path of wage growth. Romania's real wages declined in 2009 and 2010, i.e. at the time of a major fiscal adjustment related to the country's SBA with the IMF, but bounced back in the subsequent two years. In Hungary, by contrast, real wages have continued

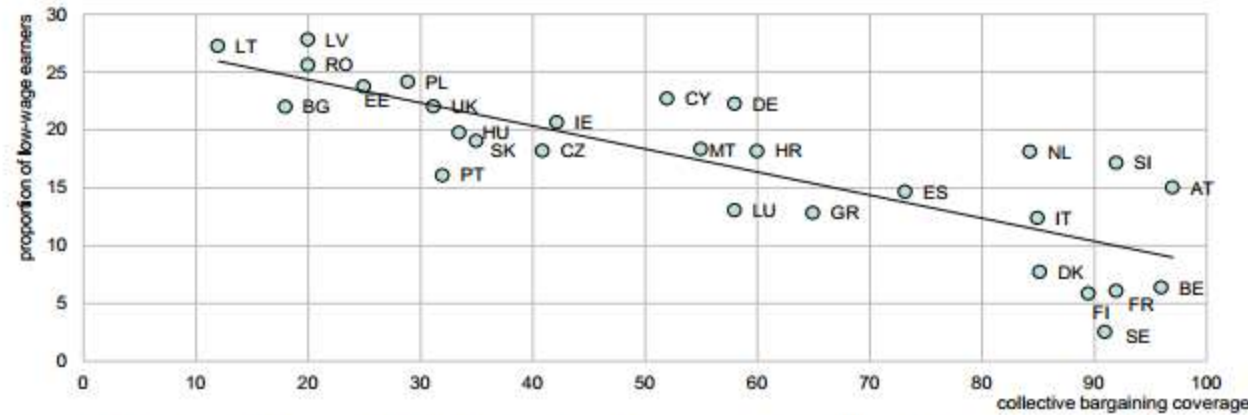
a great divergence of real wage developments both across countries and across time; secondly, in the course of the crisis an increasing number of countries were affected by negative real wage developments leading to a new pattern of negative wage development in Europe as a result of the strategy of internal

5.

Half a decade of pressure on wages and collective bargaining

Wage developments and bargaining procedures

Figure 5.9 Collective bargaining coverage (%) and the proportion of low-wage earners (% of total employees in establishments with 10 employees or more), EU28



Sources: Authors' calculations based on Eurostat 2010 data for the proportion of low-wage earners, ICTWSS database (version April 2013) for collective bargaining coverage; latest available figure for each country. Schulten (2013) for the bargaining coverage data for Germany, Austria and Portugal.

But this coverage rate is bothersome... as is the place of the sectors in collective bargaining

European wage policy interventionism

Figure 5.1 New European wage policy interventionism, 2011-2013

Recommendations in the field of wages and collective bargaining	European Semester (CSRs)	Troika / IMF (MoUs/SBAs)
Wage restraint	BG, FI (2012), IT, SI	
Restrictive minimum wage developments	FR, SI	
Freezes/cuts of minimum wage		GR, IE, LV, PT, RO
Freezes/cuts of public sector wages		GR, IE, HU, LV, PT, RO
Freezes of private sector wages		GR
Higher wage dispersion at the lower end of the wage scale	SE	
Wage developments in line with productivity	DE, FI (2013)	
Decentralisation of collective bargaining	BE, ES, IT	GR, PT, RO
Stricter rules for extension of collective agreements		GR, PT, RO
Reform/abolition of wage indexation	BE, CY, LU, MT	CY (since 2013)

Source: Schulten and Müller (2013a, 299).


Political intervention in national collective bargaining

The new European system of economic governance that has been put in place in response to the financial and eco-

used: country-specific recommendations (CSRs) issued in the context of the European Semester; and bilateral agreements between national governments and the Troika or the IMF/EU – the so-called ‘Memorandums of Understanding’ (MoU) and ‘Stand-by Arrangements (SBA) respectively. The two types of instrument vary in the extent to which they are binding. Though there is the possibility of imposing financial sanctions in the case of non-compliance, CSRs are not legally binding. Since in the case of MoUs and SBAs there is a

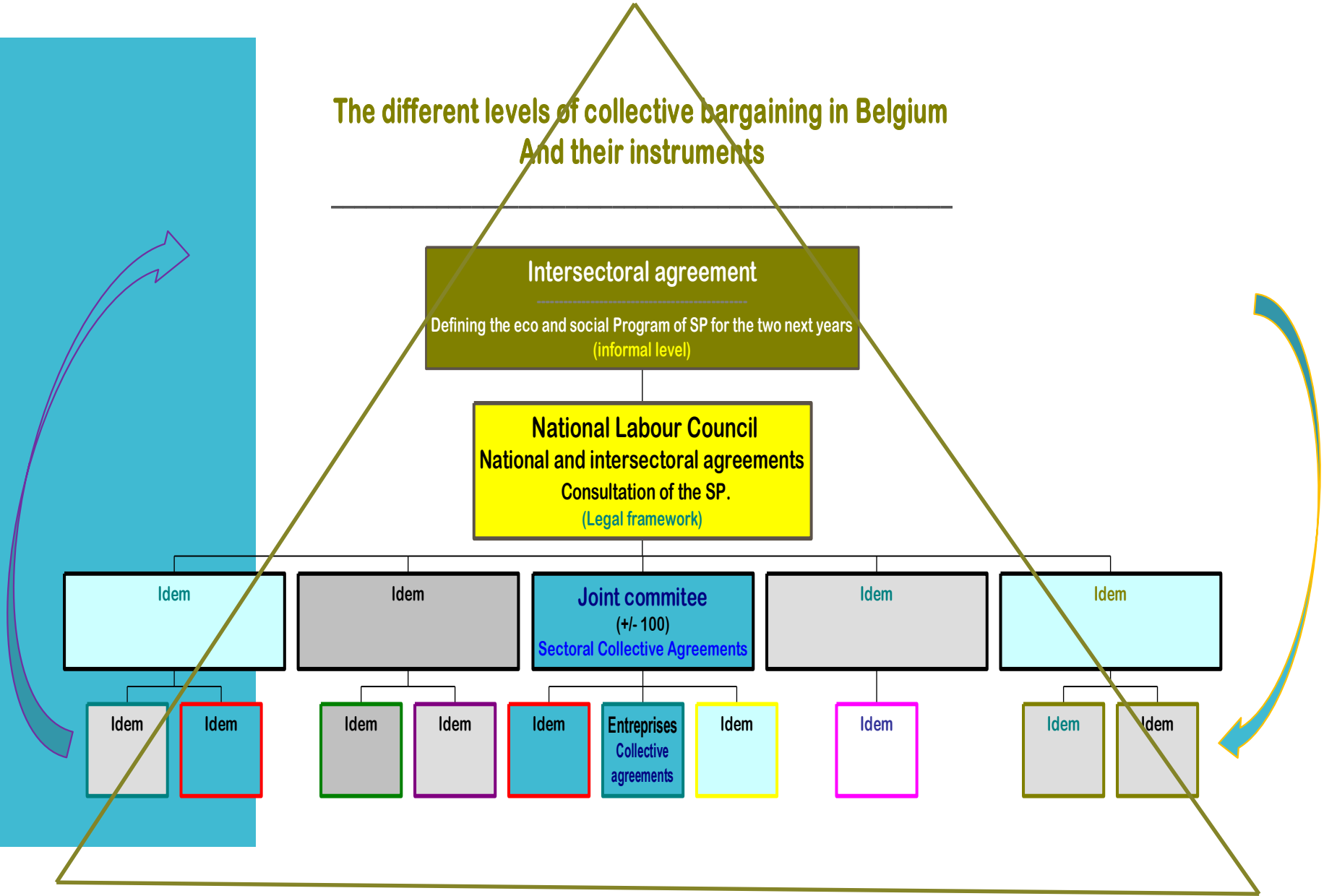
between the two instruments of political intervention notwithstanding, the policy intention remains the same: to put pressure on national governments and collective bargaining actors to ensure wage restraint and the decentralisation of collective bargaining.

In view of a growing discomfort with the non-binding character of CSRs, the German chancellor Angela Merkel proposed the conclusion of competitiveness pacts between the EU and individual member states as the next-step building block in an even stronger system of



Architecture of industrial relations in Belgium.

The different levels of collective bargaining in Belgium And their instruments



Articulation of negotiation levels.

Three levels made to coexist:

1. In **a legal framework** which fixes the principle of a hierarchy between the levels and instruments
2. But also through complementarity that creates ascending and descending solidarity.

Conclusions ?

One thing is certain, at this stage: the promotion of the social dialogue requires

1. Strong stakeholders on both sides of industry (employers and trade unions): the discussion between the bilateral and trilateral system is too theoretical;
2. Stakeholders who are convinced of the positive contributions of collective bargaining: social peace, autonomy, appropriation of contents, search for compromise... even if their expectations are guided by different agendas (competitiveness versus employment, flexibility versus quality, etc.)
3. The conviction of the executive and legislative power that the social dialogue is a force for change and a guarantee for the democratic functioning of a country: so a framework law is required; Valid also for the European level.
4. The understanding that the sectoral level is not in the way but stands guarantee for inter-occupational solidarity, cohesion and quality of work;
5. A hierarchy framed by the law, between the levels and the results of the social dialogue: soft law is inefficient here.

Thank you for your
attention.