Belgium: Developments in working life 2023

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Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.
Introduction

According to the Belgian National Bank, the Belgian economy showed a decent growth in 2023. Concretely, the GDP grew with 1.5%, which is a bigger increase than the EU average and more than the potential growth. This growth was strongly supported by consumption of households throughout the year as well as investments by companies. The latter increased by 10% in the second and third quarter, which was deemed ‘spectacular’ by the National Bank.

In addition, the number of jobs increased by 45,000 throughout the year, which is a continuation of the upwards trend of previous years. Unemployment rates are at a record low, yet at a similar level to last year. The unemployment rate declined the most in respectively Brussels and Wallonia, in Flanders the rate remained stable throughout the year.

With regards to inflation, this has declined from 10.3% in 2022 down to 2.3% this year. During October and November, inflation was even temporary at negative levels. It is projected that the inflation will increase to 4% in 2024 due to the phasing out of governmental support for the increasing energy prices.

The increased cost of living was less at the forefront compared to 2022, in particular due to the normalisation of energy prices. However, the cost of food and other basic products remains high and a significant issue for people with a low income, but also people with a more average income increasingly show their discontent on this. A clear example is the fact that the word of the year in Flanders was chosen to be ‘greedflation’ (NL: graaiflatie). The fact that some companies benefit from these increasing prices and keep their prices unnecessarily high was a reoccurring topic in popular media.

Despite these increasing prices, little additional measures were implemented in Belgium to alleviate costs for those in need. The Belgian system of automatic indexation, which follows price increases and applies to all citizens, acts as a general buffer against these increasing costs.
Political context

There were no significant elections in 2023, the next major elections will be held in 2024.

The coalition that is currently in power at the federal level (Decroo) in 2022 consists of liberals (Open VLD and MR), green parties (Groen, Ecolo), socialist parties (Vooruit and PS) and the Flemish Christian Democrats (CD&V). At the Flemish level, the government (Jambon) consists of Flemish Nationalist party N-VA, Liberals (Open VLD) and Christian Democrats (CD&V). At the Walloon level (Di Rupo), the government consists of socialist party PS, liberals (MR) and green party Ecolo. At the Brussels Capital Region level, six parties are within government (Vervoort): socialists (PS and Vooruit), green parties (Ecolo and Groen), French speaking nationalists Défi and Flemish liberals Open VLD.

Compared to 2022, less sizeable manifestations were organised by trade unions to address socio-economic issues like wages, pensions and the wage margin. In January the non-profit sector organised a large manifestation with 18,000 to 22,500 attendants to demand additional staff and better working conditions in the sector, but cross-industry manifestations were fairly limited.

However, in the second half of the year a legal proposal by the government was heavily disputed by the trade unions as well as other interest groups. The law increased possibilities to prosecute protesters, especially for those that cause trouble or damage during the protest. However, opponents of the law believed the law was formulated to broadly and potentially reduce the ability of protesters to have their voice heard. On the political level, left wing parties like PS, Vooruit and Ecolo opposed to the law as it was stated at the time. On the opposing side, Walloon liberals MR where strong proponents of the law and declared to stop any further cooperation until the law was signed. In December the proposal was ultimately dismissed, in its place some additional measures were taken to speed up the judicial process of certain offenses as well as stricter penalties against people in official/service functions.

Actors and institutions

Social partners

There have been no significant changes in this regard.

Membership data of trade unions has been harder to find in recent years, based on a recent publication by the National Labour Council their membership rates are the following:

- ACV-CSC: 1.6 million
- ABVV-FGTB: 1.55 million
- ACLVB-CGSLB: 295,000

The (peak level representative) employers’ associations that are all member of the National Labour Council represent approximately 220,000 employers that together employ approximately 3.2 million employees.
Social dialogue bodies or frameworks
No new evolutions in 2023.

Other working life related institutions
No new evolutions in 2023.
Developments in collective bargaining

Changes to the collective bargaining structures and frameworks
Just before the 2022 Christmas break, a legislative proposal amending the Collective Labor Agreement (CLA) law was passed to establish regulations for harmonizing and merging sector joint committees (formal bipartite bodies that negotiate and sign collective agreements). In response to a request from Minister of Labour Dermagne, social partners analysed Article 27 of the CLA law, governing the transition of employers and employees from the old joint committee to the new one. The National Labor Council (NAR) also evaluated the scope of application of royal decrees on joint committees following a query from a joint committee. Both pieces of advice were incorporated by the minister into this legislative proposal.

Article 27 of the CLA law is further amended. Interprofessional social partners of the NAR evaluated the article in their advice of July 13, 2021, following a modification in 2018. They concluded that the December 31, 2022, end date in the article should be removed to ensure sectoral rules on wages and working conditions apply during the transition to another joint committee. The material scope of the article, including the establishment and abolition of a joint committee, is to be retained, and the original pre-2018 wording is reinstated, as recommended by the social partners. The minister has fully followed this advice in the legislative proposal.

In the context of transitioning to another joint committee, a new Article 51/1 is added to the CLA law, regulating the scope of royal decrees on wages and working conditions for joint committees. This excludes the royal decrees that declare collective labour agreements of joint (sub)committees universally binding. Upon the dissolution of a joint (sub)committee, the specific royal decrees for that committee become obsolete, no longer applying to employers and employees transitioning to another joint (sub)committee.

Data on collective bargaining
Collective bargaining coverage (CA coverage) is 96% (no significant evolution). This number applies to all private sectors as well, as signed collective agreements are in practice almost always extend across the sector. In some sectors the CA coverage percentage might be a few percentages higher or lower, this depends on the number of professional and managerial staff active within a sector. These are a small category of employees to which collective agreements do not automatically apply.

In the public sector, the system is organised somewhat differently. Number of collective agreements are being signed there, instead a system of protocol agreements is used, which function in a similar way.

Collectively agreed pay outcomes and wage-setting mechanism
As is the prescribed procedure, the Central Economic Council calculated a wage margin of 0% to be negotiated between the social partners during the biennial interprofessional agreements (this time for 2023-2024). Adhering to this system would mean that wage negotiations would not increase wages any further. The trade unions disagreed with this notion and believed wages should increase, something the employers’ associations disagreed with. This context made it very difficult for social partners to settle a formal agreement. After several months of negotiating, no agreement was found.
or signed with regards to the potential increase in wages. Because of this stalemate, the government ultimately decided to take over negotiations, deciding to implement the 0% that was calculated initially.

**Collective bargaining and inflation**

No new initiatives/measures have been negotiated to counter inflation by the social partners.
Developments in governmental responses to inflation

As was the case in previous years, the main response to increases in living costs in Belgium has always been the automatic indexation system. This indexation takes into account the prices of a number of goods and increases wages and benefits if these prices increase too much. Because of this, wages and social benefits follow potential price increases and compensate for them automatically over time.

As was the case in 2022, which was characterized by even higher levels of inflation, this has led to the fact that the government has introduced no additional measures to accommodate for increases in prices of essential products.
Labour disputes and industrial action

Changes to the right to strike
In October, a legal proposal by the government faced intense opposition from trade unions as well as interest groups. The law aimed to broaden the scope for prosecuting protesters, particularly those causing disturbances or damages during demonstrations. Critics argued that the law was drafted too broadly, potentially limiting protesters’ ability to express their opinions. At the political level, left-wing parties such as PS, Vooruit, and Ecolo voiced strong opposition to the law as it stood. On the contrary, Walloon liberals MR strongly supported the law and declared a halt to any further cooperation until the law was enacted. In December, the proposal was ultimately rejected, and in its stead, additional measures were implemented to expedite the judicial process for certain offenses, along with stricter penalties for individuals in official or service roles.

Data on industrial action
At the time of writing, only data for Q1, Q2 and Q3 of 2023 are available. The table below provides data up until Q3 on industrial actions, the number of employers and employees involved in each quarter, the number of days lost as well as that number of days lost expressed as FTE (see Table 1).

Table 1: Data on industrial action

<table>
<thead>
<tr>
<th></th>
<th>Q4 2022</th>
<th>Q1 2023</th>
<th>Q2 2023</th>
<th>Q3 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employers</td>
<td>5,686</td>
<td>2,164</td>
<td>2,682</td>
<td>148</td>
</tr>
<tr>
<td>Number of employees</td>
<td>238 254</td>
<td>82 643</td>
<td>88 547</td>
<td>5,609</td>
</tr>
<tr>
<td>Total days lost</td>
<td>319 168</td>
<td>136 828</td>
<td>128 447</td>
<td>14 018</td>
</tr>
<tr>
<td>Total days lost, expressed as FTE</td>
<td>636</td>
<td>1,850</td>
<td>1,748</td>
<td>200</td>
</tr>
</tbody>
</table>

Source: RSZ (2024)

Collective labour disputes in 2023
The most notable instance of strikes, protests, and social unrest in 2023 unfolded within the retail chain Delhaize, a part of the international Ahold Delhaize group. In March, the company’s management made the decision to transition its 128 stores nationwide to a franchise model. This move had implications for the working conditions of numerous employees, as their employment terms would be influenced by the change in joint committee, and there was the potential for dismissals during the transition phase. This unrest resulted in extensive strikes and actions, including store shutdowns, protests at the company’s headquarters, and the blockage of logistical centers. Negotiations between the unions and company management proved challenging and eventful, leading to legal proceedings and fines imposed on the strikers. Due to these actions and the widespread attention on the case, some concessions and guarantees were granted to the
employees. However, the franchising process continues gradually with little indication of coming to a halt.

In addition, significant strikes took place at the brewery of Inbev, where employees were displeased with purchasing premiums that were not implemented by the management. This led to several days of actions at the facility.

Several strikes and actions throughout the year took place at Ryanair, mainly because of tensions and disagreements between pilots and Ryanair management.

At Brussels Airlines there were also several actions and strikes, as the company staff was displeased with certain management decisions as well as complaints about high work pressure.
Developments in working time

Changes to legislation
The existing “flexi jobs” system was once again adjusted in 2023. In the budget agreement of Belgium’s federal government of October 2023, a further expansion of the system of flexi jobs was agreed. This system, which was created in 2015 to help combat labour shortages in the hospitality sector, allows people who are retired or people who work at least 4/5 to take tax-advantaged extra jobs. The possible sectors in which such labour agreements can be concluded were expanded in 2018, 2022 and now again in 2023. Concretely, starting 2023, flexi jobs are also allowed in the sports sector, cinemas, creative sector, healthcare sector (with some exceptions) as well as temporary agency work.

Bargaining outcomes
No significant changes or evolutions in 2023.

Debates on duration and organisation
The two largest unions, ACV-CSC and ABVV-FGTB, released a joint call in July to increase the minimum number of vacation days per year from 20 to 25, citing other European countries with more vacation days (30 in Spain, 26 in Luxemburg, Denmark, Austria and France). Concretely, they call for more vacation days to help parents take care of their children. The demand for more vacation days has not really been picked up by the legislators, however.
Other important policy developments

Regulations on employment status and contracts
The Labour Deal that was signed at the end of 2022, mostly came into effect on the 1st of January 2023. One of the measures that was introduced intended to clear up the ambiguity regarding platform workers. Previously, platforms and workers often disputed if they had to be considered employees or self-employed. The distinction is very important for those involved, as employees have significantly more rights and protection than self-employed contractors.

To make the situation clearer, the government stipulated general criteria to establish whether or not a worker has to be considered an employee or a self-employed/freelancer. If three (or two of the final five) criteria apply, the worker has to be considered to be an employee. In case of dispute, it is then up to the platform operator to prove that this is not the case, and the worker is actually self-employed.

The concrete implementation of the Labour Deal has been criticized by the unions. In terms of the new platform work regulations, the unions state that very few platforms have actually formalized their workers to be employees rather than freelancers, as they believe the new regulation does not apply to them. According to the unions the labour inspection does not have the resources to control these companies and force them to comply.

Additionally, a mandatory right to receive accident insurance was agreed upon by the government. This should apply to all platform workers, regardless if they were employee or self-employed. However, when this proposal was initially drafted and agreed upon it differed from how it ultimately came into practice in 2023. In its final form, the accident insurance only applies to workers that are self-employed, therefore reducing the scope of the measure. As only a limited percentage of workers in the platform economy are officially registered as self-employed.

Policies to reduce the gender pay-gap
No new policies were introduced in this regard.

Health and safety regulations and policies
No significant evolution or trends.

Work-life balance related policies
Starting April 2023, companies of at least 20 employees are obliged to have regulations related to right to disconnect in their company collective agreement and/or company regulations. Initially, companies had to have these regulations ready by January 2023. However, due to delays in drafting and signing the Law of 3 October 2022, this deadline was postponed to April 2023.

It was also stated that companies that are part of a sector that have a sectoral collective agreement in place regarding right to disconnect are exempted from this obligation. A significant number of sectors complied and were able to negotiate and sign sectoral collective agreements on right to disconnect.
Life-long learning and skills development

The Labour Deal that was formalized in 2022 came into effect on 1 January 2023. In terms of lifelong learning and training, this meant that all companies of 10+ employees had to provide their employees with a minimum number of training days each year (the number can differ based on the number of employees).

Additionally, employers had to draft a yearly training plan (by the end of March 2023). The training plan has to be a practical and concrete plan. The plan should contain the objectives of the training policy for the various categories of employees, teams or departments.

Some HR-providers counted the number of training hours/days the employees of their clients ultimately received. Based on these calculations, the average number of training days is 3.4, which is under the obligatory four days that was established for 2023 and especially the five days that are set for 2024.
Commentary and outlook

The main changes in working life in 2023 stem from the Labour Deal, a law finalised and formalised at the end of 2022 but implemented mostly in 2023. The law addresses several issues and developments within the Belgian labour market.

The most significant change is the introduction of the (alternative) four-day working week system, whereby full-time employees have the option to work the hours they would normally work in a regular five-day working week in four days. The intention is to increase employees’ flexibility to achieve a work–life balance. The Labour Deal also offers the option to have an alternating week schedule, where an employee works fewer hours in one week and compensates for this in the subsequent week by working more hours.

A second area addressed by the Labour Deal is the right to disconnect, which obliges companies with more than 20 employees to have agreements on contact with employees outside of standard working hours.

Another significant change relates to e-commerce, which is strictly regulated in Belgium. Night work can now take place between 20:00 and 24:00 and start at 05:00 without an obligatory change in the company’s employment regulations, whereas in the past an agreement was needed for this.

Preparations for the Presidency of the Council of the European Union, to be held by Belgium between January and June 2024, took place. The National Labour Council (the highest-level bipartite negotiation institution) released its bipartite advice for the EU. The council emphasised the importance of all Belgian competence levels collaborating and striving to find consensus in order to avoid inaction on important topics both internally and at European level. In addition, the council stressed the need for policy to take into account the three P’s: planet, prosperity and people. It highlighted the goal of climate neutrality by 2050 and the commitment to leave no one behind in this transition. However, the council regretted its limited involvement by the government in the preparation for the presidency.

The most prominent case of industrial unrest in 2023 took place at retail chain Delhaize. In March, the company management announced its decision to franchise its 128 stores across the country. This move will have an impact on the employment conditions of many employees, and there is also the possibility of dismissals during the transition period. Strikes and actions took place in response at stores, the company headquarters and logistical centres. Negotiations between the unions and the company management were difficult, leading to court cases and strikers being fined. Some concessions and guarantees were ultimately made in favour of the employees. However, the franchising process continues gradually with little prospect of it being halted.

Looking to 2024, the Belgian Presidency of the Council of the European Union for the first six months of the year will be significant, especially at policy level. Because of the presidency, Belgium is responsible for the coordination of the European position for the International Labour Conference in 2024.

Within Belgium, 2024 is a major election year, with elections to be held at European, regional and federal levels. The outcome will potentially shape labour market policy and working life in the years to come. Additionally, in May, elections will be held in every company that employs at least 50
people to select trade union representatives. The results will have an impact on higher-level social dialogue.
References

All Eurofound publications are available at www.eurofound.europa.eu

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The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.