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Belgium

After the general strike of 9 November

- IV Online magazine - 2022 - IV574 - November 2022 -

Publication date: Friday 25 November 2022

Belgium is no exception to the wave of strikes in this hot European social autumn.

The general strike decided by the three trade union organizations - the socialist FGTB (General Federation of Labour of Belgium), the Christian Democrat CSC (Confederation of Christian Trade Unions) and the liberal CGSLB (General Federation of Liberal Trade Unions of Belgium) - is the product of accumulated social rage and follows many previous mobilizations. Already on 21 September, a trade union rally in Brussels, which was intended to be symbolic, turned into a demonstration in response to the impatience of the activists. The 9 November general strike paralysed the country and was a complete success. Participation was massive in both the private and public sectors and, significantly, small shopkeepers and many self-employed joined the salaried workers .

Wage indexation and the wage standard

While many countries benefited, until the 1980s, from automatic wage indexation linked to the evolution of prices, Belgium, because of the determination and firmness of the trade unions, was one of the few countries (along with Luxembourg and Malta) to maintain this link between wages, pensions and social benefits and the cost of living. Workers are very attached to indexation, which has enabled them to maintain their purchasing power, albeit relatively, and has served as a social buffer during economic downturns. [1] However, in return for maintaining indexation, the trade unions had to concede the adoption of a law (the 1996 law) which allows a wage standard to be set in order to 'safeguard the competitiveness of companies' in relation to France, Germany and the Netherlands, and which thus locks in wage increases outside the index. The 'wage standard', which was indicative at the outset, was later made mandatory and its provisions were tightened in 2017 by the right-wing government led by Charles Michel [President of the European Council since 1 December 2019].

In a highly institutionalized industrial relations system, trade union and employer representatives meet every two years to conclude an cross-sectoral collective agreement for the entire private sector, which serves as a framework for sectoral and company negotiations. The FGTB has repeatedly refused to sign the agreement because of the derisory negotiating margin allowed by the wage standard and has called for the 1996 law to be abolished. Faced this year with a 0% negotiating margin and some of the highest gas and electricity prices in Europe, the three trade unions rebelled. The rage and impatience resulting from the distress of very large sections of the workforce left them no option but to call a general strike.

The trade unions, which could not accept such a wage impasse, also questioned the inadequate government aid for coping with household energy bills and challenged the untargeted measures in favour of companies. In particular, the undifferentiated reduction in employers' contributions was denounced as a gift to companies with huge profits at the expense of social security revenues. While the employers took refuge behind the better protection of Belgian employees due to indexation, which endangers the competitiveness of companies, the trade unions insisted on the partial nature of this protection. Indeed, on the one hand, certain products (such as fuel) have been taken out of the index and, on the other hand, there is a time lag (which varies according to the sectoral agreements) between the price increase and its wage translation. As a result, the index only partially compensates for the price increase. Moreover, the “index jump” [2] operated by the Michel government in 2015 has led to a structural fall in wages. Although the indexation system constitutes an appreciable protection for employees, it does not prevent a decrease in their purchasing power.

Government under pressure

The success of the general strike puts the government under pressure. Composed of a heterogeneous alliance of seven parties, it is torn by its polarization between the Liberals (on the right) and the Socialists and ecologists (in the centre-left). While the Socialists say they are in favour of the trade unions' demand to make the standard wage linked to the cost of living as before, the Liberals, on the contrary, make any modification of the 1996 law [3]subject to the abolition of wage indexation.

The trade-union organizations recognize the need for measures in favour of small and medium-sized enterprises that are unable to cope with the rise in energy prices. The position of the employers' organization (FEB-Federation of enterprises of Belgium) which refuses any wage negotiation by assimilating to small and medium-sized enterprises in difficulty those enterprises and sectors which distribute record dividends to shareholders and accumulate considerable profits, is felt by the strikers as a provocation. The Socialists, bound by their agreement with the Liberals in government, do not seem able to obtain the relaxation of the 1996 law, which would open the way to wage negotiations in prosperous sectors. At most, a compromise consisting of distributing a bonus to employees in sectors recording substantial profits seems to be the best possible agreement within the government.

Salaries, not bonuses

It is doubtful that the workers, already marked by the bad experience of the "Covid bonuses" can be satisfied with such a compromise. Bonuses and "one shot" cheques, widely practiced by governments to appease popular anger, are hardly reassuring: with low wages, bonuses do not contribute to the level of pensions or to the financing of social security and do not appease workers who are concerned about their future. A compromise on bonuses would only exacerbate popular anger.

The automatic indexation of wages is a conquest which makes it possible to preserve, even imperfectly, the purchasing power of workers . Despite constant attacks from business and the right aiming to put an end to it, the system resists because of the unwavering commitment of workers. This is an indisputable advantage that the unions have been able to defend in Belgium. On the other hand, the law of 1996 which subordinates the negotiation to the wage standard leads to the paralysis of wage negotiations. The general strike of November 9 reveals the extent of the social crisis which divides the country. In a country in crisis, deeply divided and with political formations weakened and undermined from within, it is now the social dimension which takes precedence over the "communitarian". [4]

The general strike in Belgium is part of the same movement of resumption of large-scale social mobilisations in the United Kingdom, France, Germany, Greece, etc. that is sweeping across Europe. A configuration in which the trade union movement, hitherto effaced and dominated by politics, is now in the foreground. The horizon is not only saturated by the rise of far-right populist/nativist forces in Europe. The current social conflictuality could also open up other horizons

12 November 2022

Translated by ***International Viewpoint*** from **A l'encontre**.

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[1] In Belgium, wage indexation is deeply rooted in working-class history. Already in the 1920s, 13% of collective labour agreements provided for automatic wage indexation.

[2] When the pivotal index (2%) is reached, wages do not increase: this is the "index jump". Indexation will then resume once prices have risen by a further 2%.

[3] The trade unions had to, in return for maintaining the indexation of wages to prices, concede the adoption of a law (law of 1996) which makes it possible to set a wage standard to “safeguard the competitiveness of companies” compared to France, Germany and the Netherlands and which thereby blocks wage increases that are not linked to the index.

[4] Name given in Belgium to the division between Flemish and Walloons.

