



Digitalisation and Restructuring:  
which social Dialogue?

**WP1: “ Literature review and experts interviews”**  
**Belgium**

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**Annex 1 – Orientation for the selection of subsectors in the manufacturing industry.41**

## **Introduction**

### ***Social dialogue in Belgium***

Trade unions, employers' organisations and public institutions are interlocking parts in a multilevel of governance and play a key role in the governance of the employment relationships, working conditions and industrial relations structures<sup>1</sup>.

The way social dialogue is constructed in Belgium finds its origin in the in the Law of 5 December 1968 related to collective agreements and joint committees. This law (modified by the Law of 30 December 2009) determines the representativeness criteria for trade unions and employers' organisation. To be representative, an organisation must have at least 125,000 members; be an inter-occupational organisation (or forming part of an inter-occupational organisation) of workers or employers; and represent an absolute majority of sectors and activities in the private and public sectors.

Based on these criteria, three organisations (FGTB/ABVV – 1.5 million members, CSC/ACV – 1.7 million members, and CGSLB/ACLVB – 290 000 members) are representative of the employees' interests, each one are linked to the Socialist, Christian and Liberal movements. Belgium has one of highest union membership rate of Europe (54.2 % in 2015)<sup>2</sup>, only to be surpassed by Finland, Sweden, Denmark and Iceland (respectively 64.2%<sup>3</sup>, 66.9%, 68.6% and 91.6% in the same year), the rate remaining stable since more than a decade. The very high membership rate can notably be explained by the fact that Belgium has adopted the Ghent system, i.e. where unions partially take charge of the employment benefits administration. This membership rate gives them a considerable role and power within the Belgian social consultation model. Another main characteristic of trade unions in Belgium<sup>4</sup> concerns their lack of legal personality, which implies that they are not required to publish their financial records nor their list of members, and cannot be sued. The Belgian unions covers all workers through many branches organised by sectors, occupations or professional status. The collective bargaining coverage rate (i.e. ratio of workers covered by collective agreements, divided by all wage earners with right to bargaining) was 96% in 2016 (Eurofound, 2014), which means that almost all the Belgian workers are impacted by collective agreements, whether union affiliated or not.

Belgian employers are represented by sector federations, which are gathered within the Federation of Belgian Enterprises (Molière, 2014:16). On the employer's side, no accurate data on the membership rate exists. However, employer's organisations involved in national or sectoral bargaining do so for the entire country or sector, meaning that every enterprise, which must be affiliated to at least one sectoral joint committee, is covered by the agreements negotiated, regardless of their affiliation to an employers' association or not. The FEB/VBO is the main national employer organisation, representing 50,000 companies including 25,000

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<sup>1</sup> Unless it is specified, this section is built from Eurofound data, which can be found on their website: <https://www.eurofound.europa.eu/en/our-work/indicators-and-institutions>.

<sup>3</sup> For Finland and Sweden, numbers are based on the average between survey data and administrative data.

<sup>4</sup> In Italy, UK and Germany, trade unions have no legal personality either (<https://www.alterechos.be/la-crise-de-personnalite-des-syndicats-belges/>)

small and medium enterprises (SMEs) (75% of all Belgian companies). There is also the Federation of Belgian Farmers, the Confederation of Social Profit Enterprise (UNISOC), the Flemish Unie Van Zelfstandige Ondernemers (UNIZO) and the French-Speaking Union des Classes Moyennes (UCM). At the regional level, the most important employers organisations are The Vlaamse Netwerk Van Ondernemingen (VOKA), the Union Wallonne des Entreprises (UWE) and the Brussels enterprise Commerce and Industry (BECI).

Beside these social partners involved in the formal and well-structured social dialogue, a lot of worker associations exist for decade in Belgium. They are most of the time corporatist organisations aiming at representing the interest of specific professions, such as the Association of Professional Journalists. Not recognized as official unions by the State, and/or the other social dialogue stakeholders, their field of action is mainly servicing their members (through juridical advices, administrative tasks management, etc.) and voicing their expectations through lobbying actions. By blurring the traditional boundaries between work status (salaried or self-employed) and by expanding the emergence of labour market intermediaries (Lorquet & al., 2017), the digitalization of the economy led to the emergence of new actors, potentially implicated in social dialogue. On the worker side, quasi-unions (Heckscher & Carré, 2006) bear the claim of workers situated in the grey zone of work, such as, in Belgium, the riders from Deliveroo, the Freelances from Smart, etc. (see below). On the employer side, new actors are playing a role containing several characteristics of the employer profile, but often refusing to bear it inherent responsibility, such as umbrella organisations.

In Belgium, the principle of hierarchy of standards applies. At various levels (national, regional, inter-sectoral or sectoral), councils and joint committees negotiate to conclude collective labour agreements (CCTs) on social and socio-economic issues, within the limits of above legislation (they cannot produce norms less favourable for the workers than the ones set on the above legislation level). Results apply to working conditions and salaries and set the rights and duties of everyone. These CCTs form an important part of Belgium's social right. On the national level, the "Group of 10"<sup>5</sup> negotiate every two years the Inter-Professional Agreement (IPAs) and define the social dialogue agenda on macro-economic topics<sup>6</sup>. The agreement then acts as a framework that has to be carried out in sectors and enterprises of the private sector. At workplace level, the bipartite works council is involved in economic and financial issues, as well as issues related to the working conditions and the organisation of the work. It is set up in all workplaces with at least 100 employees. Its role is mainly consultative and informative, although it has some power regarding the work regulations. In companies with between 50 and 100 employees, a health and safety committee handles wellbeing and safety related issues. It has a consultative and control mission. A trade union delegation may exist in any company that has the minimum number of workers defined by sectoral collective agreement, usually from 50 workers<sup>7</sup>. It has the power to negotiate (but not to conclude<sup>8</sup>)

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<sup>5</sup> The "Group of 10" is a hotspot of social dialogue, where the governing bodies of both unions and employer organizations meet in Belgium.

<sup>6</sup> The social dialogue in Belgium has changed significantly, evolving from a bipartisan social dialogue to tripartite one (i.e. in the absence of agreements, the Government intervenes, puts pressure or decides).

<sup>7</sup> This obligation, as one might expect, leads to strategies like the development of companies made up of 49 workers.

collective agreements in the company and intervene in any conflict the worker might have with the employer<sup>9</sup>. Furthermore, it has the right to be informed about any changes in working conditions. When neither a works council nor a health and safety committee is present in the enterprise, the trade union delegation is able to fulfil the role of these two bodies. Both works council and health and safety committees represent the whole workforce, whereas the trade union delegation represents only trade union members.

The following chart presents the main councils on national and regional levels, as well as the issues they cover:

Name	Type	Level	Issues covered
Interprofessional Agreements (IPA) 'Group of 10'	Bipartite	National	Macro-economic issues
Labour National Council	Bipartite	National	Social areas
Central Economic Council	Bipartite	National	Socio-economic issues
High council for prevention and protection at work	Tripartite	National	Wellbeing, health and safety
Flemish Social and Economic Council	Bipartite	Regional	Socio-economic issues
Walloon Social and Economic Council	Bipartite	Regional	Socio-economic issues
Brussels area Social and Economic Council	Bipartite	Regional	Socio-economic issues

*Table 1 – Main councils on national and regional levels*

### **Digitalization and restructuring**

Digitalization is really a buzzword, which is frequently used in the media without giving any definition of it. Often depicted as the “4<sup>th</sup> industrial revolution” – even if people do not agree on the nature of the previous revolutions<sup>10</sup> – digitalization is one of the topics of the 2017-2018 Inter Professional Agreement in Belgium, identified as a real “societal challenge”. The changes driven by digitalization can actually lead to more economic growth, jobs and

<sup>8</sup> Signing a collective agreement is a prerogative of the official representatives of trade union. In practice, the agreement is signed by the union representative supervising the sector in the area in which is settled the company.

<sup>9</sup> In a company, a collective agreement can be conclude by one or more representative organizations of workers or employers, whether at the company level, at the industry branches level, or at the national Labour Council Level.

<sup>10</sup> Some think that the 1<sup>st</sup> revolution is the use of coal, electricity the 2<sup>nd</sup>, nuclear energy the 3<sup>rd</sup> and digitalization the last; while others that the 1<sup>st</sup> is the steam engine, the 2<sup>nd</sup> is electricity, running water and combustion engines, the 3<sup>rd</sup> computing and the 4<sup>th</sup> digitalization.

[https://www.rtbef.be/info/societe/detail\\_numerisation-de-l-economie-defi-majeur-du-nouveau-gouvernement-wallon?id=9668924](https://www.rtbef.be/info/societe/detail_numerisation-de-l-economie-defi-majeur-du-nouveau-gouvernement-wallon?id=9668924)

entrepreneurship but their speed and scale leads to matters that are of concern (i.e. the sustainability of social security, the digital divide, the job destruction, etc.) (Degryse, 2016).

The social partners provide a definition of digitalization in the Central Economic Council report (2017: 11): “In a broad sense, the digitalization can be defined as the adoption and the increasing utilisation of information and communication technology and their derivatives (robotics, artificial intelligence, machine learning, internet of things, big data analysis, etc.) by the public authorities, the enterprises, the branches of activity and the people, and the impact of those developments on societal, economic and social evolutions. The consequences of automation and robotization are thus taken into account. The digitalization is a transversal process driven by the complex interaction between offer, demand and infrastructure, hence its integration in the entire economy” (*idem*).

What is worth noting is that digitalization names a phenomenon (i.e. the adoption and the increasing utilisation of ICT) and at the same time, the consequences of this phenomenon. It is not always the case, as we can see in the IWEPS<sup>11</sup> definition of digitalization (2017): “The implementation of a series of computerized technical devices based on various data codification and the algorithmic execution of a series of commands and controls” (p.13).

As far as the Diresoc definition of digitalization is concerned, we will particularly focus on two main technological transformations: the digitalization of production through automation/robotics/artificial intelligence/big data and the digitalization of work through the platform economy. On the other hand, restructuring, in the Diresoc project, names: “all types of changes that, from the point of view of the individual worker, implies a change in employment status or working conditions”. It is important to specify that in Belgium, restructuring is frequently understood as job destruction.

### ***Plan of the report***

This report is structured as follows: after having briefly defined what social dialogue and restructuring in Belgium means, we will move on to the data collection procedure used to gather information on the national and sectoral levels. Then, the national situation of social dialogue linked to digitalization and restructuring will be introduced, before going deeper into the four selected sectors (that is: tourism, financial services, postal services and manufacturing industries). Each time, we will structure our data by the following steps 1) general findings, 2) challenges and opportunities, 3) digitalization and restructuring 4) digitalization, restructuring and social dialogue.

### **Methodology**

Data collection has been conducted using two different sources: desk research and in-depth interviews.

The desk research was done collecting practitioners papers, scientific papers, reports, surveys, social dialogue documents, etc. linked to digitalization, restructuring or social dialogue between May and July 2018.

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<sup>11</sup> Walloon Institute of Evaluation, Prospective and Statistics

Most of the data comes from semi-structured interviews. In order to get a broad view on the subject, we ensured that a range of opinions were represented by seeing trade unions, employers' organisations, academics and other complementary structures such as training centres. Contacts were made mainly via e-mails or phone calls. Interviews were conducted face-to-face, with subsequent emails exchanges when necessary (to collect more details on some points or to receive documents). Following the common Diresoc grid, we've adapted our questions to the pieces of information provided by the respondents. Meetings were held between July and September 2018 (see table 2).

	Level	Type	Organisation	Date
1	National	National trade union delegate	CSC/ACV	09/07/18
2	National	National trade union delegate	FGTB/ABVV	19/07/18
3	National	Walloon and Brussels employer association representative	UCM	17/07/18
4	National	Full professor	HIVA (University of Leuven)	05/07/18
5	Tourism	Sectoral trade union association delegate	FGTB/ABVV	23/07/18
6	Chemistry	Sectoral trade union association delegate	CGLSB/ACLVB	30/07/18
7	Chemistry	Sectoral employer association representative	Essenscia	21/08/18
8	Post	Bpost trade union association delegate	CGLSB/ACLVB	05/09/18
9	Post	Bpost HR Manager	Bpost	21/09/18
10	Post	Sectoral trade union association delegate	CSC/ACV	02/08/18
11	Bank	Sectoral employer association representative	Febelfin	02/08/18
12	Bank	National secretary	CSC/ACV	28/08/18
13	Bank and insurance	National secretary	CSC/ACV	7/09/18
14	Insurance	Sectoral employer association representative	Assuralia	29/08/18
15	Bank	Sectoral trade union association	CGLSB/ACLVB	20/08/18



	delegate		
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*Tableau 2: Interviews held*

We would like to draw the reader's attention on **three points**:

- In order to narrow the focus in the manufacture sector, we've developed a methodology using statistics from Eurofound, in order to identify the most prominent sub-sectors in Belgium. This led us to choose the chemical sub-sector. Full description of the methodology can be found in the annex p.41.
- A linguistic division between the French and the Flemish communities characterizes Belgium. Due to temporal feasibility reasons, we mainly contacted actors from the French speaking part (Brussels and the Walloon regions). Nevertheless, our interviewees all declared not seeing any major differences in the way the topic of digitalization, restructuring and social dialogue is carried out across the country. Furthermore, desk-research covers the entire country.
- The tourism employers' associations are not represented in this sample because they didn't reply to our requests for interviews.

## **1. Digitalization, restructuring and social dialogue in Belgium**

### ***1.1 The national situation***

#### *1.1.1 General overview*

For the last two years, digitalization has received bad press in Belgium because of several famous cases. In 2016, P&V (insurance company) and AXA (insurance) declared they were to cut respectively 300 and 650 jobs by 2020. In 2017, it was up for ING and its subsidiary Record Bank (banks) to pursue with the intention of eliminating one third of their staff members by 2021 (3.150 jobs and 750 bank agencies). The AXA and P&V managers legitimize all these restructuring by the increasing digitalization process and the low interest rates, which should affect profitability in a negative way. In 2018, Carrefour (retail sector) announced its intention of suppressing 1.233 jobs in order to cope with an already difficult economic situation and the increasing and underestimated competition from e-commerce<sup>12</sup>.

According to Frey and Osborne survey (who have studied the probability for a job to be automated), 47% of the jobs in United-States are at risks. The same survey has been conducted in Belgium by the High Council of Employment (2016) and it reveals that 39% of the employment is characterized by a strong probability of automation (mainly in the service sectors, sellers and artisans). Nevertheless, this methodology has been strongly criticized due to the fact that jobs are not entirely automatized; only few parts of them are. In consequence, the figure is only 7% for Belgium, according to Arntz *et al.*, (2016).

Some depict digitalization as the “4<sup>th</sup> industrial revolution” but this formula has been strongly criticized (Gordon, 2012). Furthermore, readers have to bear in mind the difficulty, at a national level, of defining precisely digitalization and its impacts because of the lack of conceptual clarity and the multiple realities this term can cover across different sectors. This matter has already been discussed in the report and was also pointed out by the interviewees. All of them agree on the fact that digitalization is a reality not to be denied and with the fact that “there is currently an evolution, but not a revolution” (Professor, KUL). If changes are taking place, they are not synonymous of great upheavals. This diagnosis is confirmed by figures of OCDE and HIVA<sup>13</sup>, whereby the Belgian Labour market was not immensely disrupted by automation these last years (CNT n°107, 2017:13).

#### *1.1.2 Challenges and opportunities*

Both the literature review and the interviews conducted point out to a number of opportunities and risks linked to digitalization in different sectors. Although this is not the main scope of the Diresoc project, providing a non-exhaustive review may be useful, as we will further present a series of actions social partners are taking to address these challenges and opportunities.

The opportunities that the phenomenon of digitalization can bring are significant and its most vivid effects are, according to the interviewees and the desk research, on **growth of**

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<sup>12</sup> [https://www.rtbef.be/info/economie/detail\\_carrefour-belgium-conseil-d-entreprise-tres-attendu-ce-jeudi-apres-midi?id=9821510](https://www.rtbef.be/info/economie/detail_carrefour-belgium-conseil-d-entreprise-tres-attendu-ce-jeudi-apres-midi?id=9821510)

<sup>13</sup> Research Institute for Work and Society - <https://hiva.kuleuven.be/en>

**productivity and economy** - every (r)evolution brings its upsides and opportunities - as well as **work quality and job** (such as the reduction of the drudgery of work thanks to exoskeleton). Unions and employers' organisations recognized the impacts on growth of productivity and economy, which are to be carefully monitored in the social dialogue framework (a point of view most adopted by unions). "The societal challenge is to support production efficiencies, notably thanks to the social dialogue, in order to ensure that the transition had a positive impact on everybody's prosperity (CNT, n°107, 2017: 2). Employers' organisations also point out the fact that very few positive outcomes of digitalization make it to the press because in these cases, confrontation and social dialogue tend to be less present.

The challenges raised by digitalization are numerous. For the work quality and working conditions, some risks may be identified (i.e. isolation, excessive supervision of the workers, excessive work hours etc.). Moreover, working does not mean, "being employed": sometimes, workers are forced to adopt the self-employment status and have then **no access to the social security protection** associated with their jobs<sup>14</sup>. The transformation of the legal framework – and the responsibilities related to the emergence of new forms of employment – is also a key challenge. What is at stake here is the question of workers' status and more particularly when the **platform economy** is concerned, whose market is focused on tasks and not on jobs. This development of platform economy (CNT n°107, 2017:23) has to be connected with two questions. First, the question of dependent self-employment - that is of workers legally declared as self-employed but intensively dependent on a single upper organisation regarding their work opportunities, their works hours, their incomes; etc. Second, the question of bogus self-employment - the deliberate classification of a worker's employment status as self-employed under civil law, despite the fact that the quality of his or her working situation meets all the criteria that characterize dependent employment (Buschoff & Schmidt, 2009). Both may consequently deny the worker's basic work rights. In Belgium, 2017 saw a rise in the number of companies within the platform economy that make use of cheap and flexible labour<sup>15</sup>. Furthermore, the **competition** between workers is now spread all over the world, considering the fact that physical boundaries are no longer an obstacle<sup>16</sup>. **The future financing of social security** (based on wages) is at stake too since it is mainly financed by the salaried workers contributions. One of the 2017-2018 IPA's objectives is in this respect to ensure that digitalization and platform economy leads to an enduring social security system.

Job losses for the medium-skilled workers represent also a risk (CNT n°107, 2017:3), that's why it is important that the social partners acknowledge the importance of **digital inclusivity**<sup>17</sup>. The access to the ICT is not the same in all the population, even if the digital divide has been reduced in recent years. The e-inclusion is not only a matter of access to the Internet; the digital skills must also be considered. Taking this into account, the digital divide is much more visible (CNT n°107, 2017:15). Therefore, the attention paid to this point seems

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<sup>14</sup> <http://www.fgtb.be/-/digitalization-du-travail-le-temps-de-faire-le-point>

<sup>15</sup> <https://www.eurofound.europa.eu/country/belgium>

<sup>16</sup>

<https://abvmetaal.be/fr/nouvelles/2767-l-economie-digitale-un-enjeu-majeur-pour-le-monde-du-travail>

<sup>17</sup> <https://csc-liege-huy-waremme.csc-en-ligne.be/Images/congresnumerique-tcm202-409497.PDF>

crucial, in order not to entrench existing inequalities. That's why skills development<sup>18</sup> is a strategic issue.

The **tax issues** are also of great importance. It is sometime difficult to classify new digital activities and new digital modes of services into already existing tax regimes (CNT n°107, 2017:48). This framework does not always fit with the new economic developments, which is a potential source of conflicts. The physical presence is now less required to do business, hence the increasing difficulty for the tax authorities to know exactly who to tax and determine the competent public jurisdiction. Public authorities recently started to tackle this issue, as for example with the De Croo Law (amended in July 2018) that introduced a 10% taxation<sup>19</sup> directly collected by the digital platform (see below). But these initiatives are subject to vivid critics from unions and employers' organisations who denounce the social dumping it may provoke and the consequences that such reduced taxation will have on the social security system.

Finally, another issue that can be pointed out relates to the **protection of data and private life**, especially in the rising context of big data analysis, as well as the blurred boundaries between professional and personal life.

### *1.1.3 The legal framework*

As far as the legislation is concerned, the framework related to digitalization, restructuring and social dialogue contains the following elements:

The **collective agreement N°39 (13<sup>th</sup> December 1983)**<sup>20</sup> relating to “the information and consultation about the consequences of the introduction of new technologies”. It states the conditions under which the employer has to launch an official procedure towards the unions when implementing a new technology, and what the dialogue has to be about (health and safety, job perspectives, work organisation and work conditions, qualification and training). If this agreement shows that concerns about new technologies are not new, it is pretty unspecific (for example, the word “new” is defined in comparison to “what was done previously in the enterprise”), it includes only an informative obligation and it is relatively unknown by the majority of the delegates. Hence, its actual usefulness is pretty low.

- Because “restructuring” is often understood as “job destruction”, some of our interlocutors mentioned the **“Procedure Renault”** (enacted in the law of the same name, **13<sup>th</sup> February 1998**<sup>21</sup>), a legally mandatory information-consultation process to be followed by employers when they intend to make redundancies. Although relevant in some cases, its scope is broader than restructuring driven by digitalization. Again, this procedure only includes an informative and consultative obligation of the unions, but no outcome requirement.

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<sup>18</sup> As confirmed by the FEB in their report “Agenda numérique 2.0” on page 26.

<sup>19</sup> The taxation rate is now 0%.

<sup>20</sup> <http://www.cnt-nar.be/CCT-COORD/cct-039.pdf>

<sup>21</sup> MB, 19th February 1998, n° 1998012088, p. 4643.

- **The Program Act of the 1<sup>st</sup> July 2016** (entered in force on the 4<sup>th</sup> July, 2016 and updated on the 16<sup>th</sup> July, 2018)<sup>22</sup>, often called “De Croo” Law, from the name of the Minister who proposed it. In summary, this law allows everybody to carry out a small complementary activity with a minimum of formalities and a limited tax (10% directly collected by the digital platform). To benefit from this regulation, the services provided must be carried out through an official and registered platform<sup>23</sup>. Acting out as a precursor in Europe, the Belgian government nevertheless faces a serious backlash from both unions and employers’ organisations. The former claim that this Program Act is nothing more than a new tax arrangement posing a threat to the sustainability of the social security system and creating social dumping (why would people choose a small independent to accomplish a service when individuals can do the same with less taxes and then, often for cheaper?). In their opinion, it has nothing to do with the platform economy neither with digitalization, citing as an example a platform, which only has a phone number as a reference. They also criticize the fact that the intent of the law was to regulate customer-to-customer relationship while the administration authorized companies to be registered for business to consumer activity. The latter argue as well that these new statuses bring unfair competition between small independents firm (which have to pay social security charges and taxes) and private individuals using this law to execute the same type of work.
- **The Law of 26<sup>th</sup> March 2018** (entered in force on the 9<sup>th</sup> April, 2018)<sup>24</sup> regarding the reinforcement of the economic growth and social cohesion. It specifies that employers have to organise regularly (and every time it is asked by unions) a social consultation within the health and safety committee about the right to disconnect and the use of digital means of communication. Thanks to this law, unions hope to bring the negotiations back to a quantifiable item (what is disconnection and how it can be measured or quantified) that can be controlled and monitored in order to prevent abuses.

#### *1.1.4 Current practices and stakeholder’s points of view*

Currently, few specific tools are available to try to handle the consequences of restructuring linked to digitalization. Nevertheless, the situation may well evolve in the next coming years. At different levels, social partners recently recognized and underlined the need of anticipating, together and inside their organisations, the matter of digitalization, inside a joint reference frame. Data can be gathered in a matrix showing the level (national – regional) and the origin (unions, employers, government) of the initiatives (non-exhaustive list).

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<sup>22</sup> MB, 4<sup>th</sup> July 2016, n°2016021055, p. 40970.

<sup>23</sup> A list of the authorized platforms is kept and updated by the Federal Public Service Finance and is available here: <https://economie.fgov.be/fr/themes/entreprises/economie-durable/economie-collaborative/les-plateformes-actives-en>

<sup>24</sup> MB 30<sup>th</sup> March 2018, n°2018011490, p.31620.

		Stakeholders involved		
		Unions	Employers	Government
Level	National	2017 inter-professional agreement		
		Workshops – future of work (ACV/CSC)	Digital Belgium	
			Digital Plan (FEB)	AI Survey (UCM)
	Independent without employees – pilot projects (ACV/CSC)			
	Call for internal digitalization project (CGSLB/ACLVB)			
Regional	Regional	NWOW report (SETCa-Liège)	Digital Wallonia	
		Digital challenges for syndicalism (CSC Liège-Huy-Waremme)		

Table 2 - Current practices on digitalization and social dialogue

**On the national level**, the most important and recent development came from the 2017-2018 inter-professional agreement (IPA) concluded by the social partners. This agreement set out an agenda for negotiations on a number of topics, including digitalization described as “societal challenge”. According to the Work National Council (CNT)<sup>25</sup>, “It is in fact necessary that the social partners do not consider themselves as “passive spectators” but as real actors of those changes, that they anticipate them and accompany them by laying down some guidelines whose role is to frame the different forms of work organisation and the new forms of work relations, whatsoever (classical one or yet to be created)” (p.5). So far, the main results originating from the above-mentioned agreement are multiple: a diagnosis on the national situation of digitalization and collaborative economy (CNT, 2017); the organisation of workshops with experts, which will later be used as a base for the introduction of recommendations, a joint statement from the Group of 10 in March 2018 regarding digitalization and labour market for the future on which social partners reaffirm, *inter alia*, the importance of a joint work between unions and employers’ organisations on the topic. Lastly, a social consultation towards the future, in order to pilot and anticipate change; provide adequate solution within the time limits; develop innovative projects and make room for experimentation and solutions in a collaborative state of mind.

On the same level, several initiatives may also be underlined from the employers’ side such as the Digital Plan recently elaborated by the Federation of Belgian Companies FEB, and the survey written by UCM about artificial intelligence<sup>26</sup> But a noticeable distinction with the unions’ reflexion is that the focus remains often on competitive issues rather than – and often

<sup>25</sup> <http://www.cnt-nar.be/AVIS/avis-2009.pdf>

<sup>26</sup> <https://www.ucm.be/content/download/183180/3681845/file/ucm-etude-intelligence-artificielle.pdf>

in opposition with – on the way social dialogue should be adapted to digital development<sup>27</sup>. The FEB report<sup>28</sup>, for instance, encourages the state to adapt legislation for more job market flexibility by reducing the role and the power of unions. The UCM also claim for a simplification of the labour market, essentially regarding working time.

For few years, trade unions start feeling very concerned by the topic of digitalization and the impact it may have on jobs. The recent ETUC survey over “Digital and workers participation”<sup>29</sup> shows for instance that 58% of the Belgian respondents consider that the “risk of jobs being destroyed and precarious work increasing” is the highest among a list of risks linked to digitalization. This rate is also the highest in comparison with the other countries covered by the survey.

**Table 2: The two most important risks (% , n=768)**

RISKS	AT	BE	CZ	DK	FI	FR	DE	IT	PL	ES
Destruction of jobs, new forms of ‘Digital Taylorism’ and increase of precarious work	52	58	40	28	49	42	57	44	50	56
Working-time extension – increase of ‘anytime, anywhere’ work	40	20	13	28	34	19	30	18	23	37
Weakening of workers’ representation, erosion of collective action and bargaining coverage	24	35	60	28	34	17	28	35	35	35
Increased competition between workers to reduce costs, e.g. by online-platform work	25	23	7	17	6	31	16	32	21	18
Work intensification, dependence of ‘data masters’ and surveillance	25	17	13	33	14	31	36	21	29	13
Increased inequality between workers	9	11	0	11	29	14	5	24	13	16
Erosion of tax base and social insurance financing	15	10	0	11	6	8	3	15	2	8

Figure 1: ETUC Survey, p.15

Additionally, the Christian union CSC/ACV is currently setting up a series of workshops aimed towards their delegates on the future of work. Trainers are delegates themselves sharing their personal experience from the enterprise in which they work. Through a dedicated working group and two pilot experiments, the CSC/ACV is also in the process of creating conditions in which they could ultimately affiliate and defend small independents’ interests as long as they are not employer. They specifically target the individuals engaged in bogus self-employment practices (who are often seen to be working for a registered platform of the aforementioned Program Act) and strive for collectively negotiated working conditions for these atypical work statuses despite the risks linked to the European legislation over cartel prohibition. The UCM reacted to these new directions arguing that the union was not

<sup>27</sup> As a general remark, it should be noted that many reports and documents have been written about digitalization and the collaborative economy in Belgium, but very few link this question to social dialogue.

<sup>28</sup> <http://www.feb.be/domaines-daction/economie--conjoncture/economie-numerique/la-feb-lance-son-plan-numerique--la-belgique-va-t-elle-prendre-en-marche-le-train-a-grande-vitesse-de-la-digitalisation/>

<sup>29</sup> <https://www.etuc.org/sites/default/files/publication/file/2018-09/Voss%20Report%20EN2.pdf>, page 15.

legitimate in this role as they are trying to affiliate self-employed workers, and that would end up confusing people. At the moment, the UCM – whose members are precisely self-employed workers – does not feel threatened but recognizes there is a change in the landscape of social dialogue. Although being less involved in a process of affiliating them through dedicated pilot experiments, the socialist union FGTB/ABVV stated that they too should find a way of recognising bogus self-employment practices and adapt the scoop of their membership. CGLSB/ACLVB, for their part, launched in 2016 a call for “digitalization” project within their structure in order to consult the organisation (executive committee, sectors, study service, training service, enterprise service, affiliates, etc.) and to build a shared position on the topic.

**On both national and regional levels**, we would like to underline the “Digital Belgium<sup>30</sup>” and “Digital Wallonia<sup>31</sup>” projects. Both are actions plan setting up objectives to reach a digital transformation in several social and economic key themes, including the working world. However, these national and regional initiatives do not involve the unions in their consultation bodies. In the long run, the absence of such key stakeholder could compromise the implementation of various digitalization-driven actions since the importance of collective agreements in social dialogue at all levels (in the enterprise, sectoral and inter-sectoral levels).

**On a regional level**, several initiatives from the unions may be underlined as attempt to anticipate the impact of digitalization on social Dialogue. First, the SETCa-Liège (a branch of FGTB/ABVV specific for white collar workers and management) initiated in 2016 the writing of a report - undertaken by Fox, Franssen, Jemine, Naedenoen and Pichault - on the effects of news ways of working on unions’ practices (including social dialogue)<sup>32</sup>. Through interviews, focus groups, survey and a benchmarking, the researchers questioned socialist delegates about the biggest issues concerning the new ways of working and the places they were discussed in the enterprise. Results show that on average, the use of the competent bodies (work council, health and safety committee, trade union) in social dialogue available is of 54%. In 22%, the issues are not discussed at all and in 17% these bodies are bypassed (either by informal talks or by formal talks outside of social consultation bodies). A series of recommendations for the practice of social dialogue in a digital context were also made. Second, in 2017, another study in which our team of researchers also took part: the Liege Huy-Waremme regional branch of ACV/CSC started a reflection process in several steps: technological demonstration workshops, lectures-debates, visits of companies, focus groups, ... Analysis of the overall led to the proposal of a series of actions to better face digitalization as trade unions<sup>33</sup>.

According to unions, the **biggest danger** with digitalization is the **negation** of the **status of worker**.

“Digitalization models are driven by the idea of creating value for shareholders. They denied the worker’s status of creating value. This is what is at stake. Whether it is for

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<sup>30</sup> <http://digitalbelgium.be/fr/>

<sup>31</sup> <https://www.digitalwallonia.be/fr>

<sup>32</sup> Lentic (2016): “Rapport d’étude sur les enjeux des nouvelles forms de travail pour la pratique syndicale”.

<sup>33</sup> Find out more by reading the report: <https://csc-liege-huy-waremme.csc-en-ligne.be/Images/congresnumerique-tcm202-409497.PDF>.



Deliveroo, Microsoft, Airbnb... there is someone behind the product, providing a service.” (CSC/ACV)

Unions position themselves as spokespersons reminding that behind an anonymous system such as Uber or behind machines like 3D printers, human beings are the ones in charge, and they deserve proper regulations and adequate wages, should the statuses be modified or adapted. Moreover, unions take a stand against the **growing individualisation of collective labour relations**. As the employment relationship is getting blurrier with the platform economy, individuals find themselves lost and with no one to address their claims to.

According to the unions, the multiplication of forms of employment and works (dependent self-employment, flexible jobs, etc.) does not advocate for a hyper-individualisation of the work relations but on the contrary, for **more macro social dialogue**. This is particularly relevant concerning the platform economy, in which the platforms companies do not consider themselves as an employer. When facing a problem, workers of the platform currently don't know whom to contact.

“Before, if you were working in an enterprise without unions, you could still go and talk to the owner. Now, with Deliveroo, it's not possible anymore” (FGTB/ABVV)

So far, interviewees agree on the fact that **no real new arena** for social dialogue could be identified outside of the traditional ones (see introduction). The core of social dialogue still takes place inside the enterprise (in the works council, the health and safety committee and the trade union delegation) and the councils on national and regional levels shown in table 1. Nevertheless, some of the respondents pointed out a **potential new actor**: SMart. Formerly a labour market intermediary exclusively devoted to artists, they now position themselves as a cooperative for freelancers, offering all kind of services, including transforming commercial contract into salaried work<sup>34</sup>, personal advices, juridical help, handling the freelancers' contract, etc. They played a key part in the negotiation process between workers from the Deliveroo platform (see point in the postal service sector) and the company. Both CSC/ACV and UCM (as well as UNIZO on the Flemish part) pointed out that they act as a quasi-union, without necessarily having the adequate credit and experience to do so, and without having the power to sign binding collective agreements as traditional unions have.

#### *1.1.5 Potential developments*

In order to conclude this chapter on the national situation in Belgium, we ought to take a look at potential developments paths and changes that the interviewees consider most likely to happen.

On the union side, CSC/ACV and FGTB/ABVV both questioned the relevance of the traditional councils found in the workplace. If these councils are found to be less appropriate to handle the digitalization evolution, their areas of expertise should be extended. Another potential solution, originating this take from a classical social demand, is a collective

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<sup>34</sup> Concretely, the freelancers register their activities on the “activities” or “contract” branches (depending on the nature of the service performed): if there is a subordinate relationship with respect to a purchaser, the freelance worker will made a contract (via a temporary employment agency) and if there is not, he will have recourse to a non for profit association (called “Productions Associées”).

reduction in working time. If, through digitalization, an enterprise can raise its productivity and its quality and hence be more cost effective, it should – according to unions – keep its workers and offer them to work less hours a week. Instead of 38 hours a week, employees could then work 30 hours a week for the same salary. This long-term claim from unions finds in digitalization a new support for its appropriateness.

Employer representatives don't share this viewpoint over the working time reduction without reduction of wage, considering that it would decrease the productivity rate of companies, which would be less competitive in the global market competition. The UCM underlined the fact that platform economy should be supported, but not in its actual form (that is, the one deriving from the Program Act mentioned above). With an appropriate framework to be found, the platform economy could be a new channel for independent to start their project and later to join the UCM work base.

To conclude, our respondents insisted on the need to work collectively towards sustainable solutions for the entire country, based on a joint diagnosis. Let us note that this wish is directly translated into the actions taken by the Group of 10, even though the analysis has to be refined. The main profitable economical dimensions must be identified and supported, in a long-term way of thinking. Investments must be made into sectors and economical dimensions that are worthy of in order to support the long-term growth of Belgian economy. Moreover, if new actors were to enter the arenas of social dialogue, their integration should ideally not dilute excessively the process of social dialogue. Our respondents fear indeed a dilution and a multiplication of stakeholders in the social dialogue process that would lead this process to ineffectiveness.

In order to protect them, mandatory collective labour frameworks should be published, allowing everybody to play within the same rules and frame of reference, and to negotiate collectively their working conditions.

## ***1.2 Sectoral developments***

When asked, on a national level, about the types of companies affected by digitalization and restructuring, or the main groups concerned (according to age, educational level, gender and occupation, type of status), we were answered that the topic was too broad to be covered in details. Moreover, the general impression is that digitalization and restructuring is a difficult topic to work on until it is embodied in a concrete change. This calls for a deeper analysis of some specific sectors. As stated in the project, we will analyse 4 different sectors: tourism, financial services, postal services, and manufacturing industries.

### ***1.2.1 Tourism***

#### ***1.2.1.1 General findings***

Tourism is a very large sector that is divided in the NACE codes in six sub-sectors: accommodation, catering, travels services, museums, historical sites, botanical gardens and zoos. For the purpose of this report, and because of practical reasons, we chose to narrow our focus on the HoReCa (hotels, restaurants and catering) sector and in particular on the digitalization linked to hotels. Indeed, this sector is covered in one joint committee (CP302) and stakeholders were easily identifiable<sup>35</sup>.

In Belgium, the Horeca branch matches NACE classification 55 and 56 and covers activities such as hotels, tourist accommodations, camping, restaurants, caterers and beverages. The majority of the enterprises are SME's<sup>36</sup>. The sector has more than 57 000 enterprises for approximately 120 000 employees<sup>37</sup>. In Brussels, paid employments are found mostly in hotels (20%) and in catering (25%). In Brussels, three enterprises out of five do not employ people, and 93% of those which employ people have less than 20 employees. Along these, we find several big groups (such as AccorHotels, for example) (Actiris, 2015). According to the Belgian Office for Statistics<sup>38</sup>, the numbers of overnight stays in Belgium in 2017 was of 38.677.308, which represents an increase of 5% in comparison with 2016 and of 1% in comparison with 2015. This increase has to be linked with the 2016 terrorists attacks that happened in Brussels in March 2016, provoking a massive drop in the number of reservations as well as cancellations<sup>39</sup>.

#### ***1.2.1.2 Challenges and opportunities***

According to Sogepa (2015), the tourism sector in Wallonia is well equipped in terms of technologies and new means of digital communication as the enterprises in this sector are better equipped with digital technology than the average enterprise in Wallonia. Regarding accommodation, hotels and entertainments activities, more than 95% are connected to internet, more than 95% possess an e-mail address to interact with clients and more than 80% own an active website. Nevertheless, according to reports (Actiris, 2015; Sogepa, 2015),

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<sup>35</sup> Nevertheless, and despite multiple attempts, the employer's representative associations didn't answer our request for interviews.

<sup>36</sup> <https://economie.fgov.be/fr/themes/entreprises/secteurs-specifiques/les-services>

<sup>37</sup> <https://www.cgsib.be/fr/sector/horeca/horeca>

<sup>38</sup> <https://statbel.fgov.be/fr/nouvelles/en-2017-le-tourisme-en-belgique-retrouve-son-niveau-de-2015>

<sup>39</sup> <https://economie.fgov.be/fr/file/6035/download?token=qK6T2IxO>

newspapers article and debates<sup>40</sup>, scientific papers and the interview we carried out, numerous challenges and opportunities linked to digitalization are rising.

First, sales channels are evolving. Digital and mobiles channels must be integrated and actors must go one step further than just owning a website. Mobile purchases share is growing increasingly and should be taken into account in the sales strategy of tourism actors. Within the sale process, the exploitation of the huge amount of data produced could be used in order to refine the knowledge of clients and their habits and to improve the product and services offer.

Second, the product and service offers are evolving as well. They could be enriched through the development of a dynamic and adaptive communication and offer (for example through an app using the geolocation system in order to provide customers with geographically close tourist activities). The arrival of digital solutions for reception and concierge services should not be neglected (see below).

Third, reputation is impacted as well by digitalization. The growing use of Online Travel Agencies (OTAs) shape deeply the review process left by customers. Ribeiro and Florentino (2016) analyzed multiples studies about electronic Word-of-Mouth (eWOM) in the industries of tourism and hospitality. They found out that the eWOM has special relevance for user especially during the pre-purchase stage. These communications are mainly found on social networks such as Facebook; and specialized sites like Tripadvisor.com, Booking.com or Trivago.com. Consequently, business should improve their brand image and their presence on the net in order to deal with unpleasant comments or remarks. Were they left unanswered, they could have severe consequences on the business' reputation and, hence, sales. The authors feel that the profession of Community Manager will have to gain accordingly prominence in the future.

Fourth, new business models are emerging. The impact of the shared economy can be seen through, on one side, Airbnb locations<sup>41</sup> and the unfair competition it allegedly brings and, on another side, the rise of shared platforms under the De Croo Law.

### *1.2.1.3 Digitalization and restructuring*

Regarding digitalization and social restructuring, our interviewee stated that one of the most vivid change they have to face at the moment concerns the product and service offers and, more particularly, the arrival of digital solutions for reception and concierge services. This evolution, currently implemented in one hotel in Brussels<sup>42</sup> Building on the analysis of data provided by customers, a digital input module replaces the traditional reception. The idea is to guide customers upon arrival directly to interactive terminals and/or suggest them to use their smartphone in order to check-in and check-out of the hotel and to gather any information they

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<sup>40</sup> <http://www.atout-dsi.com/tourisme-hotellerie-4-0-lagilite-comme-passeport-pour-la-transformation/>, <https://www.forbes.com/sites/danielnewman/2018/01/02/top-6-digital-transformation-trends-in-hospitality-and-tourism/#5554c46967df>

<sup>41</sup> Airbnb who refuses to enter into De Croo Law legal basis, do not solely impact the tourism sector but more deeply the context within which it takes place: gentrification phenomenon, the city centre that slowly empties, price increase, etc. <http://inegalites.be/Airbnb-ou-comment-tirer-une-rente>.

<sup>42</sup> In our opinion, this could constitute a very interesting case study.

might want about their stay. Employees would act as back-ups, available for specific requests and problems. This means they are expected to become highly versatile and to handle a variety of other tasks in the hotel in the meantime. According to our interviewee, this business model surely poses a threat in terms of job reduction (less people will be needed to do the same amount of work) and also in terms of training. Our respondent did not handle the social negotiations but knows that workers were offered the possibility of training for their new post (in collaboration with the training center associated to the joint committee) and were given the option of a three months trial before they have to decide if they want to stay or quit with termination compensation. According to him, luxury hotels might be less inclined to follow this trend because of segmentation and the high degree of service quality expected in the luxury sector.

Another strong dimension is the growing use of OTAs and the e-reputation associated. In Belgium, in accordance with the collective agreement n° 90<sup>43</sup> about non-recurrent benefits linked to results, workers' bonuses may be linked to the reviews customers leave on these websites. If workers reach a certain score on quality indicators, they are entitled to certain bonuses defined in the collective agreement. Let us note that the quality indicators are developed by the OTAs – social partners do not elaborate them and cannot intervene on the rating system. The idea of linking bonuses to client reviews is not new but is re-enacted in the online review system and the visibility (and thus the turnover) it grants.

Last, the business model of Airbnb represents, in the eye of the Brussels Hotel Association (employer's association) an unfair competition for the hotel sector<sup>44</sup> as Airbnb offers a variety of accommodations similar to the what the hotel sector offers, but without having to comply to a legal framework. Through intense lobbying work, the employer's association pushed the Region of Brussels to publish an ordinance<sup>45</sup> about the topic. In effect since mid-April 2016, it establishes a series of general dispositions such as pre-registration of the tourist accommodation, compliance to safety and hygiene standards, etc. (Wathelet, 2016). The aim of the ordinance was to prevent/stop the conversion of traditional building tourist accommodations in a professional / industrial way. In a recent debate<sup>46</sup>, a city representative stated that there was still about 1500 housing violating the ordinance. According to our interviewee, this ordinance is quite ineffective as the audience using Airbnb services is different to the audience using hotels services. Without commenting on the veracity of each social partner's assumption, it is worth noting that neither seems to be able to negotiate directly with Airbnb, making it what we can call a type of new actor. No contacts have been made between unions and Airbnb; and that the Brussels Hotel Association regret the lack of transparency of Airbnb and the difficulty to access to relevant information regarding Airbnb's housing.

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<sup>43</sup> <http://www.cnt.be/CCT-COORD/cct-090.pdf>

<sup>44</sup> [https://www.rtb.be/auvio/detail\\_debats-premiere?id=2384867](https://www.rtb.be/auvio/detail_debats-premiere?id=2384867)

<sup>45</sup> [http://www.ejustice.just.fgov.be/cgi\\_loi/change\\_lg.pl?language=fr&la=F&cn=2014050850&table\\_name=loi](http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2014050850&table_name=loi) )

<sup>46</sup> [https://www.rtb.be/auvio/detail\\_debats-premiere?id=2384867](https://www.rtb.be/auvio/detail_debats-premiere?id=2384867)

#### *1.2.1.4. Digitalization, restructuring and social dialogue*

The representative of the trade union delegation we interviewed stated that, generally speaking, there are few trade unions delegation in hotels and restaurants, for two main reasons. The enterprises' size rarely reaches the legal limitation above which social bodies are mandatory. Moreover, union representatives candidates are rare because of an unspoken code of silence. In order to get a clearer view on these off the radar structures, the FGTB/ABVV has built a database of all the hotels in the Brussels area so that they can contact them and go see what is happening in these structures normally invisible to the union.

As far as the union's position is concerned, our interviewee declared that the topic of digitalization is not a priority in their agenda mainly because of other classic issues (such as ageing of the workforce) they need to handle and that blinded the view on digitalization.

“Since you brought the topic to my attention, I informed myself on digitalization. And I realized we are right in the middle of it, on both sectoral and enterprise levels. We just never talked about it” (FGTB/ABVV)

According to him, the main difficulty is to get people out of their daily routine and concerns in order to adopt a long-term thinking attitude about digitalization and long-term changes it implies. In addition, workers are hard to convince that job changes linked with digitalization could provide opportunities, in his opinion. The main risk is to miss the boat of digitalization topic, leaving it to enterprises lobbying groups to put their own agendas at the forefront.

### **1.2.2 Bank and insurance sectors**

#### *1.2.2.1 General findings*

The banking sector is often depicted as a “key historic player” of the digitalization (Albessart et al., 2017:60). The digitalization in the banking sector has begun in the 1980 with the credit cards that allowed the digitalization of the cash withdrawals and of the payments, followed by the emergence of PC-banking in the 1990 and the mobile banking in the 2000. These evolutions have led to different issues, mainly technological (data security, development of the existing IT infrastructure, etc.), organisational (job destruction, training, etc.) and strategic (position in the marketplace). The digitalization in the banking sector supports the development of new services (online banking, mobile banking, Sixdots<sup>47</sup>, robot advisors, bank account aggregator, contactless payment, etc.) but is also synonymous of job destruction, job change or job shift. Well protected before 2008, the banking sector has been strongly destabilized by the financial crisis, which has obliged this sector to take a stand by adopting new technologies, with a view to reduce the costs. According to a recent report<sup>48</sup>, digital banking, big data, robot process automation<sup>49</sup>, artificial intelligence<sup>50</sup> peer-to-peer networks

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<sup>47</sup> Generation of a QR code in order to pay.

<sup>48</sup> Roland Berger Focus, 2018: “Turning risks into opportunities, how Belgian banks can shape their digital future”, p.5.

<sup>49</sup> Robot process automation refers to the automation of structured, rule-based processes with known output, where the automation is added as a layer on the top of the existing IT infrastructure (Roland Berger report, 2018, p.7)

(i.e. without an intermediary), blockchain<sup>51</sup> and open banking<sup>52</sup> are seven causes of disruption in the banking sector. There is, in this way, an evolution towards the “phygital bank”<sup>53</sup>. The Belgian ideal bank is, according to a survey carried out by CBC<sup>54</sup> in 2016, 2/3 digital and 1/3 physical. The Belgian clients are indeed still reluctant to use digital tools in order to realize more complex operations (i.e. investment or loans) but they use them for their routine banking operation. According to Roland Berger’s report<sup>55</sup>: “(...) Belgian costumers tend to be conservative with regard to digitalization, especially compared to their northern European counterparts. While services like payments can be expected to become fully digital, a large proportion of the costumers still want a more personal forms of contact at key moments like when they are starting a business or getting a mortgage” (p.5). According to one interviewee (Assuralia, professional Union of Insurance Companies), the insurance sector has not been significantly impacted by the crisis. In this sector, the direct insurance holds a lowest market share, in comparison with the contracted insurance via broker. This trend is specific to Belgium, wherein people mostly called on brokers for insurance contracts.

### *1.2.2.2 Challenges and opportunities*

These development generate new challenges for the banks, “including the emergence of new parties that can capitalise on novel opportunities to insert themselves between the bank and its clients”<sup>56</sup>, as the Fintech, for example. The word is constructed from the terms “financial” and “technology” and designates the numerous innovative starts-up harnessing new technology in order to create new banking services. The Fintech specialize in a specific business segment (in a very specific value-added niches) and are very flexible<sup>57</sup>. Belgium has around 30 Fintech firms (principally in Brussels, Antwerp, Ghent and Leuven) and 90 banks (75 of them are business units or foreign affiliates)<sup>58</sup>.

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<sup>50</sup> All types of technologies from machine learning to chatbots.

<sup>51</sup> Already used by BNP Paribas Fortis: [https://www.lemonde.fr/argent/article/2018/01/11/bnp-paribas-experimente-la-technologie-blockchain\\_5240576\\_1657007.html](https://www.lemonde.fr/argent/article/2018/01/11/bnp-paribas-experimente-la-technologie-blockchain_5240576_1657007.html)

<sup>52</sup> Entry of new and non-traditional players into the financial services market

<sup>53</sup> <https://www.liegecreative.be/article/index/details/aid/478/lang/fr#.W363Ha3pP-Y>

<sup>54</sup> <https://www.cbc.be/content/dam/particulieren/f-cbc/campagne/barometre-omnicanal-201701/resultats-observatoire-cbc-les-belges-et-la-digitalisation-des-banques.pdf>

<sup>55</sup> Roland Berger Focus, 2018: “Turning risks into opportunities, how Belgian banks can shape their digital future”.

<sup>56</sup> [http://www.abhace.be/sites/default/files/Economic\\_studies/toral\\_publication/belgiandigitalbankingtechnologies\\_final\\_-\\_ld.pdf](http://www.abhace.be/sites/default/files/Economic_studies/toral_publication/belgiandigitalbankingtechnologies_final_-_ld.pdf) (p.35)

<sup>57</sup> [https://www.abhace.be/sites/default/files/Economic\\_studies/toral\\_publication/belgiandigitalbankingtechnologies\\_final\\_-\\_ld.pdf](https://www.abhace.be/sites/default/files/Economic_studies/toral_publication/belgiandigitalbankingtechnologies_final_-_ld.pdf), p.14

<sup>58</sup> [https://www.febelfin.be/sites/default/files/facts\\_figures\\_fr.pdf](https://www.febelfin.be/sites/default/files/facts_figures_fr.pdf) (2017)

Beyond the Fintech, there are numerous emerging other players in the payment's services. The second European directive (PSD2, implemented in 2018) about the payment services will indeed induce the arrival of new players. This directive's aim is to correct the monopoly of the banks on the payment, by giving access to third parties to their client's account and opening the door to non-bank stakeholders (like for example Delhaize, Google, Amazon, etc.)<sup>59</sup>. The banks' monopoly is less threatened concerning the loans, as far as the Belgian clients needs specific expertise and trust (which does not fit with the automation process of the GAFA) (Albessart *et al.*, 2017). In the financial sector, the technical nature of the European regulatory framework is perceived as a protection against the emergence of new actors (who need an approval from the FSMA and the Central Bank). The question of big data is also at stake, considering that a huge number of data are collected and can be used to personalize product offerings and reduce the marketing spend. The computer system issue is raised too (a sustained investment in the IT seems to be needed).

As far as the insurance sector is concerned, digitalization can be an opportunity to develop other markets (as, for example, insurance for e-reputation), to simplify procedures (digital signature, paperless contract, etc.) or to re-organize the working conditions (New World of Work, adopted by AXA<sup>60</sup>, for example). In addition, the training issues are considered as very important because this sector is ageing and need the people to adapt themselves to new technologies. According to the representative of Assuralia: "A better training is the best answer we can give, given the fact that nobody knows [about the exact impact of digitalization]". This is why they pay special attention to training, outplacement, e- learning, skills assessments, etc.

### 1.2.2.3 Digitalization and restructuring

The banking sector is affected by a structural decline in employment and this trend will probably continue in the future (according to Febelfin reps). Furthermore, "The profession changes from desk employee to expert advice" (according to the CNE-CSC reps.). The insurance sector seems to follow the same movement, considering that "the work analysis that was accomplished before by people, is now done with algorithms" (according to the CGSLB reps.).

Between 2002 and 2016, the number of bank agencies in Belgium was 11.000 and decreased at 6200. The number of total employees has decreased from 76.364 to 55.426 between 2000 and 2015<sup>61</sup>. The staff in the banking sector is pretty elderly (31,7% of the employees are between 51 and 60; 29% are between 41 and 50 years old)<sup>62</sup> and mainly highly educated (a significant proportion (8/10) hold a Master degree<sup>63</sup>). The proportion is pretty the same in the insurance sector: about 83% (according to Assuralia reps.). According to the interviewee,

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<sup>59</sup> Tendances Trends, 2017 (n°48), « Découvrez votre banque du futur », p.28.

<sup>60</sup> "Axa Smart Office" is born in 2012, it refers to a project that carried out under three topics: bricks, bytes and behaviours and designate a new building with new ways of working developed within.

<sup>61</sup> <https://www.febelfin.be/fr/le-secteur-financier-belge-en-detail/vade-mecum-2015>

<sup>62</sup> <https://www.febelfin.be/fr/le-secteur-financier-belge-en-detail/vade-mecum-2015>

<sup>63</sup> [https://www.febelfin.be/sites/default/files/facts\\_figures\\_fr.pdf](https://www.febelfin.be/sites/default/files/facts_figures_fr.pdf); p.27.



what might really be disruptive in the insurance sector is the artificial intelligence. According to the representative of the CNE-CSC union, “the Renault Law makes restructuring noticeable”: without the implementation of this Law, there is no public information about dismissal.

According to the CEO of BNP Paribas Fortis, as cited in Trends Tendances<sup>64</sup>, “We no longer measure the importance of a banker to the number of agencies, as we no longer measure the importance of a brewer to the number of the coffees he owns, but to his brand and what he brings to the customers”. Many of the aforesaid innovations could be thus addressed from both the angle of threat or opportunities (increased competition, improve of revenues, etc.). Furthermore, the bank’s role in digitalization is twofold: they have a role to play in the funding of innovation that may be generated by digitalization (a tool) and they are at the same time directly impacted by these changes (a subject)<sup>65</sup>. The digitalization is not “abrupt” but induces gradual changes<sup>66</sup>.

The banks must thus strategically position themselves in relation to these issues. And they all do it differently because “there is no single answer” (According to the partner and financial services industry leader, Deloitte Belgium, as cited in Trends Tendances)<sup>67</sup>. According to Febelfin, “Each is positioned, everyone has strategic choices to make and no one has the necessary distance to determine who is right and who is wrong”. If ING and AXA both proceeded to collective redundancies in Belgium, others preferred to work on training and outplacement policies. Beyond the job destruction and creation, these trends allow the industry to initiate job changes by promoting home working, flexdesk, participative management, etc. Employment in the banking sector thus undergoes both quantitative and qualitative changes and this is a crucial matter that is dealt with in the social dialogue.

### *1.2.2.3 Digitalization, restructuring and social dialogue*

The only parity action that has been made is a “Study day on digitalization”.

The **banking sector** is somewhat special, considering the fact that it has evolved from a well-protected sector to a competitive one (according to the CNE-CSC reps.). The social partner in the banking sector will soon conclude (final approval expected in 2018) a joint declaration on the impact of digitalization on employment. The social dialogue is depicted in this sector as “classically organized” and often realized through exchanges: “We are in a win-win policy, they’ll keep their staff but they will ask more flexibility” (according to the CGSLB-ACLVB reps.). What is dealt in this sector under the heading “digitalization” is very heterogeneous: the work organisation (Saturday and Sunday work) and the vocational retraining (for the Febelfin reps.), the working conditions, the flexibility (telework, work time and work time recording) and the private/professional life conflict (for the CGSLB-ACLVB reps.). According to the CGSLB-ACLVB union representative, they had missed the boat relating to

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<sup>64</sup> Trends Tendances, 2017 (n°48), « Découvrez votre banque du futur », p.30.

<sup>65</sup> Febelfin, Avançons ensemble vers la numérisation de l’économie, p. 9.

<sup>66</sup> Trends Tendances 2017 (n°48), confirmed by the Sectoral trade union association delegate (CGSLB)

<sup>67</sup> *Ibid.*, p.28.

the topic of telework at the sectoral level: “companies already gone too far” (...) a real debate has not been done, it was made without us.” According to him, the position of trade unions is to ask evidence about the positive effects of flexibility on the employment. The question of digitalization has also to do with the “cost and benefits calculation”, as confirmed by the LBC-NVK and the CNE-CSC union representatives who told us “the question of digitalization is not really a matter of technology but of performances”. Besides digitalization, the network of agencies issue is also raised (some banks has a twofold network: an independent network and a salaried one) and some of the job losses can be attributed to a drop in network size. Furthermore, the self-employed workers have other collective bargaining arenas, thus all the measures negotiated by trade unions are not applicable to them. At the joint committee, the digitalization is “not depicted as a matter”, because the trade union are more about “dealing with the consequences of it” (CGSLB-ACLVB reps.). The social dialogue is thus not impacted by digitalization, according to this interviewee. As far as innovative practices are concerned, one bank (KBC) and one insurance company (AXA) are currently involved in a pilot experiment of collaboration with the non-market sector called “experience@work”. The principle of this project is to avoid pre-retirement by making professional transitions from the banks’ senior staff to the non-market sector. The workers keep their job contract but are put at the disposal of non-profit organisations. The cost of this transfer is shared by the latters who pay 60% of the salary and the employers pay the remaining 40%, which is less expansive than early retirement. The social partners from the banking sector are currently developing a sectoral project whose objective is to support the employees in the banking sector by offering them career prospects and professional transition programs to other sectors. This offer, to be initiated in 2019, will propose several packages and experience@work is one of them.

In the EU, the **insurance sector** employs 1,8 millions of people<sup>68</sup>. In Belgium, 22.172 full-time equivalent were working in that sector in 2015<sup>69</sup>. The social partners in the insurance sector (AMICE, BIPAR, Insurance Europe, UNI Europa) innovated by adopting a joint statement on the social aspects of the digitalization in their sector, in which they insist on the fact that collective bargaining and social dialogue must be key elements in the rapid changes. A new document is currently being discussed, in which the major issue is how to ensure the long-term employability of the workforce.

The social dialogue seems to be organized differently in the two considered sectors. In the insurance sector, they first negotiate at the sector level and then at company level while only minimum sectoral agreements exist in the banking sector, in order to let the banks mainly negotiating at company level. According to the CSC-CNE representative, the social partner from the bank industry are involved in continuous collective bargaining activities over all topics which allow the social partners to rapidly get agreements, without waiting for inter-sectoral or sectoral agreements. Even though our interviewees agreed that there should be some sort of “level playing field” in the sector (through inter-sectoral or sectoral agreements

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<sup>68</sup> <http://ec.europa.eu/social/main.jsp?catId=480&intPageId=1841&langId=fr>

<sup>69</sup> Assuralia, Bulletin hebdomadaire 30 juin 2016, p.6.

setting the same rules for every player) and that it remains a major topic in the social dialogue, fierce competition in the sector prevents this from actually happening.

In the words of the Assuralia representative, digitalization is a “pretty hackneyed topic: everyone is concern about it, but nobody have a clear knowledge of it”. Digitalization is not depicted as a topic in the social dialogue. In the above-mentioned Joint statement, four subjects are discussed: the training and the competences development, the time and place of work, the improvement of employability and the mobility. According to the LBC-NVK representative, the flexibility and remuneration are also hidden subjects behind the word “digitalization”.

As far as the interesting practices are concerned, Assuralia has made a study about active ageing in collaboration with the social partners<sup>70</sup>. This study has been sent to all the enterprises in order to put it on the health and safety committee agenda. In the long run, the social partners will evaluate it and publish a catalogue of recommendations. Other initiative, the FOPAS (training and skills development fund in the insurance sector) has launched a study about the definition of skills by 2025, with a particular focus on the digitalization impacts on insurances.

### ***1.2.3 Postal services***

#### *1.2.3.1 General findings*

European postal services are going through a period of intense economical, organizational and technological mutations in a context of perpetuation of historical (and most of the time public) actors and a repositioning on promising activities (NETPoste, 2018).

Bpost, the Belgian public postal company, operates in a liberalized market since 2011. In reality, the need to maintain guaranteed universal service, the licensing system and the difficult access to bpost network constitute major barriers for new operators to enter the postal market. Thus, bpost has yet no real competitors at least for mail delivery<sup>71</sup>, parcel delivery having always been competitive. Belgian state remains the majority shareholder of the company, but a law voted in 2016 allows an immediate and total privatization and management is given a significant degree of strategic and management autonomy. Bpost, additionally to the traditional mail delivery sector, also operates on the parcel delivery sector and on the bank and insurance sectors. In this section, we will investigate the first two sectors (NETPoste, 2018).

On work conditions, the main tendency – unrelated to digitalization – is to replace statutory civil servants by private-law employees, even if statutory agents still represented 58% of the entire workforce in 2015 (NETPoste, 2018).

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<sup>70</sup> Cedric Velghe and Sofie Vanlaeke, The Vigor Unit, 2016.

<sup>71</sup> [https://www.rtbef.be/info/belgique/detail\\_liberalisation-du-marche-postal-bpost-n-a-pas-de-reel-concurrent?id=8956416](https://www.rtbef.be/info/belgique/detail_liberalisation-du-marche-postal-bpost-n-a-pas-de-reel-concurrent?id=8956416)

### *1.2.3.2. Challenges and opportunities*

New technologies such as geo-tracking, digital platforms, etc. is transforming the way added value is generated in this industry and stimulate new ways of working (job changes). According to the CEO of bpost, “as an enterprise, we must be productive and competitive and we almost use digitalization to increase our chances of survival” (for example, Chabot). Moreover, digitalization has deeply impacted the way bpost is sorting the national and international mail and packages. For a decade, the company has progressively transformed its plants by introducing automatized process.

If the delivery industry is also challenged by the **development of drones** – In California, for instance, companies such Domino’s Pizza already uses automated drone to delivery pizzas – such an evolution is still not present in Belgium.

The new environment of e-commerce has had a deep impact on both customer’s behavior and requirements, as well as on modifying worker’s traditions, behavior, focus and mindset. The logistic world is under fierce competition. The main parcel market’s characteristics include a high pace of change, growing cost consciousness and rapidly changing environment (European social dialogue committee for the postal sector, 2014). In this context, postal operators “are thus looking for maximum synergies with the reintegration of networks, an increased focus on quality and the enhancement of automated sorting” (European social dialogue committee for the postal sector, 2014, p. 26). According to the CEO, this is really hard at the competitive level, but bpost have one advantage: people trust the company. According to a study, 93% of people would let the postman enter their home.

Stakeholders such as **takeaway delivery companies** Deliveroo and Uber Eats that are “highly dependent on the use of apps and software have been on the rise throughout the years. Their business model relies heavily on the use of a very flexible (cheap) workforce. To achieve this level of high flexibility and low cost, employees are often encouraged to work for the companies as self-employed, while their relationship remains (in practice) the same as that of a regular employee”<sup>72</sup>. This constitutes another threat for the historical postal service operators.

### *1.2.3.3. Digitalization and restructuring*

According to both union’s representative and HR manager, there have been several waves towards digitalization in the company, mostly in automation. Lots of things have already been done, that will be tagged more and more under the umbrella word ‘digitalization’. From front desk offices equipped with computers to staff databases to automated sorting centres, the union’s delegate point out the fact that bpost never switched to a complete robotization of their processes. According to him, the decision was taken to not switch to an entire robotic environment because of the decrease in letters stocks to handle. The volume of letters had become too small for it to be financially interesting to shift to a robotic line of operation. But, as the HR manager mentioned, for example, 2/3 of the postman’s working time was dedicated to the preparation of the postal delivery and 1/3 to the delivery of mails. Now, the preparation

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<sup>72</sup> <https://www.eurofound.europa.eu/hu/country/belgium#quality-of-life>

of the postal delivery in sorting centres is completely automatized. The delivery makes up to 100% of the working time. Thus, as an effect, the very nature of the postman work tasks is changing.

Another striking effect of digitalization on bpost is the shift from mail delivery to parcel delivery. The activity volume of mail delivery is decreasing by 5% every year, whereas the parcel delivery is increasing by 25% at the same time. These two services have very different temporalities: whereas mails are expected to be delivered in 2-3 days, parcels are meant to be delivered immediately. Nonetheless, no change in terms of persons has been operated to deliver parcels. Both our interviewees underlined the extreme pressure the giant retailers companies like Amazon are putting on prices. As the HR manager would put it more prosaically: ‘they can kill anyone’. As their biggest client for parcels delivery (every order placed on Amazon is delivered by bpost), Amazon’s wishes have a huge impact on the bpost delivery system. According to the union’s delegate, in order to keep up with Amazon (and others e-trading firms) standards, bpost has to either increase labour productivity or cut costs. According to him, this resulted in less stable and more and more precarious contracts. Moreover, the replacement and maintenance in computer department is handled in a separate subsidiary, with which unions have few contacts. But the HR manager underlined that bpost is still hiring permanent contracts, which is an exceptional fact in the logistics (especially confronted to the above mentioned issue of self-employed workers). To sum up, jobs were lost because of the decrease in mail delivery, but the rapid increase in parcel delivery gave rise to additional workload for which workers are needed, but within a more precarious context and less job quality.

Lastly, bpost launched an “uberizing” pilot project called Bringr.be. Citizens may subscribe to a platform to become an **occasional postman**. Bpost presents it as an “additional service to their regular network”. According to the HR manager, Bringr has been tactically developed, in order to place the standards and to oblige competitors to follow the rules bpost established. At this time, this program has not been highly successful due to its high price level<sup>73</sup>. Furthermore, the post has developed in 2002 the software “**Geo-route**” whose main aim is to increase efficiency for the mail’s carriers’ round. But this software has been heavily criticized, notably for being unsuitable with the reality on the ground.

#### *1.2.3.4. Digitalization and restructuring and social dialogue*

As indicated by both our interviewees, the postal sector is a sector in which, for a long period of time, most of the reflections have been on the cost of the staff. The search for real added value and profit margins in the logistic world got them into action, rather than discussion on digitalization.

The transparency is, for the CEO interviewed, the condition for a true social dialogue.

“If you hide the reasons why you’re doing something... You must have credibility. If you act with buzzwords, if you hide your game, this is not a good approach.” (CEO of Bpost)

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<sup>73</sup> [https://www.rtf.be/info/societe/onpdp/on-a-teste/detail\\_bringr-l-uberisation-de-bpost?id=9718738](https://www.rtf.be/info/societe/onpdp/on-a-teste/detail_bringr-l-uberisation-de-bpost?id=9718738)

At the European sectoral level, the social partners of the postal sector (Post Europe, UNI Europa Post and Logistics) have effectively **made a joint declaration** (01.12.16) that highlights notably the importance of the social dialogue in managing digitalization and restructuring. The European Social Dialogue Committee for postal services (SDC) is implementing the project “Promoting Social Dialogue in the Postal Sector in an enlarged Europe”. The project seeks to promote the role and the activities of the SDC whilst disseminating information to the Social Partners on the digital transformation of the postal sector and its impact on postal activities.

Within the enterprise, the importance of the issue falls within the sectoral development made above. No collective agreement or any type of “long term digital plan” has been negotiated. The union’s representative stated that they intervene only when there is a visible effect on work conditions, for example when bpost started to hire workers more frequently on precarious contracts. At the same time, unions are aware that digitalization represents an evolution that cannot be stopped. They advocate for giving better consideration to training of workers when their job is shifting, to the information and consultation phase (in particular regarding the diminution of working days for mail delivery) and to take into account natural departures in order to avoid redundancies.

Rules of conducts and collective agreements have been enacted about things related to work conditions such as computer use and the well-being of workers working behind a computer screen. But a global negotiation on bpost digitalization strategy has yet to be initiated. For example, the automation of the sorting centers has been implemented as a result of management’s initiative. Another example can be found in the agreement between DHL and bpost for parcels delivery, in which unions did not take part (they would get involved if there was an increase in the workload).

‘We see Bringr and Parcify [note: a recently acquired platform similar to Bringr] as anecdotal. Again, there are no outcomes on these topics when it comes to social dialogue because there is no impact on employment. If they were to be impacts on employment, then we would consider it’ (Union’s representative)

The logistics sector also includes the delivery services. That’s why, for the latter issue, we would like to focus on self-employed workers falling within the Deliveroo system. In a recent ruling done by the Administrative Commission about labour regulation (Commission administrative de règlement de la relation de travail), it has been decided that these two employees were to be considered as salaried. But these rulings are merely administrative, only valid for these two employees, and do not force Deliveroo to offer them a work contract. The UCM does not agree and consider that these workers carry out their own economic project using the Deliveroo facilities, which doesn’t mean that they do not need support.

“Even if they are considered as self-employed workers, they have rights and these rights need to be upheld” (UCM)

Trade unions are currently thinking about the best way to contact stakeholders such as Deliveroo. Both FGTB-ABVV through the UBT (Union Belge du Transport, the professional

branche dedicated to workers in logistics and transport) and CSC through the CNE and Transcom repeatedly tried to contact Deliveroo. The latter began by rejecting any contact attempt but finally agreed to discuss, mainly with CSC. They considered after a series of work accidents, which led legal actions that they might need to work with unions on these topics in order to negotiate with a sole interlocutor. Contacts occurring through legal actions have also been made with CSC/ACV.

## **1.2.4. Manufacturing industries**

### *1.2.4.1. General findings*

Following the orientation presented in the appendices, we focused our analysis on the sub-sector of chemical and chemical products (NACE C20). When talking with our interviewees, their analysis also encompasses the pharmaceutical (NACE C21), and plastic (NACE C22) as they form what is called the chemical, plastics and life sciences industry<sup>74</sup>.

The chemical, plastic and life science industry is an industrial pillar of the Belgian economy. Its total added value accounts for about one third of the total manufacturing added value. In 2017, the industry employed 90.780 workers, supported 150 000 related jobs for sales of over 65 billion €<sup>75</sup> (Eurostat). Though Belgium, with 11 million inhabitants, has only 2% of Europe's people, its chemical, plastics and life sciences industry generates 5% of value added by the sector across the continent. On a per capita basis Belgium is the world's number one in the sales of chemicals and plastics<sup>76</sup>.

Strengths of the sector include, amongst others, an attractive location at the heart of industrial Europe and the Western European pipeline network, an easy access to raw materials and export markets thanks to three seaport, a highly skilled workforce, high safety standards, and energy efficiency. Challenges are mainly related to the high energy and labor costs as well as the ageing workforce and the quest for new talents in a context of labor shortage.

The chemical, plastic and life sciences industry is integrated in a network of clusters bringing together industrial and academic stakeholders around research and production. These clusters (Catalisti for the northern part of Belgium - Flanders; GreenWin and BioWin for the southern part - Wallonia) cover the whole value chain and also provide sciences parks where incubation and innovation centers are available.

According to Essenscia, the employers association (2017), over the period 2005-2015, the whole industry of the chemicals, plastics and life sciences sector recorded an average of 20,764 strike days per year, equivalent to 0.23 of a day per year per employee (compared to 0.26 day per year for the manufacturing industry as whole). After a peak in 2014, the social climate moved back to below its trend level, to 0.17 days per employee.

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<sup>74</sup> The biotechnologies (NACE M72110) subsector will also be mentioned, although not accounted for in the statistics showed in this part.

<sup>75</sup> More facts and key figures can be found on <http://www.essenscia.be/en/Document/Download/16723> and [http://www.essenscia.be/Files/Upload/TypeButtonLinkFolder/687/CHIFFRES\\_CLEF\\_BELGIUM\\_FR\\_2017.pdf](http://www.essenscia.be/Files/Upload/TypeButtonLinkFolder/687/CHIFFRES_CLEF_BELGIUM_FR_2017.pdf)

<sup>76</sup> <http://www.chemlandscape.cefic.org/wp-content/uploads/pdfs/Belgium-56.pdf>

The Securex study of staff turnover in 2017<sup>77</sup> confirms that employees in the sector have a high degree of company loyalty: only 2.5% of employees in the industry left their company voluntarily in 2016, compared with an average of 5.2% across the private sector as a whole.

#### *1.2.4.2. Challenges and opportunities*

According to Sogepa (2015), articles<sup>78</sup> and our talks with key actors, the most pregnant challenges and opportunities linked to digitalization in the Belgian chemical, plastics and life sciences industry are the following.

Challenges for the pharmaceutical and biotechnologies sectors include processing large volumes of data (through the implementation of Big Data), cutting on costs of introducing a new pharmaceutical product on the market (through digital simulation), monitoring medical parameters on real-time basis and individualising medical treatments (via 3D printing of tailored medical tools for example). For the chemical sector, challenges include the use of tools allowing a clear diagnosis and optimization of power consumption, the optimization of the manufacturing processes (through the modeling and monitoring of plants in 3D) and the reduction of the maintenance cost (via the laying of sensors warning there's a need to replace a piece of the installation).

Opportunities are found mainly in the high level of automation of the manufacturing lines and the storage areas in the chemical sector (using distributed control systems and sensors or a network of interconnected machines). Other opportunities are linked to the monitoring and control on a real time basis of the process of production and the warehouses stocks, cutting on waste products; continuous monitoring of product units in order to meet traceability requirements (pharmaceutical and biotechnologies sectors), the use of human-machine interface systems to control the production of hazardous or potentially dangerous products from a remote place, and advance techniques of virtual design.

#### *1.2.4.3. Digitalization and restructuring*

As we saw in the previous section, challenges and opportunities linked to digitalization are numerous in the chemical, plastics and life sciences industry. Nevertheless, when asked about restructuring, our interviewees both denied seeing digitalization as a prominent reason for restructuring in terms of job destruction. Historically rooted in the Belgian history, the sector benefits from continuous massive investments in R&D<sup>79</sup> and the employment rate remained stable over the last 35 years, despite significant job losses in the overall manufacturing industry (Essenscia, 2017). Moreover, according to the employer's representative, safety standards are so high that no sudden change (in terms of the use of robotics, for example) can be made. Implementation of new measures, standards, procedures... through digitalization

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<sup>77</sup> <https://www.securex.be/fr/publications/white-paper/rotation-personnel-2016>

<sup>78</sup> <https://www.leforem.be/Horizonemploi/secteur/10.html>

<sup>79</sup>

[http://www.essenscia.be/Files/Upload/TypeButtonLinkFolder/687/CHIFFRES\\_CLEF\\_BELGIUM\\_FR\\_2017.pdf](http://www.essenscia.be/Files/Upload/TypeButtonLinkFolder/687/CHIFFRES_CLEF_BELGIUM_FR_2017.pdf)



takes time in the chemical, plastics and life sciences sector so that training and adaptive measures can be put in place<sup>80</sup>.

According to the respondents, restructuring linked to digitalization has to be understood more in terms of job change. The massive trend in the sector is the increasing need of high skilled worker. The percentage of white-collar workers rose from 47,9% in 2000 to 57,3% in 2015. Today, nearly half of the employees have a higher-level (university and high school) degree – whereas this percentage is of 31% in the manufacturing sector as a whole (Essenscia, 2017) – holding skilled positions such as process operator, measuring technicians, etc.

“20-30 years ago, a lot of things required human handling. This is not the case anymore. Take, for example, a blue-collar worker in the chemical industry 30 years ago and compare it to the situation today. It’s different. Everything is automated. If you enter now in a chemical plant, you won’t see a lot of people because the majority of the workers are in the control room. You need less people, so employment need is reduced. But at the same time, I see a lot of opportunities in the R&D section.”  
(CGSLB)

As stated by the union representative we interviewed, the use of human-machine interface systems also allow enterprises to employ low-skilled workers in specific cases because the majority of the calculations are made by machines.

Increased computerisation generating mass data flows and modelling are creating new jobs such as bio-computer scientist, theranostics, risk manager, waste energy developer... in which technological and scientific skills are mixed (Le Forem, 2016). The Antwerp Management School conducted in 2016 a study for Essenscia Flanders on “The future of jobs” in which they analysed the possible impacts of the Industry 4.0. will have on job profiles. They came to the conclusion that automatization and robotization will principally have disruptive effects on the job content and that tailor-made training programmes are needed to prepare workers for these jobs of the future. This constitutes the main challenge for both education system and HR policy in the company.

#### *1.2.4.4. Digitalization, restructuring and social dialogue*

Outside of the unions’ scope and embodied in the Digital Wallonia plan, the “Industry 4.0 Made Different” initiative is an awareness and support program for manufacturing enterprises towards what is called “Factory of the future”. It is constructed around the improvement of the manufacturing processes based on 7 key transformations: world class manufacturing technologies, end-to-end engineering, digital factory, human centred production, networked factory, eco production and smart production<sup>81</sup>. The aim is to promote the program towards every Walloon manufacturing industry and to support 200 enterprises via diagnosis and action plan toward the factory of the future over 4 years<sup>82</sup>. The union representative we interviewed also underlined that most of time; technological changes in the enterprise are implemented

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<sup>80</sup> The importance of training is even more pregnant in the context of the ageing workforce and the lack of talent in the sector.

<sup>81</sup> <https://content.digitalwallonia.be/post/20180328111658/Made-Different-Digital-Wallonia-Infographie.pdf>

<sup>82</sup> <https://www.digitalwallonia.be/fr/publications/made-different-digital-wallonia>

without the intervention of unions, except when there is an incidence on safety or security (for example when new security cameras are connected).

Social partners nevertheless undertook the issue together through a series of directly and indirectly digitalization-aimed actions.

First, social partners signed on the 18<sup>th</sup> of February 2015 a sectoral collective agreement related to innovation and challenges linked to structural transformation in which they acknowledge that these factors are pillars to keeping a strong chemical industry in Belgium as well as the jobs related. The agreement states that social partners will launch a debate about innovation in the sector focusing on 7 key points (regarding for example how innovative the sector is, how can innovation have a significant place in social dialogue, how can training efforts help to roll out innovations, etc.). To this day, and according to our interviewees, this collective agreement remains an aspiration rather than a reality.

Second, Co-Valent<sup>83</sup> conducts every two years a survey on the training needs of companies in the industry and adapts its offer based on the results. Some of the trainings are offered through webinars. Moreover, Co-Valent organised in 2016-2017 a survey on the skills workers operating in 4 key processes will need to possess in 10 years. In line with what has already been stated in the previous section, digital skills were mentioned as crucial for the future of the sector<sup>84</sup> and were selected to be part of a more detailed and into action plan. However, to this day, results of this survey still have to be translated into a series of concrete actions. The employer's representative mentioned the existence of one tool, that is an Excel sheet in which workers can fill in their skills and compare it to what is going to be needed in the future in order to see the gap between.

Third, social partners have set up in the 2015/2016 agreement a demographic fund. Its objective is to fund projects that help maintaining and improving employability in the context of an ageing workforce and the consequences of increasing working lives. Enterprises are entitled to funding up to 0,30% of gross payroll for a maximum of 4 years<sup>85</sup>. Under this agreement, several actions developed as part of approved demographic plans are related to training to new technologies or to the implementation of digital tools<sup>86</sup>.

Finally, the European sectoral social partners of the chemicals, pharmaceuticals, rubber and plastics industries released on November 22<sup>nd</sup> 2016 a joint position<sup>87</sup> on social and employment-related aspects of digitalization. As stated in the document:

The joint position set out three main priorities:

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<sup>83</sup> The sector's training funds, co-managed by the social partners

<sup>84</sup> <https://www.co-valent.be/news/quelles-competences-secteur/> , <https://www.co-valent.be/wp-content/uploads/2018/04/r--sum---A4-FR.pdf>

<sup>85</sup> [https://www.demografiefondsdemographie.be/wp-content/uploads/2016/09/CAO-20161019-Creation-Fonds-Demographie-CP207-CP116\\_.pdf](https://www.demografiefondsdemographie.be/wp-content/uploads/2016/09/CAO-20161019-Creation-Fonds-Demographie-CP207-CP116_.pdf) , [https://www.demografiefondsdemographie.be/wp-content/uploads/2016/09/CCT-20161019-Financement-Fonds-Demographie-CP207\\_PC116.pdf](https://www.demografiefondsdemographie.be/wp-content/uploads/2016/09/CCT-20161019-Financement-Fonds-Demographie-CP207_PC116.pdf)

<sup>86</sup> <https://www.demografiefondsdemographie.be/wp-content/uploads/2018/06/tabel-goedgekeurde-plannen-juin-2018-fr-total.pdf>

<sup>87</sup> [http://www.eceg.org/wp-content/uploads/ssdc\\_chemical\\_industry\\_joint\\_position\\_digitalisation\\_.pdf](http://www.eceg.org/wp-content/uploads/ssdc_chemical_industry_joint_position_digitalisation_.pdf)

- A well-skilled workforce in the chemical industry is key to the sector's economic and social performance
- Inclusion of European Sectoral Social Partners in the digital transformation process
- Promotion of competitiveness, job growth and sound working conditions for the European chemical industry

The majority of the actions plan described in the joint position is put in place in the framework of an EU-funded project entitled “The impact of digital transformation and innovation in the workplace: a sector-specific study of the European chemical, pharmaceutical, rubber and plastics industry in Europe”. Its aim is to address and anticipate sectoral challenges in this industry. At the time of writing this report, a survey was being held online, aiming to gain an in-depth understanding of the impacts and changing work conditions due to digitalization, and its effects on industrial processes in the chemical industry. The objective is to “formulate a social partner joint action plan as to how to anticipate, prepare and manage change in the workplace as a result of innovation and digital transformation in three domains: skills, working patterns and health & safety”<sup>88</sup>. No additional concrete impacts for the Belgian sector resulting from the joint position were mentioned by our interviewees which were, at the time of writing the report, diffusing the EU-funded project survey amongst their networks.

Nonetheless, some sources of friction remain when talking about social dialogue, restructuring and digitalization. Our interviewees both noted the fact that some of the highly technical and digitalized enterprises (mainly in the biotech sector) are micro-enterprises, which makes them less visible. They also lamented the outsourcing of decision-making centres outside of Belgium. Mergers and acquisitions displace the headquarters to other countries with which it becomes more difficult to negotiate because of cultural differences and the impossibility to reach a local interlocutor aware of the day-to-day situation. For unions, this issue is made a little bit easier by the use of digital means of communication.

“For us, as union, it is interesting to use digitalization. We have European Work council to facilitate communication. 20-30 years ago, this was not the case. Now, all you have to do is send an email to your colleague in Germany to see how things are going in their enterprise and how they manage restructuring. It makes standing up for workers' rights easier.” (CGSLB)

On the union's side, another issue concerns the covering of collective agreements. Indeed, collective agreements are relevant for blue-collar worker and established employees only. As managerial staffs are not established employees, they are not covered by collective agreements<sup>89</sup>. And this category is increasingly growing in the chemical industry. Moreover, union delegation is often lacking in small enterprises, which makes difficult for workers to turn to someone in case help is needed. Ultimately, our interviewee regrets that employers refuse to discuss the records of working hours for white-collar workers, now made possible

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<sup>88</sup> <https://www.eceg.org/european-social-partners-launch-new-project-on-digitalisation-and-innovation-in-the-european-chemical-industry/>

<sup>89</sup> [https://issuu.com/essencia/docs/cahier\\_1\\_echo\\_-\\_essencia\\_fr](https://issuu.com/essencia/docs/cahier_1_echo_-_essencia_fr)

with digitalization. More generally, according to him, employers sometimes refuse to discuss topics proactively on a sectoral level when it doesn't suit them, referring to the enterprise level. Essenscia, as far as they are concerned, plead for a modification of the state of social dialogue, going from a power relationship, negotiation and parallels circuits of knowledge towards partnership, knowledge sharing and creation of value, saying that social partners have to look together to the future<sup>90</sup>. As we see, digitalization is in this case a way of re-activating old social demands on each part.

To conclude this section on digitalization, restructuring and social dialogue, our interviewees agreed on the fact that current practices regarding restructuring and social dialogue remain the same (that is [early] retirement programs, voluntary departure, outplacement,...), whatever is the reason for restructuring. We can say that at a sectoral level, most of the actions related to digitalization fall within the awareness area. The aim is to achieve a change of mindset, a shift in priorities discussed on the joint committee, from short-term preoccupations to long term ones such as the future of the sector linked to digitalization. It is on the enterprise level that concrete facts and decisions have to be made. But again, the main concerns of social dialogue in the enterprises are still on classical topics such as wage standards, paid leaves, work duration, and the ageing workforce... this could change within the next years, thanks to the awareness initiatives taken on the sectoral level.

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<sup>90</sup> [https://issuu.com/essenscia/docs/cahier\\_1\\_echo\\_-\\_essenscia\\_fr](https://issuu.com/essenscia/docs/cahier_1_echo_-_essenscia_fr)

## Conclusion

Belgium has one of the highest union memberships of Europe. This membership rates gives trade unions a considerable role and power within the Belgian social consultation model. As far as the digitalization is concerned, it is one of the subject of the 2017-2018 Inter Professional Agreement, signed by the joint body “Groupe des 10”, in which it is identified as « a real societal challenge ». But, the difficulty, at a national level, of defining precisely digitalization and its impacts has been highlighted. The lack of conceptual clarity and the multiple realities this term can cover across different sectors is one of the reasons that can explain the aforesaid difficulty. Our interviewees agree on the fact that digitalization is a reality not to be denied but that has to be taken as “an evolution, but not a revolution”. Digitalization is indeed most of the time a way of re-activating old social demands and debates on each part, rather than a new reality to be dealt with. It is seen both as an opportunity to be grasped (for more economic growth, jobs and entrepreneurship) and as a source of concern (i.e. the sustainability of social security, the digital divide, job destruction, etc.). At both national and regional levels, digitalization is mentioned in various plans and measures: Digital Plan (FEB), survey on artificial intelligence (UCM), workshops on the Future of Work (CSC/ACV and FGTB-ABVV), Digital Wallonia, Digital Belgium, etc. All are action plans setting up objectives to reach a digital transformation in several social and economic key themes, including the working world. However, some of these initiatives do not involve the unions in their consultation bodies, in spite of the fears the latter express, such as the negation of the worker status related to the value creation and the growing individualisation of the collective labour relations, for example.

As far as the different sectors (i.e. tourism sector, bank and insurance sector, postal sector and the manufacture sector) are concerned, it seems that generally speaking and in spite of the numerous challenges and opportunities that are rising, digitalization is not, *per se*, depicted as a priority in the agenda of social partners.

In the tourism sector, the arrival of digital solutions for reception and concierge services poses a threat in terms of job destruction and training issue. The emergence of new business models, as Airbnb for example, is also seen as bringing unfair competition. But there are few trade unions delegations in the hotels, considering the fact that this sector is composed of a lot of SMEs. The financial sector (i.e. bank and insurance) is often depicted as a « key historic player » of digitalization. Be that as it may, the social dialogue is classically organized in both sectors and mainly concerns the working conditions, flexibility, the training, the long-term employability to be maintained, etc. Furthermore, the process of digitalization has often to do with costs and benefits, more than the possibilities open by this term in itself. As we’ve seen earlier, the European postal services are now going through a period of intense economical, organizational and technological mutations. The logistic world is effectively under fierce competition and the search for real added value and profit margins got them into action, rather than discussion on digitalization in itself. The European social partners of the postal sectors

have made a joint declaration (2016) that highlights notably the importance of the social dialogue in managing digitalization and restructuring, as in the insurance and the manufacture sectors. The European Social Dialogue Committee for Postal services (SDC) is also implementing a project whose main aim is to promote the role and the activities of SDC whilst disseminating information to the social partners on the digital transformation of the postal sector. In the manufacturing sector, and more specifically in the chemical sectors, digitalization is not depicted in terms of job destruction, but much more in terms of job changes. Several initiatives are being launched in order to implement technological changes in the sector, but this sector may be seen as more active than the others on the subject. Social partners have indeed launched a EU-funded project entitled “The impact of digital transformation and innovation in the workplace: a sector-specific study of the European chemical, pharmaceutical, rubber and plastics industry in Europe”. The question remains, however, if this project will go one step further into making concrete recommendations and offering solutions those actors, at the level of the enterprise, can assimilate and implement.

To conclude, it seems that even if the term digitalization is well known and mobilized, it is often a way to reactivate old-social demands. Furthermore, in Belgium, trade unions are not always involved in the national initiatives, such as Digital Belgium, for example. Globally speaking, the social partners seem to be dealing with the consequences of digitalization, rather than acting in a proactive way even if training and skills assessment are of great importance in the four studied sectors.

The translation of concerns expressed at a national, regional or sectoral levels into practical schemes of actions for the enterprises seems to be one of the key aspects of social dialogue linked to digitalization and restructuring.

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## Appendices

### Annex 1 – Orientation for the selection of subsectors in the manufacturing industry

Eurostat database (<http://ec.europa.eu/eurostat/web/structural-business-statistics/data/database>) provides annual detailed enterprise statistics for industry. Codes : NACE Rev.2, B-E; sbs\_na\_ind\_r2. Opening the data explorer, we selected

- The country (Belgium)
- The time frame (we used year 2015 as a reference, as statistics for the 2016 are not always complete)
- The subsections of the manufacturing (NACE SECTION C), that is 24 sub-sectors, from C10 to C33

We then used the variable « value added at factor cost – million euro » to sort out the sub-sectors in terms of importance. We picked the first five sectors and investigated them briefly in term of digitalization and the social dialogue’s challenges they imply. Ultimately, we select one sub-sector amongst them, which presented the most interesting challenges for the DIRESOC project, that is the sub-sector of chemical and chemical products.

Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E) [sbs\_na\_ind\_r2]  
Last update: 15-05-2018  
Table Customization [show](#)

GEO: NACE\_R2 TIME: 2015  
INDIC\_SB: Value added at factor cost - million euro

NACE_R2	Belgium
Manufacture of chemicals and chemical products	8,698.8
Manufacture of food products	6,371.8
Manufacture of basic pharmaceutical products and pharmaceutical preparations	6,225.5
Manufacture of fabricated metal products, except machinery and equipment	3,724.5
Manufacture of machinery and equipment n.e.c.	3,219.2
Manufacture of basic metals	2,743.0
Manufacture of other non-metallic mineral products	2,390.7
Manufacture of motor vehicles, trailers and semi-trailers	2,241.3
Manufacture of rubber and plastic products	1,948.9
Repair and installation of machinery and equipment	1,483.7
Manufacture of beverages	1,465.8
Manufacture of electrical equipment	1,247.8
Manufacture of computer, electronic and optical products	1,137.1
Manufacture of paper and paper products	1,090.8
Manufacture of textiles	1,069.2
Printing and reproduction of recorded media	1,044.3
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	739.8
Manufacture of furniture	653.9
Other manufacturing	611.0
Manufacture of wearing apparel	205.5