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From work sharing to temporal flexibility: working time policy in Belgium 1975-1990 *

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I. Introduction

Compared to its European neighbours, Belgium was the *first* country to initiate a process of working time reduction during the seventies. In 1977 collective bargaining agreements in retailing introduced the 39-hour week. A year later, manufacturing industries followed with the implementation of the 38-hour week.

In labelling this development a pioneering performance, we nevertheless have to take into consideration that the labour market problems unfolding midway through the seventies additionally placed Belgium in an exceptional position in Western Europe. Facing the prospects of a prolonged economic crisis, Belgium was the first country to register two-digital unemployment rates (1977/78) [1], and by 1982 the 15 percent threshold had been surpassed. In short, within a decade Belgium went from a near full-employment country to a society "in (which) virtually all of its sectors manifested symptoms of immobility and crisis" [2].

As a country with early mass-unemployment the magnitude of the unfolding labour market problems fostered the support for a specific set of responsive strategies at a point in time when neighbouring policy makers still had (some) reason to believe that the *Belgian malaise* was an isolated case. The various measures implemented by the relevant labour market actors were profoundly influenced by three structural features. Taken one-by-one, or in combination they varied with regard to the importance which the Government, the employers and the unions attributed to them.

Capturing the distinctive politico-economic structures and practices in Belgium involves the recognition of a specific *regional* dynamic which placed any policy to confront the evolving crisis on a national scale under severe constraints. Secondly, as Peter Katzenstein [3] has extensively shown, Belgium belongs to the

* Earlier drafts of this paper received critical readings and comments with measured passion from Mary Daly, Bernhard Ebbinghaus, Pascale Vielle and Johan De Deken.

(1) Using the domestic unemployment statistics. I.N.S., *Annuaire Statistique de la Belgique*. Tome 106, Ministère des Affairs Economiques, Brussels, 1986, p. 620. Otherwise, if we consider the standardized OECD calculations then the 10 percent mark was reached in 1981. OECD, *Employment Outlook*. Paris, September 1984, p. 15.

(2) M. DEWEERDT and J. SMITS, Belgian Politics in 1981 : Continuity and Change in the Crisis. In : *Res Publica*, 1982, n° 2, p. 261.

(3) Empirically, Katzenstein's classification of small European states includes seven countries : Austria, Belgium, Denmark, the Netherlands, Norway, Sweden and Switzerland. P.J. KATZENSTEIN, *Small States in World Markets. Industrial Policy in Europe*. Ithaca and London, 1985.

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European group of "Small States in World Markets." In that respect, framing political responses to economic change implied challenging developments and constraints beyond the control of such a *Small State.* Finally, the drama of Belgian *incomes* policies between 1975 and 1981 illustrates to what degree the crisis was fuelled by domestic policy decisions, or, to be more precise, the *non-decision* to alter certain institutional routines of income regulation.

The objective of this paper is, firstly, to develop a conceptual framework for the analysis of working time policies introduced in Belgium between 1975-1990. The enterprise is grounded in the contention that the configuration and direction of working time policies is determined not simply by prevailing economic constraints but also by a political dynamic. The features of that dynamic are multidimensional. In this view, the role played by the organisations of the State, Capital and Labour within a constellation of institutional variables is central to the performance of labour market policies.

Secondly, the endeavour maps out the character and the resources of the collective bargaining system in Belgium. In that respect, I consider the aforementioned institution as a function of labour market policies, while not disregarding the fact that the lines between policy arenas are increasingly crumbling in Belgium, e.g. between labour market policy, industrial policy and regional policy.

II. Particularities of a small state with an open economy

Whereas manifest labour market problems and sustained processes of de-industrialisation became common features of many OECD countries in the aftermath of the first oil price crisis, the central difference between these countries and Belgium did not so much concern the timing, scope and depth of the crisis in the country. Rather, when the global economic crisis started to have a lasting impact on the domestic labour market situation, a combination of structural constraints, institutional arrangements and specific policy decisions quickly contributed to put Belgium out of step with its European neighbours.

What sets Belgium apart from many other OECD countries is the openness and vulnerability of its economy. Belgium occupies a particular position in this respect because of the constant dependence of inflationary processes on world markets, and the limited range of policy instruments it has at its disposal to confront such structural problems. The Belgian case is underpinned by a matrix of politico-economic considerations in which the management of dependence and the exposure to developments beyond its control are major elements.

The specific Belgian situation is further characterized by the highly institutionalized presence of unions and employers in the nation's formulation and administration of economic activities and social policy. The institutionalized consensus formation proved to be the foundation for both political decision-making and the development of collective bargaining in Belgian industrial relations. The most important and influential consultative institution at the national level is the *National Labour Council.* Founded in 1952, the NAR/CNT is generally perceived by the collective bargaining actors as Belgiums "social parliament" [4].

(4) Next to the NAR/CNT, the *Conseil Central de l'Economie (CRB/CCE),* founded in 1948, reflects most distinctively the consultation arrangements at the national level. Ministère de l'Emploi et du Travail, Le marché du travail en Belgique. In : *La Revue du Travail,* 1987, p. 435.

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While the mechanism of consultative bodies was fundamentally based on the parameters of social and economic gains for all actors involved, the trade-off system proved not to be constructed for a labour market crisis in which unemployment and the expenditure to support the jobless were running out control. The lack of consensus on the national level alongside the hardening of attitudes between employers and trade unions on issues that essentially touched vested interests of the organisations involved explains why the established culture of compromise increasingly folded.

The NAR/CNT proved unable to outline a new socio-economic consensus, thus establishing itself as the central arena of crisis management on employement and social policy affairs. As Deweerdt/Smits have argued "a climate of mutual trust between the social partners could not be re-established, and the union-management negotiations could not break out of the impasse. This confirmed the contention that the Belgian consultation syndicalism is effective for periods of substantial economic growth and much less for periods of economic crisis" [5].

The deteriorating socio-economic consensus was additionally fuelled by the diverging regional dimension of the crisis and the community tensions this provoked. While Belgium shares many politico-economic features of *Small States,* it is set apart from these by the process of *pillarisation* ("verzuiling") and its regional-linguistic cleavages. Both the Christian and the Socialist pillar are distinct social systems reinforced by diverging regional traditions, party and union links, employment trajectories in the public sector and linguistic features.

In addition, the pillarised structure of Belgium played a central role in the regional disparities between francophone Wallonia and Dutch-speaking Flanders. Often resurging as militant ethnic and linguistic conflicts during the period 1978-1986, the mutual differences between both regions contributed to the "flowing together of socio-economic and communitarian cleavages" [6]. The economic decline and the labour market problems affected Flanders and Wallonia in dissimilar ways, with the latter experiencing a crisis within a crisis.

The regional disparities in the fields of economic development, industrial adjustment and the evolution of employment in Flanders and Wallonia essentially impeded a coordinated set of labour market and industrial policies at the national level. Since the labour market actors in both regions did *not* face the same magnitude of socio-economic problems, streamlining measures were regularly overtaken by particularistic recommendations and vested interests of the organisations involved.

Apart from the principal conflict deriving from the politico-religious fragmentation of the Christian ACV/CSC, the Socialist ABVV/FGTB and the Liberal ACLVB/CGSLB, the three union confederations display inter-organisational cleavages which correspond to linguistic communities. In other words, political parties, the central employers' association VBO/FEB and the labour confederations "have split up along linguistic lines and have adopted an ideological profile which does not necessarily correspond to the profile of the 'sister party' of the other linguistic community... Obviously, the major ideological differences are found on the linguistic-regional dimension" [7].

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(5) M. DEWEERDT and J. SMITS, *op. cit.*, p. 265.

(6) *Ibidem.*

(7) L. DE WINTER, Parties and Policy in Belgium. In : *European Journal of Political Research,* 1989, n° 6, p. 714.

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At a point of time when it was needed most (late seventies-early eighties) the ideological profile and regional fragmentation of the industrial relations system made the achievement of a *Belgian Social Contract* all the more difficult, if not unlikely. The peculiar double structure of politicized, but linguistically and ethnically diverging, regional interest organisations in the Belgian system of industrial relations hindered the advancement of a consensual approach to the unfolding labour market crisis.

If Belgium was considered the 'sinking ship' of Europe since midway through the 1970s, the medicine to be applied for a sound and prompt recovery seemed self-evident for the leading party alliance in Belgian politics the conservative, social christian CVP/PSC and the *Patronat*. In order to curb exorbitant wage increases, and send out a clear message to the unions' income strategies wage-price indexation was to be changed. But as the controversies surrounding the system of automatic wage indexation exemplified, the relevant labour market actors could not establish a compromise that targeted the *Belgian malaise* in an encompassing manner, and thus putting particularism on hold.

The Belgian system of wage negotiation and price setting includes a procedure for automatic adaptation of wages and social incomes to the consumer price index. Established in 1952, *automatic wage indexation* not only became a benchmark of the Belgian welfare state, but also a measure rich in symbolism for the unions, and of recurring controversy for the employers. Whereas index-linking can be regarded as an element of social policy under conditions of low inflation and full employment, it proved to be an important source of rigidity once the crisis began to reach dramatic dimensions during the second half of the seventies.

In fact, on account of both unemployment and inflation reaching record levels, Belgian employees continued to attain *uninterrupted* real wage increases during the second half of the seventies [8]. In that respect, as long as the system was in operation and symbolic values attached to it, the institutional feature of automatic wage indexation created a high threshold for unions and their rank-and-file to accept the conditions for voluntary income sacrifices.

While no Belgian Government between 1973 and 1981 managed to endorse measures confronting the external dependence of the economy and the domestic control of prices and incomes, the Christian-Democratic/Liberal coalition formed in 1982 decided that recourse to special powers would give it the leeway for action which predecessors had lacked. The active promotion of macro-economic redistribution in favour of capital incomes was to force the unions into cooperation with the Government's incomes policies.

With respect to monetary policy, the devaluation of the Belgian franc by 8,5 percent within the EMS in 1982 was the first re-fixing experienced in 33 years. Along with its monetary effect, namely to bring an overvalued currency back into competition, the exchange-rate adjustment also affected the interaction of the collective bargaining actors. In that respect, "recourse to devaluation by a country with a traditional attachment to exchange-rate stability... had a *shock effect* on the social partners and facilitated their acceptance of the corrective measures" [9].

(8) G. THERBORN, *Why Some People are more Unemployed than Others: The Strange Paradox of Growth and Unemployment.* London, 1986, p. 150.

(9) OECD, *Why Economic Policies Change Course. Eleven Case Studies.* Paris, 1988, p. 119 (my italics).

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The political repercussions were even stronger when the decision to suspend the index linkage and impose a price freeze for three months was taken in February 1982. With the exception of the lowest wages and salaries, cutting the linkage to the retail price index re-inforced the objective of restoring financial equilibrium in the private sector.

In a second step, Government regulations provided that wages and salaries were to increase on the basis of an across-the-board flat rate : until the end of 1982 by two percent of the minimum wage for every two percent rise in the price index. Thereafter, full wage indexation was restored in 1983, but without retroactive effect and under conditions strictly limiting the scope of collective bargaining on the issue of real wage formation until 1986. These restrictions concerned the legal introduction of a 'competitiveness norm' which provided ample opportunies for the State to interfere in any wage negotiations should these result in agreements wherein wages rose faster in Belgium (in common currency terms) than in its seven main trading partner countries [10].

In determining pay increases with regard to the evolution of wages and incomes in the seven trading partners, the established routine of *quid-pro-quo* between productivity increases and real-wage gains was unequivocally repudiated. With this means of income regulation the Government was in possession of a mechanism for direct intervention, and therefore credibly threatened any process of collective wage bargaining which was not in line with its policy goals. With such a 'stick behind the door' the *raison d'être* of autonomous income formation in the Belgian system of industrial relations was clearly thrown into question.

Having outlined various structural features of its socio-economic system, and how they affected the process of policy making during the crisis in Belgium, we shall now turn our attention to the agenda-setting and implementation of working time policies. The analysis of this policy instrument will be elaborated with regard to the framework unfolded in the preceding sections. As shall be shown in detail, the strategy of working time reduction was taken up by both the collective bargaining actors and the state, albeit at different time periods and with diverging interests. In the course of this undertaking, the goals identified with working time policies changed as much as the actor constellations endorsing the respective measure(s).

III. Belgian working time policies : the take-off in 1976-1978

As shown in the preceding section, after the Second World War Belgium established various institutions of consultation between the relevant labour market actors. The main characteristics of the consultation network lay in its multi-dimensionality and high degree of institutionalisation. For the period 1955-1975 the NAR/CNT, CRB/CCE and the National Labour Conferences contributed to what Dancet has called "the golden age of social planning and growth" [11]. With inter-industry agreements as the dominant pattern of compromise formation during the two decades, numerous settlements provided for a progressive reduction of standardized weekly working time.

(10) The countries listed within the competitiveness norm were Britain, the former Federal Republic of Germany, France, Italy, Japan, the Netherlands and the United States.

(11) G. DANCET, Wage Regulation and Competitivity. The Belgian Experience. In : R. BOYER (Ed.), *The Search for Labour Market Flexibility. The European Economies in Transition.* Oxford, 1988, p. 217.

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The shorter hours strategies were exclusively addressed by unions and employers within the framework of social policies and individual welfare gains. The Belgian issue-building process of *work sharing* as a means of confronting the dramatic decline in employment only gained momentum *after* the signing of the inter-industry agreement in 1975 which provided for the generalization of the 40-hour week. As the demand was presented at union Congresses under the heading of *partage du travail,* the two largest Belgian labour confederations, the ACV/CSC and the ABVV/FGTB, explicitly agreed that they neither accepted a reduction in purchasing power nor supported a suspension of wage indexation.

In stark contrast to this position, the employers categorically rejected such an approach to the hours issue. Rather, the *Patronat* favoured the alternative of establishing improved legal provisions for part-time working [12]. However, this position was subject to revisions in the course of the issue-building process. Later, the employers argued for a cost-neutral working time reduction, linking wage moderation either with the reform of the indexation system, or by proposing to suspend wage bargaining for three years [13]. These diverging positions during the initial agenda-setting of working time policies gave rise to the expectation that possible agreements would face a high compromise threshold.

The lack of interest affinity between the collective actors of capital and labour concerning the issue of shorter hours was widely contrasted by the understanding both sides shared when facing the issue of *early retirement.* Unlike demands for working time reduction, the necessary amount of movement in the direction of a compromise enhancing *defensive* labour market strategies was much smaller right from the outset of negotiations. Whereas the adequacy and desirability of early retirement schemes never became a matter of sustained conflict in the industrial relations system, the unfolding work sharing debate was 'silenced' through its delegation to branch and firm level bargaining.

From the outset in 1974 to 1987 over 197.000 employees were registered as having taken advantage of one of the many early retirement formulas (e.g. *prépension conventionelle licenciement or prépension légale*) [14]. However, as impressive as this figure appears, the early retirement schemes did not create any *new* jobs. Yet, while dismissals could be postponed or directed into early retirement trajectories, unemployment on the national level could not be curtailed as a result of these programmes. In other words, the performance of the strategy could neither contribute to the *reversibility* nor to the *stoppage* of unemployment growth during 1974-1986.

The resulting dilemma made it increasingly difficult for the trade unions to maintain their labour market priorities. Since the total number of jobs did not increase, the justification for shifting available work from one individual to another became blurred. As the union doctrine was running into trouble the search for viable new answers to the unfolding labour market drama led to the discovery of the presupposed positive potential of work sharing through shorter hours. In the context of this discovery the A.C.E.C. conflict in 1980 proved to be of pivotal importance.

(12) VBO/FEB, *Réduction de la durée du travail. Argumentaire.* Brussels, 26. July 1979.

(13) B. DE BACKER et al., *L'année sociale 1978.* Brussels, 1980, p. 135.

(14) A. DE RONGE and M. MOLITOR, *The Reduction of Working Hours in Belgium: States and Confrontations.* Brussels, 1987, p. 40.

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The dispute gained nation-wide attention for lasting 13-weeks and the unwavering positions taken by the respective actors involved. The conflict in the metal processing company located in Charleroi, Wallonia initially was focused on wages and working time issues, but, soon turned into a battle of principles over income moderation, the right to strike and redundancy provisions. Accordingly, the isolated firm conflict subsequently witnessed the interference of regional union and employers' representatives, later federal courts were called upon, and finally the Government intervened.

While in the perceptions of union representatives the industrial militancy became a landmark for withstanding managerial arbitrariness, employees outside A.C.E.C. were afforded a first-hand glimpse of eventual conflict costs they would have to bear. Furthermore, the strike illustrated that it would not have unfolded such a dynamic solely on grounds of working time demands. Rather, the walkout quickly turned into a conflict in which solidarity for 'our organisation' assumed centre stage. In other words, the mobilization of springs of loyalty at the local level, and not a pronounced preference from the workforce for the claims on the bargaining agenda, explain the shop-floor resolution to meet the employers' confrontation.

Furthermore, consumer surveys carried out in 1980/81 suggested that Belgian households regarded the economic situation with increasing pessimism. As a reaction to this problem perception they amassed "considerable precautionary savings, especially as a safeguard against unemployment" [15]. Hence, confronting the unfolding labour market crisis occurred in an individualized manner, and in anticipation of possibly being touched by unemployment in the future. The evolution of real wages during the 1975-1981 period underlined that the union rank-and-file was not committed to voluntary wage sacrifices for labour market policies which entailed interclass redistribution.

The subsequent course of the Belgian work sharing debate illustrated that the lack of rank-and-file support for voluntary wage moderation and the various structural features of the labour market crisis could only be compensated for by a pivotal strategic adaptation on the part of the collective actors. In effect, they turned to and called for state assistance. Hence, the trade unions delegated the work sharing claim upwards by seeking the incorporation of a third party into the arena of collective bargaining. Whilst the unions hoped for the Government to forward their working time demands, the employers for their part saw the chance to thereby attain certain revisions of the indexation system.

The so-called *Plan De Wulf* – named after the Employment Secretary R. De Wulf – included wage subsidies to firms which reduced their weekly working time to 38 hours by the end of 1980. In order to be eligible for the two-year subsidies the firms had to either recruit registered full-time job seekers or appoint unemployed youths. By downgrading the differences between union demands for shorter hours and managerial interests focusing on a policy of wage moderation the *Plan De Wulf* contributed to extending the process of working time reduction to other branches and groups of employees *without* recourse to industrial action. In April 1980 over 40 percent of full-time employees in the private and public sec-

(15) OECD, *Economic Surveys: Belgium-Luxemburg 1981-1982.* Paris, 1982, p. 11.

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tors had been touched by a reduced working week of 38 hours. By year's end more than two-thirds were affected by the new hours standard [16].

When considering the specific content of such agreements our attention has to be drawn to the following facts : Seldom was there any reference to simultaneously reduce weekly working time and extra hours. Rather, in many cases the contracts contained provisions linking the hours issue to production requirements of the individual firm. Namely employers in large firms managed to leave open the precise definition of shorter hours. Pending the introduction of the 39 or 38-hour week, agreements included a daily reduction of 12 to 24 minutes. Furthermore, contracts stipulated to take advantage of free shift regulations during specific periods of the year, e.g. Easter, Christmas or New Year. As Rongé/Molitor concluded, the acknowlegement of enlarged flexibility options in combination with furnishing productivity gains provided that "the agreements... were used more to protect those actively working than to share work between those actively working and those out of work" [17].

In sum, whilst the reduction process was gaining momentum, establishing a tripartite consensus over labour market policies repeatedly failed to overcome the threshold of linking voluntary wage moderation with binding job creation provisions. Notwithstanding its success, the *Plan De Wulf* implied that explicit work sharing objectives were waived from consideration at the expense of providing feasible results on the hours issue as an end in itself. Thus, the Government sheme evidently discharged intransigent collective bargaining actors from the formation of an obviously unattainable consensus about labour market policies centered around redistributional objectives.

IV. Working time policy amid the 'stick behind the door'

With the change of Government coalitions in February 1982 (Center-Right coalition) and the approval of special powers by Parliament, both the objectives and the procedures of Belgian labour market policies underwent a profound transformation. This process of recasting various policy parameters affected central elements of a shorter hours strategy. The Martens V Government would henceforth combine its working time initiatives with a restrictive wage policy, thus firmly ruling out full wage compensation for a reduced working week.

In the course of this change of priorities the institutional arrangement of Belgian industrial relations was profoundly transformed. The post-war consensus focusing on a tri-partite institutional design and excluding unilateral state intervention in the arena of capital-labour bargaining was unremittingly repudiated by the Center-Right Government.

This section will focus in detail on two sets of measures introduced by the Government during 1982-1985. The first concerned the so-called *Operation 5-3-3,* while the other was labelled *Hansenne Experiments.* Directed towards work sharing, the former combined working time reduction with a state-induced wage moderation. By contrast, the latter's common denominator consisted in achieving *flexibility* by way of decentralizing bargaining mechanisms and deregulating legal provisions in the employement of labour. More generaly, both sets of measures were

(16) Belgien : Weitreichende Arbeitszeitverkürzungen zur Bekämpfung der Arbeitslosigkeit. In : *Internationale Chronik zur Arbeitsmarktpolitik,* 1980, n° 1, p. 10.

(17) A. DE RONGE and M. MOLITOR, *op. cit.,* p. 16.

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part of a comprehensive policy of readjustment in the fields of industrial relations and economic performance.

The *Operation 5-3-3* focused on three elements. In exchange for a compulsory three percent wage sacrifice unions and employers in the *Commissions Paritaires* of the private sector were to negotiate a reduction of working time amounting to five percent, and further reach agreements on job creation schemes which foresaw a three percent employment growth. In sum, wage savings served to finance compensatory recruitment through working time reduction.

While the wage sacrifice was non-negotiable, and had to be furnished at once by the active workforce, the realization of the other two components of the scheme were to be determined in negotiations until 1985. With this procedural element the Government discharged itself from a *direct* responsibility regarding the employment component of the 5-3-3 plan. Delegating this component to the *commissions paritaires* at the branch level implied that the unions and the employers *themselves* would have to find the individual formula for the creation of new jobs. Apart from this delegation of responsibilities the specific definition of the three percent job creation objective remained a subject of extended controversy [18].

On the basis of the Government's evaluation the employment outcomes deriving from the combination of working time reduction and compulsory wage sacrifice amounted to 33.400 new jobs in 1983. Classified according to firms' size 9.200 new jobs were created in small and medium-sized plants and 24.200 in large enterprises. The evaluation for 1983 and 1984 yielded a net employment effect of 52.100 new jobs [19].

Only the Employment Ministry regarded the global results as a success, although it could not ignore the fact that the projected target of 70.000 new jobs had not been reached. Nevertheless, the architect of the 5-3-3 scheme, Employment Secretary M. Hansenne, argued that the results made it possible to reduce the adverse consequences of dismantling jobs in sectors and companies "with difficulties". From his point of view the Government was dealing with an "extremely successful" outcome.

His judgement is rendered more comprehensible when we additionally take into account what learning implications the exchange formula contained for the collective actors. In his own account Hansenne described this approach as to "oblige the labour market organisations to negotiate amid a web of constraints which both sides refused. This web consisted in binding the organisations to model agreements which fundamentally broke with the routines established in the post-war decades, and which had become a rigid practice" [20].

It followed from the interventionist approach that the labour market organisations' actions were explicitly tied to policy targets fixed by the Government. At the expense of existing institutional arrangements the governmental norm setting

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(18) The original French version read : "une embauche compensatoire de 3%... formules alternatives donnant un résultat *considéré comme équivalent* pour l'emploi". F. PLETTINX, Réduire le temps de travail et créer de nouveaux emplois. In : *La Revue du Travail,* 1984, n° 1, pp. 1-18 (my italics).

(19) H. WERNER and I. KÖNIG, Maßnahmen zur Förderung der Beschäftigung und zur Bekämpfung der Arbeitslosigkeit in Belgien. In : Ibid. (Eds.), *Arbeitsmarktpolitische Maßnahmen in EG-Ländern und in Schweden.* Beiträge zur Arbeitsmarkt- und Berufsforschung, n° 117. Nürnberg, 1987, pp. 33-72.

(20) M. HANSENNE, *Emploi : Les scenarios du possible.* Paris-Gembloux, 1985.

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process in matters of industrial relations signalled that collective bargaining would be related to macro-economic parameters. Within this context, the second set of working time measures introduced by the Employment Secretary, the so-called *Hansenne Experiments,* focused primarily on concerns for and changes in economic performance of individual firms.

The *Hansenne Experiments* worked towards of twofold objective. The first was the creation of additional jobs by way of reorganizing working time schedules at the plant level. In order to achieve this target the most noteworthly change was the justification of Sunday working in the industrial sector : contrary to existing legal provisions and collective bargaining norms the introduction of Sunday working could henceforth be approved solely on *economic* grounds.

Next to the flexibilization options the *Hansenne Experiments* involved a set of deregulation measures which went beyond the objective of restructuring working time standards. Rather, the two-year repeal of numerous labour laws intended to advance the process of recasting the Belgian system of industrial relations. As Hansenne claimed, "the decree No. 179 *also* has the objective to establish the conditions for balanced negotiations between the social partners. Within this framework the individual firm is the original place of dialogue and collective bargaining. For now and in the future his approach may cause problems which especially concern the *redistribution of power* within the unions' and employers' interest organisations" [21].

Considering both the flexibility and the institutional implications of the *Hansenne Experiments,* the deregulation approach aimed at the re-integration of industrial relations in the firm's general industrial and commercial strategy. The decentralization process inherent in the working time experiments focused exclusively on the regulative competence of the plant level, thus excluding the *Commissions Paritaires* and the inter-industry level. As regards the implementation process the Government decree spoke of a necessary "consensus" between the employer and "representatives" of the workforce.

This definition implied an important refinement of existing practices of interest representation at the company level. Namely in small and medium-sized firms where union structures of interest representation did not exist (the so-called *délégation syndicale),* the workforce could elect a non-unionized body of representatives which was authorized to negotiate and sign agreements concerning the implementation of working time experiments. In that respect, the notion of advancing 'unionism without unions' brought the labour confederations against the *Hansenne Experiments* [22].

A stock-taking of the implementation of the *Hansenne Experiments* illustrates that between 1983 and 1986 a total of 55 agreements were registered by the Employment Ministry which affected over 26.000 employees. Given the objective of softening rigidities linked to the problem of working time adaptation the evaluation of the agreements featured a characteristic element : more than 90 percent

(21) M. HANSENNE, *op. cit.,* p. 66 (my italics).

(22) O. VANACHTER, Flexibility and Labour Law : The Belgian Case. In : *Zeitschrift für ausländisches und internationales Arbeits- und Sozialrecht*, 1987, pp. 229-238.

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of all working time innovations consisted of the introduction of shift-working during weekends [23].

By and large, the experiments introduced allow the conclusion that weekly working time patterns were made more flexible by integrating so far unused and until then unavailable time budgets on weekends into the existing production patterns. If we further consider the question of how employees reacted to the revised code of practice, it emerges that a certain time period allowing for individual adaptation and overcoming initial resistance was necessary. Thereafter, as various studies have underlined, "absenteeism dropped substantially, especially among weekend workers... 80 percent of the workers were willing to continue working on weekends and 40 percent preferred Saturday and Sunday working against any other working time regulation, even standard weekly working time patterns" [24].

The reason for such high acceptance lay in the attractive leisure time options and the advantageous financial remuneration for the 12-hour weekend shifts. In addition, many of those receiving a job on grounds of the *Hansenne Experiments* knew all too well what it meant to be unemployed for years, or to be faced with recurring joblessness and sinking unemployment benefits. In 1980 those unemployed for more than two years constituted 38.2 percent of the jobless. By 1986 the number had increased to 50.5 percent [25].

Looking at possible employment effects deriving from the *Hansenne Experiments* the evaluation is – not unexpectedly – controversial. If the outcome is considered in relation to the overall Belgian labour market evolution, the published data yielded very meagre results. Furthermore, it is not possible to clarify in detail if the firms under consideration would have created new jobs *without* the provisions of the Hansenne initiative. However, some cases were reported where companies in the engineering and mineral oil sectors turned to lay-offs *during* the period of experimentation [26].

Bearing these reservations in mind an overview furnished by the Employment Ministry stipulated that 850 additional (full and part-time) jobs were created between 1983 and 1986. Such direct employment gains were supplemented by indirect effects like cancelling redundancies and turning temporary into unlimited employment. In the face of a registered dole queue reaching over 440.000 in 1986 these figures were practically negligible. But for the respective firms which introduced new working time patterns the number of new jobs created was by no means marginal [27].

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(23) J. DENYS, G. HEDEBOUW and M. LAMBERT, *Nieuwe Vormen van Arbeidstijdregeling. De Experimenten Hansenne.* Katholieke Universiteit Leuven, Hoger Instituut voor de Arbeid, 1985.

(24) EIRR, Belgium : Further Results of Working Time Experiments. In : *European Industrial Relations Review,* 1986, n° 149, pp. 16 and 18.

(25) A. SPINEUX, Trade Unionism in Belgium : The Difficulties of a Major Renovation. In : G. BAGLIONI and C. CROUCH (Eds.), *European Industrial Relations. The Challenge of Flexibility.* London, 1990, pp. 42-70.

(26) Redistribution du travail. In : *Rapport d'Activité FGTB. Congrès Statutaire.* Brussels, 1986, pp. 41-53.

(27) V. FREESE, D. MEULDERS and R. PLASMAN, Bilan des recherches sur l'aménagement et la réduction du temps de travail en Belgique (1975-1987). In : *Cahiers Economiques de Bruxelles,* 1988, n° 117, p. 95.

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V. The return of tripartism

After winning the parliamentary elections in 1985, the Martens VI Cabinet (Social Christian-Liberal coalition) convoked the social partners to begin central negotiations within the National Labour Council. The field of issues to be treated included the competitive position of Belgian firms, the promotion of employment, and improving the flexibility of the labour market. This undertaking implied that unions and employers would also have to arrive at an evaluation of the *Hansenne working time experiments.*

The renewed importance of inter-industry negotiations must be explained with reference to the legal context, and the collective bargaining organisations' common interest in reinstating unrestricted negotiations in the private sector. The legal framework prohibited real wage increases for 1985 and 1986 outside of the existing indexation provisions. Furthermore, in the context of the Government's austerity policy the *Social Recovery Law* included a 'competitiveness norm which gave the Government a "general mechanism to intervene at almost any moment in wage developments" [28].

Resentment and growing awareness of the limit of sustained state intervention in collective bargaining affairs guided both the employers' association and the trade union confederations to return to the bargaining table. On the one hand, the legal framework practically obliged the labour market organisations to negotiate, albeit amidst an intricate framework. On the other hand, it became increasingly questioned how much longer, and in which areas of labour and employment policies, direct government intervention could be economically rational and politically legitimate.

More and more the VBO/FEB resented the Government's approach on pay policies. The *Patronat's* criticism focused on the uniformity of the measures which were applicable across-the-board, thus ignoring differences between profitable and non-profitable companies and sectors. In addition, such is the nature of repeated statutory incomes policies that they tend to impose a squeeze on differentials. Such a consequence is subject to rejection by those employers who are involved in establishing a comprehensive strategy of industrial recovery that entails lasting cooperation with and commitment from the workforce.

Given that the legislature had created different means to take decisions instead of and against the unions, the Catholic and Socialist labour confederations were inclined to make considerable concessions, if only the further limitation of collective bargaining could be brought to a halt. During the negotiations within the National Labour Council the unions' readiness to make substantial sacrifices in order to re-establish their bargaining authority was most pronounced in the field of working time policy. The way this adjustment took place was "defensive, wavering and often contradictory" [29].

Limited and constrained as the bargaining arrangement was, the *Central agreement on flexibility* and the *Framework agreement on employment promotion, minimum wages and shorter hours* – both signed in 1986 – can be understood

(28) EIRR, Belgium. The Collective Bargaining Round 1985/86. In : *European Industrial Relations Review,* 1985, n° 138, pp. 10-11.

(29) M. ALALUF, A Typical Employment and the Trade Unions in Belgium : The Precariousness of Strategies. In : J. and G. RODGERS (Eds.), *Precarious Jobs in Labour Market Regulation. The Growth of A typical Employment in Western Europe.* Geneva, 1989, p. 263.

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as a succesful effort to return to the traditional system of concertation in Belgium. While the former comprised the introduction of new systems of work organisation, the latter framework contract contained a number of guiding principles focused on the commitment to unrestricted collective bargaining.

Considering the working time provisions of both agreements the policy shift from demands of substantial hours reductions to the explicit acceptance of new systems of flexible working time organisation *(nouveaux regimes de travail)* is noteworthy. The central framework agreement on employment and working conditions stipulated that "it shall be left to sector level negotiations to consider the *eventuality* of establishing a general average working week of 38 hours" [30]. Concomitantly, the flexibility settlement made no reference at all to reducing the working week. The non-binding formulation of the former and the exclusion of shorter hours provisions in the latter stood in stark contrast to bringing together different forms of working time flexibility under the umbrella of one set of regulations [31].

In sum, both central agreements were trendsetting not so much because of their respective content which some observers interpreted as an "empty box" to be filled by lower levels of concertation [32]. Rather, what is noteworthy about the agreements was that the parties involved returned to *and* managed to remain at the bargaining table, eventually producing a compromise. Considering the institutional and actor related transformation in Belgian labour relations during 1981-1987, the finding that unions and employers resumed their bargaining responsibilities and averted Government intervention was by no means a matter of course.

VI. Conclusions

Two features are most characteristic of our analysis of Belgian working time policies. The dramatic labour market evolution during the second half of the seventies, and the virtual breakdown of a multi-dimensional consultation system in industrial relations. The interdependence between both features, and the inability of the latter to provide comprehensive responses to the challenges deriving from the former, quickly put Belgium out of step with its European neighbours. The disintegration of *programmation sociale* primarily derived from widespread disagreement between the collective bargaining actors on a number of central policy issues. Standing out as the most prominent were the reform of wage-price indexation and the modalities concerning working time reduction.

It followed from the construction principle of automatic wage indexation that an immediate self-interest to confront inflationary processes in the Belgian economy was neither considered a pressing objective nor a criterion of success within the decision making horizon of Belgian unions. Likewise, the institutionally promoted lack of self-obligation in the field of voluntary wage moderation essentially contributed to shape the line of managerial argumentation *against* any form of working time reduction. The counter-intentional effects of the wage/price linkage made employers all the more reluctant to involve themselves in such negotiations

(30) P. BLAISE, L'accord interprofessionnel du 7 Novembre 1986. In : *Courrier Hebdomadaire du CRISP,* 1986, n° 1137, p. 33 (my italics).

(31) M. ASLIN and J. OYCE, Flexibilité du temps du travail. In : *Courrier Hebdomadaire du CRISP,* 1987, n° 1148-1149.

(32) EIRR, Belgium : Central Framework Agreement on Jobs, Pay and Hours. In : *European Industrial Relations Review,* 1986, n° 155, p. 11.

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as long as the wedge issue of total or partial wage compensation remained unresolved.

Beginning in 1976 Belgian unions advocated shorter hours with explicit reference to work sharing objectives. To a significant degree the orientation of their working time demands towards this goal explains the increased level of disagreement between the collective actors, and strike activity related to working time policies. During the initial stages (1976/78) of this policy process the dominant collective actors were the unions and employers at the branch level. In a second step the Government undertook initiative with the objective of contributing to a reconciliation of positions between the collective bargaining organisations (1979-81). The small success deriving from this approach ultimately fuelled the decision to directly interfere in collective bargaining affairs (1982-1986).

Subsequently Government directives repeatedly formed the agenda of collective bargaining, shaped the scope and depth of negotiable issues and determined the appropriate level of bargaining between unions and employers. In case of possible failures to make ends meet specific sanctions against the collective actors were part of the new approach. Such norm setting by the Government was most lastingly illustrated in the fields of statutory income formation and working time policies. As a result, collective bargaining actors who were either ill-disposed to or refrained from voluntary self-limitation were now forced into cooperation with the Government's new set of policy prerogatives.

Henceforth, collective bargaining became "a planned and supervised freedom of negotiations" [33]. In that respect both the 'competitiveness norm' and recourse to special powers could force the labour confederations into lasting cooperation with the austerity measures of the Martens Government. Since the unions had no alternative resources at their disposal, the only promising way out of these restrictions lay in the adoption of revised incomes policies and a marked adjustment of their working time demands.

The labour confederations' willingness to make such concessions illustrated how profoundly the exchange relations between the State, Capital and Labour were being transformed to the detriment of the latter. What happened in Belgian industrial relations between 1982-1986 "constitutes an out-and-out shift of power" [34]. This transformation process was reflected in significant changes of the bargaining agenda. In 1978 the Belgian unions could claim pole position for successfully seeking to break the 40-hour threshold in Europe. But the demand forwarded by the labour confederations during the first phase of the issue-building process, namely the introduction of the 36-hour week, did not arise again in the central agreements worked out within the NAR/CNT in 1986.

As the claim for working time reduction was repeatedly confronted with the issue of revising automatic wage indexation, and later overtaken by state intervention, any further progress on the hours issue was slow to come, ultimately withering away altogether. Both the 1989/90 and the 1991/92 inter-industrial collective bargaining rounds mirrored the incapacity of the Christian and Socialist labour confederations to imprint their positions on the reduction of working time. The discussion of controversial issues on the agenda of the NAR/CNT, namely the extension of the 38-hour week to all branches of industry and the lowering of the

(33) J. SMITS, Belgian Politics in 1982 : Less Democracy for a Better Economy. In : *Res Publica,* 1981, n° 2-3, p. 195.

(34) A. SPINEUX, *op. cit.,* p.50.

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retirement age, were repeatedly set aside and postponed to later negotiations [35].

However, reducing this issue transformation to the constraints deriving from state intervention and employers' intransigence would only lead us to disregard the inter-organisational pressure with which the labour confederations were confronted in the course of introducing shorter hours strategies. Where working time reduction was implemented *without* real wage losses (1978-1981), and in those cases where it was linked to a *statutory* wage sacrifice (1982-1986), the results were more than ambiguous for the unions' rank-and-file.

Both variants yielded small reduction steps and high compromise costs, therefore off-setting any intended work sharing objectives and contributing to a lasting disillusionment within the workforce over the 36-hour week target [36]. Thus, the lesson deriving from this experience consisted in the acknowledgement that any further decrease in working time had to be accompanied by a simultaneous readjustment of wages.

Finally, as the *Operations 5-3-3* exemplifies branch agreements could hardly arrive at stipulating the future employment levels of an enterprise or a sector without taking into consideration the uncertainties of changing macro-economic and technological circumstances, the specific orders in hand of a company, and the qualification profile of labour sought by firms. Of the three dimensions in which unions have a central regulatory interest – wages, working conditions and employment levels – only the former two are established as viable bargaining issues ; the latter remaining a by-product of investors' decisions with regard to economic performance.

Juxtaposed to this understanding stood the experience which parts of the unions' social base were having in connection to the *Hansenne working time experiments.* Not only did flexible working time agreements prove to be feasible, but they also provided far longer portions of leisure time than a weekly working time reduction of one or two hours. Although limited in quantitative terms, the qualitative effects of these experiments considerably contributed to de-mystifying the controversies surrounding the concept of temporal flexibility.

Furthermore, as an opinion survey commissioned by the ABVV/FGTB revealted, two-thirds of Belgian workers preferred flexible hours and chose higher pay in preference to further working time reduction [37]. The consequence of this popularization for the unions' leadership gradually manifested itself in a revision of bargaining priorities. After overcoming initial reservations they have started to address the issue of flexibility and are now mapping out their own blueprints [38].

In these circumstances, regaining bargaining authority and re-establishing their contribution to legitimate industrial governance had a price tag attached. For the provision of these essential collective goods in industrial relations the Belgian unions downgraded their shorter hours demands, and rather turned to strategies

(35) EIRR, Belgium : Central Agreement 1991/92. In : *European Industrial Relations Review,* 1991, n° 206. p. 16.

(36) T. COLPAERT, Requiem voor de 32 Uren Week? In : *Socialistische Standpunten,* 1987, n° 17, p. 41.

(37) IRE, Belgium : Pay 'more important than hours cuts'. In : *Industrial Relations Europe,* June 1989, p. 4.

(38) *Organisation du travail et "flexibilité".* Brussels, La Centrale Générale FGTB, 1987. Les priorités de la CSC pour la concentration. In : *Syndicaliste CSC,* 1988, n° 300, p. 3.

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aiming at forwarding efficiency and competitiveness under the principal hending of flexibility.

In that respect, the objective of the unions had shifted towards getting the employers and the Government to take into account the labour and social dimensions of flexibility – concerning terms of employment, adjustment of working time and workplace reorganisation. Nevertheless, the general issue of flexibility is not anymore put into question by the Belgian unions. While they rejected enlarged flexibility options in work organisation and working time patterns up to the mid-eighties, the *Hansenne Experiments* proved most clearly that the labour confederations were unable to prevent such measures at the plant level.

Faced with a review and revision of practices and strategies, the Belgian unions are gradually acknowledging new, mainly qualitative issues in a context of change and discontinuity. Engaged in such a critical reflection of their bargaining priorities during the past decade, the trade union positions can be characterized as an adaptation to circumstances and pragmatism. This endeavour entails the search for credible alternatives and a response to the extension of precarious, non-standardized forms of employment in the Belgian labour market. In doing so, defending and recasting the principles of concertation and autonomous decision making has advanced a spirit of 'new realism' in Belgian industrial relations.

What implications do these findings have for the original initiative of enhancing labour market effects via the trajectory of cutting standard weekly working hours? Given the decade-long experience with the advocacy of work sharing objectives, a common point of departure may consist in the observation that small steps in working time reduction will *not* reverse long-standing unemployment problems. However, this account does not mean that a policy of working time reduction is dead forever in Belgium.

For the time being shorter hours strategies have been recalled to the factory for repairs. It seems that the fixing will take some time. The interest in and enthusiasm for working time policies during the period 1978-1985 was definitely waned, but central aspects of the policy – its relation to wage formation, the preference structure of employees, the notion of "time sovereignity" for female and male employees and the configuration of business strategies – remain on the agenda of comprehensive labour policies.

Within this context, flexible production patterns and working conditions as well as new-style bargaining procedures constitute transformations that touch base with trends in individualized empolyment conditions, multi-skilling and moves toward greater employment mobility. These developments in the Belgian labour market not only bring new issues on the collective bargaining agenda, but also demand conceptual answers that invariably call to attention the strategies to be adopted in the future.

The demands on the agenda of collective bargaining and industrial policy during the 1990s include performance related pay systems, profit sharing, access to training and qualifications, just-in-time production and breaking through demarcation lines of the working day and the five-day working week. The hours component in this menu of options predominantly focuses on weekend working, annualized hours schemes, round-the-clock working schedules, irregular, non-standard working time schemes as well as socially acceptable time budgets inside and outside the labour market for both women and men. The blueprint for such a comprehensive approach has yet to be finalized in the field of working time policies. But as shown in the course of this paper, there are several indicators for changes de-

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veloping as well as pressures evolving which call for such an undertaking in Belgium.

Summary: **Working time policy in Belgium 1975-1990**

The article focuses on working time policies introduced in Belgium during the period 1975-1990. As a country with early mass-unemployment, the magnitude of the unfolding labour market problems fostered a specific set of responsive strategies. The initial trajectory of Belgian working time policies was centered around cutting standard weekly working hours in order to enhance labour market effects. In the course of a marked issue transformation, work sharing objectives were substituted by the notion of temporal flexibility which focused primarily on concerns for and changes in the economic performance of individual firms. The author outlines various structural features of the Belgian socio-economic system and argues that these profoundly affected the goals identified with working time policies as much as the actor constellations endorsing the respective measures.