

Country: Belgium
Partner: CCMB

Belgium adopted recently, in the year 2001, a new law on **Financial Participation of the Workers**. This regulation of the matter emerged in order to clarify and define some issues that raised major doubts. The new legislation, in force, establishes, also, some limits to the application of the financial participation schemes.

According to the law of 2001, three major financial participation schemes are established:

① **Profit Sharing / Gainsharing**

The income of this sharing could be paid jointly with the salary or it could be paid after four years. It has to be stressed out that this income does not allow the workers to vote at the board of directors or stock holders.

② **Participation in the Capital**

By allowing the worker to have company shares it will allow him to vote at the share holders assembly.

According with this more recent law on financial participation of the workers, this can only be applied by collective bargaining. If there is no collective bargaining, a special procedure can be set up.

This new law raised divergent opinions among the different social partners. Despite being unanimous that this new law gives more security to the workers, its acceptance raises polemics.

The partner trade union is peremptory by stating its disagreement regarding this new law because, in its opinion, the workers should not be paid through schemes like the ones foreseen in the new legislation. Workers should be evaluated by their work and not by the amount of shares they hold. It says also that sometimes, such is counterproductive.

If until that moment such schemes were applied to the white collars workers, presently this trend has been diluted because it is applied to all the workers.

Often occur situations where it is the worker himself who negotiates his individual labour contract directly with the employer, in such situations trade unions do not have a word, which leads to harmful consequences for the role played by trade unions.

The Belgium collective bargaining system covers three levels of negotiation, one of them is the negotiation at inter sectoral level, according which the Government establishes the indicators for the wages increase and it will be only after the accomplishment of the requisites for the wages increase that the financial participation could be applied.

To the workers must be paid their wages. To pay beyond that is possible since that involves negotiation with the trade unions.

The partner trade union has the opinion that when applying financial participation it should be chosen the gainsharing scheme, though the companies that will benefit will be the companies with profits to distribute, on the contrary to the companies with a financial situation that does not allow them to distribute something.

However, it has to be stressed that such should be applied only if those bonuses are included in the wages so that the taxes and social security payments are carried out. They add that the wages must be paid and negotiated.

The partner trade union stated, also, that the concession of that bonus will not increase productivity once production is confined to the orders, machines and investment, among other factors. They disagree of the argument presented by the European Commission that the financial participation will lead to an increase of the productivity, even because this increase is strongly linked to the market, i.e., if the financial situation of the country is good the trend is the increase of consumption, but if is the opposite why increase production?

Another problem that could arise from the application of the financial participation schemes is the case of the workers starting to detain a certain number of shares and the situation will have to be faced from another perspective. In the case the trade unions must give training to their associates covering several issues on what they will face, for example, how to read a financial report, among other more specific issues.

In the partner trade union's opinion the worker put already his work at the company, it will be good to put also his money in the company? His savings? It will be, no doubt, an option that will involve a certain risk.

They also have the opinion that the ties between employer and worker will be stronger because the worker will dependent on the employer two times. It will be, in the partner trade union's opinion, a limitation to the worker's freedom. In its opinion the relation at the work place will not be better.

Despite defending that the financial participation should not be promoted according the present patterns, it has to stress that the financial participation schemes are already applied, and for the trade union only remains, in order to protect their associates, to inform their members on some of the situations. As such, they request to their members to inform the trade union, on a regular basis, so that they can deal with eventual problems that might occur. The trade unions should promote informative and enlightened campaigns, even to help to protect the worker from himself.

According the partner trade union's opinion the financial participation should be regulated by some essential principles to the good application of the several systems, namely the principle that the financial participation schemes must be applied by collective bargaining. They still defend that the workers must have the opportunity to say something. They still add the fact that the systems must be open to all the workers, but not obligatory. It should be ruled by the personal choice principle.

They also defend the need for binding European guidelines and the need for orientations from the European Metalworkers Federation, this because the time of the individualist trade unions has already gone.

However, and in what concerns a possible harmonisation of the systems, such only be possible if the harmonisation occurred at international level and not at national or individual level. This to allow an harmonisation at taxes level and the systems of contributions for social security. Without taking measures in this sense an harmonisation of the financial participation systems will not be viable.

In case the harmonisation happens it should take place, in first place, within the multinational companies and only after within the national companies, this because the national companies trade unions have enough influence to change the situation while that at the multinational companies such is more difficult.

Still within the **multinational companies**, more precisely in what concerns to the role of the European works councils and to their representatives, they should pass on the information to their colleagues so that a set of common rules can be established. It can be started by presenting the good and bad examples of the application of the financial participation. To the national representatives should be given training in order that they are aware of their task and explaining them the risks of the application of the financial participation, among other points.

In what concerns the **European Company**, they think that it will be much better for the worker because the companies objectives will be more evident to all. However, they will have to wait for the results that will come from there, because European Company, in theory, seems to be good, but they will have to wait for the practical application. This because the workers' participation is a very important step and it should precede the application of any other form of workers' financial participation.

In the partner trade union the countries that will, in a short term, integrate the European Union will have to have solid basis of social dialogue because only like this they will can explain and give advices to their members knowing, in advance, that they will accept their recommendations.

Annex:

Special procedure in case there is no trade union representation at the company

- 1) The employer proposes an entry charter
- 2) This charter is billed or all workers are informed by letter
- 3) Within 15 days workers can react to this in a special register
- 4) After (at least) 15 days this register is sent to the Social Inspection
- 5) Comments
 - a. no comments from the workers, the scheme is introduced
 - b. if there are comments, the Social Inspection tries to reconcile
- 6) Reconciliation
 - a. an agreement was reached, introduction 8 days after reconciliation
 - b. no agreement was reached, the proposal is sent to the Parity Committee
- 7) Parity Committee
 - a. an agreement is reached, introduction 8 days after agreement in the Committee
 - b. no agreement is reached, no scheme of financial participation.