3. Pork value chain and industrial relations: the case of Belgium

By Marco Rocca, Ann Vrijsen

1. Introduction

Notwithstanding its relatively small size, Belgium is among the top ten largest exporters of pork meat worldwide in terms of economic value.¹ The Belgian pork industry is thus strongly oriented towards exports. At the same time, the Belgian culture of social dialogue and social partnership permeates the industry, leading to an effective collective bargaining and comparatively decent levels of wages and working conditions. Therefore, the tension between such a system and the pressures coming from the international competition, in their turn typical for a net exporter, represent the background of the present Chapter. Along the coming pages we then explore how the Belgian system of industrial relations operates in the context of the pork meat industry in order to highlight both its strength and weaknesses, and anticipate possible future challenges.

The Chapter is structured as follows. In Section 2 we provide an overview of the current situation of the pork meat industry in Belgium, both in terms of economic outcomes and employment data. Section 3 highlights the challenges arising from this first analysis. In order to provide the background for the following discussion, Section 4 briefly describes the main aspects of the Belgian industrial relations

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system. In its turn, Section 5 focuses on industrial relations in the pork meat industry, describing the main actors and challenges. Then, in Section 6 we analyse in more detail a specific recent experience of collective bargaining in this sector, concerning an example of concession bargaining linked to an internal challenge. Section 7 is devoted to conclusions.

Completing our desk research, this Chapter is based on three in-depth interviews we carried out, between 2018 and 2019, with the most relevant actors at national level when it comes to collective bargaining in the pork meat industry. Hence, Interview 1 was conducted with the secretary of the largest trade union in the food industry, Interview 2 was conducted with the director of the largest employers’ association in the meat industry, while Interview 3 was conducted with the former chair of 8 years of the Joint Committee of the food industry, who is a civil servant at the Belgian Ministry of Labour and Social Dialogue. We wish to thank the interviewees for their time and precious insights.

2. The pork meat industry in Belgium

The Belgian production of pork meat in recent years totalled around two and half time the internal consumption, as shown in Table 1.
Table 1 Pig meat Supply balance (tonnes of carcass weight)\(^4\)

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<td>Gross production</td>
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<td>1 138</td>
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<td>69 128</td>
<td>63 723</td>
<td>62 612</td>
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<td>63 223</td>
<td>61 399</td>
<td>53 205</td>
<td>46 680</td>
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<td>704</td>
<td>665</td>
<td>417</td>
<td>394</td>
<td>617</td>
</tr>
<tr>
<td>Export (+ preparations)</td>
<td>746 261</td>
<td>758 703</td>
<td>785 967</td>
<td>771 585</td>
<td>815 037</td>
<td>762 103</td>
</tr>
<tr>
<td>Import (+ preparations)</td>
<td>121 668</td>
<td>127 020</td>
<td>135 231</td>
<td>128 636</td>
<td>128 275</td>
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<td>Human consumption</td>
<td>483 770</td>
<td>478 021</td>
<td>479 929</td>
<td>475 468</td>
<td>437 632</td>
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<td>kg / inhabitant</td>
<td>44.17</td>
<td>43.31</td>
<td>43.24</td>
<td>42.64</td>
<td>39.04</td>
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<td>% self-supply</td>
<td>231.78</td>
<td>232.49</td>
<td>237.20</td>
<td>237.44</td>
<td>260.57</td>
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</table>

This surplus of production translates in an important external position when it comes to the international commerce of pork products. As shown in Table 2, in 2015 Belgium did in fact experience a net surplus of around a billion euros in the whole pork meat sector.

\(^4\) Data from STATBEL: [https://statbel.fgov.be/fr/themes/agriculture-peche/bilans-dapprovisionnement#figures](https://statbel.fgov.be/fr/themes/agriculture-peche/bilans-dapprovisionnement#figures).
Table 2 International commerce of pork products (millions of Euros, 2015)⁵

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<thead>
<tr>
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<th>import</th>
<th>export</th>
<th>balance</th>
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<tr>
<td>Live pigs</td>
<td>73.2</td>
<td>106.2</td>
<td>33.0</td>
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<tr>
<td>Breeding pigs</td>
<td>8.7</td>
<td>3.6</td>
<td>-5.1</td>
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<tr>
<td>Slaughter and utility pigs</td>
<td>64.5</td>
<td>102.6</td>
<td>38.1</td>
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<tr>
<td>Raw pig meat</td>
<td>138.6</td>
<td>1 186.1</td>
<td>1 047.5</td>
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<tr>
<td>Smoked and dried meat</td>
<td>109.1</td>
<td>74.4</td>
<td>-34.7</td>
</tr>
<tr>
<td>Pig products</td>
<td>101.4</td>
<td>128.7</td>
<td>27.3</td>
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<tr>
<td>Total</td>
<td>422.3</td>
<td>1 495.4</td>
<td>1 073.1</td>
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<tr>
<td>Of which intra-EU-28</td>
<td>422.2</td>
<td>1 410.2</td>
<td>988.0</td>
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In terms of economic turnover, the pork meat value chain represents 17% of the total turnover of the agriculture sector, as well 44% of the turnover of the meat industry⁶.

It should also be noted that the pork meat sector is very much a regional phenomenon in Belgium. Indeed, while cattle is more evenly distributed between the north and the south of the country, data show that 94% of pigs are handled by companies established in Flanders.⁷ What is more, even in the Flemish region, the pork production is characterised a rather marked geographical specialisation, as companies handling pigs appear to be established mainly in the province of West

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Flanders (whose capital is the city of Bruges).\textsuperscript{8} It is also important to note that the pork meat sector in Belgium is dominated by local industries, ownership being still largely in the hands of local capital. This has been confirmed by our interviews with a representative of the employers’ association (FEBEV).

Following a trend similar to other Member States, the sector is undergoing a process of concentration, which implies a reduction in the total number of companies, as well as an increase in the number of pigs handled by each company. Over the course of the last 20 years, the number of companies in the sector has fallen from more than 10000 to a little more than 4000. During the same time span, the average number of pigs handled by each company has gone from 694 to 1443.\textsuperscript{9}

This means that, on average, pigs in Belgium are being raised in larger farms. In fact, around 2/3 of the pigs in Flanders are handled by farms with 1500 or more pigs.\textsuperscript{10} The situation is similar if one looks at companies involved in breeding. Companies with 300 or more breeding pigs do in fact account for a little more than a half of the total.\textsuperscript{11}

\section*{2.1. Internal and external consumption}

Once again joining a trend common to other European Member States, Belgium is experiencing a shift, that is, a reduction, in its consumption patterns when it comes to meat products. This shift is more pronounced for beef and veal meat, which saw a fall of 28\% between 2005 and 2016. Consumption of pork meat per capita fell by 16\% during the same period.

Although in our interviews we have heard of critiques addressed to the methodology to assess household consumption patterns\textsuperscript{12}, the reduction in consumption per capita seems to be confirmed by the data. The reasons for this

\textsuperscript{8} Data from the Department of Agriculture and Fisheries of the Flemish Ministry of Agriculture and Fisheries: https://lv.vlaanderen.be/sites/default/files/attachments/LARA_Sectoren_H2_varkens.pdf.

\textsuperscript{9} Data from the Department of Agriculture and Fisheries of the Flemish Ministry of Agriculture and Fisheries: https://lv.vlaanderen.be/nl/voorlichting-info/feiten-cijfers/landbouwcijfers under ‘varkens’.

\textsuperscript{10} Ibidem.

\textsuperscript{11} Ibidem.

\textsuperscript{12} Notably in the interview with the representative of the sectoral employers’ association (FEBEV).
generalised reduction remain multifaceted, with cost-saving concerns and lifestyle choices often cited as main driving factors.

On the background of such a scenario, pork meat is still the most important meat product consumed by Belgians, representing around 44% of meat consumption (up from 40% in 2005).\(^\text{13}\)

Looking at the picture in terms of actual livestock, a slight reduction over the last ten years can also be identified. Belgian company handle presently around 150000 pigs less than in 2005, the reduction being even more pronounced if one compares the most recent data with the peak of 2011 (-413000 pigs).\(^\text{14}\)

Recent price evolutions explain these tendencies towards the reduction of the number of livestock and the concentration of activities. Indeed, in 2018 prices have only partially recovered from the sustained fall of 2017, when they ended around 1.25 €/kg. This partial recovery has been followed by a renewed fall, which is visible in most recent statistics, indicating prices per Kg around 1.10€.\(^\text{15}\)

Coming back to exports, Table 3 shows the main destinations for Belgian pork meat. Two important trends can be highlighted in this regard. On the one hand, although Germany remains the most important destination, exports towards this country have fallen by around 70000 tons during the last 10 years. Other destinations, such as the Netherlands, the United Kingdom, Italy and France, have been characterised by a similar trend over the same period. This, however, has been more than compensated by the increase of exports towards other, “new”, destinations. First and foremost, export of pork meat to Poland has known a six-fold increase between 2008 and 2017, with Czechia witnessing a similar pattern. As for non-EU destinations, export towards China has increased to around 6 thousand tons per year, becoming the second most important destination outside Europe.

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\(^\text{13}\) Data from the Flemish government: https://www.milieurapport.be/systemen/voeding/systeemkenmerken/evolutie-van-de-vleesconsumptie-in-belgie.


\(^\text{15}\) Data from the Department of Agriculture and Fisheries of the Flemish Ministry of Agriculture and Fisheries: https://lv.vlaanderen.be/sites/default/files/attachments/20181011_lv_presentatie_huisstijl_varkens.pdf
In 2017, Belgian slaughterhouses have processed a little less than 11 million pigs. During the last 10 years, this number has slightly fallen, highlighting a reduction of

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In 2017, Belgian slaughterhouses have processed a little less than 11 million pigs. During the last 10 years, this number has slightly fallen, highlighting a reduction of


In terms of economic turnout, as we have seen before (see Table 2), Belgium enjoys a positive external position when it comes to the commerce of slaughtering pigs. This is however dwarfed by the importance of the export of raw meat, whether fresh or frozen, as it is captured by Figure 1. This distribution perfectly showcases the position of Belgium in the international pork supply chain, with its export sector heavily invested in providing raw meat for further processing in other European countries (mostly, Germany and Poland).

**Figure 1** External balance in international commerce of pork products (milions of Euros, 2015)

<table>
<thead>
<tr>
<th>Product</th>
<th>Import</th>
<th>Export</th>
<th>Balance</th>
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<tbody>
<tr>
<td>Live pigs</td>
<td>-200</td>
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<td>Raw pig meat</td>
<td>0</td>
<td>1200</td>
<td>1200</td>
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<tr>
<td>Smoked and dried meat</td>
<td>0</td>
<td>400</td>
<td>400</td>
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<tr>
<td>Pig products</td>
<td>0</td>
<td>200</td>
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2.2. *Workforce*
The 2016 report on the employment in the food industry, prepared by the Central Economic Committee\(^\text{18}\), indicates that 77,570 workers are employed in this sector in Belgium. As such, the food industry is the largest industrial sector in Belgium, accounting for 18.2% of industrial employment (in 2014). The meat industry, in its turn, represents, in terms of employment, the 15% of the whole food sector, with 12,995 workers in 2014. This number shows an important reduction (-7.8%) from 2000, although it has essentially stabilised in more recent years, with the change from 2010 amounting to a small increase (+0.7%). Specific data about the situation of the pork meat industry are not available.

Mirroring the concentration pattern we highlighted before, the average size of a company in the meat sector has increased since the year 2000, raising from 22.9 employees to 27.5 in 2014. This also entails an increase in the weight of bigger companies in terms of employment in the sector. Notably, the percentage of workers employed by companies with more than 100 employees, has gone from 33.7% (2000) to 46.3% (2014).

This is in fact slightly lower than the number for the whole food industry (51.4%), but still highlights how a small percentage of players employs around a half of the workforce of the whole meat sector.

Working conditions in the sector are largely established by sectoral and sub-sectoral collective agreements. We will come back to this in the next two Sections. In particular, Joint Committee N° 118 is competent to regulate wages and working conditions of blue-collar workers in the food industry. Inside this Committee, an informal sub-Committee is active in the meat sector, covering in particular the activities in the areas of canned meat, sausages, cured meats, smoked meat and meat products, triperies, fat melting, slaughterhouses and meat cutting plants. Collective agreements are routinely concluded specifically covering these activities. In 2018, minimum wages for the sector stood at around 13 euros per hour, going from 12.83 €/h for poultry processing to 14.63 €/h for specialised workers in slaughterhouses (all wages are considered at 0 seniority). Our interviewees confirmed the general belief of a coverage of nearly 100% for these agreements. This is in line with what happens in other sectors of the Belgian economy. Unionisation in the sector is also very considered to be very high. Lacking actual data, our interviews reported a rate of 80% among employees in the food sector, concentrated in the associations

affiliated to with the three most representative trade unions of Belgium (ACV/CSC, FGTB/ABVV, CGSLB/ACLVB). At the same time, 95% of companies (in terms of turnout) is affiliated to the sectoral employers’ association (FEBEV), which is part of the national employers’ association (FEB/VBO).

3. Main critical aspects of the pork value chain in Belgium

Several critical aspects of the pork value chain in Belgium can be identified. To provide context for the following Sections, here we will focus on those which have a clearer impact on industrial relations and social dialogue in the sector. Before proceeding, it is however important to stress that all our interviewees were concordant on the fact that the functioning of industrial relations in the (pork) meat industry remains strong to this day, so that the impact of the tensions presented here should be understood mostly as potential.

3.1. Labour shortages

Representatives of both trade union and employers’ association reported a shortage of labour in the sector. Both sides highlighted that, beyond the lack of attractiveness of the sector, still characterised by harsh working conditions, the very low unemployment rate in the Flemish region (3.5% in Q2 of 2018) has created a situation where, in the words of the employers’ representative “for each job opening we only have on average 1.4 candidates”.

The main answer to such a situation of labour shortages has been identified, in our interviews with both trade unions’ and employers’ representatives, in the recourse to sub-contracting to companies established in other European member states, which provide their workers through posting of workers. All our interviews identified Member states of the 2004 and 2007 enlargement (mainly Poland, Romania and Bulgaria) as the most important countries of origin of these workers.

This legal construction is regulated at European level by the so-called Posting of Workers Directive (PWD) and in Belgium by the Law of 5 March 2002. Posting entails the situation in which an undertaking established in a Member State (Home State) provides a service in another Member State (Host State) by sending there its

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own workers. Under the PWD, the posting undertaking has to guarantee the application to posted workers of a series of minimum conditions (such as: wages and working time regulations) established either by law or by universally and generally applicable collective agreements in the Host State. Belgian collective agreements in the meat sector fall into such a category, so that working conditions applicable to posted workers are considered to be largely similar to those applicable to local workers.

In our interview, the employers’ association representative highlighted how the need to have recourse to this “posted” workforce entails new challenges for the respect of hygiene as well as health and safety regulations, stemming largely from the linguistic barriers brought about by a multi-national workforce. In the same interview however, the flexibility of posted workers has also been presented as an advantage.

One would expect such a shortage situation to put an upward pressure on wages and working conditions in the sector. This is not (yet) the case. The explanation for this conundrum is probably multi-faceted. The availability of foreign manpower and the pressure of international competition represent the most likely elements of explanation for such a situation. It remains to be seen whether upward pressures will remain subdued in the future. As we will see in the next paragraphs, a change in this dynamic might be difficult to accommodate for companies operating in the Belgian pork value chain, thus potentially leading to tensions and industrial conflicts.

3.2. Position in the value chain

In terms of the international value chain, the Belgian pork meat industry is positioned in the early stages of the production. Belgium is indeed among the top exporters of pork meat. However, this is strongly based on the export of unrefined products. As shown in Section 2 (Table 2), the almost entirety of the Belgian positive external position in the commerce of pork meat products comes from the export of raw pig meat. This is particularly concentrated in the export of fresh meat.

In such a situation, an evident challenge comes from the relatively “low” position of the Belgian industry in the value chain, which results in an export sector based on a product (raw pig meat) with low added value. One of our interviews summarised this by affirming: “everyone wants to ‘add value’ to the meat, the question is ‘how?’” (Interview 3).
Although labour costs are only one of the factors in the cost structure of the sector (particularly for the breeding phase), this sits awkwardly with the position of Belgium in terms of wage-based competitiveness. Indeed, Belgian wages in the meat industry are relatively high (presently sitting at around 14€ per hour for slaughterhouses) compared to its closest competitors. Furthermore, Belgian social contributions, financing a well-developed welfare state, are among the highest in Europe, sitting at around 32.7% of labour costs.

As such, Belgian companies compete for the “lowest” bracket of the international market, while being among the “highest” bracket when it comes to labour costs in the broader sense. This leads to a pressure to avoid further increases in these costs which might conflict with the contrary dynamic highlighted in the previous paragraph. This situation also explains the attractiveness, for Belgian companies, of having recourse to posted workers. These are in fact covered by the same wage regulations as Belgian workers, but can remain affiliated, and, hence, pay social contributions, to the social security system of their Home country for up to two years.

3.3. Limited but steady reduction in internal consumption

The external competitiveness of Belgium is also bound to become even more important as internal meat consumption seems to be on a consistent downward path, as we already highlighted in Section 2. As we mentioned there, the current Belgian production of pork meat is around 250% of internal consumption, a situation which makes export of pork meat and pork products a virtual necessity for the survival of the whole sector. As all export-oriented sectors, the risk of changes in international markets, fostered for instance by an increased presence of new players, such as EU Member States of the 2004 and 2007 accession, is a looming threat on the equilibrium reached by the sector in Belgium.

4. Overview of the Belgian industrial relations system

The Belgian industrial relations system has been shaped in the period immediately preceding and following the end of the Second World War. The fulcrum of its shape can be traced back to the social solidarity agreement of 1944, redacted by a clandestine group of representatives of workers and employers. The central point of this agreement, which would have a direct and tangible impact on the first government of liberated Belgium, is the creation of institutions for social dialogue (Coenen, 2010:33-35).

The Belgian system of industrial relations has thus developed as a so-called “neocorporatist system” (Léonard and Pichault, 2016:55-58), where organisations representing the interests of workers and employers are given, in collaboration with the State itself, an important role in economic and social organisation, including participation in the development of public policies (Streeck and Schmitter, 1985). In the Belgian context, this gives rise to a double-faced system, where social actors, on the one hand, participate in the management of social security bodies and in specific consultative instances while, on the other hand, enjoying a large degree of collective autonomy when it comes to collective bargaining (Léonard and Pichault, 2016:58-59).

4.1. Actors

Three main trade union confederations are active in Belgium, divided along ideological lines. The General Federation of Belgian Labour23 (FGTB), the Confederation of Christian Trade Unions24 (CSC), the General Confederation of Liberal Unions of Belgium25 (CGSLB). The Christian confederation has the highest number of members in the country (a little less than 1.7 million members), followed by the socialist confederation (around 1.5 million members) and the liberal confederation (around 300 thousand members) (Faniel and Vandaele, 2012).

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23 Fédération générale du travail de Belgique (FGTB) / Algemeen Belgisch Vakverbond (ABVV).
24 Confédération des syndicats chrétiens (CSC) / Algemeen Christelijk Vakverbond (ACV).
25 Centrale générale des syndicats libéraux de Belgique (CGSLB) / Algemene Centrale der Liberale Vakbonden van België (ACLVB).
These confederations are composed of professional "centres" (Vakcentrales / Centrales professionnelles), normally organised on a sectoral basis (metalworkers, public sector, construction, transport, etc.). The unionisation rate of the Belgian workforce is among the highest in Europe, having remained stable at around 55% throughout the 2000s (European Commission, 2014:20).

Employers are organised in a single confederation, the Federation of Belgian Enterprises26 (FEB/VBO). The rate of association is also very high in this respect, so that the FEB/VBO member companies cover about 75% of the private sector workforce.

The concept of “most representative organisation” plays an important role in determining access of social actors to specific prerogatives and, most importantly, collective bargaining. This is particularly relevant for the trade unions’ side, as on the employers’ side the presence of a single “general” organisation simplifies the terms of the issue. The criteria defining representativeness were the subject of a major reform in 2009.27 Hence, in order to be recognised as “most representative” trade unions must fulfil four criteria: (i) be constituted at national level and operate intersectoral; (ii) be present in the majority of economic and industrial sectors, covering the majority of workers; (iii) have at least 125000 members during the four years preceding the submission of candidates for the National Labour Council; (iv) being committed to the defence of workers’ interests. De facto these criteria have confirmed the three main confederations as “most representative” organisations (Blanpain, 2012:121).

4.2. Collective bargaining

The Belgian collective bargaining system is organised by the 1968 law on Joint Committees and collective agreements28, which regulates the conclusion of collective agreements, the actors and institutions competent for this purpose, the binding force of collective agreements and the hierarchy between the different levels of negotiation (intersectoral, sectoral and company). These levels are ordained in a

26 Fédération des entreprises de Belgique (FEB) / Verbond van Belgische Ondernemingen (VBO)
28 Loi 5 décembre 1968 sur les conventions collectives de travail et les commissions paritaires / Wet betreffende de collectieve arbeidsovereenkomsten en de paritaire comités va 5 december 1968.
strict hierarchy, so that a lower level agreement must fully respect the higher one. The result is a centralised system, where the intersectoral and sectoral level play a prominent role.

Articles 28 to 34 of the law of 1968 regulate the possibility of extension of the binding force of collective agreements concluded at intersectoral and sectoral level. These agreements can be “extended” by governmental decree at the request of the National Labour Council or a Joint Committee, or of an organisation represented therein. Once the government declares the extension of the binding force, the collective agreement is published in the official gazette\textsuperscript{29} (Article 30). From this point in time (or from the point in time when the collective agreement comes into force, whichever is later), the agreement is binding on all employers and employees who fall within its scope (Article 31). Whether or not an employer is a member of the signatory association has no impact on this effect (Paternostre, 1984). Coverage of collective agreements in Belgium is particularly high, sitting at around 96% of the private sector\textsuperscript{30}.

At intersectoral level, collective agreements are negotiated and concluded in the context of the National Labour Council\textsuperscript{31}. The Council is a public institution which does not fall under the competence of a ministry. It is composed by 26 members and chaired by an independent civil servant. 13 members are indicated by the most representative trade unions, and 13 by the most representative employers’ associations. In order to proceed with the conclusion of an intersectoral collective agreement, at least 50% of the members of the employers’ and employees’ delegations must be present. Moreover, to be validly concluded, the contract in question must receive the favourable vote of at least 90% of the members of both delegations. Most collective agreements concluded in the National Labour Council have their binding force extended by government decree. In fact, this is how the Belgian minimum wage is established, through the extension of collective agreement n° 43.

At sectoral level, collective bargaining takes place in Joint Committees\textsuperscript{32}. These are established by governmental decree and are generally competent for a specific branch of industry or activity. They are composed by representatives of most

\textsuperscript{29} Moniteur belge / Belgisch staatsblad.
\textsuperscript{30} Data from the European Trade Union Institute place Belgium as close second in terms of coverage of collective agreements in Europe. See https://www.worker-participation.eu/National-Industrial-Relations/Across-Europe/Collective-Bargaining\textsuperscript{2}.
\textsuperscript{31} Conseil national du travail / Nationale Arbeidsraad.
\textsuperscript{32} Commission paritaires / Paritaire comités.
representative organisations operating in the given sector, in equal number. There are presently around 100 Joint Committees and 70 sub-Joint Committees. The latter are established when the need for a specific regulation arises in the context of a Joint Committee but are for the rest equal to Joint Committees. The valid conclusion of a collective agreement by a Joint Committee (or sub-Joint Committee) requires the unanimity among the representatives.

The general principle is that a company belongs to one and only one Joint Committee (Vannes, 2010:2). It is for the employer to determine to which Joint Committee his or her undertaking belongs, possibly on the basis of an opinion obtained from the competent offices of the Ministry of Labour. Conflicts concerning the competent Commission are decided by the labour courts. The basic criterion for deciding whether or not an undertaking belongs to a Joint Committee is that of its main activity. As admitted also by stakeholders in our interviews, these kinds of determination are sometimes complicated and uncertain, notably for companies active in different sectors or whose activities potentially fall into different sectors. The determination of the competent Joint Committee is of paramount importance for the wages and working conditions applicable in a given company. Indeed, the sectoral level being the most important level of negotiation in the Belgian system (Druant, Du Caju and Delhez, 2008), issues like minimum wages, classifications of functions, bonuses and so on are often determined at this level. Hence, it should be evident how falling into one sector or the other can have an important impact on both the workers and the employer (Kéfer and Clesse, 2014:62).

At company level, the conclusion of a collective bargaining agreement does not take place within the framework of a specific body set up for this purpose. The employer can hence conclude a collective agreement with the representative of one of the most representative trade unions competent for the sector to which the company belongs.

4.3. Collective action

Contrary to collective bargaining, the right to strike developed in Belgium mostly in the silence of the law (Kerenc, 2015). Its full recognition derives from a historic

33 As confirmed by a constant case law. See Belgian Supreme Court (Cour de Cassation / Hof van Cassatie), 24 December 1990, available at www.juridat.be.
judgment of the Supreme Court in 1981, known by the name of De Bruyne\textsuperscript{34}. The (indirect) legislative consecration will come only in 1990, with the law of ratification of the European Social Charter. Despite this meagre regulation, the right to strike in Belgium is extensively protected.

From a general point of view, there are no obligations to give notice, no trade union monopoly in the declaration of the strike and no sanctions for a “wildcat” strike. Judges cannot review the legitimacy of a strike on the basis of its demands, and the recourse to strike action is not limited to the context of negotiating a collective agreement. Picketing is considered part of the normal exercise of the right to strike, except when carried out with violent means. Statistics elaborated by the European Trade Union Institute show that Belgium ranked fifth in Europe in terms of the number of days of strike during the first ten years of the 2000s (ETUI, 2016).

Collective agreements can include peace obligations, limiting the possibility to have recourse to strikes or lockouts to change the contents of an agreement during its validity (Clesse, 2008:10-11). However, the possibility of a sanction for non-compliance with these clauses, encounters a major obstacle in Article 4 of the 1968 Law. This Article provides that organisations which have signed a collective agreement may not be held civilly liable for failure to perform their obligations under the collective agreement.

5. Industrial relations in the Belgian pork value chain

Our interviews covered the three sides of industrial relations, including trade unions, employers’ associations and the public actor. The picture resulting from these contacts is a rather positive one when it comes to the functioning of social dialogue in the field of the pork meat sector, a vision largely shared by the three actors. As it was put by the civil servant formerly (2011-2019) in charge of chairing the Joint Committee for the food industry: “the food industry has a real and functioning social dialogue”\textsuperscript{35}.


\textsuperscript{35} It should be added that at the time of the interview, the civil servant had stopped chairing the Joint Committee for the food industry, so that he had certainly less constraints in presenting a critical picture, if needed.
5.1. Actors

We do not dispose of actual data regarding unionisation rates in the sector, and this holds true for both trade unions and employers’ association. Self-reported levels indicate a unionisation rate of 80% on the workers’ side, with all the three major confederations (ACV/CSC, FGTB/ABVV-HORVAL, CGSLB/ACLVB) being represented in the pork meat industry. On the employers’ side, 95% of companies are affiliated to the main employers’ association for the meat industry (FEBEV), which is part of the employers’ association for the food industry (FEVIA), which in its turn is a member of the national employers’ association (FEB/VBO).

The sector also shows an important degree of continuity if compared with the general situation of industrial relations in Belgium. Our interviews showed a high degree of adherence to the Belgian style of social dialogue we just highlighted. This is probably also a consequence of the fact that, on the employers’ side, the main actors of the sector are still Belgian companies, the presence of foreign companies remaining to this day quite limited, as confirmed by interviews with both the trade union’s and employers association’s representatives, the notable exception being the Imperial Group (part of the Campoforio Food Group).

Beyond the shared Belgian culture of social dialogue, our interviews also highlighted how both employers’ associations and trade unions shared an interest in upholding labour and social standards in the sector, through their constant updating and effective enforcement. To explain the interest of the employers’ side one has to consider that this effectively allows to weed out companies operating with lower standards and, as such, reduces internal competition. In fact, sectoral conditions are (relatively) good if compared to the generally binding minimum. Notably, if one considers just the issue of minimum wages, the starting hourly minimum wage in for specialised workers in slaughterhouses is of 14,63 €, while the general minimum wage in Belgium sits at around 10€ per hour.

The effectiveness of social dialogue and the importance of shared (if partially) interests probably explains why in all our interviews we never encountered any specific mention of important industrial conflicts. On the contrary, interviewees often described the approach to industrial relations in the sector as “pragmatic” (Interview 3). Also, in our research we could not find any relevant moment of widespread industrial conflict in the sector over the last two decades, and this notwithstanding the important fall in employment (-7.8%) from the beginning of the 2000s.

5.2. Collective bargaining
Two Joint Committees are competent for collective bargaining in the food industry, one for blue collar workers (n° 118) and one for white-collar ones (n° 220). Due to the difference in activities, our research focused on the former. Importantly, keeping in mind what we explained supra, although collective bargaining for the meat industry exists, it is not organised in formalised a sub-Joint Committee. Instead, representatives for this sector, both for the employers’ associations and for trade unions (the latter with a mix of national and regional representatives), engage in collective bargaining in an informal setting (Interview 3). The civil servant chairing the Joint Committee for the food industry is generally invited as observer to these meetings. When social actors are able to reach an agreement in this informal framework, this is “uploaded” to the Joint Committee for the food industry and approved there, while its scope of application is limited to the meat industry in the legal text of the agreement.

5.3. Neo-corporatism in action

The neo-corporatist nature of Belgian industrial relations (Léonard and Pichault, 2016; Pulignano, 2012) is also visible in the meat sector. Along our research we encountered several relevant instances where the tight relationship between social actors and public ones has had an important impact on the dynamics of the sector. This specificity is particularly representative of Belgian industrial relations.

Here we will outline three of these instances. The first one, now no more of application, highlights a situation where social actors ended up playing a quasi-regulatory role. The second, stemming from an evolution of the first, shows an important degree of collaboration between social actors and public authorities. The third one deals with an instance of dialogue between government and social actors which lead to the adoption of a specific policy.

The first example concerns an instrument which has been since discontinued, so that we will only present it briefly. With a collective agreement signed on 15 February 1996, the Joint Committee for the food industry created a Registration Committee, which was tasked with checking ex ante whether sub-contracting companies operating in the meat sector had no outstanding debts with social security and/or tax administrations. The Registration Committee was composed by representative of trade unions, employers’ association and public authorities.

36 Commission d'Enregistrement / Registratiecommissie.
Employers having recourse to a sub-contracting company which had not been registered with (and, hence, vetted by) the Registration Committee, had to make sure that this latter company was applying all working conditions established by collective agreements applicable to the meat industry. Thus, although the process of registration in front of the Committee was not a straight obligation, a body created and administered by social actors was tasked with a quasi-regulatory role in the meat sector.

As the Registration Committee had been established through a collective agreement signed in the context of the Joint Committee for the food industry, which was, in its turn, binding on all the companies operating in the sector, it ended up regulating the access to the Belgian market of sub-contracting companies based in other Member States and having recourse to posting of workers. Because of this, the decision of the Court of Justice of the European Union in the case Berlaymont 2000\(^\text{37}\), although related to the construction sector, called into question the compatibility with EU law of the way in which the Registration committee was composed and operated. This led to the end of this experience. Although some trade union materials mentioned that this could be explained by the evolution on the legal and policy framework for the sector\(^\text{38}\), our interview with a trade union representative at national level confirmed that doubts concerning compatibility with EU law were a determining factor of this decision (Interview 1).

In order to fill the void left by the end of the Registration Committee, on 17 April 2012 the social actors of the meat industry and a series of public authorities, including labour inspectorates and the Federal Agency for the Safety of the Food

\(^{37}\) CJUE, Case C-74/09 of 15 July 2010, Bâtiments et Ponts Construction SA, WISAG Produktionsservice GmbH, formerly ThyssenKrupp Industrieservice GmbH, v Berlaymont 2000 SA. See notably para. 61: “Such authorities, in view of their composition, cannot be regarded as impartial and neutral. Indeed, that majority participation of representatives of private interests could lead those representatives to obstruct the access of other operators to the market concerned and, in any event, because such operators are obliged to submit to the determination of their potential competitors as regards their personal and professional qualities, such an authority involves a situation of unequal conditions of competition and lack of objectivity and impartiality, inconsistent with a system of undistorted competition, such as that laid down by the law of the Union”

Chain, concluded a cooperation protocol. This is the only protocol of this kind concluded in Belgium outside the construction sector and represents our second example of tight collaboration between social actors and public authorities. The aim of this protocol was to intensify the fight against violation of labour and social regulations, as well as of other regulations, such as those concerning food safety. This in order to improve the reputation of the sector, working conditions and food safety.

Different instruments were put in place by this protocol in order to pursue those aims. Importantly, a permanent forum for consultation, discussion and exchange of information was put in place, under the name of a Partnership Commission, composed of 5 trade unions’ representatives, 5 representatives of the employers’ associations, and 6 representatives of the various public authorities involved in the protocol.

The parties to the protocol agreed to increase the exchange of information between social actors and public authorities, as well as to engage in dissemination activities to inform both workers and employers in the meat industry about the applicable regulations and collective agreements. The exchange of information includes the possibility to access new agreements related to sub-contracting of activities in the meat industry, as well as access to aggregated data related to control activities of the labour inspections. Social partners also took upon themselves to communicate to the labour inspectorates all information which could lead to suspects of breach of regulations, whether related to labour conditions or food safety. Public authorities remain of course free to use this information as they see fit.

The specific attention for the meat industry, which is both a cause and an effect of the cooperation protocol, led to an effective inspection activity. Thanks to one of our interviewees, we were given access to data concerning the number of inspections carried out and the number of workers involved in these for the year 2015. What was particularly striking was the latter data, with a total of around 5300 workers covered by inspection activity during that year. Considering that, as we mentioned in Section 2, around 13000 workers are active in the whole Belgian meat industry, this means that between a half and a third of the workforce in the sector was included in an inspection during one specific year. According to an indirect source of data (notably, the minutes of a meeting of the Partnership Commission, to which we were also

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39 Agence fédérale pour la sécurité de la chaîne alimentaire / Federaal Agentschap voor de veiligheid van de voedselketen.  
40 Commission de partenariat / Partnerschapcommissie.
given access), numbers appear similar, if slightly lower, for the year 2014. This seems to confirm that the tight relationship between social actors and public authorities led to a more effective enforcement activity in the sector. This finding also validates what we were told in our interviews, and notably that the sector, thanks to this inspection activity, does not present widespread violations of labour and social regulations, aside from fully fly-by-night companies.

The third and final example concerns the extension to the meat industry of the scheme of joint liability for unpaid wages.

To ensure that employees receive their wages, the law of 12 April 1965 establishes a scheme of joint liability that allows the employee to obtain, under certain conditions, the payment of his or her wages from a third party who is considered jointly liable together with the employer (Croimans and Van Overmeiren, 2014). This third party is the company having recourse to sub-contracting, including all the links in an eventual chain of sub-contracting. The wage in question is the minimum wage established by collective agreements applicable in the sector. The law of 12 April 1965 contains three liability schemes: a general regulation of joint liability with regard to wages and two special arrangements relating to the construction sector specifically and the illegally staying third-country nationals, both of which are not relevant for the present Chapter. The general regulation is only applicable to sectors identified by royal decree (presently around nine sectors, including for instance, construction, cleaning, and surveillance activities).

A governmental decree extending this scheme to the meat industry was adopted on 17 August 2013. The trade union representative we spoke with directly linked the adoption of this measure with the request put forward by social partners in the sector, which was then taken up by the government (Interview 1). Although in our interview with the representative of the employers’ association we have heard several complaints about the cumbersome nature of this regulation (Interview 2), the former chair of the Joint Committee for the food industry confirmed that both trade unions and employers’ associations lobbied in favour of the measure in the context of the dialogue with the government, a situation which ultimately led to the adoption of the governmental decree (Interview 3). The principle of joint liability was also accepted by the employers’ representatives in the context of the cooperation protocol mentioned before.

41 Loi concernant la protection de la rémunération des travailleurs / Wet betreffende de bescherming van het loon der werknemers.
The trade union representative we interviewed highlighted the extension of the joint liability scheme to the meat industry as an important victory, providing workers and trade unions with a tool to ensure workers’ protection in the context of ever-expanding use of sub-contracting (Interview 1). However, data about the actual use of this tool are still lacking. In our research we could not find court proceedings involving the joint liability scheme in the meat industry (Rocca and Vrijsen, 2020), and minutes from a recent meeting of the abovementioned Partnership Commission conclude that it is too early to assess the effectiveness of this instrument.

6. Collective bargaining under pressure

During our interviews, it emerged quite clearly that some companies, mostly small ones acting as subcontractors, were trying to avoid falling under the competence of the Joint Committee for the food industry (n° 118), which includes the meat sector, by presenting their activities as mainly pertaining to a different industry. This experience is an important example to analyse how the Belgian system of industrial relations tried to address the issue of internal competition from companies operating outside the established norms.

These companies would generally be active in the meat industry but also operating some sort of different activities. They would then legally present, that is, in their statutes, their main activity as falling under one of the “neighbouring” sectors. Under the Belgian system (see supra, Section 4) if the employer considers, legitimately or fraudulently, that the main activity can be identified, for instance, as “logistics” or “food commerce”, then the company will fall under the competence of these Joint Committees (respectively, n° 140 and n° 119) and it will be possible to challenge this decision only in front of the labour jurisdictions. Historically, these sectors have known a lower rate of unionisation and, hence, lower minimum wages. As such, similar function group might end up with an hourly minimum wage of 1 to 2 € lower to the equivalent in the meat industry.

This pressure has led to a very important evolution in the field of collective bargaining in the sector. In 2017 trade unions and employers’ association of the meat industry concluded a collective agreement, which was later signed in the Joint Committee for the food industry (on 12 December 2017). Due to the structure of

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42 Those sectors were mentioned as the most common examples of “Joint Committee shopping” in Interviews 1 and 3.
collective bargaining in the sector which we outlined before, the negotiation of the agreement happened between two levels. The first one is represented by the formal Joint Committee for the food industry (n° 118), which is legally entitled to conclude sectoral collective agreements. The second level concerns the informal instance of collective bargaining active in the meat industry, which does not represent a sub-Joint Committee under the law.

The most striking feature of this collective agreement is that it effectively lowered, by around 1€ per hour, entry level minimum wages in the three lowest groups of functions, which include types of occupations which could have more easily been shifted towards other Joint Committees, such as packaging operator, cleaner and order picker. This is only applicable to new hires.

The collective agreement itself ties the said reduction of the minimum wage to the need to avoid the “escape” from the Joint Committee for the food industry. In particular, Article 9, dealing with the peace obligation, states that “this collective bargaining agreement has been concluded to, among other things, provide a response to the outsourcing of certain activities. This is why, at the express request of the employers’ organisations, it provides for a reduction in sectoral minimum wages for the first three job classes. If a company externalise activities towards other Joint Committees […] trade unions will consider themselves not bound anymore by these minimum wages and the peace obligation will not be applicable to this company” (our emphasis).

The trade union’s representative we interviewed pointed out that minimum wages in the meat sector are relatively high compared to other sectors and similar activities, due to the historical strength of trade unions in the sector. As such, the reduction would bring these wages closer to the level of other sectors of the food industry.

At the end of the day, the experience of the 2017 collective agreement shows how social partners in the meat industry tried to react to pressures coming from companies trying to “game” the Belgian system of industrial relations.

On the one hand, this confirms the impression stemming from our interviews, of a shared “loyalty” towards social dialogue and collective bargaining between employers and trade unions, which extends to the respect of agreed standards in terms of minimum wages and working conditions. It goes without saying that, on the employers’ side, this loyalty is underpinned not only by the shared culture of social dialogue, but also by the direct interest in rooting out competitors which are not playing by the rules. These are in general smaller companies operating through subcontracting, whereas more established and visible employers would have a much harder time if they tried the same approach, due to the high unionisation rate in the sector, coupled with the institutional power resources provided by the Belgian system of industrial relations.
On the other hand, one cannot fail to appreciate how the agreement represented a concession from the trade union side to the demands of employers. As it has emerged from our interviews, the latter have long pursued a “simplification” of collective agreements in the various sub-sectors of the food industry, historically fragmented along activity lines. Thus, if it is true that the 2017 agreement goes in the direction of harmonising working conditions between subsectors, it does so by lowering minimum wages in “better off” subsectors and not by elevating the less well-paid ones.

This reduction in minimum wages is particularly surprising at a time where employers complain about tight labour markets and labour shortages. What is more, as it has been recalled, trade unions’ presence in the sector is still strong (with a self-assessed unionisation rate of about 80%). When asked about this puzzling situation, the former chair of the Joint Committee for the food industry offered a tentative explanation based on the fact that trade unions probably considered this to be an acceptable sacrifice in order to get the employers’ side on board for the fight against “Joint Committee shopping” and to confirm the importance of social dialogue in the sector.

In a broader perspective, this experience reveals the importance of carefully “patrolling” the borders of industrial sectors for systems of industrial relations centred around sectoral collective bargaining. The issue of sector shopping is not an exclusively Belgian phenomenon, and it is telling that even an institutionalised system featuring a prima facie shared commitment to social dialogue between trade unions and employers (and high density rates for both) ended up being put under pressure by these tactics.

7. **Concluding remarks**

As we mentioned before, our interviews and our research tend to paint a rather positive picture of the situation of social dialogue and industrial relations in the pork meat industry in Belgium. Collective agreements are routinely negotiated by the informal group covering the meat industry, and subsequently adopted by the Joint Committee for the food industry, and no specific breakdown in negotiations seems to have emerged in recent years.

This represents an evident strength of the Belgian (pork) meat industry, characterised by social actors able to come to the table and negotiate with a pragmatic attitude, built upon a foundation of shared ideology (when it comes to the Belgian model of social dialogue) and partially common interests - when it comes to fighting “cowboys”, i.e. companies trying to undercut social and food safety standards (Interview 1).
The tight relationship with public authorities underpins this effective dialogue and represents an important feature of the Belgian system of industrial relations, which fully permeates the (pork) meat industry. The creation of a forum for discussion and exchange of information, in the form of the Partnership Commission, was saluted in all our interviews as a positive development which has improved the work of labour inspection and made it easier for workers and trade unions to bring to the attention of public authorities potentially unlawful situations.

On the employment side, we have seen in Section 2 how the meat sector has indeed lost an important amount of jobs since the beginning of the 2000s, but has since managed to stabilize, with a slightly positive variation over the last (almost) decade (+0.7% since 2010).

Of course, such an equilibrium is not without its challenges for the future. The first challenge comes from the puzzling situation we tried to highlight all along this Chapter, which features at the same time labour shortages and a reduction of wages (though only for new hires and for specific positions), signed off by trade unions in the 2017 collective agreements. Indeed, a continuation of these shortages might entail, at a certain point in the future, a stronger upward pressure on wages. At that point, the pragmatic style of social dialogue we just pointed out might indeed be put to test. This, in particular, because Belgian companies face an important international competitive pressure, since, as we highlighted in Section 2, a very relevant share of Belgian exports is composed by raw (fresh) pork meat, which is a low value-added product.

Such a scenario could in fact also provide a challenge for trade unions in the sector. The absence of important widespread industrial conflict during recent times surely confirms their preference for a pragmatic approach. However, faced with demands for further improvements in wages and working conditions, due to persisting labour shortages, trade unions might be put to test in their ability to represent these more advanced positions, eventually through conflict. On this point it should however be recalled how Belgian trade unions have been historically able to retain the language and culture of a grassroots movements, all the while being integrated in a highly institutionalised system of collective bargaining (Pulignano, 2012).

At the same time, one cannot discard the scenario of a negative shock, which would of course make the issue of labour shortages an obsolete one and present a new set of challenges. One element of weakness comes again from the external position of the Belgian pork meat industry, which is always in need of a market for its exports, as it currently produces two and a half times the level of internal consumption. Changes in traditional markets, such a reduction of exports to Germany, have so far been absorbed by new markets, such as the Member States of the 2004 and (to a lesser extent) 2007 accession, the main new market being the
Polish one. However, these countries are more and more players in their own right in the international pork meat market, so that Belgium companies, as other European exporters of pork meat, might face a challenge in finding new markets.

Secondly, as many other professions, the meat industry might be faced with the introduction of widespread automation of its activities. Both trade unions’ and employers’ representatives have discarded these concerns in our interviews, sometimes mentioning examples of “failed” experiments where automation ended up being more expensive than human labour. However, our interview with the former chair of the Joint Committee for the food industry did end up on a less confident note, the interviewee mentioning examples from conferences organised by employers’ association in the food industry showcasing “good practices” of labour-saving automation technology. We have no way to assess the actual risk of a steep reduction in employment caused by automation. As a conclusion we merely wish to stress how such a scenario might prove a particularly difficult challenge for the “pragmatic” social dialogue which has so far characterised the sector, reducing the amount of shared interests between employers’ and trade unions and putting to test the strength of the relationship with the public actor.
References


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