

Job pools in Belgium

Executive summary

The study focuses on the theme of job pools. The Belgium scheme is rooted in legislation passed in 2000 enabling firms to join together in setting up an economic interest grouping to hire labour to provide to the member firms on an as-needed basis. The scheme draws heavily on the French system, and so forms an exception to the statutory prohibition on the provision of labour which is still a hallmark of Belgian labour law and a curb on the different labour pooling initiatives. Employers' pools are still as yet limited to giving unemployed people a new start and may only hire unemployed job seekers or the equivalent to be within the law. The scheme therefore enables more stability and security to be given to temporary, seasonal or part-time jobs, as the employees must be hired on full-time unlimited term contracts.

Through the comparison of two Belgian job pools experiences, the study tries to highlight the facilitating and obstructing factors to the system, along with the threats and opportunities associated with it. The study also suggests further thought about its use in the context of restructuring.

Monitoring Innovative Restructuring in Europe

MIRE

THEME-BASED STUDY

Employers pools in Belgium

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1. Persons interviewed

COMPANY	POSITION	TYPE OF ORGANISATION
Company manufacturing marzipan (member of Alinsert)	Director	Company
Local mission for employment and training	Adviser	Local community
Regional employment office	Adviser	Public employment office
Chocolate-maker (member of Alinsert)	HRM	Company
FGTB Central Office Food	Permanent	Union
Resource centre for employer groups	Legal adviser	Company
Alinsert (employer group)	Coordinator	Company
Alinsert	4 workers	Workers
Belgétel (telecommunications company)	Retraining manager	Company

2. Introduction through a case study: Belgétel

Belgétel is a limited company under public law that operates in the area of telecommunications. The company is a leader in the Belgian market for fixed line telephone services, mobile communication services and Internet and broadband data transmission services .

You need to know that the company employs regular and contractual workers. Belgétel has undergone a number of restructuring phases in recent years. In 1996, 6,000 regular workers were given early retirement. In 2000, this measure affected 4,000 people and was accompanied by a retraining programme involving training, which affected approximately 3,000 workers. In 2003, Belgétel came to the conclusion that the plan was not sufficient for its needs. In accordance with the Programme Law enacted in December 2003, 400 workers agreed to be transferred to other public entities. Despite these moves, at the beginning of 2004 there were still 600 people "in retraining", 80% of whom were regular workers. These people were of no further use to Belgétel.

To resolve this problem, the employer group was considered as an option to be taken. This method enables several companies to share labour, based on their needs, by creating a new company that then becomes the employer. At the time, Belgétel contacted an international car leasing company that was looking for drivers and people to wash vehicles. However, an employer group is only able to hire people in a vulnerable situation (job-seekers who have been out of worker for long periods, recipients of the minimum subsistence allowance or social financial aid). It was therefore not possible to "transfer" the 600 surplus workers into this system. For regular workers, therefore, they were facing a dual obstacle because on the one hand they did not meet the conditions for the target audience, while on the other, their status had been acquired "for life" and could not be converted into an indefinite employment contract.

The alternative proposed by management was a two-pronged plan. The first part, in the form of a "guardianship", took the form of early retirement, which was available to staff who met the condition for age and years of service. This involved a voluntary adjustment to working hours. These people had to keep themselves available for guidance assignment aimed at workers in need of training. Salary and work were organised on a sliding scale.

The second part of the plan consisted of making the regular workers declared to be in retraining before July 2004 structurally available. The regular workers affected by this measure were to be invited to stay at home from 1st December 2006. From then onwards, their salary would become a "pending salary" on a sliding scale. From Year 5 and until a particular person reached the age of 60, the system would be replaced by early retirement. Contractual workers would be made redundant and be paid indemnities.

In any event, outplacement programmes are provided, with the aim of enabling people to find a job in the public or private sector, or as self-employed. These programmes will be funded by Belgétel and guaranteed in conjunction with Forem, Orbem and the VDAB (regional public services publics for employment and occupational training).

It should be pointed out that this plan divides the unions: whereas the Christian union is categorically opposed to the plan, the two other workers' delegations, the Socialists and the Liberals, have agreed to it. As a result, with a majority of 83%, a collective bargaining agreement was approved on 16th November last to enable the company to begin implementing the measures.

How could these measures have been avoided? Exactly how is the measure from the employer group made up and on what terms could it have been put into effect? What are its advantages and disadvantages? In the light of experience, is it possible already to identify the factors of success or failure? What are the threats and opportunities that currently surround the move? Why and how could it be used in the context of restructuring? These questions will be dealt with in the pages that follow.

3. Employer groups: method of operation and legal context

In August 2000, the Belgian Federal Government authorised the creation of employer groups for the purpose of stimulating employment and in particular to promote the recruitment of workers who are difficult to place. The model for this system is to be found in the various EGIQ (Employer Groups for Integration and Qualification) that have developed in France over the past fifteen years or so and which have demonstrated significant effectiveness (several thousand jobs created in a wide range of business sectors). The employer group formula is based on pooling workers, or in other words sharing their working hours and overheads between the members in the group.

The decision by the Belgian authorities goes against a law enacted in 1987 that forbids making personnel available in Belgium. This law is still in effect. It is therefore of interest to examine the background of the recognition of this measure in Belgium. In the light of the success of employer groups in France, the authorities for the Walloon Region wanted to introduce this formula for creating jobs in Belgium. In fact, they were looking for new measures designed to promote the creation of jobs for heavily disadvantaged groups. They

were then taken with the opportunity provided by the development of the Belgian regulatory framework for promoting the creation of the first Belgian employer group. Indeed on 17th July 1989, the Belgian Federal Government passed a law authorising personnel to be made available within the same economic and financial entity¹. The first employer group saw the light of day at the end of the 1990s, based on this statutory exemption.

In August 2000, the Federal Government enacted a specific law governing employer groups in the wake of the law dealing with temporary integration employment. The measure is aimed at "making workers who are difficult to place available to users with the aim of reintegrating them into the employment market"². Contrary to the French system³, the Belgian system requires in all cases for the employer groups to have the aim of achieving social integration.

3.1. Legal form

According to the law enacted on 12th August 2000, "the minister responsible for Employment and Labour is permitted to authorise employer groups to make workers available to users". To obtain this authorisation, the employer group must have the form of an economic interest group and have the sole purpose of making workers available to its members. Economic interest groups are defined by the law enacted on 17th July 1989 and is a "company constituted by contract, for a specific or non-specific period, between two or more natural persons and legal entities, in which the sole aim is to facilitate or develop the business activity of its members, improve or enhance the results of this business towards which the activity of the economic interest group must be aimed and in relation to which it must have an auxiliary character"⁴.

The creation of an employer group is open to any natural person or legal entity, under public or private law, on condition that it meets certain criteria:

- Be at least two entities.
- Have a business activity.
- Not be a bank.
- Incorporate participation in the group in the purpose of the company.
- Sign an act of constitution.

We will see later that in addition to these legal obligations, the existence of an employer group requires minimum conditions to be met in relation to the complementarity of the needs of member companies over time, their geographic consistency, the similarity of the tasks to be carried out and the balance of relations within the group.

3.2. Target groups

The framework law on employer groups restricts the options for recruitment by an employer

¹ Federal law enacted on 17th July 1989 (MD 20/08/89).

² Extract from the programme law of 12th August 2000.

³ In France, there are two types of employer groups, only one of which is designed for social integration: the GEIQ or Employer Groups for Integration and Qualification.

⁴ Source: SPF Employment, Labour and Social Consultation.

group to the following target groups:

- jobseekers who have been without work for a long time, i.e. as long as they are long-term unemployed⁵, excluding the unemployed and person wishing to be reintegrated;
- recipients of the minimum subsistence allowance;
- recipients of social financial aid.

In terms of commitment from jobseekers, employer groups nevertheless are entitled to an integration allowance equivalent to a maximum of 500 euros per month, which continues to be paid by the bodies responsible for making payments for unemployment benefits and that they can therefore deduct from the wage they pay their employees. They are also entitled to an annual sliding scale reduction in social contributions.

3.3. Contractual terms and application of social law

The law states that persons recruited by an employer group may benefit from a full-time employment contract for an indefinite period. The terms for implementing these contracts, in particular in the area of contract termination, have been reviewed and modified to take account of the specific nature of the integration sector. As a result, a worker who resigns from an employer group to take another job must work out a notice period of 7 days. Also, a worker made available, and the company using that worker, are deemed to be committed within the bonds of an employment contract for an indefinite period should the user continue to employ this worker, whereas the employer group has notified the company of its decision to withdraw the worker or if this worker is employed by the user outside the period provided for in the initial contract or outside the period of validity for the authorisation granted by the minister. We should state again here that the employment contract mentions the purpose of the EIG and its composition: only members may benefit from detachments of personnel.

With the exception made for shortening the period of notice in the case of a **voluntary** departure for another job, the whole of the legislation on employment applies to personnel hired within the context of an employer group. Any collective bargaining agreements applicable are dependent on the joint consultative committees⁶ that apply to the employer groups. If they all come under the same joint consultative committee, it is the collective bargaining agreements reached as part of that committee that apply. However, the problem becomes more complex if the member companies come under different joint consultative committees. Thus far, it has not been possible to agree on any real procedure. In cases such as these, it is currently up to the King to decide on which collective bargaining agreements apply.

⁵ This category includes:

- Jobseekers registered without interruption with ORBEM, FOREM or the VDAB, either for at least 312 days during a period of 18 calendar months, or for at least 624 days during a period of the 36 months prior to being recruited, if they are under the age of 45 at the time of being employed.
- Jobseekers registered without interruption with ORBEM, FOREM or the VDAB, either for at least 156 days during a period of 9 calendar months prior to being recruited, if they are under the age of 45 at the time of being employed.

⁶ Body grouping representatives of employers and workers in a specific business sector to negotiate together the social provisions that apply to all of the companies in this sector.

3.4. Sector

As stated above, the Belgian system only authorises employer groups in cases where they make a contribution towards the social and professional reintegration of underprivileged groups of people. As a result, they belong to two sectors of activity, the sector of the businesses that create the groups and which often come under the same sector, plus the sector for integration. This sector is affected strongly by the employment policies implemented at the various levels of government. It should also be stated that for certain aspects in Belgium, the policy that applies to employment comes under the federal level of the government (establishing the legal reference framework, development of the right to work, work inspection, social security, etc.) while for other aspects it comes under the Regions, (mainly responsible for ongoing occupational training, supervising the process of getting people to work, recruitment aids, etc.).

Also, the integration sector is currently being restructured in the wake of the Belgian authorities adopting ILO convention 181, which provides for the elimination of the monopoly of government departments in the area of managing the employment market. In particular, it also introduces the notion of a mixed market. Dating from 1997, this convention came into effect in 2000 and has led the Belgian authorities to open up the integration market to new operators, particularly private ones. Until now, it is the temporary employment companies who have been the main beneficiaries of the deregulation of the social and occupational integration sector. These companies are grouped as part of a powerful national federation that positions itself as a genuine partner and conduit to the public authorities in the area of assistance with integration. The implementation of the temporary employment provision is part of this logic. It goes without saying that the temporary employment industry is not always pleased to see the emergence of private initiatives for aiding integration and considers the activity of employer groups to be in competition with its own business.

3.5. Operation and responsibilities of an employer group

At the current time, the activities of an employer group consist mainly of managing the labour recruited and coordinating its services within the various user companies. The framework law divides up very precisely the activities and responsibilities within the network. The group is the sole employer of the worker; it is therefore legally responsible for it and in this regard:

- It makes the worker available to the user.
- It takes out insurance against industrial accidents.
- It handles the keeping of social documents.
- It pays the wages.
- It is responsible for obligations vis-à-vis the taxman and Social Security.

For its part, the user is the *de facto* employer:

- It provides the works and gives the instructions needed for the work to be carried out.

- It is responsible for the application of the provisions relating to employment regulations (working times, public holidays, not working on Sundays, work for women, etc.), as well as the legislation for well-being at work.

In practical terms, therefore, two types of entity exist side by side: the employer group as such, upon which the law confers the status of EIG, and the partner companies that use the personnel made available. These companies are the founder members of the employer group, they have the status of associate in the EIG and they form the general meeting and board of directors of the new structure. The associates are jointly responsible for the EIG, both financially and vis-à-vis third parties. This unlimited responsibility is considered as the keystone in the absence of any capital being paid into the constitution of the company. As stated above, the EIG is the legal employer of the workers, who are then made available to the partner companies. Consequently, the EIG provides a major level of security to the workers that it employs, because the companies that make up the EIG are all jointly responsible to it.

The group is required to take on the risk of the employees not being made available and to pay their wages and social charges. The principle of financial solidarity implies that any debt may be claimed in full from any of the members. However, this liability is not total. In fact it is subsidiary in the sense that the group has to be sentenced in the courts before one of its members can be prosecuted. It is modular, which means that the act of constitution and membership contract is able to distinguish between several categories of associates and set the share of each one in the annual settlement of losses. Responsibility is also divided up because unless there is a specification to the contrary in the act of constitution to the effect that debts are divided up into equal shares between the members. The creditor is therefore unable to choose the debtor. In the end, it is temporary because it lapses at the end of 5 years.

Like any economic interest group, the employer group is not-for-profit; it has no legal form in terms of being liable to pay income tax and hence is not subject to it. In the event of there being a profit (or loss), it is up to the members to divide it up between them and to take on any taxes that may arise from it. However, the group retains a legal form with regard to other obligations (such as declaring and paying withholding tax on the earnings of the personnel it hires in its name).

The group is administered by a board of directors appointed by the general meeting. Each company in the EIG has an identical voting right and in general, decisions are taken by consensus. The articles of association of the EIG, as well as its internal policies and procedures lay down the various quorums needed to be able to take decisions.

In terms of admitting new members to an employer group, Company Law imposes two obligations. First, any new member must be agreed to by the others. The internal policies and procedures can set the terms for this, but if there is nothing agreed, unanimity applies. Second, as is the case with the other members, the new member is jointly liable financially.

4. Advantages and disadvantages posed by the system

4.1. For user enterprises

One of the main attractions of the system is that it enables user companies to benefit as and when they need them, from employees who are trained in their method of operating, in their techniques and their environments, even if this need for labour only arises for a few months of the year (to cope with peaks in seasonal activity or production). In actual fact, it is often difficult under these circumstances and in view of the wages constraints, to envisage hiring new recruits. Unlike temporary employment, the way employer groups work enables workers to build up loyalty and in this regard provides a certain level of stability for the user company, which sees the same people return, season after season, peak after peak. "Stabilising quality and knowledge saves time and money. In that regard, this method is better than temporary employment or subcontracting, which see their staff change more often and hence the level of quality and knowledge diminishes. Also, it enables businesses whose needs are small, for example one day of work a week, to meet their needs without having to bear a cost that is proportionately too high." (management of the company manufacturing marzipan, member of the Alinsert employer group).

Also, the closeness that comes about as part of an employer group often creates various types of collaboration among members that goes beyond the strict framework of sharing workers ("induced effects"). This might involve joint initiatives for external publicity and advertising ("local products" campaigns), the creation of grouped purchases or the exchange of good practices in the management of seasonal workers.

Among the benefits of the system, we should also point out the following elements:

- The hourly cost of the worker is a net cost;
- Administrative constraints are reduced to minimum as they are taken on by the employer, i.e. the group;
- It is easy to replace a worker who is ill or absent;
- The employer group organises the training of workers based on the needs of the user enterprises;
- The pool of workers formed in this way constitutes a potential reserve for more long-term recruitment;
- In comparison with working in the black, the contractual link established between the worker and the company gives the latter the opportunity taking action if the person does not turn up for work, if there is an accident, etc.

On the other hand, the members associated with the group are jointly bound in terms of finance. While this liability is not total (see above), it nonetheless exercises a dissuasive effect, especially as the temporary employment companies benefit from subsidies for providing employment time to workers who are difficult to place. In economic terms, this makes them more attractive than employer groups, while still retaining the constraints imposed on the latter.

The constraint associated with the target group is also a major stumbling block and one that is mentioned often by the people we have spoken to. A number of them see it as an explanation for the low level of development of this system in Belgium (there are current 5 employer groups, 2 in Wallonia and 3 in Brussels.). It should in fact be pointed out that a certain number of businesses look to this system to avoid making reductions in job numbers and meeting new constraints on flexibility. However, the limit imposed by law on recruiting workers renders this system inoperative and unsuited to their needs. According to our contact

at the regional employment office, the system could be used as part of planning for restructuring, if the target audience were expanded. "The problem lies in the fact that the people involved in restructuring are people in jobs. They do not come into the target audience defined by the law. But if the target audience were to be expanded, this would not only allow workers to keep their jobs, but would also involve so-called 'vulnerable' workers, such as temporary staff who are currently not taken into account in restructuring processes."

4.2. For workers

The system of employer groups also presents some significant advantages for the workers involved, i.e. for people whose occupational integration is a problem and who find themselves work "thanks to" employer groups:

- Their contract will mandatorily be indefinite; this clearly represents a benefit in terms of getting off the endangered list. According to the people at the Employer Group Resource Centre (EGRC), "having an indefinite contract is synonymous with access to genuine social integration. This is particularly the case for the more endangered populations, such as new arrivals in the country."
- In view of the financial solidarity of the partners, employment is more stable in an employer group than in any other company.
- The system gives the worker greater job stability than what is offered by temporary or short-term working, because the scope of the businesses in which the worker might be employed is known and clearly defined. Also, unlike temporary employment agencies, members of the employer group take care of all the non-productive costs of the worker. As a result, it is in their interest to occupy the worker full-time.
- Although they work in a number of different companies, the workers have a single employer, which makes negotiation easier and increases transparency in terms of responsibility.
- They also increase their employability; on the one hand because they benefit from qualifying experience (both in terms of the occupation itself and of any training they might be required to attend), and also because they become enhanced recruitment reserves for the companies where they carry out their assignments. "A possible development for the workers in the employer group is to be hired by one of the companies in the group. This has already happened. Some workers, as the result of returning time and again to an employer, have developed increasingly advanced skills, some of which are of value throughout the year and not just for a specific period. As a result, one worker has become quality manager in one of the member companies." (EGRC) "When a worker is identified as being good, this information circulates between the companies that make up the group. For many workers, this is appreciated all the more as it is difficult for them to apply for positions on their own. Hence it is a system that is very favourable for skilled workers." (EGRC)

In return, workers needed to demonstrate a certain flexibility and agree to provide their services to one of the companies in the group and then to another. Travelling distances and

times may be longer or shorter, depending on the location of the user member. One worker whose time is divided between two users told us of his experience: "On the whole I am happy working at Alinsert, even though I would have nothing against having just he one place to work! In particular the current situation poses a logistical problem because I live nearer to [...] than I do to [...]".⁷

Also, the opportunities for developing within the group itself are small, or even non-existent. In addition, there is no guarantee that the policy for managing human resources in the user companies, particularly in terms of the benefits they offer their personnel, will apply to workers from the group. For example, it may be that the remuneration of these workers is different to the way the permanent staff of the user companies are paid.

5. Various possible types of arbitration

The testimonials gathered as part of this study indicate that the constraints posed by the current system of employer groups do not totally determine its success or failure. The way in which the partners will attempt to deal with this appears to be determining in this regard. We will illustrate our views below by comparing two cases: Agrijob, an employer group created at the end of 1998 by six SMEs in the farming sector, located in the Province of Hainaut, and Alinsert, established at the end of 2000 by four companies operating in the manufacture of food, located in Brussels or on the city's outskirts.

The member companies of these groups were all facing a problem of variability in their volume of work and hence had a need for flexibility in their labour force. Resorting to a system of employer groups was designed to resolve this problem. However, the two cases developed differently: while Agrijob was dissolved in 2003, Alinsert has developed steadily and now has 21 workers. How can these different outcomes be explained? It would appear that with Alinsert, the choices put forward made it possible to reduce the tensions created by the system. We briefly present the cases below before going into the various arbitrations carried out and the way they are interrelated.

5.1. Case presentation

5.1.1. Agrijob

Agrijob was an employer group that was created at the end of 1998 on the initiative of the Walloon authorities who wanted to promote social and occupational integrated for its underprivileged population groups. It was a question of testing the ability of transferring into Belgium and more particularly into the Walloon Region, the French system known as GEIQ (Employer Groups for Integration and Qualification). A specialist in social law was appointed to study the feasibility of the project. As a result, Agrijob came into being in a relative legal void, since employer groups were only given a specific legal framework after Agrijob was created.

⁷ These are two companies in the Alinsert employer group (see below).

The group was created by six SMEs in the farming industry. These SMEs of differing sizes (two “large” SMEs and four “small” ones) were situated at various locations in the Province of Hainaut, with some of them over 100 km apart. Apart from the differences of production, business and/or work organisation, these companies wanted to have access to an employer group for more or less identical reasons that were associated with the difficulty of varying their workforce based on fluctuations in their volume of business. In addition to these reasons, the economic crisis that has struck the farming industry in recent years, both in Belgium and the rest of Europe (mad cow disease, dioxin and foot-and-mouth, over-production, the fall in the price of certain basic products, etc.) was also forcing them to cut their production costs. We should note that this crisis, which has not lessened, has been accompanied and exacerbated by the increasingly rare availability of manual labour in the sector. The general phenomenon of a rural exodus, the harshness of working conditions, and the lack of recognition (particularly in terms of wages) for this type of work, explain to a large extent the lack of labour being experienced by the sector. Also farmers, often at the head of small businesses, continue to hesitate in the face of wages costs to recruit the labour that they require. This hesitation is even more pronounced in areas where activity is highly seasonal, with a succession of quiet periods followed by periods of intense activity. It is these very fluctuations that require more flexible systems for managing jobs and employment.

By taking part in the Agrijob project, these farming businesses found a solution for their main requirement: to have access to staff trained in their methods, techniques and environment, as and when they needed them, even if this need for labour was for only a few months of the year (to cope with peaks in activity or production). So the 6 SMEs got together with the aim of hiring and sharing occasional (casual) labour on a shared basis. At that time, they gave their association the legal status of an SCRL (limited liability cooperative company under Belgian law). The creation of a specific legal entity was in fact recommended to enable the employer group to hire staff in their own right and to benefit to do so from registration with the ONSS (National Office of Social Security).

When it was created, Agrijob benefited, as a pilot project, from funding aid provided by the Regional Minister for Employment. This aid, which extended over a period of three years, made it possible to hire a full-time coordinator to handle the business of the employer group (organising make workers available, based on the labour requirements of each partner) and to monitor those workers undergoing social and occupational reintegration (organising training courses, coaching, individualised follow-up, etc.).

We should note here that the social supervision of workers specifically forming part of Agrijob assignments, for which one of the objectives was the revitalisation of the local economic fabric and the creation of jobs. Agrijob wanted to offer its workers the best possible chance of achieving sustainable integration through the training provided by working in the user companies. To this end, the group took on and supervised people with very few qualifications, but who were highly motivated to become reintegrated into the job market.

The organisation of the group was very flexible and clearly oriented towards the needs of the member companies. Detachments to the companies were for specific periods, with other periods when there was no activity being used for training. The workers could be mobilised to work in a number of user companies during the same period, with a maximum number of 5 working sites, depending on peaks in seasonal activities and/or production. Chopping up the assignments and the sheer variety required a high level of mobility and versatility on the part

of a workforce that had very few qualifications and was undergoing social and occupational reintegration. This gap in skills and requirements justified a major training effort and individual supervision, which in turn represented high costs.

The short history of Agrijob was marked by three events. The official launch of Agrijob coincided with the installation of a new federal government after the general election of 1999 and the arrival in power of what Belgians nicknamed the ‘rainbow majority’ (an alliance of socialist, liberal and green parties). The new Federal Minister for Employment was also interested in the various tools used for social and occupational integration and, in particular, in employer groups. In August of the same year, he had a law passed that gave a legal framework to this system of sharing resources. However, this law also had the effect of constraining structure and operations because it required any employer group to take on the legal form of an economic interest group. After this law was passed, Agrijob changed its status to become an EIG.

Elsewhere, the initiative aroused interest and in 2002, 10 other SMEs in the farming sector joined Agrijob so that they could also benefit from this principle of pooling labour resources. This expansion enabled Agrijob to achieve sufficient critical mass to make its business viable and assure its continuity. However, the group began experiencing increasing difficulties on account particularly of the various legal constraints imposed on its business. Using poorly qualified staff with people who themselves were in difficulty in terms of employment, while at the same time operating its business under the status of an EIG represented both costs and risks that the founding SMEs feared more and more.

The third event that had an influence on the history of Agrijob was the end to the subsidies granted to the pilot project. When these subsidies were withdrawn, and faced with uncertainty about whether they would be renewed, the founders of the group opted for prudence and decided to terminate the project. Agrijob was dissolved in February 2003. Seven out of the ten workers employed by the group at the time were hired by the member SMEs of Agrijob.

5.1.2. Alinsert

The history of Alinsert began at the end of 2000, at a study day dealing with the issue of stabilising casual labour in the food industry. This sector of business experiences major problems of workload fluctuations, which makes it difficult to manage the supply of labour and especially seasonal employment. As part of this study day, the main question was the system of employer groups as a potential answer to the issue of seasonal working.

Four small companies of identical size (between 20 and 30 employees) operating in the production of foodstuffs, located in Brussels or the surrounding area, then met again and came to realise that they had the same needs in terms of the flexibility of labour. They also saw that the seasonal workers they were using had identical profiles. (One company was producing sauces and preserves, the second marzipan and chocolate products, the third wafers for ice-cream and the fourth pastries and confectionery.)

As a result, they agreed to undertake a system for sharing this workforce and began by hiring their first seasonal worker by way of a temporary integration contract⁸.

When this first step turned out to be positive, the 4 SMEs decided to go a step further and create an employer group aimed at expanding the practice of pooling seasonal labour. The act of constitution for Alinsert was signed at the end of 2001. At the same time, a second worker was hired, followed by others who were being reintegrated into the employment market. In 2003, Alinsert employed 15 workers, which meant it had to recruit a coordinator, whereas the employer group has been administered up until that time by one of the directors of an SME.

Alinsert's operations were then based mainly on a similar constraint to the one experienced by its members and linked closely to the strong seasonal nature of their business (three "winter" enterprises and one "summer"). Each of these companies had to hire a large temporary or casual workforce during the "high season", year after year, and then make the workers redundant again at the end of the season. The way the employer group worked was to base itself on these variations by trying to match the companies' needs based on high and low season periods and then organise the way the labour was shared out accordingly.

Alinsert went about this task by pairing the companies that shared the same workers, depending on the sequence of seasons. On the one hand, this system made it possible to reduce the coordination costs while, on the other, it required less in the way of flexibility from the workers. As a result, outside situations where the level of urgency was high (such as a company having to deal with a major unexpected order), the workers at Alinsert benefited from stable hours and a work system spread across two period of 6 months in two of the companies within the employer group. This method of operating was significantly facilitated by the close complementarity of labour needs (when the season ended in one company, the workers began in the other), the geographical proximity and the spreading of peaks across the whole year.

In 2004, the employer group decided to expand its partnership by allowing two large companies to join. This expansion was dictated by the desire to give the structure continuity, while making its operating base more solid and expanding the scope of pooling labour. When they joined the group, the two companies were sharing six workers. They hoped to be able to increase this number to 20-25 before the end of 2005.

Alinsert's business therefore began very modestly with just a few workers being shared. Since it was created, Alinsert has created 32 jobs on permanent contracts, 21 of whom are still working for the group today. The group's growth was facilitated by the prior existence within the companies of a large number of temporary and casual workers. These latter workers have been gradually replaced by the group's salaried workers. It should also be pointed out that at the time of its creation, Alinsert was receiving subsidies from the Brussels Capital Region, although these grants were not as large as the one obtained by Agrijob. In this case, the subsidies made it possible to equip the employer group and absorb its management costs during its first year of activity. Since then, these overheads have been taken on by the businesses taking part in the project.

⁸ Since 1st October 2000, temporary employment companies have been able to hire workers who are difficult to place with an indefinite and full-time contract. This measure gives the workers involved the opportunity to acquire valuable experience and be given occupational training.

5.2. Analysis of the arbitrations carried out

The two cases that we have just presented to you resulted in different endings. Faced with the constraints incumbent upon them, Agrijob and Alinsert had different choices, leading one (Agrijob) to amplify the tensions inherent in the system, and the other (Alinsert) to reduce them. The arbitrations carried out are analysed below. They are based mainly around five aspects of managing an employer group:

- the method used to share resources;
- the method of expanding the group;
- the principle of financial solidarity;
- dependence vis-à-vis funding aid;
- the profiles of the workers hired.

5.2.1. Method of sharing resources

The rules used for sharing resources vary from one of the groups studied to the other, particularly in terms of the levels of complementarity in their needs for casual labour. In the case of Agrijob, the member companies certainly had complementary needs, but this complementarity was limited by the fact that most of the farming activity took place during one part of the year. Even though the seasons for the various crops were not identical, they still overlapped. The result was a succession of periods of intense activity for the entire employer group during which it was sometimes difficult to match the needs of each business, while the quieter periods were often spent on training programmes. One of the basic rules was that each company had to state its needs (number of workers, length of employment, type of profiles, etc.) at least one month in advance to enable the coordinator to schedule the various supplies of workers adequately. So the labour was divided up on a “first come, first served” basis. This meant it was very much based on the group coordinator’s skills at organisation, negotiation and conciliation. A major place was reserved for informal arrangements and last-minute adjustments put forward by the coordinator.

With the expansion of the group and ten new members joining, the way Agrijob operated became much more complex. In fact, it became increasingly difficult for the coordinator to “juggle” requests from the various businesses and to meet all needs using a principle of flexibility and responding to requests. The level of uncertainty about the needs to plan for and the tasks to be carried out was also expanded and intensified by the arrival of ten new companies, whose method of operating and pace of requirements also had to be learnt. Mutual checks on recruitment and selection, limited to the six associated businesses, gradually turned out to be less effective as the scope of the group expanded in which these workers were required to operate. The more the group expanded in terms of numbers of workers and user businesses, the more its method of operating was based on the coordinator’s skills at organisation, negotiation and adjustment. This person had become the real pivot for the mechanism used to allocate resources. Despite the difficulties and weaknesses of the coordination system, the network did not implement any new principles for allocating resources between its members.

The operating rules at Alinsert differ from Agrijob on a number of points, mainly because the needs of the member businesses are much more complementary and complete than in the previous case. All of the activities represented by the employer group were spread across the entire year, with the exception of January, while the seasonal peaks of the various companies overlapped only very slightly. This particular feature enabled the employer group to develop and implement a simple organisational principle. The businesses were matched according to the way their needs corresponded and were complementary (summer activity for one, winter activity for the other) and the workers hired by the group worked successively in one and then the other, sometimes for long periods (between 3 and 6 months). This principle, which was impossible to apply at Agrijob, made it much easier to coordinate and organise work. It also enabled the group to operate in the beginning without having to recruit a full-time coordinator. This meant that the planning could be done over a longer period (3 months on average) and hence needed fewer adjustments and last-minute arrangements.

The expansion of Alinsert took place in compliance with principles guiding the location of resources within the employer group. The economic need to expand the base of the network to absorb its fixed overheads was combined in this case with the need to maintain the balance obtained by the system of allocating staff. The group was therefore successful in adding two companies whose size would shield it from financial difficulties, while still maintaining its system for distributing workers. The two new members has areas of complementarity that made it possible to create a pool of labour specific to their needs and to allocate those workers using the same principle of working in succession for one company and then the other. As a result, incorporating the new members required no major modifications to the coordination mechanism. The system was maintained and reinforced by the constitution of two separate pools of labour, managed using an identical set of rules.

5.2.2. Method of extending the group

Enlargement is often looked at for the purpose of achieving financial balance. In fact, the principle of sharing overheads means that the cost of hiring workers is reduced as the number of members increases. The system then quickly becomes more attractive than hiring temporary workers, both financially and in terms of having a stable workforce. However, expansion can be handled in two different ways: by bringing in full members or by attractive separate associate members. Agrijob and Alinsert are illustrations of these two options.

In 2002, the structure of Agrijob was modified after ten or so SMEs joined the partnership, seeking to benefit from the services of pooling labour. The significant expansion of the partnership was dictated by economic considerations. The founder businesses in Agrijob were unable to absorb the costs for coordinating the group, as well as the cost of workers when they were not productive. They wanted to expand the possibilities of pooling labour requirements and were aware of the interests represented by a large group. The expansion was designed to make it possible:

- to generate a sufficient level of business to release the funds needed to maintain a full-time coordinator;
- to increase the number of options for the permanent recruitment of workers as part of the partnership and promote sufficient rotation to enable new resources to be taken on;
- to broaden the range of skills required;
- to facilitate the recruitment of new workers;

- to provide the best chance of conversion for workers incapable of adjusting to this method of organising work;
- to maintain a sufficient rotation of workers to allow for basic training.

However, to avoid a loss of control of the activity and resources of the EIG following the arrival of new members and restrict the taking of responsibility, the 6 founder members decided not to bring in the new user enterprises as associate members, but as joining members. This status gave them the ability to benefit from the labour recruited and managed by the EIG, although without being able to take part in the group’s management decisions and without sharing in the full related responsibility. So Agrijob evolved into a structure on two levels. On the first level, there were the associated members and priority members, while on the second level, there were the user enterprises, members of the employer group as “buffer-partners” and not shareholders in the EIG.

However, the responsibility of the new joining members was very limited. On the other hand, recruiting new workers placed the founder members in a situation of greater responsibility vis-à-vis workers, some of whom never worked for them. This increased risk was part of the reasons invoked to explain the dissolution of Agrijob.

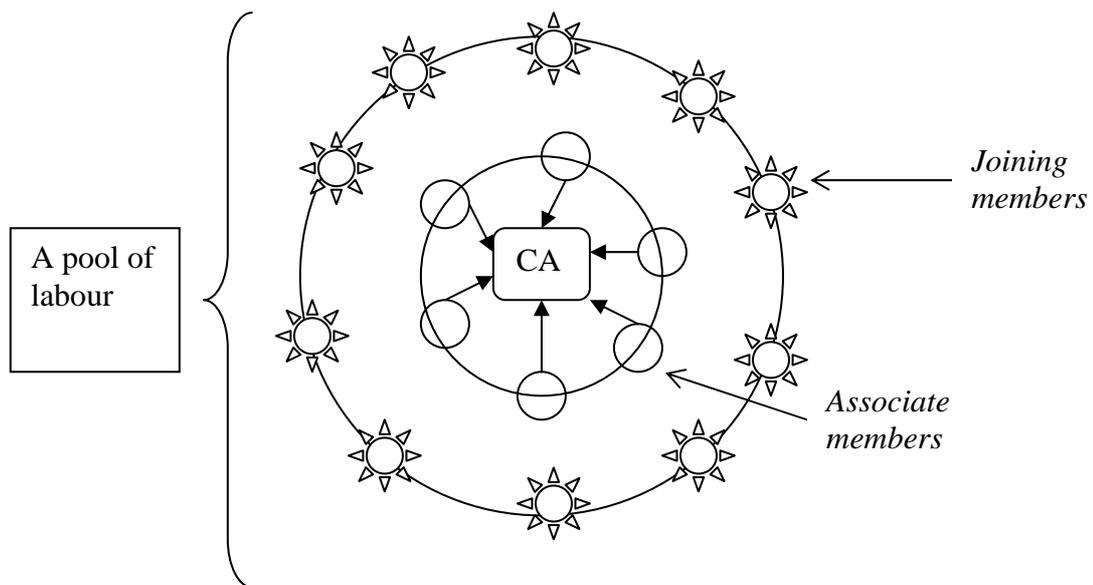


Diagram 1 – Organisational structure of Agrijob

Alinsert also developed its structure by adding, in 2004, two large companies in order to ensure the continuity of the group, whose small size (4 SMEs at the outset) made it very precarious. These businesses were selected based on two criteria: belonging to the same business sector as the employer group (food) and having a highly seasonal business with seasonal peaks and troughs that complemented one another. It was vital to avoid the seasonal activities of the two new members coinciding. Had that been the case, competition for labour would have placed too great a pressure on the EIG. The SMEs that were members of Alinsert were unanimous in accepting opening the group to new members, despite their large size, and this was for two reasons. The arrival of new employers made it possible to increase the pool of labour available and to expand the circle of businesses absorbing the cost. The assurance that the exchanges of labour between these two new members would be in a closed loop,

without drawing on the initial pool of workers, significantly reduced the risk of internal competition or pressure on the need for seasonal staff.

Unlike Agrijob, the new members of Alinsert are associate members in their own right. This means that they share the costs, risks and responsibilities associated with their status as associate, which in turn gives security and stability to the group. However, they cannot access the pool of labour that is shared by the four founder SMEs. Their entry into the employer group led to the constitution of a second pool of labour reserved for the new members, but which the founder members can also access (see diagram 2).

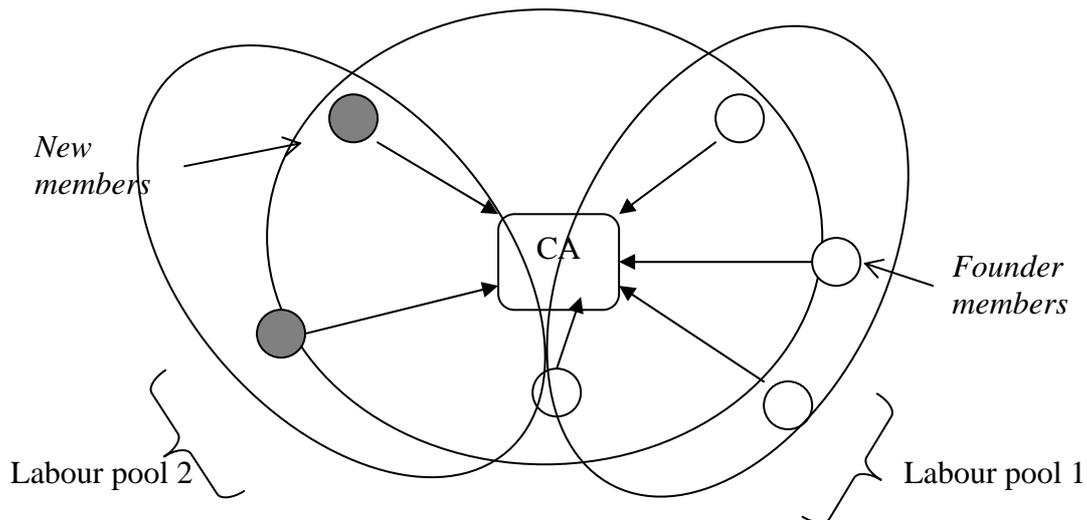


Diagram 2 Organisational structure of Alinsert

5.2.3. The principle of financial solidarity

The mechanism of solidarity turned out to be more efficient at Alinsert than at Agrijob on account of a number of factors. To recap, from the outset Agrijob grouped companies of different sizes (2 large SMEs and 4 small) and different structures (some of the businesses were individual persons). When the group was constituted, the larger businesses accepted a higher level of responsibility and overheads and undertook to use the workers from the employer group during quiet periods (which were common to all of the partners). Also, the fears associated with the future conduct of the new members (ten of them) prompted the founder members of Agrijob not to give the new members the status of associate members of the EIG. They were only joining members and so did not share the responsibilities fully. While this measure protected the founder members from any damaging or devious act on the part of the new members, it significantly increased the pool of labour over which the associate members had full responsibility. It was therefore calculating the risk involved that led the founder companies to terminate the association and dissolve the EIG.

With Alinsert, the businesses were of a very similar size (approximately 30 workers) and their needs for occasional labour were totally complementary. This meant that the risk of divergence of interest or a lack of balance in the needs to be satisfied were minimal. The

solidarity required by the structure of the system for sharing human resources was not a major obstacle to the continuity of the project. The absorption of new members increased the solidarity base without endangering access to resources, thanks to the constitution of two different pools of labour. The new members share the unrestricted responsibility and give the system security through their size and financial weight.

5.2.4. Dependence on public funding

Our two cases also differ through the degree of their dependence on public funding. During its first three years of existence, the way Agrijob operated was based extensively on the generous subsidies granted by the regional minister for employment. This financial support created a dependence on a resources that was needed for the network to operate - funding - and constrained the partners in the group to comply with statutory and regulatory rules. It also made the structure more vulnerable to attacks from the outside and to the pressures exerted by the competition (mainly temporary employment companies) to reverse the granting of public aid.

It should also be pointed out that pursuing the corporate aims of the group, particularly in the area of training and supervision, incurred costs that only public funding could absorb, as agriculture is an industry with very low margins and is highly vulnerable. As pointed out above, the sector is in fact going through a serious crisis and is suffering from the decrease in labour.

On the flip side, Alinsert which began very modestly and increased its activity using a “step-by-step” strategy, was significantly less dependent on public funding from the outset. The group also received smaller subsidies and was able to implement a system in which periods of inactivity were virtually reduced to zero. This resulted in an identical reduction in training options. In addition, as the personnel were in a less vulnerable situation than was the case with Agrijob, far less effort was required in terms of occupational and social reintegration.

While employer groups need external support during the start-up phase in order to alleviate fixed overheads (costs for structure, accounting, coordination, administration of contracts, etc.), once they have reached a sufficient size (that some people put at between 15 and 20 salaried workers), the revenue generated by making workers available should be enough to balance the books. This, at least, is the balance Alinsert has achieved, unlike Agrijob where the fixed overheads were higher on account of the efforts made in the area of training and supervising employees, as well as the partial complementarity of workforce requirements.

5.2.5. The profile of the workers hired

In legal terms, employer groups have to comply with restrictions on the target population (the long-term unemployed and similar, and poorly qualified workers). Both cases behaved differently vis-à-vis this rule. At Agrijob, there was an overall tendency to conform as far as possible to this standard and to organise activities and hence the way the group operated, despite the costs incurred and the difficulties encountered (heavy socialisation training requirements, the need for supervision, higher levels of absenteeism, lower productivity, etc.). This strict compliance with the rules can be explained by the relationship of dependence

between Agrijob and the subsidies, It was a relationship that required the group to conform strictly with the requirements of the Walloon authorities.

In the case of Alinsert, it was possible to observe a gradual bypassing of the recruitment limit as the group grew in size and was deployed. Preference was given to "assimilated" people, often new arrivals to the country or the very short-term unemployed. Unlike Agrijob, Alinsert does not see itself primarily as an occupational integration structure, but rather as a collective of businesses seeking to gain viability. A certain degree of laxness on the part of the Brussels regional authorities, more flexible than their Walloon counterparts, goes some way to explaining this difference, just as there was less dependency on public funding (see below).

6. Conditions of existence, facilitating and obstructing factors: summary

6.1. Four key factors

In the light of the experiences related above and the testimonials gathered for this study, we believe that four elements play a central role in the creation and more or less favourable development of an employer group:

Complementarity of needs over time

The fundamental principle of the employer group is the sharing of casual labour between a number of businesses. This pooling of resources is only possible if the needs of the businesses involved are complementary with regard to the way they are divided in terms of time. The complementarity of needs may take a sequential form (six months in one company, six months in another) or may be continuous (part-time with one user, part-time with another). It may operate over longer or shorter periods and in order for the group to function better, may require a certain level of predictability of fluctuations in activity.

Similarity of tasks to be carried out

This element is also based on the fundamental notion of sharing. The profile of “shared” workers has to correspond with the requirements of the user businesses. Since these needs are associated with the tasks to be carried out, the tasks themselves have to have a certain similarity. Belonging to the same sector certainly increases the probability that the needs will be similar. Also, the condition of similarity of the tasks is linked to the audience affected by the Belgian system, i.e. it is linked to poorly qualified people undergoing occupational reintegration of whom too high a standard of demand cannot be placed in terms of skills.

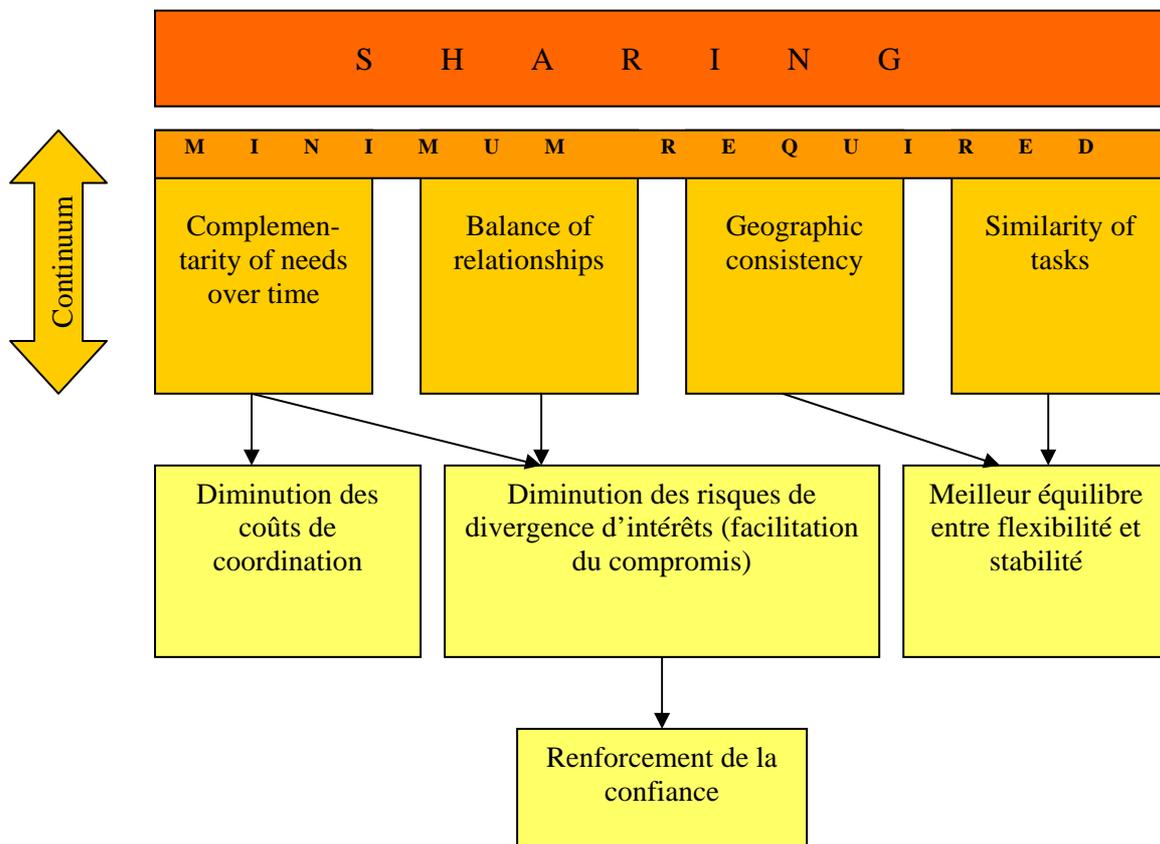
Geographic consistency of member enterprises

Geographic consistency is not limited to a question of being close to one another. Of course, occupational mobility is less difficult for workers if the distances between the user businesses are short. But beyond geographic proximity, the presence of an “integrated” (season ticket only) public transport service and a certain cultural homogeneity also contribute towards a better balance between flexibility and stability.

Symmetry of relations between members

A fourth element concerns the symmetry of relations between the member enterprises. Once again, the logic of sharing and compromise upon which the group is based requires a balance in the relationship of strength between the players involved. Pressure from a dominant company will prevent a relationship of trust from being established.

These four elements are all part of a continuum. Consequently, their presence may be stronger or less strong, depending on the case. However, the very existence of the employer group requires these elements to be observed, at least to a minimum. Put another way, the system cannot exist if the four "cursors" are at zero. Also, we can hypothesise that the more these cursors slide in a positive direction, the more the group will be likely to succeed. It is also important to note that these factors may evolve over time. As a result, this involves making sure that the required thresholds are not exceeded, and if possible, the four key features can be improved or developed.



Let's illustrate our views with the cases mentioned above. The variable nature of the businesses of Agrijob members was relatively unpredictable and could be concentrated on very short periods of time (a few days). It is therefore not possible to speak of a high level of complementarity of needs. Workers could be called upon simultaneously in five different businesses. Under these conditions, it was particularly difficult for the group business manager to combine the various demands. Furthermore, there were many periods of inactivity that were spent on training. This was a result in particular of the group's aim for social and occupational integration with regard to a very vulnerable audience (see 6.2). Under these circumstances, the cost of managing the labour (coordination of training courses, supervision, HRM, etc.) was greater than the earnings generated by the group.

By contrast, activity at the members of Alinsert varied less in the short term and could be divided on the whole into two annual periods, one low season and one high season. Demand was not only more predictable, but was also very complementary. This enabled a simpler and less fluctuating method of sharing resources than the one at Agrijob to be adopted - and hence there was a reduction in coordination costs. Also, having complementarity of needs makes it possible to reduce the risk of diverging interests, because requests for labour are not made at the same time and hence meeting one set of demands is not done to the detriment of the others.

As explained above, having geographic consistency should enable there to be a better balance between the flexibility required of the workers in the group and the stability granted to them in return. In the case of Agrijob, the members were located relatively far apart, with distances between two businesses as high as 100 km or more. By contrast, the partners in Alinsert were much closer to one another.

The similarity of tasks also contributes to achieving a better compromise between flexibility and stability. However, this element cannot be analysed on its own. The profile of the workers in the group has to be taken into account. As a result, at Alinsert, a certain diversification in the tasks was established, without it posing a problem. At Agrijob, though, despite the lack of variety in tasks, the workers required a major effort in terms of training and supervision.

The fourth element, having a balance in relationships, is based on the fair division of resources, risks and responsibilities. It also makes it possible to reduce the risk of diverging interests and leads to strengthening the bonds of trust between the partners. The size of the member enterprises turns out to be a major criterion in this regard, because it determines in part the influence that they can exert. In this way, the partners in Agrijob were fairly unevenly matched from the outset (two "large" SMEs and four "small" ones), whereas the founder members of Alinsert were all SMEs of similar sizes. Also, the balance in strength ratios needs to be maintained throughout the development of the group, particularly when it comes to expansion. Agrijob, where the balance in relations was already more precarious, elected to expand by granting new members the status of "joining" members. To recap, this status enabled them to benefit from the labour hired and managed by the EIG, but they were unable to take part in the group's management decisions or share the associated responsibility. By contrast, hiring new workers placed the founder businesses in a greater position of business responsibility in relation to workers, some of whom never worked for them. This is one of the reasons that explains the dissolution of Agrijob. In 2004, two large companies joined Alinsert with the status of associates in their own right. This expansion did not upset the existing balance, nor did it compromise the way in which resources were shared. As the two new members had complementary seasonality, they were able to operate as an autonomous pair. Also, the enlarge of the group enabled the founder businesses to take on less risk while having access to a new pool of labour.

6.2. Other factors

Two other factors are likely to influence the outcome of employer groups:

Aiming to be a group

What is the first priority of a group? Is it to improve the efficiency and profitability of its members, or is it the social and occupational integration of workers? If it is the latter, the need for public funding is likely to be higher (in order to provide the training and follow-up of workers). This means that the group may find itself in a situation of being highly dependent. Also, this relationship requires the group to comply strictly with regulations, particularly those relating to the target audience. This enhances the need for public funding as a result. This was the case at Agrijob, whose workers were far removed from the world of employment. On the other hand, if the main priority of the group is to support the efficient and cost-effective operation of its member organisations, the costs associated with the social and occupation integration of workers will be less, thereby reducing the need for public funding. This was the case with Alinsert, which was able to depart from the rule by hiring people in a less vulnerable situation. So the aim from the outset can be to promote a method of management designed to achieve a financial balance.

Companies belong to the same joint representation committee

As we have stated earlier, the collective bargaining agreements that apply depend on the joint representation committees under which the businesses in the group come. If they all belong to the same joint representation committee, the collective bargaining agreements reached with the committee will be the ones that apply. If this is not the case, the situation is more complex. A proposal needs to be made to the Ministry for Employment and the decision is taken by Royal Decree. However, the criteria for choosing the joint representation committee are not determined. This may pose a number of difficulties in negotiations with the unions. This was the case for two companies that share their labour force as part of Alinsert and which do not come under the same joint representation committee. On the union's side, the main concern was to ensure equal pay for equal work, whether the workers were "internal" or members of the group. Also, any differentiation in pay inside the group might have caused tensions between those workers who were unable to choose where they were allocated to.

7. Threats and opportunities associated with the system

We point out below the main elements that appear to threaten the development of the system of employer groups in Belgium. These elements may all be converted into opportunities if the effort is made to take the current situation forward. We will then look at a series of opportunities that need to be taken.

7.1. Threats

7.1.1. Competition with temporary employment integration

As we have pointed out above, the principle of financial solidarity is a major constraint imposed on the members of employer groups. This constraint, which flies in the face of freedom and the spirit of enterprise that flows through SMEs requires a high level of mutual trust and the creation of strong bonds if the group is to operate properly. The testimonials that we have gathered indicate that under certain conditions, this constraint is acceptable. However, allied with the restriction regarding the target audience, it makes the system less attractive than other methods of integration involved the private sector. Indeed, the

ratification of ILO convention 181, which encourages the job market to be opened up to free competition, has upset the existing balance. Temporary employment companies have seized this opportunity to position themselves as unavoidable private partners (management of temporary employment integration, service certificates, etc.) and offer services that compete with those of the employer groups in response to the same needs.

As a result, since 1st October 2000, they have been able to hire workers who are difficult to place, with permanent, full-time contracts. Before that date, a temporary worker's contract could only cover on assignment with a user. Temporary workers are therefore used as a way of integrating the weakest workers on the job market. In order to encourage the hiring of workers who are difficult to place via this system, replacement earnings for long-term jobseekers, the minimum subsistence allowance and social financial aid all come into play⁹: "this means that the temporary employment companies that employ them are able to deduct from the salary owed the equivalent of the working allowance that is continued to be paid to them by payment bodies or the Public Social Action Centres (C.P.A.S.)¹⁰" (Métaguide, <http://meta.fgov.be/pc/pce/pcei/frcei10.htm>)

However, the employer group system provides elements of security for workers who do not take part in temporary integration employment. Contrary to the employer group system, the scope of businesses likely to call on the workers is very wide because it now covers all of the client companies of the temporary employment agency. In an employer group, the members agree to share the labour. Their association is part of a logic of compromise, looking for "win-win" solutions. By contrast, the formula of temporary integration employment does not provide coordination between the client companies, whose requirements may turn out to be complementary. As a result, the flexibility required from workers is likely to reach very high levels, to the detriment of their occupational stability. For the client company, this means more difficulty in stabilising its "casual" staff. Also, the financial solidarity of the partners in the employer groups gives workers higher job security than they would find through the system of temporary integration employment.

It is easy to understand that the temporary employment companies see the system of employer groups as competition to their services. As a result, they are conducting political lobbying programmes aimed at restricting the influence of this system on the employment market as much as possible. That would also partly explain the lack of continuity on the part of Wallonia's political leaders in relation to the funding of Agrijob. We believe that the development of employer groups can only be envisaged as the result of a reduction in the constraints placed on them or by redefining the mission assigned to temporary integration employment.

7.1.2. Constraints in terms of the target audience

⁹ As far as unemployment benefits are concerned, activation amounts to 545.37 € per calendar month. If the net salary to which the worker is entitled for the month in question is less than this amount, the integration allowance is also limited to this net salary. As for the subsistence minimum and social financial aid, the activation amount is 495.79 € per calendar month (for an uninterrupted period of working of 24 months). This amount is also limited according to the number of calendar days in the month during which the worker is bound by an employment contract, when the month in question had not been completed. (ibid.)

¹⁰ C.P.A.S. means *Centre Public d'Action Sociale* or Public Social Action Centre.

The restriction in relation to the target population (long-term unemployed or similar and poorly qualified personnel) is holding back the development and growth of employer groups that do not have full control of the resources they employ. The expansion of the categories of people targeted is one of the elements mentioned most frequently for encouraging use of the formula, possibly by maintaining a quota of vulnerable people. Another option would be to envisage, as they do in France, two types of groups, one aimed at social integration and the other with no obligation in terms of target audience and hence without public aid.

It should also be noted that current restrictions in terms of target audience make it difficult to envisage the creation of employer groups based around a particular profession or trade, rather than around a sector. In fact, this involves a very poorly qualified audience. However, a number of the people we spoke to had thought of this possibility. One of them used a rather eloquent expression, speaking of "pools of specialised labour". This formula, which is close to "skill pooling"¹¹, would make it possible to attract a greater variety of sectors to the system of employer groups, while also keeping older managers in the job market for longer.

7.1.3. The lack of social regulation

While, at Alinsert, essentially relational and social mechanisms have made it possible to control who the players are in terms of the partnership, they do not meet the need to control working relations between the salaried workers in the group, their employer in law and their *de facto* employers. As the business develops, as does the length of service and experience acquired, these workers set themselves apart from the others and acquire value in the eyes of their employers. Need appears to regulate tensions between the individual interests and collective interests of the system and these cannot continue to be satisfied by the work of the coordinator and his ability to harmonise everything.

Also, the growing interest for this system is creating external pressures, notably from the unions, for retaining the current system of regulating work relations. These pressure are affecting both the spread of the system to other businesses, as well as the development of existing initiatives. Fears stem both from the difficulty of providing adequate representation for staff spread across a number of sites and from the reduction in collectives that the system leads to. Indeed, interest in such a system also takes the form of workers appearing on the social balance sheet of the employer groups and not with the user businesses, which enables the latter to remain under the threshold of representativeness. Some of the parties we encountered are aware of the problem and realise that the current mechanisms will have to be adapted.

To achieve acceptance by the unions, the management of one Alinsert member company suggests the creation of a separate joint representation committee for employer groups, which would simplify the management of recruitment as part of a context in which a number of joint representation committees (JCR) would coexist. As stated earlier, having two members belonging to different JCRs has posed certain difficulties in negotiating with the unions when the two companies decided to join Alinsert and share their labour.

¹¹ Making skills available. See page 23.

Another path to take to provide and facilitate social regulation would be the development of a method capable of keeping count of the number of days worked by group workers in a company in order to determine the number of union representatives. This would make it possible to prevent employers using the system for the purpose of remaining under the threshold of representativeness.

7.2. Opportunities

The main opportunity for developing the system of employer groups lies in the growing need for flexibility being experienced by the economy. The globalisation of exchanges, the rapidly-growing obsolescence of products and services, the reduction of production cycles and the virtually systematic use of “just in time” management tools, all mean that businesses today need to have a greater ability to adapt in the face of an increasingly volatile environment. As a result, any mechanism that gives labour flexibility is keenly sought after by companies.

Elsewhere, this same macroeconomic evolution is making stable working relationships more and more rare, while permanent contracts are increasingly in the minority. As a result, workers and their representatives are looking for systems that make it possible to combine job security and flexibility. A recent study conducted by the temporary employment agency Manpower¹² came to similar conclusions. According to this study, faced with the uncertainties of the future, “Belgian workers are setting new priorities: they want a better balance between their working lives and their private lives and are looking for more flexible forms of working” (Press release for Manpower Work Trends Survey, 14/11/05, p. 1). This trend illustrates a change in the representations of work and also constitutes an opportunity for employer groups to flourish.

An additional opportunity lies in the increase in restructuring. Where business restructuring in the past used to be rare, ad hoc and on a broad scale, it has now become frequent, continuous, massive or insidious, etc. As the legal framework has been developed in response to the initial situation, it has become more than obsolete. As a result, the social partners are looking more and more for innovative solutions and hence are more “open” to the introduction of new systems, such as employer groups.

Finally the current context, which is characterised by poor economic growth, an unemployment rate nudging 13.5%¹³ and an ageing working population, is forcing the authorities to look for new employment systems. In fact, this is a priority put forward by the current government.

8. The employer group and restructuring

¹² The study was conducted from June to August 2005 in 15 countries in the EMEA zone (Austria, Belgium, Denmark, Finland, Germany, Greece, Israel, Italy, Norway, South Africa, Spain, Sweden, Switzerland, Turkey and the United Kingdom). The survey was conducted via the Internet. In total, 12,229 people responded to the survey (992 in Belgium). Although the sample cannot be considered as representative, the trends it highlights in the preoccupations of individuals faced with their working futures are of interest.

¹³ Federal unemployment figures for August 2005, <http://meta.fgov.be/pb/pbb/frbb20.htm>.

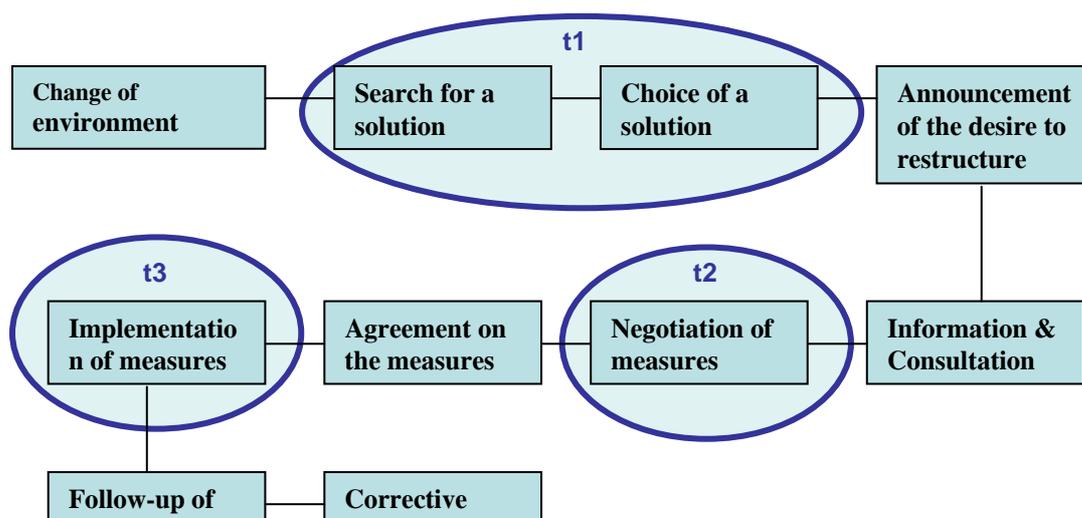
The question being posed is as follows: rather than divorce itself from part of its workers, is a business able to create an employer group, in conjunction with a partner, and within it organise the sharing of the cost and time of pooled labour resources?

In any event, the idea appears to make sense for some employers because a number of them, such as Belgétel, have envisaged going down this path. In comparison with collective redundancies, the employer group formula offer more than one advantage. This system is less expensive both for the business and for the authorities. It is also more flexible and represents a more acceptable solution for workers and the unions. In addition it makes it possible to envisage economic development and enables the business to benefit from labour that know how the business is organised and how it works.

However, despite its attraction, this formula cannot be put into effect under current conditions. Indeed, workers who already have a job are not part of the categories targeted and hence can not be hired by an employer group. In addition to this, the implementation procedure is relatively cumbersome, particularly the part involving the search for "compatible" partners. Having said that, a business in the process of being restructured will certainly only be able to provide a low level of resources to the issue. Also, finding an existing employer group that is ready to “accommodate” a large number of new recruits would appear to be relatively improbable.

Nevertheless, we believe that if the legal restrictions were to change, the unions could play an active role in the investigation phase and the launch of the system. Remember that employers are under a legal obligation to inform and consult with staff representatives before any collective redundancies. There is therefore an opportunity to be seized at this time to involve the unions in the search to alternatives to redundancies, such as the creation of employer groups. If, with the changes we have discussed above, the system is able, in the eyes of union organisations, to carve out a place among those pathways that are acceptable, not to mention desirable, these organisations could mobilise their internal networks in the search for business with complementary requirements.

Having said that, the employer group could be envisaged at an earlier stage, i.e. before the wish to restructure has been announced. If this were the case, the formula would be part of the possibilities considered to deal a change of environment. The employer group could also intervene at a later stage in the process, depending on the measures being negotiated. For example, when Alcatel Strasbourg was restructured, the management undertook to reassign staff before resorting to redundancies. It was only at a later stage that the decision was taken to deal with this measure by creating an employer group.



Naturally, the conditions of existence have to be fulfilled, regardless of the stage at which an employer group is envisaged.

9. Another means of sharing labour: skill-pooling

We believe it is of interest to mention another formula that is fairly close to having an employer group. It is called skill-pooling. This formula also consists of sharing labour between a number of businesses, only with skill-pooling, it particularly involves people whose careers are well advanced and who already have a certain amount of experience.

In reality, the concept of skill-pooling stems from a desire to avoid older managers from retiring early from the employment market. "It involves situations in which the skills of salaried managers working for large companies are "sold" to SMEs that have specific ad hoc needs for highly-qualified staff. Skill-pooling enables an older manager, whose career can go no further and whose salary overhead for the business employing him is sometimes greater than his productivity, to remain in the workforce while reducing the cost that he represents." (RORIVE, Brigitte (2003), The business network: uniqueness of the formula, diversity of situations, XIVth AGRH congress, Grenoble, 20th-22nd November 2003, <http://www.relier.org>.)

In practice, a Skill-pooling company plays the role of intermediary between a company that has over-capacity (that employs an older worker whose productivity is less than his salary) and a company that has under-capacity (for example an SME that is unable financially to recruit the specific skills required on a full-time basis). "The Skill-Pooler, i.e. the worker, remains paid by his original company, where he still works for part of his time. His services are then made available to an SME for the remainder of his time and are invoiced by the employer to the client company. A commercial contract is hence entered into between the employer company and the user company. This is a services contract that states the nature of the services, their price and their duration. As for the Skill-Pooler, he remains bound by his contract of employment with the employer company (...)." (Ibid.)

Skill-pooling represents an interesting alternative to early retirement and outplacement programmes. In particular, it enables companies to retain the type of skills that have been taken away from them as the result of successive waves of early retirement. In Flanders, the concept has already been put into effect as there is one Skill-Pooling company operating there. However, on a legal level, a judicial void seems to surround the concept to the extent that it is by no means certain that provisions regarding the secondment of personnel from one company to another apply in this case. You could even say that it is in breach of the 1989 Act forbidding staff to be made available in this way. It is, nevertheless, of interest to emphasise

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the wait-and-see attitude of the Flemish authorities which, it would appear, prefer to watch the phenomenon in order to draw from it the information and implications it has to offer in the area of employment. (Skill-Pooling case study, Lentic, <http://www.relier.org/docs/CasSkillPooling.doc>)