



Deloitte Legal Newsflash

Collective dismissal 2019: Pressure on employment continues

The Federal Public Service for Employment, Labour and Social Dialogue publishes statistics for each quarter regarding collective dismissals in Belgium. On the week of 6 January 2020, the FPS published the full numbers for 2019. This newsflash highlights the most striking data.

Redundancy rates continue to rise

Compared to 2017, 2018 already implied a significant increase in announcements (87 vs. 62) and employees potentially affected (6,027 vs. 3,829).

The new report shows that pressure did not drop in 2019, with 81 announcements and 5,087 employees involved; excluding the 1,900 dismissals announced by Proximus. The combined figures result in almost 7,000 announced dismissals, the highest since 2016 (which itself was an exceptional year, including the closure of Caterpillar and 1,700 dismissals announced by ING).

Attention turns to the metals industry

With 1,533 out of 5,087 planned dismissals in the private sector, the metals industry represents 30%. While more than 1,000 dismissals in the same sector is typically consequent to a single major announcement, and is thus rather company specific, this is not the case in 2019. The numbers are the

result of multiple announcements of 200-300 dismissals, indicating pressure on the industry as a whole.

Most jobs saved in Walloon region

In 2019, 65 decisions to proceed with a collective dismissal were taken following the information and consultation procedure with the employee(s)(representatives). These decisions resulted in a dismissal of 4,311 employees, while the intention in these files originally impacted 4,526 employees.

While an overall "saving" of nearly 5% is in line with most recent years (5 – 15%), the numbers demonstrate significant differences between the three regions:

	Dismissals announced	Dismissals executed	Positions saved	Rate
Brussels region	779	770	9	1.15%
Flanders region	2,410	2,371	39	1.62%
Walloon region	1,337	1,170	167	12.49%

Information and consultation procedure generally concluded within a term of 60 – 90 days

In line with previous years, parties concluded nearly half of the information and consultation procedures within a term of 60 days, and 2/3 within 90 days. While every file is different, it is safe to say that a two to three month lead-time could be considered a reasonable estimate.

It should be noted that the National Labour Council recently issued an opinion (no. 2149) and recommendation (no. 28) regarding the information and consultation procedure:

- The employer and the employee(s) (representatives) should ensure a qualitative and effective information consultation procedure by agreeing on an indicative timetable, as well as its modalities (e.g. planning and agenda of the meetings; Q&A methodology; involvement of third parties; etc.);
- Parties should take measures to preserve employment, promote the return to employment and consolidate the recovery of the company's activity in a sustainable way;
- The employee(s) (representatives) should be informed of the potential impact on definite term employees, agency workers and employees placed at the employer's disposal;
- The employer should inform contractors (subcontractors and service providers in particular) of its intention, and provide them with contact details, all in a timely manner.

It is not likely that these recommendations will have an immediate effect on the duration, as current best practices are already in line with these guidelines.

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