

# **The role of social dialogue in integrating socio-economic, labour and decarbonization policies**

## **Policy Brief**

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# Key messages

- 1** Social dialogue in its different dimensions and levels of intensity remains one of the primary institutional avenues for democratically governing the transition
- 2** Difficulty in reaching consensus amid increasing ecological, social, and economic constraints risks favouring more direct modes of governance that bypass social concertation
- 3** Appropriating environmental and climate issues alongside economic and social concerns is essential for social concertation to maintain its relevance and influence in policymaking
- 4** Social concertation processes that address redistributive and social issues can also serve as mechanisms to integrate environmental issues within economic decisions
- 5** Integration of environmental issues into federal-level social dialogue institutions in Belgium remains limited and marked by fragmentation

# Introduction

Achieving sustainability within planetary boundaries requires substantial changes in how we produce and consume, and this transformation will affect labour relations. Beyond the ecological imperative, ongoing trends such as geopolitical tensions, consumers' expectations, the rise of responsible and impact investment, regulatory developments, and workers' expectations in terms of the meaning of work reinforce the call for decarbonising the economy.

Policy and institutional developments during the last legislatures at EU and Belgian levels have attempted to **increase the level of integration between climate policies and economic, employment and social policy sectors**. This integration attempts build on various processes of concertation and participation of workers, companies and citizens through existing or new social and civil dialogue institutions and fora. On top of the post-Second World War social consensus which added distributive and social objectives to the classical economic and security functions of the state, our societies now struggle to address and integrate sustainability functions.

The **climate and environmental dimension of sustainability requires compromises that go beyond the topics onto which social partners have focused on in the past**. Social dialogue, traditionally understood as negotiations, consultations or exchanges between employers, workers and decision makers on issues relating to economic,

employment and social policy, aimed to generate compromises which directly impact those represented at the negotiation table. In the case of climate and transition policies the consequences are less immediate for participating parties, and above all, the discussions need to extend and consider the interests of parties not directly represented.

We analysed how these ongoing socio-ecological changes and transformations have reconfigured the social dialogue in Belgium and how has the social dialogue in Belgium been able (or not) to provide policy integration across climate, employment, and social policy sectors. In other words, we strive to understand how the Belgian social dialogue evolves into a social-ecological dialogue at federal level.

# Methods and results

We have started our analysis with a literature review on policy integration and the function and history of social dialogue in Europe and Belgium. We then mapped social dialogue institutions at federal level in Belgium and their various roles. Several positions taken by the federal councils dealing with transition issues and bridging decarbonization and socio-economic policies were analysed (on Just transition, National Energy-Climate Plan, etc.). A series of in-depth interviews were conducted with representative members of federal social dialogue councils (i.e. trade unions, employers' federations, environmental organisations and policymakers) in order to collect their perceptions of the ongoing changes within social dialogue, the challenges they raise for its relevance, and the potential avenues for an institutional reconfiguration of the social dialogue.

Policy integration of socio-economic, labour and decarbonization policies requires to deal with the **ambivalence in societal goals** that arises from acute and clear conflict among actors with **different values and interests**. Simultaneously, ambivalence emerges also when **collectively agreed goals are too vaguely defined** (sustainability, just transition, decarbonization). Social dialogue, as a particular form of a democratic institution, aims to **build the common good through a process of confrontation between specific actor-bound interests**. In the past, social dialogue institutions and mechanisms have provided a place to deal with the ambivalence between distributive and social issues and economic development.

Literature and stakeholders alike reveal a profound comprehension that the traditional **social dialogue is challenged by important changes**. Stakeholders seem to agree largely that the Fordist compromise in which competitiveness was based on economic expansion, rising wages and purchasing power through constant productivity gains has come to an end. Economic growth is slowing down, the distribution of its fruits is no longer linked to productivity gains, and it is even confronted with the **need to keep the economy within planetary boundaries**.

The historical mandate of social dialogue at federal level to negotiate the distribution of productivity gains has been extended to a wide variety of other issues (working conditions, training and education, land use planning, mobility, etc.). Additionally, **geopolitical tensions and ambitions in terms of strategic autonomy have brought back issues of competitiveness and industrialization at the forefront of EU Policy**. The Draghi report underscores that reducing carbon emissions and promoting environmental sustainability are not only ecological imperatives but also strategic economic opportunities, diminishing economic risk, fostering innovation, job creation, and long-term resilience (Draghi, 2024). The report contributed to orient recent EU plans on the Clean Industrial Deal and Competitiveness Compass.

At the same time, expectations about social dialogue are increasing as the incoming social-ecological transitions require to create and maintain compromises, related to the changes to

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operate, both in the demand (consumption side) and supply (production side). As stated in the Pact for European Social Dialogue in March 2025, “social dialogue provides our labour markets and our economy with the adaptability required to meet the challenges and opportunities facing Europe, such as decarbonization and digitalisation, ensuring both economic competitiveness and social fairness” (European Commission, 2025).

Climate and environmental issues have led to the increased representation of environmental NGOs in social and civil dialogue fora. But **integrating environmental and climate concerns within social dialogue is linked to complex issues about representativity**. Different visions prevail about the representativeness of environmental organizations. Most traditional stakeholders point to the fact that environmental organisations represent more than just the interest of the environment taken as an additional factor of production to consider alongside capital and labour. Respective organisations aim to **represent the environment as a public good**. Interviews also supported the idea that these organizations’ legitimacy is built on a different criterion than for traditional social partners.

While the legitimacy of employers and unions is built on a specific idea of their representativity (for instance, based on numbers of workers and companies affiliated), the legitimacy of environmental NGOs is based on their expertise over environmental issues.

**Social dialogue in its different levels of intensity (information, consultation, collective bargaining) and dimensions (bipartite and tripartite) has contributed to manage the ambivalence of policy goals** and to address distributive and social issues in economic decisions through modalities such as incentives and disincentives, through subsidies, taxation and bans. Social dialogue contributed also to achieve a strategic degree of planification with its tripartite dialogue on specific transversal policies (industrial policy, energy policy, etc.). **Such policy modalities that are usually negotiated within social dialogue processes could also serve to integrate environmental and climate issues into economic decisions.**

More specifically, certain areas of labour law regulated by collective agreements, laws and regulations based on social dialogue offer interesting opportunities for integrating environmental issues. Restructuring collective agreements, laws and regulations could incorporate environmental considerations by promoting sustainable business practices and prioritizing the transition to low-carbon and resilient economic models during corporate restructuring processes. Occupational health and safety increasingly intersect with environmental considerations to reduce environmental risks, thereby protecting workers from health hazards linked to pollution, climate change, and unsafe ecological conditions.

However, the increasing multiplicity of goals that need to be integrated into economic decision making might call for a

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deeper and disruptive transformation beyond the scope of current social dialogue. The social-ecological society could mean to modify also the nature and missions of firms themselves who could in the end be pushed through a hybridization of the profit logic with environmental and social responsibilities, and/or through a modification of the governance structure of firms to include stakeholders beyond a firm's classical capitals.

While institutional structures of social dialogue, that varies from information and consultation to collective bargaining resulting in binding collective agreements, at federal level in Belgium have not evolved deeply in the recent years, it appears that the intrinsic flexibility of actors and institutions has allowed to some level to adapt to the evolution of policy goals. There seems to be **two parallel movements towards the integration of climate objectives within social dialogue.** First, environmental

organisations have been integrated within some social and civil dialogue structures (e.g. the Federal Council for Sustainable Development, or the Economic, Social, and Environmental Council in Wallonia) and invited in other ad hoc consultation fora (e.g. Climate roundtables, Just Transition Forum). This approach allows that the social dialogue benefits from the expertise of environmental NGOs. But it is also associated with a risk of re-fragmentation between socio-economic and environmental themes in the negotiation structures (between the Central Economic Council and Federal Council for Sustainable Development, between social dialogue and civil dialogue, or within sub-commissions). Second, there is some

evidence of integration of climate objectives by traditional social partners and within current social dialogue structures.

The Central Economic Council developed its strategy around 3P (People, Planet et Prosperity); The National Labour Council adopted legally binding labour conventions that includes both environmental and social objectives on cycling as a means of transport for homework commuting and on eco-cheques with an advantageous fiscal and para-fiscal regime as part of the remuneration package to promote ecological consumption; Unions, at the international level, brought up the concept of just transition at the frontstage, while, in Belgium, major unions joined the Climate Coalition with environmental NGO's and other civil society actors, etc. This second pathway conveys a lower risk of fragmentation between socio-economic and ecological themes in the negotiation structure but conveys a risk of conflict of interest and limited expertise on ecological matters as environmental NGOs remain largely excluded from the discussions.

The coexistence of concertation institutions and ad-hoc consultation processes also corresponds to different level of ambition in integration. The positions of councils are traditionally the result of consensus building and of negotiations and provide a relatively robust input to policymakers. However, in particular with ambivalent policy objectives, consensus is sometimes difficult to impossible to reach, and in order for stakeholders to be able to save their faces, the negotiations then lead to adopt a

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largely “empty” consensus which would reflect the lowest common denominator between social partners. Ad-hoc consultation processes such as the Climate roundtables and Just Transition forum are free from the necessity to reach consensus in the sense that it still prevails in the Councils. These ad hoc processes allow policy makers to map out stakeholders’ visions and positions but with limited potential to inform and influence policymaking with negotiated and coordinated options.

# Conclusions

The ambition to decarbonize the economy to make it climate-neutral has been adopted and reiterated in several long-term plans, laws and strategies at European and Belgian level. Beyond the ecological imperative of this transition, ongoing trends such as geopolitical tensions, consumers' expectations, the rise of responsible and impact investment, regulatory developments, and workers' expectations in terms of the meaning of work reinforce the call for decarbonisation. This is the new context in which social dialogue must operate. In this context, **the appropriation of environmental and climate issues in parallel to economic and social concerns is a necessity for social concertation to keep its relevance and to keep on influencing policymaking.**

Results show that there remains a real **potential for social dialogue** in its different levels of intensity (information, consultation and bipartite collective bargaining) and dimensions (bipartite and tripartite) **to serve the integration of socio-economic, labour and climate policies.** Social dialogue has always operated as a way to govern complex policy issues and balance various policy goals (increase in purchasing power, economic growth, competitiveness, etc.). **Managing complexity and ambivalence of policy goals is therefore at the heart of social dialogue.** Social concertation, as a more flexible and interactive mode of governance, appears to be better placed to contribute to govern transition processes than hierarchical and deterministic processes. The specific expertise and legitimacy of environmental NGOs is recognized by traditional social

partners. The way social partners have come to integrate climate and socio-economic policy goals in their policy briefs and argumentations shows that there is some shared ambition to pursue with the integration of social-ecological policies. Environmental organizations at Belgian level are writing reports and policy briefs on industrial policy, corporate social responsibility, or competitiveness. Unions and employers have also widely integrated environmental and climate issues within their core manifesto and policy positions.

Integration remains however limited and did not lead to reorient economic development within the national and EU decarbonization targets (European Parliamentary Research Service, 2024). The potential for more integration is however also delimited by risks. Interviews and recent press releases revealed that social dialogue actors worry about the declining influence of social concertation within economic decisions. **The difficulty to reach consensus across a growing range of policy goals increases the risks that policymakers bypass the social concertation and implement more direct modes of governance.** This can take the form of government decision without consultation, technocratic governance or increased direct lobbying with less inclusivity and transparency.

It seems that **Social Dialogue remains one of the main institutional avenues for democratically governing the transition.** Our findings support this potential role for social dialogue while also shedding light on the limited integration of environmental issues into federal level social dialogue institutions in Belgium.

# Policy recommendations

## **Reconsider the federal social dialogue architecture to prevent fragmentation between socio-economic and environmental issues**

1

There is a risk of lowering the important influence of the social dialogue if institutions and stakeholders fail to appropriate fully the emergent environmental and climate issues in parallel to economic and social concerns. Economic development and competitiveness are not independent anymore of socio-ecological concerns. Avoiding fragmentation could be achieved through increased collaboration of federal councils, for instance through systematic and reinforced joint positioning

## **Explore flexible social dialogue approaches that go beyond consensus to accommodate diverse perspectives**

2

Consensus should remain the objective of social concertation and social partners should strive for closing positions to increase policy relevance and influence. Stable concertation institutions provide the space to develop the necessary confidence between partners to work towards consensus. However, as disagreement is not always avoidable, open-ended dialogue spaces such as fora and roundtables create spaces for open discussions and negotiations where different perspectives can be aired. Within the councils, facilitation techniques can be used to explore areas of agreement and disagreement. Advisory processes that do not reach consensus but rather lead to mapping a range of diverse solutions still provide valuable input for policymakers to take a decision

# Policy recommendations

- 3 Enhance collaboration between social partners, environmental NGOs, and academia to align policy decisions with both social justice and climate goals**

Social dialogue institutions could increase collaborations with environmental and academic institutions on social-environmental evaluations of policy proposals and implemented agreements
  
- 4 Seize opportunities offered by the ongoing EU debates on competitiveness and reindustrialization to redefine industrial policies integrating environmental and social components**

Climate change and geopolitical challenges are forcing the EU to redefine its competitiveness and industrial policies. Current proposals by the EU commission tend to lower our ambitions on corporate social and environmental responsibility and therefore lower the ambition to integrate economic and environmental goals. These debates might offer the opportunity for social dialogue institutions to redefine the orientation of economic development in the coming years and discuss the nature and missions of firms with the hybridization of the profit logic with environmental and social responsibility.



# References

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# Project

This policy brief is part of a research project called LAMARTRA (2021-2025). The project aimed to explore the potential futures that could emerge from the low-carbon and labour transitions. It also sought to understand how these transitions can be governed to achieve both climate objectives and just work and employment opportunities.

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# The Role of Social Dialogue in Integrating Socio-Economic and Decarbonization Policies

KEY DEMOCRATIC TOOL FOR NEGOTIATING ECONOMIC & SOCIAL DEVELOPMENT

but... CLIMATE ADDS COMPLEXITY and NEW STAKEHOLDERS

"CAN DIALOGUE EVOLVE INTO 'SOCIO-ECOLOGICAL' DIALOGUE?"

YES! Social dialogue HELPS MANAGE COMPLEX & AMBIGUOUS GOALS... MORE RELEVANT THAN EVER!

CONTEXT

- ECOLOGICAL TRANSITION DEMANDS DEEP SOCIO-ECONOMIC CHANGE
- E.U. & BELGIAN INSTITUTIONS HAVE TRIED TO INTEGRATE CLIMATE, LABOUR & SOCIAL POLICIES, OFTEN THROUGH MECHANISMS OF SOCIAL DIALOGUE

GROWING COMPLEXITY of Policy GOALS INCREASES RISKS of BYPASSING CONCERNATION...



ENVIRONMENTAL NGOs are INCREASINGLY INVOLVED but FACE QUESTIONS of LEGITIMACY & REPRESENTATIVITY

3 MODALITIES to INTEGRATE ENVIRONMENTAL CONCERNS INTO ECONOMIC DECISIONS:

- 1 INCENTIVES, DISINCENTIVES & BANS
  - 2 PLANIFICATION
  - 3 NEGOTIATED WITHIN SOCIAL DIALOGUE
- 3 REDEFINING FIRM MISSIONS GAINING ATTRACTION but STILL VERY LIMITED

- + 2 PARALLEL TRACK
- 1) INCLUSION of ENVIRONMENTAL NGO'S WITHIN SOCIAL DIALOGUE STRUCTURES
  - 2) MAINSTREAMING of CLIMATE ISSUES for TRADITIONAL SOCIAL PARTNERS

PROMISING TRENDS & LIMITATIONS

• SOCIAL PARTNERS ARE STARTING to OWN the ENVIRONMENTAL AGENDA

• BUT DESPITE PROGRESS, FULL INTEGRATION is LIMITED, AND THESE TRENDS ARE NOT SUFFICIENT FOR DECARBONISATION AMBITIONS

ILLIAMARRTRA

Bridging decarbonization and labour markets in sustainability transitions

POLICY RECOMMENDATIONS

- 1 RECONSIDER SOCIAL DIALOGUE ARCHITECTURE. AVOID FRAGMENTATION



2 OPEN DIALOGUE SPACES



3 FOSTER COLLABORATION BETWEEN SOCIAL PARTNERS, ENVIRONMENTAL NGOs and ACADEMIA



4 LEVERAGE EU-LEVEL INDUSTRIAL POLICY DEBATES, BLENDING PROFIT, SOCIAL & ENVIRONMENTAL RESPONSABILITIES