

Representativeness of the European social partner organisations: Sugar manufacturing sector

Introduction

This study aims to provide the necessary information to encourage sectoral social dialogue in the sugar manufacturing sector. Eurofound's series of representativeness studies, carried out at the request of the European Commission, sets out to identify the relevant social partner organisations to be consulted under the provisions of the Treaty on the Functioning of the European Union (TFEU). The study thus identifies the relevant social partner organisations in the sugar manufacturing sector by a top-down approach (listing the members of the relevant European associations) and a bottom-up approach through Eurofound's network of European correspondents.

A national association is considered to be a relevant sector-related interest association if it meets the following criteria: a) the association's domain relates to the sector; b) the association is either regularly involved in sector-related collective bargaining and/or is affiliated to a relevant sector-related European association. A European association is considered to be a relevant sector-related interest association if it is on the Commission's list of interest organisations to be consulted on behalf of the sector under Article 154 of the TFEU and/or participates in sector-related European social dialogue and/or has requested consultation under Article 154.

Defining the sector

For the purposes of this study, the sugar manufacturing sector is defined in terms of the Statistical Classification of Economic Activities in the European Community (NACE) to ensure the cross-national comparability of the findings. More specifically, the sugar sector is delineated by NACE Rev. 2.0 code 10.81: Manufacture of sugar.

Economic background

Sugar is produced in 21 EU Member States. The European sugar market mainly produces beet sugar as well as a small amount of cane sugar. In Europe, beet sugar accounts for about 80%–85% of the supply, while cane sugar

production covers 15%–20%. During 2014–2015, sugar from sugar beet was produced in 19 Member States. In 2014–2015, the largest beet sugar producer in the EU was France, followed by Germany, Poland and the UK. Two-thirds of European beet sugar is produced in four Member States (France, Germany, Poland and the UK), while Belgium, the Czech Republic, Italy, the Netherlands and Spain together produce another 20%.

The Common Agricultural Policy (CAP) is a major influence on the market development of sugar in the EU. A reform of the quota system in 2006 led to important changes in the market structure that resulted in a wave of significant restructuring and the closure of almost half of all sugar factories in the EU. Between 2005–2006 and 2010–2011, some 44% of all European sugar factories closed. With the abolition of the sugar quota system from October 2017, the sector will face further change.

In terms of employment, the European sugar sector is relatively small: in 2013, it accounted for 28,000 employees. Since 2008, the sector has lost around one-third of its total workforce.

National level of interest representation

Trade unions

Some 47 sector-related trade unions were identified in 21 EU Member States. With one exception, all trade unions are involved in sector-related collective bargaining. From the 21 Member States, 9 record only one sector-related trade union, while a pluralist associational system exists in 12.

Most unions have a relatively broad or multisector membership domain, resulting from a domain demarcation that, in addition to the sugar manufacturing sector, includes further domains, such as the food industry and other sectors, or the manufacturing industry. Overlap (51%) and sectional overlap (45%) are the two most frequent domain patterns. Two trade unions show a congruent domain pattern. Union densities in the sector range from 1.5% to 88%.

Employer organisations

The study identified 40 sector-related organisations in 21 EU Member States: 18 sector-related employer organisations and 22 companies. One peculiarity of the sugar manufacturing sector is that employer organisations exist in only 15 Member States. The other countries (Greece, Hungary, Lithuania, the Netherlands and the UK) have companies that are corporate members of the sector-related European-level employer organisation, the European Association of Sugar Manufacturers (CEFS). The only exception is Portugal, with three sector-related companies not affiliated to CEFS. The employers' side has a much less pluralistic system of sector-relatedness than the employees' side. Sectoral domain density in terms of employees is significantly high, recording 100% for five organisations and more than 85% for four organisations, with the lowest rate of an organisation at 41%.

Collective bargaining

Almost all sector-related trade union and employer organisations identified in this study are involved in collective bargaining. The only exceptions are the Polish employer organisation, the Association of Sugar Producers in Poland (ZPC) and the Portuguese trade union, the Union of Agriculture, Food and Forests (SETAA), which are not engaged in collective bargaining. In Romania, collective bargaining takes place only at the intersectoral level and covers the entire food sector. In the case of the Czech Sugar Association (ČMCS), collective bargaining activities are carried out by its members and not directly by the association itself.

Traditionally, collective bargaining coverage in the sugar manufacturing sector is well above the national averages. From the 18 EU Member States with available information, six have a collective bargaining coverage of 100%, seven record coverage rates of 80%–99% and two countries reach rates between 60% and 80%; only the Netherlands, Portugal and the UK report coverage rates of around 30%.

European level of interest representation

In the sugar manufacturing sector, the organisations listed by the European Commission as a social partner organisation to be consulted under Article 154 of the TFEU are the European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) and CEFS.

EFFAT, whose membership domain embraces the entire agricultural, food, sugar, tourism, and hotel and restaurant sectors, records 33 direct affiliates (70% of the unions identified in the study) in 18 Member States, with 32 of them engaged in sector-related collective bargaining.

CEFS, whose membership domain is congruent with the sugar manufacturing sector, counts 27 affiliations in twenty Member States: 9 affiliated employer organisations in nine Member States and 18 sector-related corporate members in fourteen Member States (together representing 68% of the employer organisations and companies identified in the sector). Of the 9 affiliated employer organisations, only 6 are involved in sector-related collective bargaining.

Conclusions

The European sugar manufacturing sector has experienced a massive restructuring phase in the past decade resulting in a significant decrease in employment and in the number of enterprises. The sector is relatively small and industrial relations within it have some specific features. This study is a proof of the strong organisations, on both the employees' side and the employers' side, in terms of membership domain and strength and involvement in collective bargaining.

The top-down and bottom-up analyses of the sugar sector in the EU28 show that EFFAT and CEFS are the most important European-wide representatives of employees and employers in the sector. While EFFAT has a statutory mandate to negotiate on behalf of its national members, there is no such mandate in the legal statutes of CEFS. However, CEFS' involvement in the European Sectoral Social Dialogue Committee and its joint work with EFFAT have shown its capacity to engage in negotiations with EFFAT, indicating that a 'de facto mandate' for CEFS to negotiate exists.

Further information

The report *Representativeness of the European social partner organisations: Sugar manufacturing sector* is available at www.eurofound.europa.eu/publications

For more information, contact Peter Kerckhofs, Research Manager, at pke@eurofound.europa.eu