

Representativeness of the European social partner organisations: Footwear sector

Introduction

This study aims to provide the necessary information to encourage sectoral social dialogue in the footwear sector in the EU. The goal of Eurofound's series of representativeness studies, carried out at the request of the European Commission, is to identify the representative social partner organisations to be consulted under the provisions of the Treaty on the Functioning of the European Union (TFEU). Hence, this study identifies the relevant national social partner organisations in the footwear sector by means of both a top-down approach (listing the members of the relevant European associations) and a bottom-up approach through Eurofound's Network of European Correspondents. Ireland, Luxembourg and Malta are excluded from this study since no (major) footwear manufacturing activities exist in these Member States.

According to the basic assumption of this study, the relevance and, perhaps, the efficiency of European social dialogue depend on the representativeness of its participants in terms of the sector's relevant national actors across the EU Member States; only sufficiently representative associations can be parties to European social dialogue.

A national association is considered to be a relevant sector-related interest organisation of labour or business 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 (at whatever level) and/or is affiliated to a relevant sector-related European association.

A European association is considered to be a relevant sector-related interest organisation of labour or business if it meets one of the following criteria:

- a) it is on the Commission's list of interest organisations to be consulted on behalf of the sector under Article 154 of the TFEU; or
- b) it participates in the sector-related European social dialogue; or
- c) it has requested consultation under Article 154 of the TFEU.

Defining the sector

For the purpose of this study, the footwear sector is defined in terms of the Statistical Classification of Economic Activities in the European Community (NACE) system to ensure the cross-national comparability of the findings. More specifically, the sector is delineated by NACE Rev. 2 code 15.20, which includes manufacture of footwear for all purposes, of any material, by any process, including moulding; manufacture of leather parts of footwear; manufacture of uppers and parts of uppers, outer and inner soles, heels, etc.; manufacture of gaiters, leggings and similar articles.

Economic background

Footwear manufacturing is a relatively small industry, employing around 300,000 workers (including employees, self-employed and agency workers) in more than 20,000 companies in the EU. Business activities are very unevenly distributed across the EU Member States, with about two-thirds of total footwear production being concentrated in three countries, namely Italy, Spain and Portugal. Italy alone produces around half of the total European output. Around 95% of the businesses are small and medium-sized enterprises (SMEs), and more than two-thirds are micro-companies employing fewer than 10 people. This labour-intensive industry has undergone a period of transition since the early 1990s, when EU manufacturers offshored the most costly production processes to cheaper locations and introduced a series of cost-cutting measures

that have resulted in steady reductions in production and employment. Since EU producers cannot compete with Asian producers (China especially) on labour costs, they have sought to compete on quality and innovation for many years.

In terms of employment, the footwear sector is characterised by a clear majority of female workers: about 60% of the EU labour force are women. As a high-end industry, the European footwear sector faces difficulties in recruiting and retaining highly skilled workers; this situation is likely to worsen in the near future given the large ageing workforce and the difficulties of attracting young workers.

National level of interest representation

Trade unions

In total, 48 sector-related trade unions were identified in 24 Member States, 41 of which are involved in sector-related collective bargaining. A pluralist associational system is present in 12 Member States. Most of the unions (almost two-thirds) have a membership domain that overlaps with regard to the sector, thus covering a broader range of activities such as the entire textile, clothing and leather sector or the so-called light industry business segment; furthermore, overlap may also arise from cross-sectoral or general domains. Nevertheless, the sector-related trade unions' domains tend not to be very broad; the evidence suggests that the domains of many extend beyond a very narrowly defined sector. Union densities in the footwear sector tend to be relatively low, mainly as a result of the small size of most enterprises and relatively poor qualification levels.

Employer organisations

The study identified 28 sector-related employer organisations, which clearly falls short of the number of sector-related trade unions. At least one of these organisations exists in 17 Member States. In seven countries, more than one sector-related employer organisation can be found. Overall, membership domains tend to be narrower than those of the sector-related trade unions. Nevertheless, about 46% of the sector-related employer organisations show a domain overlapping with regard to the footwear sector. Relatively high specialisation in terms of their constituency may enable many employer organisations to perform a particularistic interest representation on behalf of their members. Four of the 28

sector-related employer organisations are not involved in sector-related collective bargaining; this means that they act mainly or exclusively as trade associations rather than employer organisations.

European level of interest representation

The footwear sector organisations listed by the European Commission as social partner organisations consulted under Article 154 of the TFEU are the IndustriAll European Trade Union (IndustriAll Europe), representing employees, and the European Confederation of the Footwear Industry (CEC), representing employers.

The membership domain of IndustriAll Europe, as the European federation of industry and manufacturing workers, is multisectoral. IndustriAll Europe records 40 direct and 2 indirect (via a higher-order unit) affiliates (together representing 88% of the unions identified in the study) in 23 Member States. All but seven affiliates are engaged in sector-related collective bargaining. In terms of its capacity to negotiate on behalf of its members, IndustriAll Europe is equipped with an implicit rather than explicit statutory mandate according to its statutes.

On the employer side, CEC represents the entire footwear sector and thus has a membership domain largely congruent with the sector. The organisation counts 10 direct and 1 indirect (via a lower-order unit) associational members (together representing 39% of the employer organisations identified in the sector) in 11 Member States. Seven of the 11 affiliates are involved in sector-related collective bargaining. CEC is provided with a negotiation mandate on a case-by-case basis according to the organisation's statutes.

Conclusions

Top-down and bottom-up analysis of the footwear sector in the EU shows that IndustriAll Europe on the employee side and CEC on the employer side ought to be regarded as the main EU-wide representatives of the sector's workforce and businesses. This is because both organisations not only tend to organise the most important national actors in the sector but also cover a major part of at least those Member States where relevant national interest organisations in the footwear sector exist through affiliations in these countries. In this respect, no other European organisations can compare with them.

Further information

The report *Representativeness of the European social partner organisations: Footwear sector* is available at <http://bit.ly/RepStudies>.

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