

# Representativeness of the European social partner organisations: Tanning and leather industry

## Introduction

This study aims to provide the necessary information to encourage sectoral social dialogue in the tanning and leather 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 tanning and leather industry 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. Cyprus, Ireland, Luxembourg and Malta are excluded from the scope of this study since virtually no business activities exist within the sector.

According to the basic assumption of this study, the relevance and the efficiency of European social dialogue depends 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 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 tanning and leather 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 defined as embracing the NACE (Rev. 2) class 15.11: Tanning and dressing of leather; dressing and dyeing of fur. This class includes the following activities:

- tanning, dyeing and dressing of hides and skins;
- manufacture of chamois dressed, parchment dressed, patent or metallised leathers;
- manufacture of composition leather;
- scraping, shearing, plucking, currying, tanning, bleaching and dyeing of fur skins and hides with hair on.

## Economic background

The tanning and leather sector is very small, employing no more than about 40,000 workers (including employees, self-employed and agency workers) in about 3,300 companies across the EU. Business activities are very unevenly distributed across EU Member States, with more than half of all sectoral companies and half of the industry's total turnover in the EU being concentrated in Italy. The sector is characterised by a high proportion of small, often family-owned enterprises. Overall, the industry has recorded a gradual decrease in terms of production, turnover, companies and employees in the EU since the early 2000s, which is mainly attributable to the following factors: the decrease in EU leather footwear manufacturing as the main outlet of tanneries; the rise of export barriers on raw materials in some of the most important non-EU producing countries such as Brazil, Russia and Ukraine; the global decline in consumption of leather garments; and the ongoing tendency to relocate leather manufacturing and

processing industries to non-EU labour markets with low costs

In terms of employment, the tanning and leather sector is characterised by a clear majority of male workers – it is estimated that about three-quarters of the EU labour force are men. Moreover, the sector's workforce is relatively old and poorly qualified, reflecting the fact that most of the workforce are low-specialisation blue-collar workers. Migrant work and non-standard forms of employment are relatively scarce in the sector. Due to its small size, the sector faces difficulties maintaining professional education and training in the industry. This situation is likely to worsen in the near future, given the ageing workforce and the difficulties of attracting young workers.

## National level of interest representation

### Trade unions

In total, 41 sector-related trade unions were identified in 19 countries, 34 of which are involved in sector-related collective bargaining. Ten Member States record a pluralist associational system. Most of the unions (almost two-thirds) have a membership domain overlapping with regard to the sector, thus covering a broader range of activities such as the entire textile, clothing and leather sector; some of them even have a cross-sectoral or general domain. Nevertheless, the sector-related trade unions' domains tend not to be very broad, mostly focusing on the relatively small textiles, clothing and leather (including footwear) sector, and sometimes extending to contiguous economic branches such as commerce (retail) or the chemical industry. Union densities in the sector tend to be relatively low, mainly resulting from the small size of most enterprises.

### Employer organisations

The study identified 21 sector-related employer organisations, which is about half of the number of sector-related trade unions. At least one of these organisations exists in 16 Member States. In five 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. About 43% of the sector-related employer organisations show a domain which is largely congruent with the tanning and leather sector. High specialisation in terms of their constituency may enable many employer organisations to perform a very particularistic interest representation on behalf of their members. Six of the 21 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 tanning and leather sector organisations listed by the European Commission as a social partner organisation consulted under Article 154 of the TFEU are the IndustriAll European Trade Union (IndustriAll Europe), representing employees, and the Confederation of National Associations of Tanners and Dressers of the European Community (COTANCE), representing employers.

The membership domain of IndustriAll Europe, as the European Federation of Industry and Manufacturing Workers, is multi-sectoral. IndustriAll Europe records 36 direct affiliates (88% of the unions identified in the study) in 19 Member States. All affiliates but seven 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, COTANCE represents the entire tanning and leather sector and thus has a membership domain largely congruent with the sector. The organisation counts 12 direct and 2 indirect (via a lower-order unit) associational members (together representing 67% of the employer organisations identified in the sector) in 14 Member States. Eight of the 14 affiliates are involved in sector-related collective bargaining. As is the case of IndustriAll Europe, COTANCE is provided with an implicit rather than explicit negotiation mandate according to the organisation's statutes.

## Conclusions

Top-down and bottom-up analysis of the tanning and leather sector in the EU shows that IndustriAll Europe on the employee side and COTANCE 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 tend to organise the most important national actors in the sector and also cover major part of the Member States 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: Tanning and leather industry* is available at <http://bit.ly/Repstudies>.

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