European Foundation for the Improvement of Living and Working Conditions

Representativeness of the European social partner organisations: Food and drink sector

Executive summary

Introduction

This study aims to provide the necessary information to encourage sectoral social dialogue in the food and drink sector. The EIRO series of representativeness studies, carried out at the request of the European Commission, sets out to identify the representative social partner associations to be consulted under the provisions of the Treaty on the Functioning of the European Union (TFEU). The study thus identifies the relevant national social partner organisations in the food and drink sector via a top-down approach (listing the members of the European affiliations) and a bottom-up approach using the national correspondents from the European Industrial Relations Observatory (EIRO).

The effectiveness of European social dialogue depends on the representativeness of the sector's relevant national actors – only sufficiently representative associations can be parties to European social dialogue.

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 affiliated to any relevant European interest 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 purpose of this study, the food and drink sector is defined in terms of the Statistical Classification of Economic Activities in the European Community (NACE) (Rev. 2), to ensure the cross-national comparability of the findings. More specifically, this sector is delineated by NACE codes C10 (manufacture of food products) and C11 (manufacture of beverages).

Economic background

Employment characteristics

According to Eurostat figures, the sector employed more than 4,739,900 people in the EU27 in 2010, with manufacture of food products accounting for more than 90% of the sector. Employment in the sector represents just 2% of total employment in the EU27, while sector activities represent 2% of the total GDP of the EU27. Men account for more than 58% of the employment in both subsectors, with more women employed in food manufacture (43%) than in drinks manufacture (29%); and both figures are lower than the average female proportion for overall employment in the EU27 (45.5%). There are not many cases of self-employment or apprenticeships in this sector except in Germany, Greece and Italy, where the proportion of this is more than 20%.

The food and drink sector consists of approximately 310,000 enterprises which operate at local and regional level, but also in the world market. The greatest share of the products is offered by small and medium-sized enterprises (SMEs) and global companies. SMEs generate approximately 48.5% of the total turnover and 63% of the total employment, while large companies generate 51.5% of the turnover and 37% of the employment, although they account for only 0.9% of the companies.

Recent developments

The financial crisis has had some impact on the food and drink sector, although not as significant as in other sectors. Employment began to decrease in the third quarter of 2008 and followed a negative trend until 2010, when it began to rise again.

The most significant pressure for change affecting the sector is globalisation. Increased international trade and cross-border mobility of capital investment have resulted in substantial changes in markets and trading patterns. At the same time, the liberalisation of trade, with emerging economies gaining prosperity, has provided new market opportunities as well as new sources of competition. Current challenges for the sector include customer concerns about prices, food safety and health, as well as the low levels of labour productivity and the insufficient development of research and innovation.

National level of interest representation

Trade unions

The numbers of active trade union members differ widely, ranging from more than 1.5 million (in the case of UK's UNITE) to only a few dozen POMYN members in Greece. This considerable variation reflects differences in the size of the economy and the comprehensiveness of the membership domain, rather than the ability to recruit members.

All the 27 countries record at least one sector-related trade union. In total, 96 sector-related trade unions fulfilling the criteria for inclusion in the representativeness study were identified, reflecting a pluralist system. Only one sector-related union is recorded in six of the countries, two in five countries and three in three countries. Thirteen of the countries record four or more sector-related unions, thus showing a fragmented landscape.

Employer organisations

In total, 115 sector-related employer organisations were identified in 24 countries. Three countries (Cyprus, Lithuania and Malta) have no sector-related employer association. In nine of the 24 countries with employer associations, at least a proportion of the listed organisations are not party to collective bargaining. Generally, business interest or trade organisations may also deal with interests other than those related to industrial relations and this is the case in the food and drink sector.

In nine of the 24 countries for which information on the sector-related organisational landscape is given, only one organisation has been established, while nine countries of the 24 (37.5%) record four or more organisations. Pluralist associational systems thus prevail among the employers organisations – albeit to a greater extent – as among the trade unions.

Collective bargaining

In terms of the sector's collective bargaining coverage, 10 of the 21 countries with available data record at least a 50% rate of coverage. Moreover, nine of these 10 countries record a coverage rate of 80% or higher. This shows that collective bargaining coverage is highly polarised among European countries. In this respect, there is a pattern, with the Scandinavian countries, Belgium, Austria and Spain and the newer Member States of Slovenia and Romania showing the highest rates and Portugal, the UK and the majority of the other newer Member States showing quite low rates.

European level of interest representation

The food and drink sector organisations listed by the European Commission as social partner organisations to be consulted under Article 154 of the TFEU are the European Federation of Food, Agriculture and Tourism trade unions (EFFAT) representing employees and FOODDRINKEUROPE representing employers.

EFFAT has 54 direct affiliations in 25 Member States, and 39 of them participate in sectoral collective bargaining. It is worth noting that in Poland and Portugal, most of the trade unions included are not affiliated to any European organisation. FOODDRINKEUROPE has 24 direct affiliations in 22 Member States, 10 of which participate in sectoral collective bargaining. With just 21% of employer organisations affiliated to FOODDRINKEUROPE, a considerable number of sector-related employer organisations across the EU are not affiliated to FOODDRINKEUROPE.

Conclusions

Top-down and bottom-up analyses of the food and drink sector in the EU27 show that EFFAT (on the employee side) and FOODDRINKEUROPE (on the employer side) ought to be regarded as the most important EU-wide representatives of the employers and employees within the sector.

Further information

The report *Representativeness of the European social partner organisations: Food and drink sector* is available at http://www.eurofound.europa.eu/eiro/studies/tn1207014s/index.htm

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