

UNIVERSITE CATHOLIQUE DE LOUVAIN
Institut des Sciences du Travail



**STUDY ON THE REPRESENTATIVENESS OF THE SOCIAL PARTNER
ORGANISATIONS IN THE CHEMICAL INDUSTRY**

EU25

Project No VC/2004/0547

January 2006

**Research project conducted on behalf of the Employment and Social Affairs Directorate-General
of the European Commission**

STAFF WORKING ON THIS STUDY

AUTHOR OF THE REPORT

Isabelle VANDENBUSSCHE, researcher

COORDINATORS

Prof. Armand SPINEUX and Prof. Evelyne LEONARD

RESEARCH TEAM

Prof. Bernard FUSULIER

Prof. Pierre REMAN

Alexandre CHAIDRON, researcher

Delphine ROCHE, researcher

ADMINISTRATIVE COORDINATION

Marie-Anne SAUSSU and Myriam CHEVIGNE

NETWORK OF NATIONAL EXPERTS

Austria	Franz Traxler, Institut für Wirtschaftssoziologie, Universität Wien, Bruennerstrasse 72, A-1210 Vienna.
Belgium	Jean Vandewattyne, Université Libre de Bruxelles-Université de Mons-Hainaut
Cyprus	Evros I. Demetriades, Department of Economics, University of Cyprus
Czech Republic	Ales Kroupa, Jaroslav Hala, Research Institute for Labour and Social Affairs
Denmark	Carsten Jørgensen, Forskningscenter for Arbejdsmarked- og Organisationsstudier, FAOS – Department of Sociology, University of Copenhagen
Estonia	Ass. Prof. Kaia Philips and Prof. Raul Eamets, Institute of Economics, University of Tartu
Finland	Pekka Ylöstalo, Department of Sociology, University of Helsinki
France	Solveig Grimault, Brigitte Croff Conseil & Formation
Germany	Dieter Sadowski, Catharina Leilich, Oliver Ludewig, Mihai Paunescu, Martin Schneider, Susanne Warning, Institut für Arbeitsrecht und Arbeitsbeziehungen in der Europäischen Gemeinschaft, IAAEG - Universität Trier
Greece	Aliko Mouriki, Institute for Social Policy, National Center for Social Research, NCSR – Athens
Hungary	Csaba Makó, Péter Csizmadia, Miklós Illéssy, Hungarian Academy of Sciences Institute of Sociology, Research Group for Organisation and Work
Ireland	Dr Pauline Conroy and Niamh Murphy, B.Soc.Sc, M.Soc.Sc.
Italy	Andrea Bellini and Franca Alacevich - Dipartimento di Scienza della Politica e Sociologia (DISPO), Università degli Studi di Firenze.
Latvia	Alf Vanags and Julia Pobyarzina, Baltic International Centre for Economic Policy Studies (BICEPS)
Lithuania	Mark Chandler, Stockholm School of Economics in Riga and Baltic International Centre for Economic Policy Studies (BICEPS)
Luxembourg	Franz Clement, Centre d'Études de Populations, de Pauvreté et de Politiques Socio-Economiques (CEPS – INSTEAD)
Malta	Saviour Rizzo and Manwel Debono, Centre for Labour Studies, University of Malta
Netherlands	Marc van der Meer, Amsterdam Institute for Advanced Labour Studies, University of Amsterdam and Marian Schaapman, Hugo Sinzheimer Instituut, University of Amsterdam
Poland	Pierre Grega, DRIS (Développement, Réhabilitation, Intégration et Sécurité) s.p.r.l.
Portugal	Marinús Pires de Lima and Ana Guerreiro, Universidade de Lisboa – Instituto de Ciências Sociais – Instituto Superior de Ciências do Trabalho e da Empresa (ISCTE)
Slovak Republic	Lubica Bajzikova and Helena Sajgalikova, Faculty of Management, Comenius University in Bratislava
Slovenia	Alenka Krasovec, Faculty of Social Sciences, University of Ljubljana
Spain	Ramón Alós and Elsa Corominas, Grup d'Estudis Sociològic sobre la Vida Quotidiana i el Treball (QUIT), Universitat Autònoma de Barcelona
Sweden	Dominique Anxo & Jacques Ferrat, Centre for European Labour market Studies (CELMS), Göteborg, Sweden
United Kingdom	David Marsden, London School of Economics

Disclaimer

The contents of this publication do not necessarily reflect the opinion or position of the European Commission, Directorate-General Employment and Social Affairs. This study has been carried out by independent experts. It therefore does not involve the Commission's responsibility in any way. The European organisations subject of this study have had the opportunity to comment on the content of this study before its final approval¹.

¹ Its approval by the Commission does not imply the approval of any of the European organisations as to its content.

INTRODUCTION

PRESENTATION OF THE STUDY

This report has been produced as part of the research into the institutional representativeness of social partners in the European Union, and the situation of trade unions and employers' associations in the candidate countries. The research has been conducted by the Institut des Sciences du Travail (Université catholique de Louvain) at the request of the Employment and Social Affairs Directorate-General of the European Commission (Call for tenders No VT/2002/83).

The issue of the representativeness of European organisations came to the fore in the context of the promotion of social dialogue. In a communication published in 1993², the European Commission set out three criteria determining the access that employers' and workers' organisations had to the consultation process under Article 3 of the Agreement on Social Policy. According to the terms of this communication, the organisation must: (1) be cross-industry or relate to specific sectors or categories and be organised at European level; (2) consist of organisations which are themselves part of the social partners structures of Member States which have the capacity to negotiate agreements, and which are representative of all Member States, as far as possible; (3) have adequate resources to ensure their effective participation in the consultation process. In 1996, it adopted a consultation document³ that sought to bring together the widest range of views on the measures to be employed in fostering and strengthening European social dialogue. At that point, given that the social partners at European level were, and still are, in the process of structuring themselves and accepting new applications for membership, the European Commission conducted a study on the representativeness of inter-professional and sector organisations in the European Union, and in a new communication⁴ in 1998, announced the measures that it proposed to take in order to adapt and promote social dialogue at European Union level. In it, the Commission reaffirmed the three criteria established by the 1993 Communication, permitting European organisations to be recognised as representative for consultation purposes under Article 3 of the Social Policy Agreement. Finally, in 2002, the Commission reaffirmed its support for a strengthening of social dialogue in its communication *The European social dialogue, a force for innovation and change*⁵. In the respect of the three criteria set up by the Commission, as has been pointed out in previous studies⁶, the changes focus on the disappearance of demands relating to the inter-sector nature of organisations and on the fact that they are established in all Member States; the new rules have not been formulated in a very restrictive manner, they only require employers' and workers' organisations to represent "several" Member States. This relaxation of the implementation condition might pose a demarcation problem in the sense that there is no criterion setting out a minimum number of Member States to activate it.

Against this background, it is clear that one of the main issues, both for the Commission and for the European social partners, is the enlargement of the European Union and its impact on the process of social dialogue at Community level: *The Communication underlines the vital role and the weaknesses of social dialogue in the candidate countries. Much has been achieved over the past decade with the support of Community programmes and initiatives. However, a lot remains to be done to strengthen the capacities of social partners and involve them in the accession process*⁷. As far as the European Commission is concerned, it is only with sufficiently robust national structures that the social partners will be able to participate effectively in negotiations and in other European social dialogue activities and also implement agreements at national level⁸.

The development of social dialogue, therefore, formed part of the "acquis communautaire"(community achievement): *The Treaty requires that social dialogue be promoted and gives additional powers to the social partners. The candidate countries are, therefore, invited to confirm that social dialogue is accorded the importance required and that the social partners are sufficiently developed in order to discharge their responsibilities at European Union and national level, and to indicate whether they are consulted on legislative drafts relating to the taking over of the employment and social policy acquis... Therefore, the development not only of tripartite structures but also of autonomous, representative bipartite social dialogue is*

² COM(93) 600 final of 14 December 1993, Communication from the Commission concerning the application of the Protocol on Social Policy.

³ COM(96) 448 final of 18 September 1996 concerning the development of the social dialogue at Community level.

⁴ COM(98) 322 final of 20 May 1998, Communication from the Commission, *Adapting and promoting the Social Dialogue at Community level*.

⁵ COM(2002) 341 final of 26 June 2002, Communication from the Commission, *The European social dialogue, a force for innovation and change*.

⁶ Spineux A., Walthery P. et al., *Report on the representativeness of European social partners organisations*, Report coordinated by the Institut des Sciences du Travail of the Université catholique de Louvain, for the European Commission, Directorate General for Employment, Industrial Relations and Social Affairs, Louvain-la-Neuve, 1998.

⁷ *Op cit.*

⁸ *Op cit.*

an important aspect for the future involvement of the candidate countries' social partners in the social dialogue activities developed at European and national level⁹.

Enlargement of the European Union is a major issue from a quantitative and qualitative point of view: *The quantitative leap is quite clear as soon as the number of partners rises. The delegations taking part in social dialogue will be enlarged, and that, as we know, does not facilitate dialogue. However, the leap is also qualitative in that the new entrants present the industrial relations systems they have inherited from their national histories¹⁰.* By and large, most of the countries studied are notable for strongly developed tripartism, but for weakness at central bipartite level, in social dialogue at sector level, and at the level of organisations, particularly employers' associations.

The aim of the report is to produce a study that sets out both brief descriptions of the way that social dialogue functions in the countries concerned, and descriptions of the various workers' and employers' organisations involved in social dialogue at sector level. This study may be seen as a tool to help understand these quantitative and qualitative factors.

RESEARCH APPROACH AND COMMENTS ON METHODOLOGY

For the purposes of this study, a network of University researchers throughout the 15 European Union Member States and candidate countries was set up. These researchers are experts in industrial relations and are independent of both the European Commission and employers' and workers' organisations. Each researcher was charged with drawing up a report based on a common template. A questionnaire tailored to the specific realities of the chemical industry sector was elaborated to that effect. Each national report issued by the expert was submitted to the national organisations in order to enable them to make comments on collected data. The IST took charge of coordinating the study and drawing up the summaries. Constant communication and ongoing collaboration between the IST, national experts and national organisations takes place in order to associate the various players of the process of research. The report is also checked by the European organisations and their members in order to enable them to make comments on the report. This phase of consultation represents an important stage of research. Lastly, the report is checked by the European Commission's services. The IST wishes to stress its independence with regard to the political consequences and decisions which may be made on the basis of this study.

The research process, in its design, comprises a phase of collection of data on the players and the social dialogue in which they participate, but also an active approach embracing the building of a consensus, which is an integral part of the process of social dialogue itself. Thus, whereas in a good number of cases the data collected do not permit total definition of the role played by the organisations, the contacts made during the data collection and the discussions with the different players concerned should be an integral part of a process of mutual recognition¹¹. The main sources used within the framework of this study are thus the social partners themselves.

Lastly, a few words on the consultation process involving the European social partners must be added. The organisations which have been consulted are cited in annex. The comments that the IST received from these organisations, and those of their members have been incorporated in different ways, depending on the kind of information received:

- The observation is directly included in the content of the report
- When a difference of opinion exists between the employers' or workers' organisation and the expert, the observation is included as a footnote in the report, as well as the justification of the expert.

The consultation for this report on the chemical industry took place during the months of October-November 2005.

Finally, given that national situations are very changeable and evolve rapidly, it is important to stress that the aim of this study is to take "a snapshot" of the situation of the organisations in 2005. Interviews with the organisations took place, and the national reports were written, between January and February 2005.

⁹ *Enlargement of the European Union. Guide to the negotiations. Chapter by chapter*, European Commission, DG Enlargement, June 2003.

¹⁰ Léonard E., Spineux A., *Les relations industrielles en Europe aujourd'hui*, Institut des Sciences du Travail, UCL, 2003 (unpublished).

¹¹ Reply to Call for Tenders VT/2002/83. Studies on the representativeness of the social partners at sector level in the European Union and monographs on the situation of the social partners in the candidate countries, Institut des Sciences du Travail, UCL, 2002.

NACE NOMENCLATURE¹²

Once again and according to the national traditions, the sector delimitation can differ from a country to another, and the particularities of each country are actually a very important point of the research. Indeed, the structuring of the employers' organisations and trade unions as well as the organization of the social dialogue can cover sub-sectors or different trades/professions. The following NACE nomenclature is thus presented as an indication.

23 MANUFACTURE OF COKE, REFINED PETROLEUM PRODUCTS AND NUCLEAR FUEL

23.1 Manufacture of coke oven products

23.10 Manufacture of coke oven products

23.2 Manufacture of refined petroleum products

23.20 Manufacture of refined petroleum products

23.3 Processing of nuclear fuel

23.30 Processing of nuclear fuel

24 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS

24.1 Manufacture of basic chemicals

24.11 Manufacture of industrial gases

24.12 Manufacture of dyes and pigments

24.13 Manufacture of other inorganic basic chemicals

24.14 Manufacture of other organic basic chemicals

24.15 Manufacture of fertilizers and nitrogen compounds

24.16 Manufacture of plastics in primary forms

24.17 Manufacture of synthetic rubber in primary forms

24.2 Manufacture of pesticides and other agro-chemical products

24.20 Manufacture of pesticides and other agro-chemical products

24.3 Manufacture of paints, varnishes and similar coatings, printing ink and mastics

24.30 Manufacture of paints, varnishes and similar coatings, printing ink and mastics

24.4 Manufacture of pharmaceuticals, medicinal chemicals and botanical products

24.41 Manufacture of basic pharmaceutical products

24.42 Manufacture of pharmaceutical preparations

24.5 Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations

24.51 Manufacture of soap and detergents, cleaning and polishing preparations

24.52 Manufacture of perfumes and toilet preparations

24.6 Manufacture of other chemical products

24.61 Manufacture of explosives

24.62 Manufacture of glues and gelatines

24.63 Manufacture of essential oils

24.64 Manufacture of photographic chemical material

24.65 Manufacture of prepared unrecorded media

24.66 Manufacture of other chemical products n.e.c.

24.7 Manufacture of man-made fibres

24.70 Manufacture of man-made fibres

¹² Source: COMMISSION REGULATION (EC) No 29/2002 of 19 December 2001, amending Council Regulation (EEC) No 3037/90 on the statistical classification of economic activities in the European Community, In: Official Journal of the European Communities (10.01.2002).

25 MANUFACTURE OF RUBBER AND PLASTIC PRODUCTS

25.1 Manufacture of rubber products

- 25.11 Manufacture of rubber tyres and tubes
- 25.12 Retreading and rebuilding of rubber tyres
- 25.13 Manufacture of other rubber products

25.2 Manufacture of plastic products

- 25.21 Manufacture of plastic plates, sheets, tubes and profiles
- 25.22 Manufacture of plastic packing goods
- 25.23 Manufacture of builders' ware of plastic
- 25.24 Manufacture of other plastic products

26 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS

26.1 Manufacture of glass and glass products

- 26.11 Manufacture of flat glass
- 26.12 Shaping and processing of flat glass
- 26.13 Manufacture of hollow glass
- 26.14 Manufacture of glass fibres
- 26.15 Manufacture and processing of other glass, including technical glassware

26.2 Manufacture of non-refractory ceramic goods other than for construction purposes; manufacture of refractory ceramic products

- 26.21 Manufacture of ceramic household and ornamental articles
- 26.22 Manufacture of ceramic sanitary fixtures
- 26.23 Manufacture of ceramic insulators and insulating fittings
- 26.24 Manufacture of other technical ceramic products
- 26.25 Manufacture of other ceramic products
- 26.26 Manufacture of refractory ceramic products

26.3 Manufacture of ceramic tiles and flags

- 26.30 Manufacture of ceramic tiles and flags

26.4 Manufacture of bricks, tiles and construction products, in baked clay

- 26.40 Manufacture of bricks, tiles and construction products, in baked clay

26.5 Manufacture of cement, lime and plaster

- 26.51 Manufacture of cement
- 26.52 Manufacture of lime
- 26.53 Manufacture of plaster

26.6 Manufacture of articles of concrete, plaster and cement

- 26.61 Manufacture of concrete products for construction purposes
- 26.62 Manufacture of plaster products for construction purposes
- 26.63 Manufacture of ready-mixed concrete
- 26.64 Manufacture of mortars
- 26.65 Manufacture of fibre cement
- 26.66 Manufacture of other articles of concrete, plaster and cement

26.7 Cutting, shaping and finishing of ornamental and building stone

- 26.70 Cutting, shaping and finishing of ornamental and building stone

26.8 Manufacture of other non-metallic mineral products

- 26.81 Production of abrasive products
- 26.82 Manufacture of other non-metallic mineral products n.e.c.

OTHERS

- 19.1 Tanning and dressing of leather (within the section: Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear)
- 31.62 Manufacture of other electrical equipment (within the section: Manufacture of electrical machinery and apparatus)
- 50.5 Retail sale of automotive fuel (within the section: Sale, maintenance and repair of motor vehicles and motorcycles; retail of automotive fuel)
- 51.46 Wholesale of pharmaceutical goods (within the section: Wholesale trade and commission trade, except of motor vehicles and motorcycles)
- 51.55 Wholesale of chemical products (within the section: Wholesale trade and commission trade, except of motor vehicles and motorcycles)
- 90.01 Collection and treatment of sewage (within the section: Sewage and refuse disposal, sanitation and similar activities)

ABBREVIATIONS USED IN THIS REPORT

In the text:

%	Per cent
€	Euro(s)
CA	Collective agreement
CB	Collective bargaining
Density	Number of salaried workers or enterprises of the sector affiliated to the organisation divided by total number of salaried workers or enterprises of the sector
GDP	Gross Domestic Product
NACE	Statistical Classification of Economic Activities in the European Community
ND	no data, i.e. no data is available
PAV	Present Annual Value
SD	Social dialogue
SME	Small-to-Medium Enterprise
SSD	Sector social dialogue
SW	Salaried workers

In the tables in the national summaries:

CB	does the organisation take part in collective bargaining?
Density companies or enterprises	Number of enterprises of the sector affiliated to the organisation divided by the total number enterprises of the sector
Density SW	Number of salaried workers of the sector affiliated to the organisation divided by the total number of salaried workers of the sector

Organisations' abbreviations:

AESGP	European Self-Medication Association
AISE	International Association for Soaps, Detergents and Maintenance Products
BIAC	The Business and Industry Advisory Committee to the OECD
BLIC	European Association of the Rubber Industry
CEC	European Confederation of Executives and Managerial Staff (Confédération Européenne des Cadres)
CEEP	European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest
CEFIC	European Chemical Industry Council
CEPE	European Council of Paint, Printing Ink and Artists Colours Industry
CESI	European Confederation of Independent Trade Unions
CIC	International Confederation of Executives and Managerial Staff (Confédération Internationale des Cadres)
COLIPA	European Cosmetic Toiletry and Perfumery Association
CPA	Commonwealth Pharmaceutical Association
EAFP	European Association of Faculties of Pharmacy
ECEG	European Chemical Employers Group

ECITU	European Confederation of Independent Trade Unions
ECPA	European Crop Protection Association
EDMA	European Association of Diagnostic Means
EFBWW	European Federation of Building and Woodworkers
EFFAT	European Federation of Food, Agriculture and Tourism
EFPIA	European Federation of Pharmaceutical Industries and Associations
EGA	European Generic Medicines Associations
EIPG	European Industry Pharmacist Group
EMCEF	European Mine, Chemical and Energy Workers' Federation
EMF	European Metal Federation
EPPA	European Plastics Profile Association
EPSU	European Federation of Public Service Unions
ETF	The European Transport Worker's Federation
ETGLWF	European Textile, Garment and Leather Workers' Federation
ETUC	European Trade Union Confederation
ETUF:TCL	European Trade Union Federation of Textiles, Clothing and Leather
EUPC	European Plastics Converters
Eurochambers	European Chambers of Commerce and Industry
EUROFEDOP	European Organisation of Public Service Employees
EuropaBio	The European Association for Bioindustries
EuroPharm Forum	Forum of European Pharmaceutical Associations
Europharm SMC	European Internet portal for Small and Medium Sized Pharmaceutical companies
FEA	Federation of European Aerosol associations
FECC	European Association of Chemical Distributors
FECCIA	European Federation of Managers in the Chemical and Allied Industries
FECER	European Federation of Executives in the Sectors of Energy & Research
FERPA	European Federation of Retired and Elderly Persons
FICCIA	International Federation of Managers in the Chemical and Allied Industries
FIP	International Pharmaceutical Federation
FMTI	International Confederation of the Workers from Industry
GIRP	European Association of Pharmaceutical Wholesalers
GPEU	Pharmaceutical Group of the European Union
ICC	International Chamber of Commerce
ICCA	International Council of Chemical Associations
ICEM	International Federation of Chemical, Energy, Mine and General Workers' Unions
ICFTU	International Confederation of Free Trade Unions
IFAH	International Federation of Animal Health
IFBWW	International Federation of Building and Wood Workers
IFMA	International Federation of the Pharmaceutical Industry
IFPMA	International Federation of Pharmaceutical Manufacturers & Associations
IG BCE	Mining, Chemical and Energy Industrial Union
IGMA	International Generic Medicines Association
IMF	International Metalworkers' Federation
IN	Nordic Industry Workers
INFEDOP	International Federation of Employees in the Public Service
IOE	International Organisation of Employers
ITF	International Transport Workers' Federation
ITGLWF	International Textile, Garment and Leather Workers' Federation
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
MNC	Multinational company
NFS	Council of Nordic Trade Unions
NFU	Nordisk Farmaceutunion
NIF	Nordic Industry Workers' Federation
NTBF	Nordiska Byggnads och Träarbetares Federation
NTF	Nordiska Transportarbetare Federationen
NTO	Nordisk Telekommunikation
OPCE	Interprofessionnal Employers Businessmen Organisations of European Capital Cities
PGEU	Pharmacists Group of the European Union
PSI	Public Services International
RIOST	International Network of Subcontracting, Industrial Cooperation and Partnership Organizations

SECB	European Endowment for Christian Mine Workers
TEPPFA	The European Plastics Pipe and Fitting Organisation
TNC	Transnational corporations
TUAC	Trade Union Advisory Committee
UEAPME	European Association of Craft Small and Medium-sized Enterprises
UIADM	International Union of Medical Advisers Associations
UMCE	Union of Mediterranean Confederations of Enterprise
UNI	Union Network International
UNI Europa	European Union Network International
UNICE	Union of Industrial and Employers' Confederations of Europe
VAA	Association of salaried academics and managers in the chemical industries
WFIW	World Federation of Industry Workers
WCL	World Confederation of Labour

COMPARATIVE STUDY

1. DESCRIPTION OF THE SECTOR

1.1. Delimitation and scope of activities of the sector

a) European level

At European level, the situation of the social partners is not completely homogeneous. Indeed, the workers' organisation (EMCEF) members cover almost the totality of the NACE 23, 24 and 25. On the other hand, the employers' organisation (ECEG) members include NACE 24 (exceptions: members in France and in Italy who do not represent manufacturing and who belong to NACE 24.4). Moreover, NACE 23 and NACE 25 are rarely covered (or partially covered).

b) National level

For this comparative review, we have endeavoured, in terms of the specific characteristics of each of the countries studied, to present two essential pieces of information:

- Activities included in the sector from the statistical point of view
- Activities included in the sector from the collective bargaining point of view

This information clarifies the delimitation effected at national level and serves as a reference for the remainder of this comparative section. We have made every effort to respect, as closely as possible, the different national concepts and realities.

Activities included in the sector from the statistical and CB point of view by country

Country	Activities included in the sector
Austria	<ul style="list-style-type: none">•activities correspond to NACE 24•activities correspond to NACE 24, but the membership domains of all employer associations and unions covering this sector are more encompassing than NACE 24. Moreover, the sector is divided into an "industrial" and a craft sector, something which has resulted in a corresponding divide in industrial relations.
Belgium	<ul style="list-style-type: none">•no statistical delimitation•activities correspond to NACE 24 + 25 + 51.46 + 51.55
Cyprus	<ul style="list-style-type: none">•activities correspond to NACE 24•activities correspond to NACE 24
Czech Republic	<ul style="list-style-type: none">•activities correspond to NACE 24•activities correspond to NACE 24 + 23.2
Denmark	<ul style="list-style-type: none">•activities correspond to NACE 24 (in some cases: + NACE 23 + NACE 25)•activities correspond to NACE 24 (in some cases: + NACE 23 + NACE 25)
Estonia	<ul style="list-style-type: none">•activities correspond to NACE 24•activities correspond to NACE 24
Finland	<ul style="list-style-type: none">•activities correspond to NACE 24•activities correspond to NACE 24 (+plastics industry sector)
France	<ul style="list-style-type: none">•main chemical industry sectors as defined by the Ministry for Industry: inorganic chemicals and organic chemicals; parachemicals, soaps, perfumes and cleaning preparations; pharmaceuticals.•the scope of the collective agreement (the numerous activities covered by the Union of Chemical Industries (UIC), by an associated employers' organisation and the other activities covered by UIC or by another associated employers' organisation) does not overlap exactly the wider definition of the industrial sectors related to chemicals as established by the Ministry for Industry.
Germany	<ul style="list-style-type: none">•activities correspond to NACE 24•activities correspond to NACE 24 + parts of NACE 23, 25 and some service sectors.
Greece	<ul style="list-style-type: none">•activities correspond to NACE 24•activities correspond to NACE 24
Hungary	<ul style="list-style-type: none">•activities correspond to NACE 24•activities correspond to NACE 24 + NACE 23 + NACE 25
Ireland	<ul style="list-style-type: none">•activities correspond to NACE 244, 245 and NACE 247•activities correspond to NACE 244, 245 and NACE 247, except some of the other chemical companies under NACE 24 (a small minority) which do not take part in social dialogue within the Irish chemical industry
Italy	<ul style="list-style-type: none">•activities correspond to NACE 24•the main industry-wide agreements cover NACE 24 + several others sub-sectors, included within NACE 19, 23, 25, 26, 31, 90 (more exactly, 19.1, 23.2, 26.2, 31.62, and 90.01)
Latvia	<ul style="list-style-type: none">•activities correspond to NACE 24 + NACE 23 + NACE 25

	<ul style="list-style-type: none"> activities correspond to NACE 24 + NACE 23 + NACE 25
Lithuania	<ul style="list-style-type: none"> activities correspond to NACE 24 activities correspond to NACE 24 + organisations include members mainly from NACE 23.2 and 50.5
Luxembourg	<ul style="list-style-type: none"> activities correspond to NACE 24 + NACE 25 activities correspond to NACE 24 + NACE 25
Malta	<ul style="list-style-type: none"> activities correspond to NACE 24 + NACE 23 activities correspond to NACE 24 + organisations include members of firms not formally included in NACE 24
The Netherlands	<ul style="list-style-type: none"> activities correspond to NACE 24 different industry categorisation based on affinities in the production system and conditions of employment rather than on the fact whether or not a chemical process is at stake (e.g.: the manufacture of pharmaceuticals is left out, whereas the waste processing industry is included in the definition of the industry).
Poland	<ul style="list-style-type: none"> activities correspond to NACE 24 organisations cover part of NACE 24; others include sub-sections of NACE 25 and 23
Portugal	<ul style="list-style-type: none"> activities correspond to NACE 24 there is a difference between Chemical Industry and Pharmaceutical Industry and Commerce, both object of CCT
Slovakia	<ul style="list-style-type: none"> activities correspond to NACE 24, except 24.5 and 24.64 + NACE 25.1 and 25.2 activities correspond to NACE 24, except 24.5 and 24.64 + NACE 25.1 and 25.2
Slovenia	<ul style="list-style-type: none"> activities correspond to NACE 24 activities correspond to NACE 24 + NACE 25.1 and 25.2
Spain	<ul style="list-style-type: none"> official statistics tend to adapt to the NACE 24 CB usually includes activities corresponding to NACE 24 + NACE 25. On the other hand, activities corresponding to NACE 24.7 are not always included.
Sweden	<ul style="list-style-type: none"> activities correspond to NACE 24 activities correspond to NACE 24 + part of NACE 23 + NACE 25 + NACE 26
The United Kingdom	<ul style="list-style-type: none"> activities correspond to NACE 24 activities correspond to NACE 24

Source: national reports

Except for four countries (Cyprus, Estonia, Greece and The United Kingdom), where the activities correspond exactly to NACE 24 from both statistical and CB points of view, the delimitation is not so homogeneous. Indeed, even if the activities correspond –or tend to adapt– statistically to NACE 24, the situation is rather different for collective bargaining which includes generally NACE 24 or part of it, but covers also other activities. Particular cases concerning the delimitation are France, Ireland, the Netherlands and Portugal.

1.2. Socio-economic features of the sector

This section presents comparative data on the economic weight of the sector and on employment within the sector, the number and size of enterprises as well as the number of the workers and their repartition by size of enterprise. The weight of the sector and the employment within the sector, compared to the economy as a whole, can be considered as a good estimation of the economic importance of the sector and data on enterprises and workers give an overview of the economic structuring of the sector.

Economic weight and employment weight by country

Country	Economic weight and employment weight
Austria	<ul style="list-style-type: none"> ND 0.9% of total employment
Belgium	<ul style="list-style-type: none"> ND 5.2% of total employment
Cyprus	<ul style="list-style-type: none"> 0.5% of GDP 0.75% of total employment
Czech Republic	<ul style="list-style-type: none"> ND 1.1% of total employment
Denmark	<ul style="list-style-type: none"> 3.85% of GDP 1.31% of total employment
Estonia	<ul style="list-style-type: none"> ND 0.5% of total employment
Finland	<ul style="list-style-type: none"> 4% of GDP 0.8% of total employment
France	<ul style="list-style-type: none"> ND 1.51% of total employment

Germany	<ul style="list-style-type: none"> • 6.4% of GDP • 1.4% of total employment
Greece	<ul style="list-style-type: none"> • ND • ND
Hungary	<ul style="list-style-type: none"> • 6% of GDP • 1.7% of total employment
Ireland	<ul style="list-style-type: none"> • ND • 1.54% of total employment
Italy	<ul style="list-style-type: none"> • ND • 1.42% of total employment
Latvia	<ul style="list-style-type: none"> • ND • 0.83% of total employment
Lithuania	<ul style="list-style-type: none"> • 0.9% of GDP • 0.4% of total employment
Luxembourg	<ul style="list-style-type: none"> • 0.02% of GDP • ND
Malta	<ul style="list-style-type: none"> • ND • 0.69% of total employment
The Netherlands	<ul style="list-style-type: none"> • 8% of GDP • 10% of total employment
Poland	<ul style="list-style-type: none"> • ND • 7.9% of total employment
Portugal	<ul style="list-style-type: none"> • ND • 0.76% of total employment
Slovakia	<ul style="list-style-type: none"> • 8.5% of GDP • 1.15% of total employment
Slovenia	<ul style="list-style-type: none"> • 3.3% of GDP • 3.1% of total employment
Spain	<ul style="list-style-type: none"> • 14.2% of GDP • 1.1% of total employment
Sweden	<ul style="list-style-type: none"> • 2.4% of GDP • 1.9% of total employment
The United Kingdom	<ul style="list-style-type: none"> • 2.3% of GDP • 1% of total employment

Source: national reports

Enterprises and workers by country

Country	Enterprises (trends relative to number and size)	Workers (trends relative to number and repartition by size of enterprises)
Austria	<ul style="list-style-type: none"> • NACE 24: 370 enterprises • 45.7% = enterprises with 10-100 SW 	<ul style="list-style-type: none"> • NACE 24 : 27,141 employees (blue + white collars) • ND
Belgium	<ul style="list-style-type: none"> • NACE 24 + 25 + 51.46 + 51.55: 2,551 enterprises • 59.3% = enterprises with <10 SW 	<ul style="list-style-type: none"> • NACE 24 + 25 + 51.46 + 51.55: 117,936 SW • 73.5% in enterprises >100 SW
Cyprus	<ul style="list-style-type: none"> • NACE 24.1 to 24.6: 57 enterprises • 50.9% = enterprises with 10-100 SW • 42.1% = enterprises with <10 SW 	<ul style="list-style-type: none"> • NACE 24.1 to 24.6: 1,728 SW • 55% in SW in enterprises >100 SW • 36.9% in SW in enterprises with 10-100 SW
Czech Republic	<ul style="list-style-type: none"> • NACE 24 + 23.2: 3,635 enterprises • 61% = enterprises with no SW • 16.2% = enterprises with 1-9 SW 	<ul style="list-style-type: none"> • NACE 24 + 23.2: 44,061 SW • ND
Denmark	<ul style="list-style-type: none"> • NACE 24: 400 enterprises • 39% = enterprises without SW • 32% = enterprises with <10 SW 	<ul style="list-style-type: none"> • NACE 24: 28,917 workers full-time • ND
Estonia	<ul style="list-style-type: none"> • NACE 24: 84 enterprises • 50% = enterprises with < 10 SW • 39.2% = enterprises with 10-100 	<ul style="list-style-type: none"> • NACE 24: 2,923 workers • ND
Finland	<ul style="list-style-type: none"> • NACE 24: 389 enterprises • 50% = enterprises with 10-100 SW 	<ul style="list-style-type: none"> • NACE 24: 19373 SW • 76.6% in enterprises >100 SW
France	<ul style="list-style-type: none"> • 3,257 enterprises • 45.5% = enterprises with <10 SW 	<ul style="list-style-type: none"> • 239 186 SW • 65.74% in enterprises >199 SW

	43% = enterprises with 10-200 SW	
Germany	<ul style="list-style-type: none"> •NACE 24: 1,861 enterprises •54% = enterprises 50-499 SW 	<ul style="list-style-type: none"> •NACE 24: 464,314 SW •62.7% in enterprises >499 SW
Greece	<ul style="list-style-type: none"> •NACE 24: 985 enterprises •75.9% = enterprises with <10 SW 	<ul style="list-style-type: none"> • NACE 24: 15,222 SW •99.8% in enterprises >10 SW
Hungary	<ul style="list-style-type: none"> •NACE 24 + 23 + 25: 3515 enterprises •92% = enterprises with <20 SW 	<ul style="list-style-type: none"> •NACE 24 + 23 + 25: 75,787 SW •ND
Ireland	<ul style="list-style-type: none"> •NACE 24: 250 units¹³ •54.4% = enterprises 10-100 SW 	<ul style="list-style-type: none"> • NACE 24: 25,436 workers •78% in enterprises >100 workers
Italy	<ul style="list-style-type: none"> •NACE 24: 5,904 enterprises •42% = enterprises <10 SW 	<ul style="list-style-type: none"> •NACE 24: 215,909 workers •72% in enterprises >100 SW
Latvia	<ul style="list-style-type: none"> •NACE 24 + 23 + 25 : 306 enterprises 55% = enterprises with < 10 SW 39% = enterprises with 10-100 SW 	<ul style="list-style-type: none"> •NACE 24 + 23 + 25: 8,522 SW •54.7% in enterprises with > 100 SW 36.1% in enterprises with 10-100 SW
Lithuania	<ul style="list-style-type: none"> •NACE 24: 122 enterprises •58% enterprises with < 10 SW 37% enterprises with 10-100 SW 	<ul style="list-style-type: none"> •NACE 24: 5,614 SW •70% in enterprises with > 100 SW 27% in enterprises with 10-100 SW
Luxembourg	<ul style="list-style-type: none"> •NACE 24 + 25 : 40 enterprises •70% = enterprises 10-100 SW 	<ul style="list-style-type: none"> •NACE 24 + 25 : 8,978 workers •ND
Malta	<ul style="list-style-type: none"> •ND •ND 	<ul style="list-style-type: none"> •NACE 24 + NACE 23: 1,022 workers •ND
The Netherlands	<ul style="list-style-type: none"> •NACE 24: 900 enterprises •30.6% = enterprises 10-100 SW 28.4% = enterprises with <10 SW 25.1% = enterprises without SW 	<ul style="list-style-type: none"> •ND (NACE 24: 73,000 full-time-equivalent) •ND
Poland	<ul style="list-style-type: none"> •NACE 24: 3,823 enterprises •76.7% enterprises with <10 SW 	<ul style="list-style-type: none"> • NACE 24: 84,900 SW •ND
Portugal	<ul style="list-style-type: none"> •NACE 24: 671 or 847* enterprises •51.6% = enterprises with <10 SW 	<ul style="list-style-type: none"> •NACE 24: 21,683 or 22,001 •55.2% in enterprises >100 SW
Slovakia	<ul style="list-style-type: none"> •ND •ND 	<ul style="list-style-type: none"> •NACE 24 (except 24.5 and 24.64) + NACE 25.1 and 25.2: 28,887 •ND
Slovenia	<ul style="list-style-type: none"> •NACE 24: 144 enterprises •32% = enterprises with > 100 SW 25% = enterprises with 10-100 SW 23% = enterprises without SW 18% = enterprises with <10 SW 	<ul style="list-style-type: none"> •NACE 24: 13,733 SW (except figures for NACE 24.7 which are confidential) •82% in enterprises >100 SW
Spain	<ul style="list-style-type: none"> •NACE 24: 4,617 enterprises •46% = enterprises with <10 SW 	<ul style="list-style-type: none"> •NACE 24: 157,600 workers •65% in enterprises >100 SW
Sweden	<ul style="list-style-type: none"> •NACE 24 + NACE 23 200 + NACE 25 110-25 240 + NACE 26 110 to 26 300 : 3,457 enterprises •54% = enterprises without SW 	<ul style="list-style-type: none"> • NACE 24 + NACE 23 200 + NACE 25 110-25 240 + NACE 26 110 to 26 300 : 72,681 workers •73% in enterprises >100 SW
The United Kingdom	<ul style="list-style-type: none"> •NACE 24: 3,743 enterprises •ND 	<ul style="list-style-type: none"> •NACE 24: 235,000 workers •ND

*depends on the source.

Source: national reports

Among the countries where data are available, we observe that the economic weight of the sector varies between 0.02% (Luxembourg) and 14.2% of GDP (Spain), reaching an average of almost 5% of GDP. In the same way, the employment rate generated by the chemical sector accounts for between 0.4% (Lithuania) and 10% (The Netherlands) of total employment, with an average of 2%.

The number of chemical enterprises is also very different according to the country (from 40 in Luxembourg to nearly 29,000 in Slovakia). However, a strong trend shows the predominance of SMEs or small enterprises with 10 to 100 salaried workers and particularly less than 10 salaried workers. On the other hand, in the Czech Republic, Denmark, The Netherlands, Slovenia and Sweden, a large number of enterprises have no salaried workers at all, while in Germany and Slovenia, the presence of bigger enterprises is greater than in other countries. Another characteristic is the predominance of private companies.

¹³ A unit is geographically based. A single legal entity may own several dispersed units.

The same trend is observable for the workers: their number fluctuates from 1,728 in Cyprus to 464,314 in Germany. The majority of them work in enterprises with more than 100 workers. Concerning the main particularities, we observe that in comparison with other industries, the level of education in the chemical sector is generally high and the workforce is, in most cases, well-qualified and highly skilled. This is due partly to the complex character of the industry, and also to the fact that the work is largely automated and hence requires at least some technical education. Average wages are higher than the average for all of manufacturing industry. The exception is Latvia, where the wages in this sector do not differ much from the overall wage level in the country. The great majority of employees work in full-time jobs with open-ended contracts; fixed-term contracts, part-time jobs and temporary work are fairly rare.

Even if data on the importance of the underground economy are hard to come by, it seems that its share is probably small, not to say non-existent.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR

2.1. European level

At European level, the organisations which take part in the European sector social dialogue committee for the chemical industry are the following:

a) *European Mine, Chemical and Energy Workers' Federation (EMCEF)*¹⁴

EMCEF is a federation which organises 2.5 million workers in 35 countries and 128 national trade unions. One other organisation has the status of observer. EMCEF organises both blue and white-collar workers. As a trade union, it takes care of the interests of its members and pursues the most effective representation of their interests vis a vis the EU institutions and the employers. Some of its main objectives are as follow: to safeguard economic, social, environmental and cultural interests; to enhance relations between affiliated organisations; to promote contacts, relations and negotiations with employers; to follow the European treaties; to promote equal opportunities regardless of gender, race or creed; to harmonise collective bargaining and industrial relations policies; to provide relevant data, information and services. The EMCEF is a member of ETUC and co-operates with other European Industry Federations in the ETUC. EMCEF also works in line with the International Federation of ICEM. The EMCEF organises members in a wide range of industrial areas: Energy - Mines - Chemical - Pharmaceuticals - Rubber - Plastics - Glass - Pulp and Paper. The industrial policy committee looks after industrial, technical and legal matters relevant to these industries. EMCEF has 4 Committees: collective bargaining; European works councils; industrial relations (incl. environment, health and safety); social dialogue. The EMCEF has a long-standing record in creating and co-ordinating European Works Councils. With more than 200 EWCs in all its sectors, EMCEF has been extremely active in shaping one important element of the European social dialogue.

b) *European Chemical Employers Group (ECEG)*¹⁵

ECEG is a group of 21 national employers' associations from as many European countries. Its members represent the companies of the Chemical Industry and, in some cases, those of related industries also, whether they be upstream or downstream. Via its national member federations ECEG represents some 10,000 companies of the Chemical Industry with more than 1 million employees in Europe. Membership for companies with the national federations organised within ECEG is voluntary in most cases. ECEG is an independent European organisation and was founded by 11 national employer associations in January 2002 in order to represent the Chemical Industries interests in the areas of Social Affairs and Social Dialogue. It is a partner, within the Cefic family of European organisations, representing the interests of the European Chemical Industry in many different areas. In addition to its close relationship with Cefic, ECEG closely works together with UNICE and other European sector employers organisations. Since December 2004, ECEG has run a formalised (i.e. acknowledged by the European Commission) Social Partner Dialogue with its trade union counterpart EMCEF for the EU Chemical Industry.

2.2. National level

At national level, the situation relative to the organisations active within the sector is heterogeneous. The main objective of this part is to highlight these differences and also the similarities which could appear. We will present the organisations active within the chemical industry sector by country, membership, possible recognition of social partners and role within the CB at sector level, as well as direct European affiliation(s).

Note: Direct affiliation refers to situations where a given organisation is affiliated to, and is therefore a member of, another organisation – for instance at European level. By contrast, an “indirect” affiliation refers to a situation in which a given

¹⁴ Source: www.emcef.org and Reinhard Reibsich, General Secretary of EMCEF “European Mine, Chemical and Energy Workers Federation”/Brussels.

¹⁵ Source: Lutz Mühl, Secretary of ECEG “European Chemical Employers Group”/Brussels.

organisation A is affiliated to another one –organisation B- and the organisation B is affiliated to a third one –organisation C-. In this latter case, A is “indirectly a member” of C.

a) Workers' organisations

Workers' organisations active in the sector by country

Country	Organisations	Total members (members in the sector)	Possible recognition of social partners	Role in the CB at sector level	European affiliations (direct)
Austria	The Union of the White-Collar Workers of the Private Sector	287,558 (ND)	dependent sub-unit of a federation which has the status of a legal entity	Negotiates autonomously but signs CAs formally in the name of its federation	-
	The Union of the Blue-Collar Workers of the Chemical Industry	34,018 (ND)	dependent sub-unit of a federation which has the status of a legal entity	Negotiates autonomously but signs CAs formally in the name of its federation	EMCEF
Belgium	Belgian General Federation of Labour	1,300,000 (ND)	recognition regulated by law	Negotiates and signs CAs	ETUC EMCEF**
	Confederation of Christian Trade Unions	1,600,000 (ND)	recognition regulated by law	Negotiates and signs CAs	ETUC EMCEF**
	Federation of Liberal Trade Unions of Belgium	220,000 (3,748)	recognition regulated by law	Negotiates and signs CAs	ETUC EMCEF
Cyprus	Cyprus Industrial, Commercial, Press-Printing and General Workers Trade Union (SEVETTYK) PEO	9,000 (350)	recognition regulated by the Cyprus Industrial Relations Code	Negotiates and signs CAs	UNI Europa
	Cyprus Industrial Workers Federation, (OVIEK) SEK	12,000 (900)	recognition regulated by the Cyprus Industrial Relations Code	Negotiates and signs CAs	EMCEF UNI Europa EMF EFFAT ETUFTCL
	Federation of Construction, Mines and related Occupations SEK	10,000 (120)	recognition regulated by the Cyprus Industrial Relations Code	Negotiates and signs CAs	-
Czech Republic	Trade Union ECHO	18,400 (ND)	Conditions authorising bodies to conduct CB as regulated by law	Only union that conducts sector CB, signs CAs	EMCEF
Denmark	Central Organisation of Industrial Employees	306,511 (ND)	Mutual recognition within the system of collective bargaining	Negotiates and signs CAs	EMCEF
	United Federation of Workers, 3F	365,500 (884)	Mutual recognition within the system of collective bargaining	Represented in the negotiation by the cartel (Central Organisation of Industrial Employees) created by the unions	-
	The Union of Commercial and Clerical Employees in Denmark, HK	367,000 (3,661)	Mutual recognition within the system of collective bargaining	Represented in the negotiation by the cartel created by the unions	-
	Danish Metalworkers Union	146,000 (ND)	Mutual recognition within the system of collective bargaining	Represented in the negotiation by the cartel created by the unions	-
	Danish Union of Electricians	30,000 (ND)	Mutual recognition within the system of collective bargaining	Represented in the negotiation by the cartel created by the unions	EMCEF
	Danish Association of Professional Technicians	32,000 (330)	Mutual recognition within the system of collective bargaining	Represented in the negotiation by the cartel created by the unions	-
	Danish Laboratory Technicians	10,500 (6,200)	Mutual recognition	not present in chemical industry	-

			within the system of collective bargaining		
	The Danish Society of Engineers, IDA	61,000 (3,000)	Mutual recognition within the system of collective bargaining	not present in chemical industry	EMF
	Association of Danish Pharmacists	4,000 (1,600)	Mutual recognition within the system of collective bargaining	not present in chemical industry	NFU
	The Danish Association of Masters and PhDs	34,600 (379)	Mutual recognition within the system of collective bargaining	not present in chemical industry	-
	The Organisation of Managerial and Executive Staff in Denmark	74,400 (2,233)	Mutual recognition within the system of collective bargaining	not present in chemical industry	CEC
Estonia	No central trade union organisations at sector level	-	-	ONLY SD AT ENTERPRISE LEVEL	-
Finland	Chemical Workers' Union	49,000 (49,000)	no formal recognition system on the part of the social partners in Finland	Negotiates and signs CAs	EMCEF ETUF:TCL
	Finnish Electrical Workers' Union	32 000 (100)	no formal recognition system on the part of the social partners in Finland	Negotiates and signs CAs (very small player representing one specialised group of workers)	EMCEF EMF IN
	Union of Salaried Employees TU	125 000 (11,000)	no formal recognition system on the part of the social partners in Finland	Negotiates and signs CAs	EMCEF Nordiska Metall + NIF IN
France	Federation of the Chemical Industries-CGT	25,000 (13,000)	representative by law	Negotiates and signs CAs	EMCEF
	Federation of the Chemical and Energy Industries-CFDT	ND (ND)	representative by law	Negotiates and signs CAs	EMCEF
	Chemical Federation CGT-FO	15,000 (ND)	representative by law	Negotiates and signs CAs	EMCEF
	Federation of the Chemical, Mine, Textile and Energy Industries-CFTC	ND (3,000)	representative by law	Negotiates and signs CAs	EMCEF
	Federation of managerial and professional staff of the Chemical, Parachemical and Related Industries-CFE-CGC	ND (3,000)	representative by law	Negotiates and signs CAs	FECCIA
Germany	Mining, Chemical and Energy Industrial Union	771,000 (200,000)	shows characteristics established by Federal Labour Court	Negotiates and signs CAs	EMCEF ETGLWF
	Chemicals Executives Union	28,000 (18,000)	shows characteristics established by Federal Labour Court	Negotiates and signs CAs	FECCIA
	Christian Chemicals and Energy Workers' Union	15,408 (13,200)	shows characteristics established by Federal Labour Court	Negotiates and signs CAs	SECB
Greece	Pan-Hellenic Association of Pharmacists (PEF)	2,200 (ND)	mutual recognition	Negotiates and signs CAs	EIPG
	Federation of Employed Pharmaceutical and United Occupations of Greece (OEFSEE)	2,950 (2,950)	mutual recognition	Negotiates and signs CAs	-
	Hellenic Federation of Medical Advisers (POIE)	160 (160)	mutual recognition	Negotiates and signs CAs	-
	Employee Federation of the Chemicals' Industry of Greece (OEHVE)	6,870 (6,870)	mutual recognition	Negotiates and signs CAs	-
	Pan-Hellenic Association of Manufacturing Chemical Scientists	1,200 (180)	mutual recognition	Negotiates and signs CAs	-

	(PSHV)				
Hungary	MOL Chemistry Industry Workers' Trade Union	8,850 (3,929)	Recognition by the Hungarian Labour Code	Negotiates and signs CAs	EMCEF
	Federation of Trade Unions of the Chemical, Energy and Allied Workers	26,000 (17,500)	Recognition by the Hungarian Labour Code	Negotiates and signs CAs	EMCEF
Ireland	The Services, Industrial, Professional and Technical Union	Over 200,000 (ND)	recognised under its affiliation to an national organisation which takes part as a social partner in the national collective agreements	takes part in consultations	EMCEF
Italy	Chemical and Allied Workers' Union	126,774 (ND)	mutual recognition	Negotiates and signs CAs	EMCEF
	Energy, Fashion, Chemicals and Allied Industries Federation	136,098 (55,670)	mutual recognition	Negotiates and signs CAs	EMCEF ETUF EPSU
	Union of Italian Chemicals, Energy and Manufacturing Workers	80,184 (\pm 23,000)	mutual recognition	Negotiates and signs CAs	EMCEF
	UGL Federation of Italian Chemical Workers	ND (ND)	mutual recognition	takes part actively in the social dialogue, but slight influence on negotiations	-
	Autonomous Federation of Italian Chemicals Workers	12,305 (ND)	mutual recognition	takes part actively social dialogue, but slight influence on negotiations	-
	Italian Autonomous Federation of Chemical Workers	\pm 10,000 (\pm 6,000)	not recognised at national level as representative within the sector	takes part actively in social dialogue, but representation of singular cases	-
	National Federation of Industrial Company Managers	\pm 80,000 (\pm 14,000)	mutual recognition	takes part actively in the social dialogue, but representation of singular cases	FECCIA
Latvia	Latvian Industrial Sectors Trade Union (LISTU)	7,000 (ND)	no formal or reciprocal recognition systems	ONLY SD AT ENTERPRISE LEVEL	-
Lithuania	Lithuanian Chemical Industrial Workers' Union Federation	5,000 (3,000)	no formal or reciprocal system of recognition	Negotiates and signs CAs	-
Luxembourg	Federation of the Chemicals, Ceramics, Glass and other industries	28,000 (ND)	representative at national level by law	ONLY SD AT ENTERPRISE LEVEL but participates in CB, coordination role	¹⁶
	Wood, rubber, ceramics, chemicals, paper, plastic, textiles and glass union	ND (ND)	recognised representative at national level by law	ONLY SD AT ENTERPRISE LEVEL but participates in CB, coordination role, participates in consultations with the public powers	¹⁷
	National Private Sector Salaried Employees' Union	1,500 (ND)	not representative nationally nor at sector level	ONLY SD AT ENTERPRISE LEVEL but coordination role in CB	-
Malta	General Workers' Union (GWU)	46,489 (ND)	Reciprocal recognition	ONLY SD AT ENTERPRISE LEVEL	EMCEF
	Union of United Worker	25,901 (\pm 25)	Reciprocal recognition	ONLY SD AT ENTERPRISE LEVEL	EUROFEDOP
	Malta Chamber of Pharmacists	110 (6)	Reciprocal recognition	ONLY SD AT ENTERPRISE LEVEL	EuroPharm PGEU (observer)

¹⁶ The European organisation EMCEF claims that this organisation is directly affiliated to EMCEF. Nevertheless, after consultation of the national expert, the latter confirmed that the Federation of the Chemicals, Ceramics, Glass and other industries is affiliated directly to LCGB and is, through this organisation, an indirect member of EMCEF.

¹⁷ Same comment as above.

	Union of Assistant Chemists	30 (5)	*recognition as it is listed in the register of trade unions held by the Registrar of Trade Unions *but does not have the recognition to carry out CB in the chemical sector due to its small number of members	ONLY SD AT ENTERPRISE LEVEL	-
The Netherlands	FNV allied unions, Section Processing Industry	450,000 (22,000 active and 4,170 inactive)	mutual recognition	ONLY SD AT ENTERPRISE LEVEL	EMCEF
	CNV industrial, food production and transport sectors, sector chemistry and Industry	8,000 (5,700 active and 2,300 inactive)	mutual recognition	ONLY SD AT ENTERPRISE LEVEL	EMCEF
	The union	ND (ND)	mutual recognition	ONLY SD AT ENTERPRISE LEVEL	EMCEF
	Association of higher personnel	ND (ND)	mutual recognition	ONLY SD AT ENTERPRISE LEVEL	EMCEF
Poland ¹⁸	Chemical Industry Workers Secretariat of the Independent Self-Governed Trade Union 'Solidarnosc'	37,552 (15,403)	Recognition through recognition of Solidarnosc	Negotiates and can sign CAs at sector level	EMCEF
	Pharmaceutical Industry Workers National Section of ISTU 'Solidarnosc'	3,500 (3,500 in NACE 24.4)	Recognition through recognition of Solidarnosc	Negotiates and can sign CAs at sector level	-
	Chemical Industries National Section of ISTU 'Solidarnosc'	11,903 (11,903 all in NACE 24, except in 24.4)	Recognition through recognition of Solidarnosc	Negotiates and can sign CAs at sector level	-
	Trade Union Federation of Chemical, Glass and Ceramic Industries in Poland	20,000 SW + 15,000 pensioners	recognised under its affiliation to an national organisation which respects the criterion of representativeness	Negotiates and can sign CAs at sector level	EMCEF
	Chemical Industries Secretariat of the ISTU 'Solidarnosc-80'	10,000 (10,000, in NACE 24.1, 24.3 and 24.6)	Recognition through recognition of Solidarnosc-80	Negotiates and can sign CAs at sector level	-
	National Alliance of Trade Unions for Continuous Work	18,000 (6,000, in NACE 24.1 and 24.7)	recognised under its affiliation to an national organisation which respects the	Negotiates and can sign CAs at sector level	-

¹⁸ EMCEF notes that "the two trade unions in the Pharmaceutical Industry and the one of ISTU Solidarnosc are not affiliated to EMCEF". However, the national expert wishes to specify that Solidarnosc is organised under different secretariats, according to sector, amongst which is the one that we concern us for the purposes of this study, the Chemical Industry Workers Secretariat of ISTU "Solidarnosc" - Sekretariat Przemyslu Chemicznego NSZZ "Solidarnosc". Each secretariat has a certain number of sections, which generally represent narrower professional groupings. With regard to the chemical industry workers secretariat, amongst others, it covers the two following sections, relevant to this study : the Pharmaceutical Industry Workers' National Section of ISTU "Solidarnosc" - Sekcja Krajowa Pracownikow Przemyslu Farmaceutycznego NSZZ "Solidarnosc" and the Chemical Industries' National Section of ISTU "Solidarnosc" - Sekcja Krajowa Przemyslu Chemicznego NSZZ "Solidarnosc". So it is this secretariat which is a member of EMCEF. Both sections are members of the secretariat and, as such, they consider themselves indirectly affiliated to, and the secretariat confirms this also. These confirmations were obtained from Mr Konecki, President of the secretariat. The sections certainly do not appear on EMCEF's list, which would account for the remark. However, EMCEF, by affiliating the secretariat, which is composed of these two sections in particular, covers the workers who are members of these two sections. It should be noted that, in general in Poland, workers have a greater feeling of belonging to the section than to the secretariat, which is more of a "super-structure".

			criterion of representativeness		
	Engineers and Technicians Trade Union	20,500 (ND)	Legally registered	Negotiates and can sign CAs at sector level	-
Portugal	Democratic Trade Union of Energy, Chemical, Textile and other Industries	10,000 (1,500)	formal or reciprocal recognition	Negotiates and signs CAs	EMCEF
	Trade Union for Chemical, Pharmaceutical, Petrol and Gas Worker of the North	5,216 (ND)	ND	Negotiates through its federation	-
	Trade Union of Chemical, Pharmaceutical, Petrol and Gas Worker from the Centre, South and Islands	7,200 (3,500)	formal or reciprocal recognition	Negotiates through its federation and has the right to be consulted on various matters	-
Slovakia	Chemistry Trade Union of the Slovak Republic	20,000 (18,000)	Recognition systems supported by legislation	Negotiates and signs CAs	EMCEF
Slovenia	Trade Union of Chemical, Non-Metallic and Rubbers Industry of Slovenia	11,530 (8,000)	Mutual recognition	Negotiates and signs CAs	EMCEF
Spain	Federation of Textile-Leather Industries, Chemicals and Related Industries of Workers' Commissions	67,000 (35,000)	recognised representative at national level	Negotiates and signs CAs	EMCEF
	Federation of Related Industries of Workers' General Union	75,000 (22,500)	recognised representative at national level	Negotiates and signs CAs	EMCEF
	Basque Workers' Solidarity – Diversity of sectors	22,550 (2,250)	recognised representative at national level	does not take part in the bargaining of the most important CAs	EMCEF
	Confederation of Federations of Chemical Managers	90 (90)	recognised representative at national level	Role only at enterprise level	FECCIA
Sweden	The Industrial Workers' Union	71,040 (28,490)	representative	Negotiates and signs CAs	EMCEF
	The Swedish Federation of Industrial Employees	301,100 (25,000)	representative	Negotiates and signs CAs	EMCEF
	The Swedish Association of Graduate Engineers	75,900 (5,000)	representative	Negotiates and signs CAs	EMCEF
	The Swedish Association for Managerial and Professional Staff	65,000 (500)	representative	Negotiates and signs CAs	CEC
The United Kingdom	Amicus	1.2m (12,000)	voluntary	negotiate on behalf of employees in the industry, and are signatories of the Charter with the CIA	EMCEF
	GMB	600,000 (10,000)	voluntary	negotiate on behalf of employees in the industry, and are signatories of the Charter with the CIA	EMCEF
	Transport and General Workers' Union (TGWU)	835,000 (40,000)	voluntary	negotiate on behalf of employees in the industry, and are signatories of the Charter with the CIA	EMCEF
	Union of Shop, Distributive and Allied Workers (USDAW)	340,000 (ND)	voluntary	negotiate on behalf of employees in the industry, and are signatories of the Charter with the CIA	EMCEF
	Prospect	104,000 (ND)	voluntary	small presence in the sector; not signatory of the chemical industry charter	EMCEF
	British Association of Colliery Management (BACM)	3,500 (ND)	voluntary	no major company presence; not signatory of the chemical industry charter	EMCEF CEC FECER

National Association of Colliery Overmen, Deputies and Shotfirers (NACODS)	610 (ND)	voluntary	does not take part in consultations at company or site level and does not have agreements at major companies; not signatory of the chemical industry charter	EMCEF
--	----------	-----------	--	-------

*D : direct affiliation; I : indirect affiliation; **thanks to its Professional groups.

Source: national reports

Note: Besides the information presented within the table, it is worth noting that unavailable data on members working in the sector per organisation are due to problems in evaluating the figures, as may occur, for example, if the delimitation of activities within the organisation which does not correspond to the national delimitation of the sector.

FECCIA requests the addition of some organisations within this study. However, further to consultation of national experts, we noticed that in most cases, these organisations are not specific to the chemical sector. For that reason, we decided to note these organisations which are not specifically involved in the chemical sector within a separate text in the comparative part of the report. In some cases, the national expert gives a brief explanation as to why he did not consider it relevant to give more information on the organisation.

Austria

Wirtschaftsforum der Führungskräfte (WdF) / Austrian Managers Association, member of CEC

The national expert did not consider it relevant to give more information on the organisation and to include it within the report for three main reasons:

1. The WdF is not a business association; nor is it a trade union. It is actually a club of managers.
2. The WdF lacks any involvement as an interest association in industrial relations.
3. The WdF organises managers across sectors, hence its activities do not specifically refer to the chemical sector.

Belgium

La Confédération Nationale des Cadres/Nationale Confederatie van het Kaderpersoneel (CNC/NCK) / Belgian Confederation of Executives and Managerial Staff, member of CEC

In fact, this association was set up in 1966. It presents itself as a national, apolitical and lay organisation which defends the social and economic interests of managerial staff. In 1986, it was recognised by Royal Decree as a representative organisation for managerial staff, which enables it to take part in social elections. In the 2004 elections, it obtained 10.4 % of the seats available for managerial staff in the works councils, of which about twenty were in the chemical industry. The CNC/NVK claims to affiliate more than 10,000 managers. Its funding comes from membership subscriptions. There are 2 – 3 people employed by the organisation. It should be noted that the CNC/NCK is not recognised as representative organisation at sector level and is not a full social partner. As such, it has no seat on any joint-appeals board. Moreover, the organisation does not take part in tripartite concertation and does not have the ability to sign CAs at enterprise level. La CNC/NCK is a member of the ETUC, CEC and CIC.

Czech Republic

Česká Manažerská Asociace (CMA)/ Czech Management Association, observer member of the CEC

The national expert did not consider it relevant to give more information on the organisation and to include it within the report for three main reasons:

- 1) It is member of the biggest employers' organisation – the Confederation of Industry of the Czech Republic (<http://www.spcr.cz/cz/sdruzeni/index.htm>);
- 2) It is a professional organisation of managers and its members are individuals (managers) and collective members (firms);
- 3) The CMA does not conduct collective bargaining.

Greece

Enosi Anotaton Stelehon Epihirisseon (EASE) / Association of Chief Executive Officers, member of CEC

EASE was established in 1986, with the purpose of contributing to the continuous improvement of the level of top management and to make good use of the knowledge and the experience of its members to the benefit of the Greek economy. EASE has 400 members that manage a large segment of the most dynamic companies in Greece. The Association does not have the legal capacity to conclude collective labour agreements but participates in the social dialogue process and has recently become a member of the National Competitiveness Council. EASE is a member of the Confederation Européenne des Cadres (CEC). This organisation participates in the social dialogue process but does not conclude a collective labour agreement.

Note also that this organisation only covers the chemical industry sector very partially; moreover, it can hardly be characterised as a classical trade union, representing salaried workers, since it really represents management staff and well paid senior managers who often have shares in the company.

Hungary

Menedzserek Országos Szövetsége / National Association of Managers, observer member of CEC.

The legal predecessor of the organisation (Gazdasági Vezetők Érdekképviseleti Szervezete; Organisation of Chief Executive Officers) was founded in 1989 in order to ensure a professional forum for the Hungarian managers and to represent their interests as employees. The organisation in its current form has been operating since 1993. The National Association of Managers operates in various sectors of the Hungarian economy. The 640 members of the Association are natural persons; leaders and managers employed in Hungarian and multinational firms operating in Hungary. Around 60 of them work in the chemical sector. The Association has two regional organisations (in Debrecen and Szeged), and two sections (Section of Young Managers and the Section of Mentor Managers, which gives advice for the leaders and managers of small- and medium-sized enterprises). The leading body of the organisation is the presidency with the president at its head. The secretary general is responsible for the operation of the Association. The representatives of the Association rarely take part directly in the sector social dialogue in the chemical industry but help the participants as advisers. The staff is composed of 12 people. The organisation takes part in consultations at sector level. However, the representatives of the Association rarely take part directly in the sector social dialogue in the chemical industry but help the participants as advisers. There were no CAs signed by the organisation in 2003 and 2004. The organisation does not take part in tripartite concertation.

Poland

Porozumienie Związków Zawodowych (KADRA) / Alliance of Trade Unions, member of CEC

The national expert did not consider it relevant to give more information on the organisation and to include it within the report because KADRA is not involved in the chemical sector. KADRA confirmed clearly to the national expert that the organisation is not involved in the chemical sector.

Stowarzyszenie Menedżerów w Polsce (SMwP) / Managers Association in Poland (MAP), observer member of CEC

The national expert did not consider it relevant to give more information on the organisation and to include it within the report, because SMwP is not involved in the chemical sector. In addition, SMwP is not recognised either as an employers' association or as trade union.

Slovenia

Združenje Managerjev Slovenije / Managers' Association of Slovenia (MAS), member of CEC

The national expert did not consider it relevant to give more information on the organisation and to include it within the report for three main reasons:

1. Managers' Association could be described as an organisation (but not as a trade union) with members from the top positions in different companies.
2. This Managers' Association is definitely not an organisation which would be or is included in social dialogue in general nor in the social dialogue in the sector of the Chemicals industry.
3. Neither the representatives of the trade union nor those of the Chamber of Commerce of Slovenia consider the Managers' Association as an actor in the social dialogue.

For further information, see: <http://www.zdruzenje-manager.si/eng/>

Spain

Confederación de Cuadros y Profesionales (CCP) / Managers' and Professionals' Confederation, member of CEC

The national expert did not consider it relevant to give more information on the organisation and to include it within the report for the following reason: accordingly with FEQUICC, the CCP should not be included because only sector organisations are included in the report. The Confederación de Cuadros y Profesionales (CCP) embraces FEQUICC, which is the sector organisation (in the Chemical industry) of the CCP. Note also that the 90 affiliated members of FEQUICC are also affiliated to the CCP.

United Kingdom

Managerial and Professional Staff Association (MPA), member of CEC

The MPA is a specialised federation of Associations and Unions that represent the interests of managerial, professional and technical staff. The MPA was formed by the merger of two other federations, COMPS (Council of Managerial and Professional staff) and MPG (Federation of Managerial, Professional and General Associations), in the 1980s. Of its 24 affiliated organisations, 13 MPA members are certified as trade-unions, and 11 of these 13 hold a Certificate of Independence. The MPA's Associations have between them around 200,000 individual members, across a wide range of industries. The Association is directly affiliated to the CEC.

Association of Management and Professional Staffs (AMPS)

AMPS is now a section of the Amicus, but is self governing, has its own staff and is fully autonomous in all industrial relations activities. It is a UK registered trade union whose origins go back to the British Association of Chemists founded in 1918. Its original membership of graduate scientists in the UK chemical industry has since widened to include managers, scientists and other graduate level staff in a range of science based UK industries. These include chemicals, pharmaceuticals, and textiles, and there is also a special section for professional divers. AMPS can represent its members in negotiations with employers, and deal with grievances, and represent members in employment tribunals. Even if its website refers to negotiations, it is not an independent signatory to the Chemical Industry Charter which involved the CIA, Amicus, the GMB, the T&G and Usdaw. By virtue of its position within Amicus, the AMPS is affiliated to the Trades Union Congress (TUC). It is also a member of the MPA. At European and international levels, it is a direct member of FECCIA and FICCIA and is indirectly affiliated to EMCEF, ETUC, CEC and CIC.

b) Employers' organisations

Employers' organisations active in the sector by country

Country	Organisations	Number members (number SW)	Recognition	Role in the CB at sector level	European Affiliations (direct)
Austria	The Federal Organisation of the Chemical Industry	310 (45,156)	Recognised as part of its federation	Negotiates and signs CAs	CEFIC, CEPE, COLIPA, ECPA, EFPIA, EUPC, TEPPFA, EPPA, EuropaBio, ECEG, Europharm SMC
	The Federal Organisation of Chemical Crafts	1,014 (38,061)	Recognised as part of its federation	The BIC does not participate in boards affecting the sector (there are no affiliations relating to the sector under consideration)	-
Belgium	Federation of Belgian Chemical Industries	750 (97,016)	recognition regulated by law	Negotiates and signs CAs	ECEG CEFIC
Cyprus	Cyprus Pharmaceutical Manufacturers Association	5 (400)	recognition through their membership of the Cyprus Chamber of Commerce and Industry (CCCI)	It does not deal with CB and do not sign any CA	-
	Cyprus Association of Paints, Varnishes and Adhesives Manufacturers	8 (205)	recognition through their membership of the CCCI	It does not deal with CB and do not sign any CA	-
	Cyprus Aerosol, Detergents & Cosmetics Manufacturers Association	6 (150)	recognition through their membership of the CCCI	It does not deal with CB and do not sign any CA	Federation of European Aerosol
Czech Republic	Association of Chemical Industry of the Czech Republic (SCHP CR)	114 (ND)	Conditions authorising bodies to conduct CB as regulated by law	Negotiates and signs CAs	CEFIC ECEG
Denmark	Confederation of Danish Industries, DI	255 (30,500)	Mutual recognition within the system of collective bargaining	Negotiates and signs CAs	ECEG UNICE
Estonia	Federation of Estonian Chemical Industry	32 (ND)	-	ONLY SD AT ENTERPRISE LEVEL	CEFIC ECEG
Finland	The Chemical Industry Federation of Finland	280 (38,000)	no formal recognition system on the part of the social partners in Finland	Negotiates and signs CAs	CEFIC ECEG

France	Union of Chemical Industries	1,191 (ND)	Employers' groupings determine their own mode of deliberation	Negotiates and signs CAs	CEFIC ECEG
Germany	German Federation of Chemical Employers' Associations	1,900 (580,000)	show characteristics established by Federal Labour Court	Negotiates and signs CAs	ECEG
Greece	Hellenic Association of Pharmaceutical Companies (SFEE)	64 (9,000)	mutual recognition	Negotiates and signs CAs	EFPIA
	Pan-Hellenic Association of the Pharmaceutical Industry (PEF)	33 (500)	mutual recognition	Negotiates and signs CAs	-
	Association of Representatives of Pharmaceutical Products (SAFEE)	ND (ND)	mutual recognition	Negotiates and signs CAs	ND
	Pan-Hellenic Union of the Industries & Representatives of Cosmetics & Perfumes (PSVAK)	71 (7,500)	mutual recognition	Negotiates and signs CAs	COLIPA
	Pan-Hellenic Association of Greek Cosmetics and Beauty Products Manufacturers and Artisans (PEVVEKKP)	40 (400)	mutual recognition	Negotiates and signs CAs	-
	Pan-Hellenic Association of Wholesalers and Qualified Pharmacists (PSF)	130 (2,500)	mutual recognition	Negotiates and signs CAs	GIRP
	Association of Representatives, Importers and Producers of Veterinary Drugs (SAEPKF)	22 (ND)	mutual recognition	Negotiates and signs CAs	-
	Association of Hellenic Chemical Industries (SEHV /HACI)	57 (3,000)	mutual recognition	*does not have the status of social partners *hence: does not participate in collective bargaining procedures and does not sign collective agreement *but: puts its demands forward to the state authorities	CEFIC
	Association of Greek Industry of Detergents and Soaps (SEVAS)	12 (2,000)	mutual recognition	*does not have the status of social partners *hence: does not participate in collective bargaining procedures and does not sign collective agreement *but: puts its demands forward to the state authorities	-
Hungary	HUNGAMOSZ, Association of Hungarian Aluminium Producers	5 (ND)	Recognition by the Hungarian Labour Code	does not take part at social dialogue and does not sign CA	UNICE
	MAVESZ, Hungarian Chemical Industry Association	52 (22,600)	Recognition by the Hungarian Labour Code	Negotiates and signs CAs	CEFIC ECEG EUPC
	MAGYOSZ, Hungarian Pharmaceutical Manufacturers' Association	47 (13,944)	Recognition by the Hungarian Labour Code	Negotiates and signs CAs	AESGP
	MAGUSZ, Hungarian Rubber Manufacturers' Association	30 (ND)	Recognition by the Hungarian Labour Code	Negotiates and signs CAs	UNICE BLIC
Ireland	Pharmaceutical Ireland	55 (ND)	recognised under its main organisation which takes part as a social partner in the national	does not negotiate	CEFIC

			collective agreements		
Italy	Italian Federation of the Chemical Industry	± 1,350 (± 103,000)	mutual recognition	Negotiates and signs CAs	ECEG CEFIC
	Italian Association of the Pharmaceutical Industry	240 (± 73,000)	mutual recognition	Negotiates and signs CAs	EFPIA
	Italian Association of Small and Medium-sized Chemical companies	± 1,300 (± 30,000)	mutual recognition	Negotiates and signs CAs	-
	General Italian Confederation of Artisans	ND (ND)	mutual recognition but not very representative of the sector	takes part in CB	UEAPME
	National Mechanical Engineers' Association	ND (ND)	mutual recognition but not very representative of the sector	Negotiates and signs CAs	-
	Independent Confederation of Artisans' Organisations	ND (ND)	mutual recognition but not very representative of the sector	takes part in CB	-
	Confederation of Italian Free Crafts Associations	ND (ND)	mutual recognition but not very representative of the sector	takes part in CB	-
Latvia	Association of Latvian Chemical and Pharmaceutical Industry Producers (ALCPIP)	27 (2,000)	no formal or reciprocal recognition systems	ONLY SD AT ENTERPRISE LEVEL but takes part in consultations at sector level	COLIPA CEFIC (as observer) ECEG
Lithuania	Association of Lithuanian Chemical Industry Enterprises	23 (7,000); in NACE 24: 12 (4,000)	no formal or reciprocal system of recognition	Negotiates and signs CAs	CEFIC ECEG
Luxembourg	FEDIL industry, construction, business services	40 (8,978)	not considered as an employers' organisation since signs CAs individually by each company	ONLY SD AT ENTERPRISE LEVEL but centralises information on the sector	-
Malta	Malta Employers Association (MEA)	230 (36,000); in the sector: 30 (± 3,000)	recognition as it is listed in the register of employers' associations held by the Registrar of Trade Unions	ONLY SD AT ENTERPRISE LEVEL	CEEP OPCE
	Malta Federation of Industry (FOI)	300 (25,000); in the sector: ND	recognition through reciprocal recognition systems on the part of social partners	ONLY SD AT ENTERPRISE LEVEL	UNICE UMCE
The Netherlands	Association of Dutch Chemical Industry	600 (ND)	Mutual recognition	ONLY SD AT ENTERPRISE LEVEL	CEFIC
	General Employers' Association Netherlands	200 (ND)	Mutual recognition	ONLY SD AT ENTERPRISE LEVEL	-
Poland	Polish Chamber of Chemical Industry	62 (ND)	recognised under its affiliation to an national organisation which respects the criterion of representativeness	*negotiates *has the power to sign CAs, but has not so far signed any at this level	ECEG EAFF

	Polish Union of Employers of the Pharmaceutical Industries	20 (10,000)	recognised under its affiliation to an national organisation which respects the criterion of representativeness	*it has above all a lobby role against the state and against the other employers rather than against workers *thus, even it has the power to sign CAs, it prefers to keep the social dialogue at company level and focusing its action on the economic defence of its members	EGA
	Wielkopolski Union of Private Employers	2 (293)	No national recognition	It does not take part in negotiations of a CA at this level (it is a regional employers' organisation)	-
	Business Centre Club- Employers' Union	ND (ND)	It respects the criterion of representativeness; thus, it is directly recognised as a national organisation	ND	ND
Portugal	Portuguese Association of Chemical Enterprises	55 (ND)	ND	Negotiates and signs CAs	ECEG
	Portuguese Association of the Pharmaceutical Industry	139 (10,200)	formal or reciprocal recognition	Negotiates and signs CAs	EFPIA AESGP
	Portuguese Association of Paint and Varnish Manufacturers	73 (3,512)	ND	Negotiates and signs CAs	CEPE
Spain	Spanish Chemical Industry Employers' Federation	1,200 (109,000)	recognition regulated by law	Negotiates and signs CAs	CEFIC ECEG
	Spanish Cosmetic Toiletry and Perfumery Association	250 (18,000)	recognition regulated by law	Negotiates and signs CAs	COLIPA
	Pyrotechnics Manufacturers' Association of the Community of Valencia	17 (500)	recognition regulated by law	Negotiates and signs CAs (for the Community of Valencia)	-
	Chemical Employers Association	80 (4,500)	recognition regulated by law	Negotiates and signs CAs (in Cantabria)	-
Slovakia	Association of Chemical and Pharmaceutical industry of the Slovak Republic	35 (17,300)	Recognition systems supported by legislation	Negotiates and signs CAs	CEFIC ECEG
Slovenia	Chemical Industries Association	163 (11,856)	Mutual recognition	Negotiates and signs CAs	CEFIC ECEG
Sweden	Swedish Industrial and Chemical Employers' Association	714 (\pm 71,000)	recognition	Negotiates and signs CAs	ECEG
The United Kingdom	Chemical Industries Association	150 (ND)	voluntary	does not undertake collective bargaining on behalf of its members, except for the Charter, but gives advice and conciliation. No CAs have been signed by the organisation in 2003 and 2004, except the Charter.	ECEG CEFIC

*D : direct affiliation; I : indirect affiliation

Source: national reports

Note: Besides the information presented within the table, it is worth noting that unavailable data on members working in the sector per organisation are due to problems in evaluating the figures, which may occur, for example, if the delimitation of activities within the organisation which does not correspond to the national delimitation of the sector.

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR

3.1. European level¹⁹

At present, the European chemical industry employs around 2 million people and is the second largest industrial sector in Europe. In December 2004, the European Commission formally announced the establishment of an EU-level social dialogue committee in this sector. The social partners in the EU-level chemical industry are, as noted above, ECEG and EMCEF.

3.2. National level

Social dialogue can be tripartite and/or bipartite. The first one is characterised by the involvement of the government and the social partners (workers' and employers' organisations) and the second one takes place between the latter, without intervention from the government. After a brief overview of the tripartite concertation and its existence in few countries, we will focus on the bipartite social dialogue at sector level in the chemical industry sector.

a) Description of the tripartite concertation in the sector

Basic features of tripartite concertation specifically for the chemical sector

Country	Existence	Basic features of tripartite concertation	Results
Austria	-	-	-
Belgium	-	-	-
Cyprus	X	two types: one in dealing with labour disputes and the other for administrative and regulatory disputes	signed agreements
Czech Republic	-	-	-
Denmark	-	-	-
Estonia	-	-	-
Finland	-	-	-
France	-	-	-
Germany	-	-	-
Greece	-	-	-
Hungary	-	-	-
Ireland	-	-	-
Italy	X	joint body: "special tripartite table for the chemical industry's recovery"	no collective agreements signed, but document and joint strategy do exist
Latvia	-	-	-
Lithuania	-	-	-
Luxembourg	-	-	-
Malta	-	-	-
Poland	X (in theory)	the tripartite consultation is seen more as a place for discussion than for real negotiation	-
Portugal	-	-	-
Slovakia	-	-	-
Slovenia	-	-	-
Spain	X	tripartite social concertation only happens occasionally and without a regular pattern	signed agreements
Sweden	-	-	-
The Netherlands	-	-	-
The United Kingdom	-	-	-

Source: national reports

Only four countries organise a tripartite concertation specifically for the chemical sector, even if in Poland, this is only from a theoretical point of view, and in Spain, it happens rather rarely. On the other hand, we note that in Italy, although a tripartite joint body does exist, this does not lead to signed agreements but to documents and joint strategy. In conclusion, a tripartite concertation effectively used and which generates signed agreements occurs only in Cyprus.

On the other hand, other kinds of consultation or meetings between the government and social partners may be held, as some countries do for example on the REACH (Registration, Evaluation and Authorisation of Chemicals) project.

¹⁹ Source: <http://www.eiro.eurofound.ie>

b) Description of the bipartite social dialogue in the sector

Basic features of bipartite social dialogue by country

Country	Bipartite social dialogue at:			Collective agreements at sector level
	Sector level	Company level	Other	
Austria	X	-	-	X
Belgium	X	X	-	X
Cyprus	-	X	Multi-employers	-
Czech Republic	X	X	-	X
Denmark	X	X	-	X
Estonia	-	X	-	-
Finland	X	-	local	X
France	X	X	-	X
Germany	-	X	National sector level and regional sector level	-
Greece	X	-	Occupational level	X
Hungary	X	X	-	X
Ireland	X	X	-	X
Italy	-	X	National level and regional/provincial level	-
Latvia	-	X	-	-
Lithuania	X	X	-	-
Luxembourg	-	X	-	-
Malta	-	X	-	-
Poland	-	X	-	-
Portugal	X	X	-	X
Slovakia	X	X	-	X
Slovenia	X	X	-	X
Spain	X	X	Provincial (or autonomous community) level	X
Sweden	X	-	-	X
The Netherlands	-	X	-	-
The United Kingdom	-	X	Site level	-

Source: national reports

NATIONAL REPORTS

AUSTRIA

1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

1.1. Delimitation and scope of activities in the sector

This report understands the chemical industry as defined by NACE 24. However, it is important to note that the membership domains of all employer associations and unions covering this sector are more encompassing than NACE 24. This will be explained in greater detail, when describing these interest organisations.

1.2. Socio-economic features of the sector

In 2000, this sector, as defined by NACE 24, counted 370 companies, with a total employment of 27,141, which included 26,994 employees (Statistik Austria 2002). The latter represents a share of approximately 0.9% in Austria's total number of employees. The sector is one of the most important branches of manufacturing. In terms of employment, it ranks second after the engineering industry. Over time, employment has been slightly decreasing. No reliable data on the underground economy are available.

As far as the structure of employment is concerned, white-collar workers are in the majority (54.3%) (Rechnungshof (2000)). As regards qualifications of the blue-collar workers, employment is mainly characterised by semi-skilled and skilled labour. In comparison to most other sectors, shift work is more widespread. In terms of gender, the sector is clearly dominated by male employment (67.5%) (Rechnungshof (2000)).

As is the case of almost all other sectors of the Austrian economy, small- and medium-sized enterprises (i.e. companies employing less than 249 employees) have traditionally dominated the sector's structure. In 2000, no more than 25 companies out of the sector's total number of 370 enterprises had more than 250 employees. Many companies are subsidiaries of multinational enterprises with a large number of them performing the role of the regional headquarters for central and eastern Europe. All of the formerly nationalised companies of the sector were privatised some time ago.

As compared to most other parts of the economy, the manufacture of chemicals and chemical products stands out in two respects. On the one hand, it is among those sectors most strongly exposed to international competition. Since firm size is relatively small and wages are comparatively high (especially in comparison to non-European competitors), the sector's companies have usually been forced to adopt a niche strategy, aimed at ensuring international competitiveness by means of high flexibility, high product quality, and also intense research and development in some sub-branches such as pharmaceuticals. On the other hand, the chemical industry belongs to those sectors which are strongly subject to state regulation. One reason for this is that several laws which are general (i.e. sector-unspecific) in formal terms especially affect the chemical industry in practice. Examples are regulations concerning environmental protection, safety and health protection at work. In addition to this, there are also sector-specific regulations on product safety. A case in point is the regulations pertaining to the pharmaceutical industry. As will be outlined below, the implementation of these regulations often includes corporatist boards that involve the social partners.

Last but not least, a characteristic feature of the entire Austrian manufacturing sector (which thus also applies to the chemical industry) is worth mentioning. This is the formal divide between "industrial" production in the narrow sense (Industrie) and small-scale craft production (Gewerbe), as laid down by the Trades Code (Gewerbeordnung) (Guger et al. 2000): Accordingly "industry" in the narrow sense is defined by characteristics such as capital-intensive production; a high degree of mechanisation; standardised mass production; production process involving a high degree of division of labour and using a large number of employees; and the organisational separation of management functions from execution. It is understood that craft production shows none or only few of these characteristics. In contrast to "industry", craft production is normally bound to the award of certain qualifications, gained through vocational training. From the industrial relations perspective, this divide is important to note, since the domains of the employer associations and the purview of the CAs echo this divide: For each sector of the broader area of manufacturing, there exist separate employer associations and CAs for "industry" and craft production. This holds true also for the chemical industry (in the broad sense), even though its craft component is smaller than in other sectors of manufacturing such as food processing.

Company size in 2000, chemical industry (NACE 24)

Firm size by employment	Number of companies by firm size	Number of employees
1-4	108	180
5-9	37	207
10-19	60	784
20-49	57	1,748
50-99	52	3,666
100-249	31	4,654
250-499	17	5,721
500-999	5	E
1000 and more	3	E
All companies	370	26,994

E: Embargoed because of the small number of cases (embargoed cases are not documented for reasons of observance of secrecy. They are included in all companies)

Source: Statistik Austria (2002)

Companies

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
NACE 24.1	86	ND	ND	ND	ND
NACE 24.2	4	ND	ND	ND	ND
NACE 24.3	40	ND	ND	ND	ND
NACE 24.4	83	ND	ND	ND	ND
NACE 24.5	94	ND	ND	ND	ND
NACE 24.6	58	ND	ND	ND	ND
NACE 24.7	5	ND	ND	ND	ND
Total of the sector	370	ND	39.2% (145)	45.7% (169)	15.1% (56)

Source: Statistik Austria (2002)

Workers

Sub-sectors	Number of employees*	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
NACE 24.1	6592	ND	ND	ND	ND
NACE 24.2	89	ND	ND	ND	ND
NACE 24.3	3063	ND	ND	ND	ND
NACE 24.4	10583	ND	ND	ND	ND
NACE 24.5	2150	ND	ND	ND	ND
NACE 24.6	1827	ND	ND	ND	ND
NACE 24.7	2689	ND	ND	ND	ND
Total of the sector	27,141	0.9	ND	ND	ND

Source: Statistik Austria (2002)

*i.e. blue-collar workers plus white-collar workers.

Unfortunately, data on relative weight of the sector compared to the whole economy in terms of share in the GDP and on produced added value and characteristics of the employment in the sector (wages, atypical work) are not available.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR

2.1. Description of the workers' organisations active in the sector

All unions dealing with NACE 24 are member unions of the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund, ÖGB). Hence, they have many properties in common which will be summarised here instead of repeating them when considering each of these unions in detail.

Identification and Representativeness

The ÖGB and its member unions are voluntary associations which are financed by voluntary dues paid by their members. Dues are largely unified in that the standard due to be paid by regular members is 1% of the member's wage. It is only the ÖGB which has the status of a legal entity, whereas its member unions are dependent sub-units, seen from a formal point of view. The domains of the member unions are demarcated in a way that ensures as much mutual complementarity as possible. There are two main parameters for domain demarcation: Sector affiliation and employee category (i.e. blue- vs. white-collar workers). It is extremely difficult to estimate the density ratio of both the member unions and certain member sub-groups, since the membership domains of the unions cut across conventional statistical definitions. Therefore, the density ratios reported below should be understood as very rough estimates. It should also be noted that all staff members of the member unions are employees of the ÖGB from a formal point of view.

Recognition

As a voluntary association, the ÖGB obtains legally granted recognition as a bargaining party, in accordance with the recognition procedure outlined below. It should be noted that only the ÖGB (in contrast to its member unions) has the legal right to conclude CAs. This is because only the ÖGB has the status of a legal entity, as mentioned above. In practice, this means that the unions negotiate autonomously the CAs for their members (i.e. without interference by the ÖGB), while they have to sign the CAs formally in the name of the ÖGB. The ÖGB (together with its member unions) obtains a de facto monopoly of bargaining on behalf of labour. Participation in formal consultations is mainly the competence of the ÖGB. However, in sector specific matters that affect only the employees of one member union, consultative activities are devolved to the respective union. There are no consultation rights at company level. This is because a "dual" system of employee representation exists in Austria, as noted above. As far as consultation rights are institutionalised in form of corporatist boards, the Federal Chamber of Labour, Bundesarbeitskammer, BAK is often the representative of labour, as set out below. In these circumstances, the BAK cooperates closely with the ÖGB and its unions.

a) The Union of the White-Collar Workers of the Private Sector (Gewerkschaft der Privatangestellten, GPA)

The GPA was formed as a dependent sub-unit of the ÖGB after the fall of the Nazi Regime in 1945. It represents white-collar employees throughout the private sector and thus organises also white-collar employment of NACE 24. In 2002, the GPA's total number of members was 287,558. Precise data on the number of white-collar employees working within the GPA's domain do not exist. Hence, only a rough estimate can be made, which yields an overall density of approximately 30% within the GPA's domain. There are no membership figures on NACE 24 available. According to estimates by union officials, density in the chemical industry is approximately in between 35% and 40%. The GPA has about 320-330 staff members. The GPA negotiates the CAs for the private-sector white-collar workers. This includes the white-collar workers of NACE 24, for which separate wage agreements are concluded for industry and crafts. The employees of the sector's craft production are incorporated into a cross-sector type of CA that embraces numerous sectors of craft production. As regards sector related corporate boards, the GPA is, on behalf of the BAK, represented on the Committee for the Examination of the Commercial Agents for Pharmaceuticals. The GPA is a member of UNI.

b) The Union of the Blue-Collar Workers of the Chemical Industry (Gewerkschaft der Chemiearbeiter, GdC)

The GdC was formed as a dependent sub-unit of the OGB after the fall of the Nazi regime in 1945. It organises the blue-collar workers in the entire area of the chemical industry and contiguous sectors. This includes the manufacture of chemicals and chemical products, manufacture of glass and glass products, manufacture of pulp and paper and paper products, manufacture of refined petroleum and wholesale of fuels. In 2002, the GdC's total number of membership was 34,018. No data on employment are available which correspond with the GdC's domain. Likewise, membership files for NACE 24 do not exist. However, union officials estimate the density of the chemical sector to be around 65% in the chemical industry and, approximately 20% in the craft segment. The number of staff members is about 40 employees. The GdC is the representative of the blue-collar workers of its sector domain, when it comes to collective bargaining. It also concludes the CAs for the blue-collar employees of NACE 24 (Table 4). For consultation, see 3.1. There is no representation on corporatist boards. The GdC is a member of EMCF and ICEM.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations*		International affiliations*	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Gewerkschaft der Privatangestellten, GPA	The Union of the White-Collar Workers of the Private Sector	Any kind	287,558	ND	approximately between 35 and 40%	yes	OGB	-	-	-	UNI	-
Gewerkschaft der Chemiearbeiter, GdC	The Union of the Blue-Collar Workers of the Chemical Industry	None	34,018	ND	around 65% in the chemical industry and, approximately 20% in the craft segment	yes	OGB	-	EMCEF	-	ICEM	-

Source : Franz Traxler data set, 2005

2.2. Description of the employers' organisations active in the sector

All employer associations dealing with NACE 24 are sub-units of the Austrian Chamber of Business, Wirtschaftskammer Österreich, WKÖ, i.e. they belong to the WKÖ's Federal Organisations. Hence, they have in common all formal aspects regarding matters of identification, representativeness and recognition. They will be summarised here instead of repeating them in each case of the relevant organisations.

Identification and Representativeness

The Structure of the Federal Organisations is determined by the principles generally determining the structure of the WKÖ. In line with this, each Federal Organisation has 9 Länder sub-units, echoing the federal structure of the Austrian state. The membership unit of the WKÖ's Federal Organisations is the business licence. This is not identical with the company or establishment. This is because according to business law, a certain kind of (always formally demarcated) business activity can be conducted by a company only when this company has the corresponding business licence. Companies often have more than one licence, such that the number of licences under the umbrella of a certain Federal Organisation normally exceeds the number of member companies, if the sector domain of the Federal Organisation embraces more than one licence. Membership in the Federal Organisations is mandatory. This means that every company licensed to carry on a business falling within the scope of the membership domain of a certain Federal Organisation is legally obliged to be a member of this Federal Organisation and its Land-level sub-units. Hence, density in terms of employers and employees is always 100%. As an implication of mandatory membership, the payment of dues is compulsory. In formal terms, all staff members of the Federal Organisations are employed by their umbrella organisation, the WKÖ.²⁰

Recognition

As part of the WKÖ, each Federal Organisation is an employer organisation directly invested with the capacity to conclude CAs. According to the Labour Constitution Act a law-making function is attributed to CAs. In accordance with this privileged legal status, the right to conclude CAs is contingent on certain preconditions specified by this Act. Above all, this means that CAs may be

²⁰ An exception to this rule is the financial sector, where the branch-specific Federal Organizations are run by the parallel voluntary employer associations according to an agreement with the WKÖ.

concluded only by bodies either directly invested with the capacity by the Act or granted recognition as possessing this capacity in accordance with a procedure also regulated by the Act. Hence, labour law provides for two forms of recognition that correspond with the distinction between chambers and voluntary industrial relations associations. Accordingly, the chambers are directly equipped with the capacity to conclude CAs in that they automatically possess this capacity *ex lege*. On the employers' side this involves the WKÖ and its sector sub-units (i.e. the Federal Organisations and their Land-level sub-units), and also legal entities governed by public law such as the social insurance institutions. A special recognition procedure is devised to grant the right to conclude CAs to unions and employer associations, for which membership is voluntary. On request, such unions and employer associations can acquire granted recognition as a bargaining party only when they meet certain preconditions. These preconditions are given if they are independent of the opposing side and if the Federal Arbitration Board (Bundeseinigungsamt), a joint body established within the responsible ministry, has granted them recognition as possessing it by virtue of their extensive occupational and territorial coverage and major economic importance. Given that one and the same group of employees or employers may be covered by a chamber and a voluntary association possessing granted recognition, the question is which of the two associations has priority when it comes to entering collective bargaining. Under these circumstances, labour law gives priority to the voluntary association in relation to its chamber counterpart. However, as regards NACE 24, only the WKÖ's Federal Organisations mentioned below conduct collective bargaining on behalf of business. There are no special processes of mutual recognition on the part of the sector's social partners. The reason for this is that the membership domains and responsibilities are defined in a complementary, non-competitive way in the case of both organised business and labour. The consequence is that each of the bargaining parties listed in Table "*The pattern of regularly concluded CAs*" (see below) obtains a *de facto* bargaining monopoly in its own area of membership and responsibilities. Also, as a consequence of its chamber status within the framework of the WKÖ, each Federal Organisation enjoys a legally guaranteed right to be consulted by the authorities on all economic and social matters concerning its domain.

Affiliations

As far as national affiliations are concerned, it would not be appropriate to say that the Federal Organisations are affiliates of the WKÖ. This is because affiliation normally means voluntary membership that might be cancelled. In contrast to this, each Federal Organisation (like all the other sub-units of the WKÖ) is part of the business chamber system whose peak is the WKÖ according to statute. Hence, no part of the chamber system has the right to secede.

a) The Federal Organisation of the Chemical Industry (Fachverband der Chemischen Industrie Österreichs, FCIO)

Within the WKÖ, the FCIO organises the chemical industry (i.e. the companies characterised by "industrial" production which represented the relatively large companies of the entire chemical sector). In sector terms, the domain of the FCIO covers the chemical industry in the broad sense. In addition to the industrial part of NACE 24, the domain includes several contiguous industries, such as manufacture of fibre cement, manufacture of plastic products, manufacture of prepared animal feeds, manufacture of matches, and manufacture of basic precious and non-ferrous metals. As a result of this encompassing domain, the FCIO represents more companies and employees than NACE 24 as a whole. In 2001, the FCIO had 310 member companies which employed a total of 45,156 employees (Wirtschaftskammer Österreich n.d.). Although the comparatively large firms of the chemical sector are included in the FCIO, the small and medium-sized enterprises are, nevertheless, more numerous in its membership domain. Only 17 of the more than 300 member firms have more than 500 employees. Small and medium-sized enterprises are particularly widespread in manufacture of plastic products. Together with the chemical industry in the genuine sense, this sector accounts for the bulk of FCIO members. The FCIO has 18 staff members, representing 16.5 full-time jobs. The FCIO negotiates and concludes the CAs on behalf of the chemical industry. Via the representational rights attributed to the WKÖ, the FCIO is present in all the boards listed above. The FCIO is a representative of Austria in the following organisations: AISE, CEFIC, CEPE, COLIPA, ECPA, EFPIA, EUPC, TEPPFA, EPPA, EuropaBio, ECEG, Euopharm SMC.

b) The Federal Organisation of Chemical Crafts (Bundesinnung der Chemischen Gewerbe, BIC)

The membership domain of the BIC covers the craft production of pharmaceuticals, perfumes and toilet preparations, chemical laboratories, disinfection and pest control activities, and all fields of cleaning except chimney cleaning. The BIC thus covers the craft segment of NACE 24, which represents the small companies of the sector, also including a wide range of business activities outside this sector. In 2001, the BIC recorded 1,014 member companies, with a total number of 38,061 employees (Wirtschaftskammer Österreich n.d.). It is not possible to estimate how many of the companies and employees altogether covered by the BIC belong to NACE 24. However, about 77.6% of the member companies and 84.1% of the employees under the umbrella of the BIC belong to cleaning (i.e. NACE 74.7). Hence, this sector represents the stronghold of the membership of the BIC. As is general practice in the area of crafts, the BIC shares its staff with other Federal Organisations of the craft sector. In administrative respects, the crafts of the health sector, textiles and chemicals form a common group which consists of 9 Federal Organisations. This

group (to which the BIC belongs) has 5 staff members. The BIC regularly conducts collective bargaining on behalf of the craft employers of NACE 24. The BIC does not participate in boards affecting the sector under examination. There are no affiliations relating to the sector under consideration.

Concerning particular characteristics of the organisation and type of members, we can state that the FCIO and the BIC were formed as sub-units of the WKÖ which in turn was established by the Chambers of Commerce Act (Handelskammergesetz) in 1946. For any further particular characteristics see the sections on identification and representativeness, recognition and affiliations. The same holds true for type of members. No other information is available.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Fachverband der Chemischen Industrie Österreichs, FCIO	The Federal Organisation of the Chemical Industry	NACE 24+ several contiguous industries, such as manufacture of fibre cement, manufacture of plastic products, manufacture of prepared animal feed, manufacture of matches, and manufacture of basic precious and non-ferrous metals	310	45,156	100	100	Yes	WKO	-	CEFIC, CEPE, COLIPA, ECPA, EFPIA, EUPC, TEPPFA, EPPA, EuropaBio, ECEG, Europharm SMC	-	AISE	-
Bundesinnung der Chemischen Gewerbe, BIC	The Federal Organisation of Chemical Crafts	the craft production of pharmaceuticals, perfumes and toilet preparations, the chemical laboratories, disinfection and pest control activities, and all fields of cleaning but chimney cleaning	1,014	38,061	100	100	yes	WKO	-	-	-	-	-

Source : Franz Traxler data set, 2005

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

3.1. Description of the tripartite concertation in the sector

Concertation processes, based on "corporate" boards, affect the sector, although they do not meet the conventional definition of sector tripartism for several reasons:

-In many cases these boards are linked to sector-unspecific regulations. Nevertheless, they affect especially the chemical industry.

-These boards are often multi-partite (in contrast to classical tripartism which involves the authorities, organised business and labour).

-Representation rights are laid down by the respective law to which the board is attached. Generally, it is the sector-unspecific, peak-level associations of business and labour, in particular the WKÖ; and the BAK, which – in contrast to any sector association – are entitled to represent business and labour on these boards, even when the competences of these boards relate to (certain branches of) the chemical industry. In practice, this means that the WKÖ usually delegates representatives of its FCIO, when the work of a board especially affects the chemical sector. Likewise, the BAK, which is closely linked to the ÖGB, sometimes nominates union representatives as its board members. Currently, a representative of the GPA is a member of the Committee for the Examination of the Commercial Agents for Pharmaceuticals on behalf of the BAK.

All these boards are established by a certain law and they have an advisory role in implementing this law.²¹ Organisationally, the boards are tied to the ministry which is responsible for the implementation of the law. Hence, they are formally institutionalised (i.e. characterised by "custom and practice"). The following boards formally or de facto relate to the chemical industry. The corresponding law on which the boards are based are also listed: Board for Employee Protection (Arbeitnehmerschutzbeirat); Employee Protection Act (ArbeitnehmerInnenschutzgesetz); Codex Committee (Codex Kommission); Law on Foodstuffs (Lebensmittelgesetz); Board for the Demarcation of Sales Rights (Abgrenzungskommission); Law on Pharmaceuticals (Arzneimittelgesetz); Committee for the Examination of the Commercial Agents for Pharmaceuticals (Prüfungskommission für Pharmareferenten); Law on Pharmaceuticals (Arzneimittelgesetz); Board for the Regulation of Prices (Preiskommission); Law on Price Regulation (Preisgesetz); Board for Chemical Weapons (Chemiewaffenbeirat); Law on the Implementation of the Chemical Weapons Convention (Chemiewaffenkonventionsdurchführungsgesetz).

3.2. Description of the bipartite social dialogue in the sector

a) Collective bargaining

As is generally the case in Austria, the principle of free collective bargaining is established in this sector, without any state interference. Collective bargaining takes place mainly at sector level, sometimes also, at multi-sector level. As a rule, collective wage agreements are concluded for one year of validity. In addition to wage agreements, "umbrella agreements" (Rahmenkollektivverträge) regulate important non-wage issues, such as working time, bonuses, severance pay and periods of notice. Umbrella agreements are usually fixed for a period of validity which is longer than one year. There is an important multi-sector umbrella agreement, which includes the chemical industry: For the white-collar workers of all sectors of the industry, a joint umbrella agreement is in force. There are two unions which represent the sector's employees in the course of collective bargaining. The GdC represents the blue-collar workers of the sector and the GPA is the representative of the sector's white collar workers. The sector's companies are covered altogether by two Federal Organisations of the WKÖ which also act as employer associations: the FCIO and the BIC. The membership domain of all these associations transcends the sector (i.e. NACE 24). These association structures imply that the membership domains of both the unions and employer associations are mutually exclusive and non-competitive. This coherence resides in the fact that the GdC and the GPA are both members of the ÖGB, and the FCIO and BIC, sub-units of the WKÖ. No other association players exist which plays a role in the sector's industrial relations.

In line with these association structures and domains, collective bargaining is differentiated by employee categories (i.e. blue- and white collar workers) on the one hand, and, by the production system (i.e. industry in the narrow sense as distinct from craft production) on the other hand. The CAs for the industry generally lay down pay and employment conditions that are more favourable to the employees than those concluded for craft production. One important component of this difference is that – in contrast to the wage agreements for craft production – their counterparts for the industry contain an actual-pay clause (Istlohnklausel) in addition to minimum pay rates. Actual-pay clauses specify percentage increases, agreed on a sector basis, to be applied to the pay rates actually paid, which may vary from company to company. These clauses enable the bargaining partners to get a grip on the wages of those employees who are not affected by the minimum pay rate as a consequence of overpayment.

The pattern of regularly concluded CAs

Bargaining parties	Purview of the CAs ²²		
	Sector	Categorical	Territorial
GdC and FCIO	Chemical industry ^a	Blue-collar workers	Federal
GPA and FCIO	Chemical industry ^a	White-collar workers	Federal
GdC and BIC	Chemical crafts ^a	Blue-collar workers	Federal
GPA and bargaining cartel of 37 Federal Organisations of Crafts ^b	Multi-sector; craft production ^c	White-collar workers	Federal

^a As demarcated by the membership domain of the employer association

²¹ As a consequence of the advisory role of the boards, there is no practice of signing agreements or "pacts".

²² As far as the number of CAs signed and which remain in force for the moment, there is one each of the CAs listed in the table.

- ^b Including the BIC
- ^c Including chemical crafts

This table gives an overview of the collective bargaining system in terms of the bargaining parties, the type of collective wage agreements and their sector and their scope in terms of categories and territories. This overview reveals that each of the sector employer associations and unions regularly concludes two wage agreements per year. The territorial scope of the CAs covers the entire country in all cases. In sector terms, the scope of the CAs follows the domain demarcation of the two employer associations (i.e. the FCIO and the BIC), as far as the agreement for the "industrial" blue-collar workers, the "industrial" white-collar workers, and the blue-collar workers of the chemical crafts are concerned. The white-collar employees of the chemical crafts are part of a broader, multi-sector CA for crafts, which is negotiated by the GPA on the one hand and a bargaining cartel of 37 Federal Organisations of Crafts (Bundesinnungen) which includes the BIC. All these Federal Organisations are under the umbrella of the WKÖ. It should be noted that there is also a bargaining cartel (consisting of the GdC and the GPA) for the blue-collar workers and the white-collar workers of the industry in the narrow sense. Since 2003, there have been joint negotiations on behalf of these two employee categories, while in formal terms, separate CAs for them are still signed. Altogether, the CAs listed in the table cover all employees and employers belonging to NACE 24. Since all employer associations involved in collective bargaining on behalf of the sector are based on mandatory membership, the coverage rate of collective bargaining is 100%. Although Austrian labour law provides for mechanisms to extend the purview of CAs to unaffiliated employers, there is no need to use them in the case of this sector as a result of mandatory membership in the sector's employer associations. In other words, mandatory membership in the employer associations works as a functional equivalent to statutory extension mechanisms.

Collective bargaining is characterised by a high degree of stability. This is mainly because the responsibilities for collective bargaining are demarcated in a complementary, non-competitive way among the sector's industrial relations actors. Overall, a cooperative climate characterises the bargaining process, although the unions criticise growing employer demands for deteriorating the given labour standards. In the case of the chemical industry, important issues which are considered important for the future are discussed in a working group composed of representatives of the FCIO, the GdC and the GPA. The task of the working group is to reach a basic consensus before collective bargaining over the respective issue starts formally. Important issues which are currently under discussion include working time flexibility and problems related to elderly employees. There is no obligation to participate at CB at sector or multi-sector level.

b) Company-related Employee Representation

In Austria, a dual system for the representation of the employees is institutionalised (Traxler 1998). Labour law distinguishes between collective employment relations within the firm and at multi-firm (i.e. associational) level. Within the firm, the voice of the employees is the works council (Betriebsrat). In every establishment with five or more employees, a works council must be set up, if the workforce so requests. Works councils can either be formed separately for white-collar workers and blue-collar workers, or may combine representation of both employee categories. In multi-plant companies, each works council is entitled to elect a certain number of its members to a central (enterprise) council. Works councils can also be established for holding companies. The works council's rights are precisely defined, ranging from information and consultation to co-determination, including the opportunity to conclude plant agreements (Betriebsvereinbarungen) with management in the case of a rather narrow range of social and personnel matters. In relation to management, the works council must act in a cooperative manner. In relation to the unions, the competences of the works council are legally defined in a complementary way, giving generally priority to the unions. Most essentially, this means that collective bargaining, including any kind of negotiations over pay levels is the prerogative of the unions.

Although the works councils are formally disconnected from the unions, as a consequence of the dual representational system, there are very close links in practice. This is because the vast majority of works councillors are unionised. Hence, most of them perform union representative functions on the shop floor, such that the unions can solely rely on them as channels of union workplace representation. Many works councillors are also union officials and clearly predominate in the unions' representative bodies. Generally, the probability that a works council exists tends to increase with the size of a company.

Works councils are rather widespread in the chemical industry. According to estimates by union officials in between 60% and 70% of the enterprises have a works council representing blue-collar workers, with a coverage of 85% - 90% of the respective workforce. For works councils representing white-collar workers the corresponding estimates are 50% of the enterprises, covering around 75% of the sector's white-collar employees. According to a survey 82% of the employees in the chemical industry (understood in the broad sense) are altogether covered by a works council (ÖGB 1999).

There are no company-level collective agreements in the sector. Plant agreements are something different from CAs according to labour law. As regards the CAs, coverage is always 100% due to obligatory membership in FCIO and BIC. As a consequence of this obligatory membership, there is no need to make use of (existing) provisions for extension.

4. COMMENT

Compared to other industries, the chemical industry does not stand out. As is the case of other industries, the sector is divided into an "industrial" and a craft sector, something which has resulted in a corresponding divide in industrial relations. Unions are rather strong in all sectors of industry, such that employment conditions are rather favourable to the employees, as compared to most other segments of the private sector of the economy.

BELGIUM

1. DELIMITATION OF THE CHEMICAL SECTOR

1.1. Delimitation and scope of activities in the sector

Using the definitions of the Employers' Federation of the chemical sector, the chemical sector covers the following activities :

organic and inorganic basic chemicals and fertilisers,

"parachemicals": paint, varnish, printing ink, filler, wood protectors; pharmaceutical and veterinary products; fatty substances, soap, detergent, cosmetics, perfume products, toiletries and hygiene products; miscellaneous products for industry, agriculture and horticulture, the production and conversion of rubber and plastics, biotechnology, waste recovery, treatment and recycling, chemical engineering, research, testing and laboratory analysis.

Compared to NACE 24 code, in Belgium, the chemical sector also includes the industries of rubber and plastics (code NACE 25), commercial activities such as the wholesale business of pharmaceutical products (51.46) and the wholesale business of chemical products (51.55).

1.2. Socio-economic features of the sector

The chemical industry is particularly well developed in Belgium. It is the second largest manufacturing sector in the country, and its turnover represents more than a fifth of the local industry. It also accounts for more than 20% of the total exports from Belgium. On the European level, the Belgian chemical industry represents 7% of total E.U. production and occupies 5th place in the sector. Over the last decade, the average growth of the Belgian chemical industry has been greater (4.7%) than the average industry growth (1%). In 2003, it accounted for nearly half of the total R&D of the private sector in Belgium. If the R&D expenses have increased by 3.6% in 2003 (1.92 billion EUR) compared to 2002, investments on the other hand have decreased by 9.6% (1,23 billion EUR). These figures should not mask the fact that the chemical industry, being quite sensitive to the economic situation, also went through hard times. Along the last two decades, its production has gone through two periods of recession : the first in 1993-94 and the second in 2001. In spite of a recovery, employment decreased by 2% between 2002 and 2003. By mid-2003, the Employers' Federation of the sector announced a new employment drop of nearly 3000 units. According to the social partners, this drop in employment is linked to a deep movement of restructuring in the sector, characterised by relocations and mergers. In the nineties, chemical companies developed a policy of "subsidiarisation" of their commercial activities, which has led to a splitting of the social dialogue in the sector.

From a geographic point of view, the chemical industry is mainly located in Flanders, with nearly 65,000 jobs. This is related to the massive presence of petrochemical establishments in the port area of Antwerp. Close to 24,000 jobs are located in the Walloon region. The Brussels region accounts for nearly 10,000 jobs in the chemical field. These jobs are related to the presence of registered offices, service industries and activities of research and development.

Among the employers in this sector, it should be pointed out that there are several Belgian and foreign multinationals present, such as Solvay, UCB, Total and Bayer. Other relevant socio-economical factors are : approximately 40% of jobs are blue-collar and 60% are white-collar; approximately 28% of the workers are women; approximately 70% of the workers employed in establishments that are affiliated members of the sector Employers' Federation work shifts, 2/3 of them on night shifts. With regard to salaries, the chemical industry is probably the sector that pays its workers best. It is also an industrial sector that requires high levels of qualification and competence.

According to the NACE 24 code (Manufacture of chemicals and chemical products), the chemical sector in Belgium includes 744 establishments, 582 employers and 72,299 workers. However, these figures cover only a part of the chemical sector. As an example, the Employers' Federation of the chemical sector points out that its members – 750 establishments – represent 97,016 jobs in June 2003. Within the competence of the chemical sector joint committees, nearly 120,000 workers, 49,487 blue-collars and 68,945 white-collars, are concerned by the social dialogue in the chemical sector.

Table 1: Manufacture of chemicals and chemical products (NACE 24)

Nace/Sector	Workers	Establishments ²³	Employers ²⁴
24.11 Manufacture of industrial gases	1,345	36	13
24.12 Manufacture of dyes and pigments	1,081	19	13
24.13 Manufacture of other inorganic basic chemicals	5,065	32	20
24.14 Manufacture of other organic basic chemicals	12,251	66	49
24.15 Manufacture of fertilizers and nitrogen compounds	766	23	19
24.16 Manufacture of plastics in primary forms	5,942	69	54
24.17 Manufacture of synthetic rubber in primary forms	986	5	5
24.1 Manufacture of basic chemicals	27,436	250	173
24.2 Manufacture of pesticides and other agro-chemical products	1,521	16	14
24.3 Manufacture of paints, varnishes and similar coatings, printing ink and mastics	4,421	96	82
24.41 Manufacture of basic pharmaceutical products	730	18	11
24.42 Manufacture of pharmaceutical preparations	20,456	103	76
24.4 Manufacture of pharmaceutical, medicinal chemicals and botanical products	21,186	121	87
24.51 Manufacture of soap and detergents, cleaning and polishing preparations	3,796	63	54
24.52 Manufacture of perfumes and toilets preparations	2,295	46	46
24.5 Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilets preparations	6,091	109	100
24.61 Manufacture of explosives	172	6	5
24.62 Manufacture of glues and gelatines	1,170	22	17
24.63 Manufacture of essential oils	302	13	13
24.64 Manufacture of photographic chemical material	5,110	11	6
24.65 Manufacture of prepared unrecorded media	460	5	4
24.66 Manufacture of other chemical products n.e.c.	2,366	79	68
24.6 Manufacture of other chemical products	9,580	136	113
24.7. Manufacture of man-made fibres	2,064	16	13
Total	72,299	744	582

Source: ONSS, 2002 and 2003.

Based on code 24, the chemical sector includes a significant number of SME's. On the other hand, 12 establishments and 14 employers employ 1,000 workers or more, concentrating 42.5% of work in the sector.

Table 2 : breakdown of jobs, establishments and employers (NACE 24)

Size	Jobs	Establishments	Employers
1 to 4 workers	292	169	142

²³ This refers to technical operating plants (source : decentralised statistics ONSS (social security)). Thus, the same employer may employ people at several plants.

²⁴ This refers to the company.

5 to 9 workers	642	105	94
10 to 19 workers	911	98	69
20 to 49 workers	3,423	128	99
50 to 99 workers	3,572	78	52
100 to 199 workers	7,646	75	51
200 to 499 workers	13,969	57	45
500 to 999 workers	11,066	22	16
1000 and + workers	30,778	12	14
Total	72,299	744	582

Source : ONSS, 2002 and 2003 on centralised and decentralised bases

Unfortunately, similar data on NACE 25, NACE 51.46, NACE 51.55 are unavailable, as well as for the relative weight of the sector compared to the whole economy in terms of share in the GDP. As far as the underground economy is concerned, no information was found within the Chemical sector. However, one might consider that, for different reasons, this sector would not be fertile ground for the development of an underground economy. The Chemical sector in Belgium is part of the private sector. Along the last years, significant changes were mainly related to the sector's restructuring, marked by relocations and mergers.

Table 3 : breakdown of employers (NACE 24, 25, 51.46 et 51.55)

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
24.1	166	ND	27.1	40.4	32.5
24.2	14	ND	50	28.6	21.4
24.3	81	ND	43.2	44.4	12.3
24.4	87	ND	36.8	31	32.2
24.5	100	ND	61	29	10
24.6	106	ND	44.3	41.5	14.2
24.7	13	ND	0	46.2	53.8
25	594	ND	44.1	47	8.9
51.46	820	ND	71.7	24.3	4
51.55	570	ND	76.3	21.6	2.1
Total of the sector	2,551	ND	59.3	31.9	8.8

Note: some data do not reach exactly 100% because of the rounding.

Source : ONSS, 2003 on centralised bases

Table 4 : Workers (NACE 24, 25, 51.46 et 51.55)

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
24.1	ND	27,374	1.2	0.2	2.5	20.5
24.2	ND	1,443	0.1	0	0.1	1.1
24.3	ND	4,372	0.2	0.1	0.9	2.7
24.4	ND	20,764	0.9	0.1	0.9	16.5
24.5	ND	6,098	0.3	0.2	0.8	4.2

24.6	ND	9,411	0.4	0.2	1.3	6.5
24.7	ND	1,954	0.1	0	0.1	1.5
25	ND	24,066	1	0.8	7.5	12
51.46	ND	15,576	0.7	1.4	5.3	6.5
51.55	ND	6,878	0.3	1	2.9	2
Total of the sector	ND	117,936	5.2	4	22.3	73.5

Source : ONSS, 2003 on centralised bases

Note: Some percentage totals do not equal 100 due to rounding.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR²⁵

2.1. Description of the workers' organisations

Union organisations mainly receive funding from membership subscriptions.

a. *The Belgian General Federation of Labour (Algemeen Belgisch Vakverbond - Fédération générale du travail de Belgique - ABVV/FGTB)*

The trade union commission founded in 1898 by the Belgian Labour Party gave birth to the General Confederation of Work in Belgium. Then, in 1945, the Confederation merged with several organisations that had emerged illegally during WW II, such as the Belgian Confederation of single trade unions, which had communist leanings, the Unified trade union movement, led by André Renard, and the General trade union of public services, and so FGTB (Belgian General Federation of Labour) was born. The FGTB's organisation was set up on the basis of professions (professional groups (*centrales professionnelles*)) and on the basis of territory (the regional and inter-regional federations). Within the Joint Committee 116, the Belgian General Federation of Labour (Fédération Générale du Travail de Belgique/Algemeen Belgisch Vakverbond, FGTB/ABVV) is represented by the General Federation (Centrale Générale/Algemene Centrale, CG/AC). The General Federation (339,294 members in 2003) recruits and represents workers in 'green' sectors (e.g. agriculture and horticulture), industry (e.g. wood, quarries, cement works, concrete production, ceramics, printing, the cinema industry, and glassware), construction, services (e.g. temporary-employment business work, cleaning, hairdressing and beauty care) and the non-market sector (e.g. private education, private hospitals and socio-cultural activities). Based on the trade union subscriptions, the General Federation accounts for 17,919 members in the chemical sector.

Within the Joint Committee 207, the FGTB is represented by the Belgian Union of White-Collar Staff, Technicians and Managers (Syndicat des Employés, Techniciens et Cadres de Belgique/Bond der Bedienden, Technici en Kaders van België, SETCa/BBTK). The SETCa (324,294 members in 2003) brings together all white-collar workers, technicians and operatives of the private sector, teachers and administrative workers in secular education, blue-collar workers and book-keepers, the graphic arts, the media. It is structured according to the main sectors : trade, finance, industrials, the non-market sector, logistics, information and communication, Joint Committee 218²⁶, and other sectors. The SETCA did not divulge the number of its members in the chemical sector.

The CG and the SETCa are members of EMCEF and ETUC. The CG is also member of ICEM. The FGTB (1,300,000 members in 2003) is member of ETUC and ICFTU.

b. *The Confederation of Christian Trade Unions (Algemeen Christelijke Vakverbond - Confédération des Syndicats chrétiens de Belgique - ACV/CSC)*

The first catholic labour associations were constituted around 1890, in order to counteract the influence of socialist trade unionism among workers in the industry as well as to try and make the catholic party aware of the working class's situation. The CSC was founded in 1912 from the merger of two trade union associations : The Union of Christian Professional Associations of

²⁵ When talking about unions, the concept of staff doesn't seem to be relevant. On a practical level, where are the limits of the concept ? Who must be considered as part of the trade unions' staff ? Who must not be ? Professional groups (*centrales professionnelles*) very often cover various sectors of activity, which makes it even more complicated. On the other hand, to refer to a staff criteria does not seem to be relevant.

²⁶ The Joint Committee 218 covers white-collar workers whose employers are not attached to any particular Joint Committee.

Belgium (founded in 1908 and active in Flanders) and the General Confederation of Free and Catholic Trade Union of the Walloon provinces (founded in 1909). In the same way as the FGTB, the CSC is structured according to professional and territorial bases. The influence of the “centrale professionnelle” is however less important than within FGTB. Within the Joint Committee 116, the Confederation of Christian Trade Unions (Confédération des Syndicats Chrétiens/Algemeen Christelijk Vakverbond, CSC/ACV) is represented by the CSC-Energy and Chemistry (CSC-Energie et Chimie/ACV-Energie Chemie). The CSC-Energy and Chemistry (55,000 members in 2003) represents the interests of male and female blue-collars in the mining industry, the petroleum sector, gas and electricity, the chemical sector, the leather sector, hairdressers and beauticians. On the basis of trade union subscriptions there are 22,845 members in the Chemical sector.

Within CP 207, the CSC is represented by the General Federation of White-Collar Workers (Centrale Nationale des Employés, CNE) and the General Federation of White-Collar Workers-National Managers' Union (Landelijke Bediende Centrale-Nationaal Verbond voor Kaderpersoneel, LBC-NVK). The CNE (120,000 members) represents white-collars and executives of the private sector in Brussels, the Walloon and the German-speaking regions. It is structured according to the main sectors : trade, finance, industrials, non-market, and Joint Committee 218. It counts 2,800 members in the chemical sector. The LBC-NVK (294,149 members in 2005) brings together white-collars and executives of the Dutch-speaking private sector. The LBC-NVK refuses to divulge the number of its members engaged in this type of activity.

The CSC Energie-Chimie (Chemicals and Energy), the CNE and the LBC-NVK are members of EMCEF and ETUC. The CSC Chemistry and Energy is also member of WFIW and WCL. The CSC (1,600,000 members) is member of ETUC and WCL.

c. The Federation of Liberal Trade Unions of Belgium (Algemene Centrale van Liberale Vakbonden - Centrale générale des syndicats libéraux – ACLVB/CGSLB)

The first liberal trade unions appeared around 1890. In 1930, they merged to found the CGSLB. The Federation of Liberal Trade Unions of Belgium (Centrale Générale des Syndicats Libéraux de Belgique/Algemene Centrale der Liberale Vakbonden van België, CGSLB/ACLVB) has a seat on both committees. As opposed to the FGTB and CSC, the CGSLB was set up mainly on a regional basis. The CGSLB has 2,248 members among the blue-collars working in the chemical sector and about 1,500 members among the white-collars of the sector. The CGSLB Chemicals is member of EMCEF and of ETUC. The CGSLB (220,000 members in 2004) is a member of ETUC and of ICFTU.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations*		International affiliations*	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
FGTB/ABVV • CG/AC • SETCa/ BBTK	Belgian General Federation of Labour	white-collar workers, technicians and operatives of the private sector, teachers and administrative workers in secular education, blue-collar workers and workers in books, the graphic arts, the media	1,300,000	*	*	yes	-	-	ETUC	-	ICFTU	-
	General Federation		339,294	17,919	36	yes	FGTB	-	EMCEF	-	ICEM	-
	General Federation		324,294	ND	ND	yes	FGTB	-	ETUC	-	-	-
CSC/ACV • CSC-Energie et	Confederation of Christian Trade Unions	blue-collars in the mining industry,	1,600,000	*	*	yes	-	-	ETUC	-	WCL	-
	CSC Energy and		55,000	22,845	45.9	yes	CSC	-	EMCEF	-	WFIW	-

Chimie/ ACV-Energie Chemie	Chemistry	the petroleum sector, gas and electricity, the chemical sector, the leather sector, hairdressers and beauticians							ETUC		WCL	
•CNE	General Federation of White-Collar Workers	white-collars and executives of the private sector in Brussels, the Walloon and the German-speaking regions	120,000	2,800	4.1	yes	CSC	-	EMCEF ETUC	-	-	-
•LBC-NVK	General Federation of White-Collar Workers-National Managers' Union	white-collars and executives of the Dutch-speaking private sector	255,000	ND	ND	Yes	CSC	-	EMCEF ETUC	-	-	-
CGSLB/ACLVB	Federation of Liberal Trade Unions of Belgium		220,000	3,748	5.2	Yes	-	-	EMCEF ETUC	-	ICFTU	-
•Blue-collars •White-collars		blue-collars working in the sector white-collars working in the sector	ND ND	2,248 1,500	4.6 2.1							

* : these are specific cases : the number of members of the FGTB and the CSC in the chemical sector may be obtained by adding the number of members listed by the professional groups (*centrales professionnelles*) of these two unions in the sector. Nevertheless, for the FGTB and the CSC, there is still a piece of information missing. The CGSLB is the only union for which the data is complete. Since this union is not set up according to professional groupings, its European and international affiliations are made under the name of the CGSLB.

On the basis of the available data, trade union coverage among blue-collars comes to nearly 90%. The information gathered tells us that nearly 25,000 white-collars in the chemical sector are members of a trade union organisation, which means there is a 40% union coverage rate.

2.2. Description of the employers' organisations

One single employers' organisation represents the employers' interests at a sector level in the Chemical Industry : the Federation of Belgian Chemical Industries (Fédération des industries chimiques de Belgique/Federatie van de Chemische Industrie van België, FEDICHEM). FEDICHEM was founded in 1928 under the name Federation of Chemical Industries. FEDICHEM employs nearly 70 people. FEDICHEM receives funding from members' subscriptions, the amount being worked out according to the company's turnover or the workforce employed. Dues can also be a flat fee. The choice between these options depends on the number of people employed. According to Estelle Krezlo, « it is one of the most powerful Employers' federation, considering its position within the Federation of Enterprises in Belgium (Fédération des Entreprises de Belgique/Verbond van Belgische Ondernemingen, FEB/VBO) as well as its representativeness" within the chemical sector (Krezlo, 1996 : 36). On top of collective work relations, FEDICHEM also deals with the image of the chemical industry and promoting the chemical sector, the competitiveness of companies and conditions for development, and responsible care (i.e.: health, safety, environment and product policy).

FEDICHEM has about 20 professional departments covering the different sub-sectors of the chemical industry. Nearly 750 enterprises in the chemical sector are members of FEDICHEM. Companies which are members of FEDICHEM include SMEs as well as multinationals. Member enterprises represent more than 95% of the turnover in the sector. In June 2003, they already employed 97,016 people, which represents a density of approximately 80%. These enterprises are active in the sub-sectors of petrochemicals, plastics, acids, alkalis and derivatives, paints, pharmaceutical products as well as detergents and cosmetics. In its 2003 report of activities, FEDICHEM pleads, on the social front, for : The « necessary reinforcement » of pay restraint; A deep reform in the system of wage determination, based on a reform of the indexation system; An additional reduction of employer's expenses, through a reduction of employer's contributions for social security; Greater attention to the problem of the final career phase.

FEDICHEM is member of FEB/VBO, which represents the interests of employers at both federal and inter-professional levels. On the international scene, FEDICHEM is member of ECEG and of CEFIC.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
FEDICHEM	Federation of Belgian Chemical Industries	petrochemicals, plastics, acids, alkalis and derivatives, paints, pharmaceutical products and detergents and cosmetics	750	97,016	ND	80	yes	FEB/VBO	-	ECEG CEFIC	-	-	-

3. DESCRIPTION OF THE SOCIAL DIALOGUE AT NATIONAL LEVEL

3.1. Description of the tripartite concertation in the sector

In Belgium, the sector concertation is not tripartite but bipartite. The tripartite dimension is to be found, to a greater or lesser extent, within the negotiation of inter-professional agreements which are valid at federal level for the whole private sector. However, the social dialogue in Belgium is traditionally based on the autonomy of the social partners. Later on, the inter-professional agreement serves as a framework for the social dialogue in the different areas of activities and sometimes within the establishments.

3.2. Description of the bipartite social dialogue in the sector

a. At sector level

In the chemical industry, the social dialogue takes place within the scope of the Chemical Industry's Joint Committee – CP116- and the one of the Chemical Industry's White-collar Workers – CP 207. The activities of commercialisation and distribution of chemical products are then the province of the National Auxiliary Joint Committee for White-collar Workers– CP 218.

Joint Committee 116

This joint committee is competent mainly for manual workers in the chemical industry, as well as for their employers. Its covers « establishments that are engaged in the production, transformation, shaping, packaging, commerce and distribution of chemical products as well as the production of synthetic products and the transformation or shaping of these when they do not require the skills or competence of a specialty belonging to a different branch of activity. Research departments related to these establishments are also part of the joint committee's domain. » Joint committee 116 is composed of 22 seats of actual members and the same amount of substitute members. These seats are shared out among the following organisations :

- Federation of Belgian Chemical Industries (Fedicem) : 11 actual members and 11 substitute members.
- Belgian General Federation of Labour (FGTB/ABVV) : 5 actual members and 5 substitute members.
- Confederation of Christian Trade Unions (CSC/ACV) : 5 actual members and 5 substitute members.
- Federation of Liberal Trade Unions of Belgium (CGSLB/ACLVB) : 1 actual member and 1 substitute member.

In 2003, a sector agreement was agreed for 2003 and 2004, with as a result 18 CAs on work (CCT) – 16 in 2003 and 2 in 2004. The specific sets of themes for these agreements were : the welfare fund, the waiting day (jour de carence), trade union training, end-of-year bonus, security of employment, team bonus, minimum hourly wage, work conditions,...

Joint Committee 207

This committee is competent for workers whose job is mainly intellectual and for their employers. The industrial activities covered by this committee are identical to those of CP 116. The number of seats and their distribution among the social partners are also identical. In 2003, a sector agreement was made for 2003 and 2004, with 9 CCT as a result. The specific sets of themes for these agreements were: employment and training of risk groups, part-time early retirement pension at 55, early retirement pension at 56, trade union training, minimum wages, monthly wages and end-of-year bonus.

Joint Committee 218

Joint Committee 218 covers white-collar workers whose employers are not attached to any particular Joint Committee. It currently deals with 30 sub-sectors, 50,000 enterprises, and 350,000 workers. One of these sub-sectors is composed of white-collars working in the marketing of chemical products.

The sector dynamic

As we will discover, the social dialogue in the chemical industry is highly developed within the enterprise. As a result, sector bargaining is important for the workers employed in enterprises where no agreement has been made. In other words, from this point of view, the issue for the social dialogue is mainly to lay down minimum standards. At the same time, sector bargaining serves as a framework for the CAs within the enterprises, preventing them from excesses, according to the chemical sector's Employers' Organisation. Finally, some sets of themes are more relevant to the sector level, as for example the trade union training.

In regard to collective labour way, we here need to point out that :

- Only members of organisations representative for employers and workers can sit on the Joint Committees (art. 3 of 5 December 1968's law). Members of the organisations of workers can only be representatives designated by FGTB, CSC and CGSLB. As for the Employers' Organisations, to sit in a CP (Joint Committee), they must be recognised as being representative by the Minister concerned.
- At sector level, in order for a CA to be made compulsory for the whole sector of activity, it must be concluded unanimously by the members of the Joint Committee.

- When a CA is made compulsory by a Royal Decree, it becomes mandatory for all workers and employers concerned by the CP. In the case of CP 116 and 207, the social partners have asked that the CCT's concluded in 2003 and 2004 were made compulsory. In other words, with regard to the sectors of activities covered by these two CP's, the CCT's have a 100% coverage.

In the Belgian private sector, the social dialogue's agenda is set by the inter-professional bargaining agreements. For instance, as a result of the conclusion of the inter-professional agreement 2003-2004, the social partners of the chemical sector negotiated and concluded two sector agreements in 2003 : one within the framework of CP 116 for blue-collars and one within CP 207 for white-collars. As for the inter-professional agreement, these agreements are valid for 2003 and 2004. Nowadays, as a result of the decision made to apply inter-professional agreement 2005-2006, the social partners of the chemical sector are negotiating new sector agreements. Following that sector bargaining, the dialogue should be open at enterprise level. For the social partners, the sector dialogue is based on a permanent search for consensus. Bargaining is said to be « quite easy », which doesn't prevent them from organising masses of conciliation meetings, related these last years to the deep movement of rationalisation in the sector.

Unfortunately, there are no data available on the possible existence of any obligation to participate in CB at sector level, possible conflicts between players regarding recognition issues, possible developments relating to the number and the content of the CAs, procedures for extending CAs to parties that are not signatories to the agreement, players who, although not recognised (or only partially recognised) by the dominant players or by public authorities, must be regarded as playing a role in industrial relations in the sector.

b. At enterprise level

In the Chemical Industry, it is traditional to negotiate CAs on work at enterprise level. This tradition is explained, according to the social partners, by a lack of « union tradition » on the part of the youth in the sector. There is a higher level of individualism that tends to favour the enterprise rather than the sector and the economic « good health » of the enterprise.

Following the sector agreement for 2003-2004, more than 200 CAs on work were concluded within the Chemical Industry. The social partners say the conclusion of such agreements was the direct consequence of the existence of a union delegation. In the Chemical sector's Joint committees, the minimum line for the creation of a union delegation was fixed at 30 blue-collars (CP

116) and 30 white-collars (CP 207). In the last case, the creation of a union delegation is subject to a second condition, which is that 25% of the white-collars must be in favour of the creation of this delegation. The main subjects of these enterprise CAs are wages and other extra-legal benefits, work time, employment, pension, the merging of blue-collar and white-collar status. Unfortunately, there are no data available on possible conflicts between players regarding recognition issues, possible developments relating to the number and the content of the CAs, procedures for extending CAs to parties that are not signatories to the agreement, coverage rate of the CAs in comparison with total number of enterprises and total number of SW, enterprises who signed CAs at the enterprise level, SW covered by these CAs. Furthermore, the social dialogue at enterprise level is so decentralised that it is difficult, if not impossible, to draw general conclusions from it.

4) COMMENT

Social dialogue in the sector of the chemical industry appears to be a well established tradition. It brings together social partners that are particularly representative of the workers as well as of the employers. One must insist on the fact that, for a long time, social dialogue was helped by the good economic performance of the sector. In comparison to other industrial sectors, the Belgian chemical industry has not gone through any major crises over recent decades. In this context, the future must be considered to be potentially more troubled, given the profound rationalisation that the producers are undergoing. According to the social partners, the sector is going to be more and more subject to relocation. The social dialogue might then become more robust when it comes to questions of job saving and the issues behind this, which are labour costs and flexibility.

CYPRUS

1. DESCRIPTION OF THE SECTOR

1.1 Delimitation and scope of activities in the Sector

In Cyprus, the activities covered by the Chemical Sector, correspond to section 24 of the NACE Rev. I. All branches are involved in CB. Workers may belong to other sections of the Trade Unions.

1.2. Socio-economic features of the sector²⁷

The Chemical Sector is one of the smallest sectors of the economy of Cyprus. In 2003, its annual contribution to GDP at current market prices was 0.5%, and 0.6% of the gainfully employed population. In terms of exports, it is significant, contributing 22.6% of domestic exports in 2003.

Companies (NUMBER OF ENTERPRISES) for the year 2003

Sub-sectors NACE. REV1	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
24.1	1	0	0	100	0
24.2	3	0	66.7	33.3	0
24.3	16	0	50.0	50.0	0
24.4	9	0	11.1	66.7	22.2
24.5	25	4.0	48.0	48.0	0
24.6	3	33.4	33.3	33.3	0
TOTAL	57	3.5	42.1	50.9	3.5

Source: Statistical Service of Cyprus

Workers (NUMBER OF PEOPLE ENGAGED) for the year 2003

Sub-sectors NACE. REV1	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
24.1	40	40	0.02	0	100.0	0
24.2	54	54	0.02	29.7	70.3	0
24.3	266	266	0.12	14.7	19.5	65.8
24.4	858	858	0.37	2.9	25.4	71.7
24.5	487	480	0.21	11.0	55.8	33.2

²⁷ The data on the sector that are available and published officially by the Statistical Service of Cyprus at a detailed level are as follows: Establishments/ enterprises, output, employment, labour costs, other production costs, expenses, investments and stocks, on an annual basis at the 5-digit level classification of NACE Rev. I. and Imports & Exports classified by H.S Code, on a monthly basis. The sources of data are censuses, annual industrial sample surveys and monthly returns of the Department of Customs and Excise. The data refer to the sector's activities in the Government controlled areas, excluding the areas under Turkish occupation since the Turkish invasion of Cyprus in July 1974. It excludes also, pharmaceutical products (mainly solutions) manufactured by the Government Pharmaceutical Laboratory, for its own use in public hospitals.

24.6	29	28	0.01	28.6	71.4	0
TOTAL	1734	1728	0.75	8.1	36.9	55.0

Source: Statistical Service of Cyprus

The sector is characterised by the medium/ small size of enterprise. In the Census of Establishments of 2000, 45.0% of firms employed less than 10 people, 16.7% employed 10-19 people, 30% employed 20-49 and 8.3% employed 50 and over people. Relatively large enterprises are in pharmaceuticals and botanical products. There are no governmental enterprises. Limited liability companies accounted for 95% of enterprises, 3% were privately owned, and 2% were partnerships. Of the labour force in the sector, 1.7% were employers, 0.2% self-employed and 98.1% employees. Women accounted for 50% of full-time employment in the sector. As regards, geographical distribution, 56.2%, of the establishments were in the Nicosia District and 32.9% in the Limassol District. The corresponding employment levels were 44.4% and 50.0%, respectively. On the basis of the Census of Population 2001, the occupational structure of the labour force in chemical sector was 37% machine operators and related workers, 19% labourers, 14% clerical and related workers, 10% technicians and specialised staff, 9% professionals, 8% managerial and 3% other occupations.

The educational level of the labour force, based on the 2001 Census of Population was: 44% completed Lyceum (6 years secondary), 12% gymnasium (3 years secondary) 16% primary school, 9% post-secondary, 17% university, and 2% had education below full primary level. Average rates of pay were 1.4% higher in the chemical sector compared to the average rate of pay in the non-agricultural sectors of the economy of Cyprus, in 2003. No accurate figures on the shadow economy in the chemical sector are available but official estimates reckon it to be of the order of 3% and is attributed mainly to under-reporting by firms. The distribution of output (value added at current prices) of the sector in 2003 was: 54.4% pharmaceutical and botanical preparations, 23.5% soap, detergents, perfumes and toilet preparations, 6.8% pesticides and other agro-chemical products and basic chemicals and 13.7% paints, varnishes and related products and 1.6% other chemical products. Domestic exports of chemical products amounted to €48.5 million in 2003 accounting for 22.6% of total domestic exports. Their composition was 80% pharmaceuticals, 9% pesticides, 7% cosmetics, 3% paints and 1% other.

The sector has experienced a satisfactory rate of growth over the last decade, with the index of industrial production rising from 78 units in 1990 to 96 in 1995, 100 in 2000 and 116 in 2003. This growth came mainly from pharmaceutical products, especially for exports. These exports attained a high average annual rate of increase, of the order of 13.8%, during the period 1998 – 2003. The average size of enterprise has also been expanding, from about 14 people in 1990 to 21 in 1995 and 30 in 2003. The policy development effort of the Government of Cyprus is directed towards the enhancement and modernisation of the manufacturing sector throughout the whole spectrum of the operational activities of enterprises in order to improve their capacity to cope successfully with the changing market conditions. Cyprus participates in the multi-annual programme of the EU for SMEs, covering the period 2002-2005. Indicative actions for manufacturing include: grants for the technological upgrading, Government guarantees for investment loans for restructuring and expanding their activities, incentives for the promotion of mergers and joint ventures. The problems faced by the chemical industry in Cyprus, at present, centre on the need of technological upgrading, increasing foreign competition and harmonisation with EU standards and regulations especially in the use of chemical substances and disposal of corresponding waste.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE CHEMICAL SECTOR AT NATIONAL LEVEL

2.1 Workers' organisations

There is a recognition system on the part of the social partners, in accordance with the Cyprus Industrial Relations Code.

a) SYNTEHNIA ERGATOEPALLILON VIOMIHNIAS, EMPORIOU, TYPOU-TYPOGRAFION KAI GENIKON IPIRESION KYPROU (SEVETTYK) PEO / CYPRUS INDUSTRIAL, COMMERCIAL, PRESS-PRINTING AND GENERAL SERVICES WORKERS TRADE UNION (SEVETTYK) PEO

It was created in 1997 (by the amalgamation of three separate trade unions in the various branches) and registered with the Ministry of Labour and Social Insurance as a trade union. It covers the sectors of manufacturing (including the chemical industries), press and printing, retail trade and services. Members pay subscriptions, at an average of 1% of their gross income and about 0.5-1% for medical, social and welfare benefits. The benefits they have are medical and pharmaceutical care, social and welfare, at subsidised rates. It employs 15 people on a full-time basis.

It has a membership of about 9,000 of which 70% are blue collar workers and 30% white collar workers. The number of its members in the chemical sector is about 350, giving an employee density of about 21%²⁸.

It has an Administrative Council of 45 members, which is elected by simple majority by the delegates at the Trade Union Congress held every five years. These, in turn, elect an Executive Board of 11 members and an Executive Management Committee of 5 people, again by simple majority. It takes part in consultations at all levels, but mainly at enterprise level. It negotiates and signs agreements at all levels. At present it has about 350 collective agreements in force (3 in the chemical sector). In 2003 and 2004 it has signed about 200 collective agreements (6 at the sector level and 194 at enterprise level) in all its areas of activities, of which 3 are in the chemical sector. It takes part in tripartite concertation and about 30% of the collective agreements signed are within this framework.

It is not affiliated with other local organisations at a higher level. It constitutes part of the Pancyprian Federation of Labour (PEO). At the European level it is affiliated directly, as a member of UNI Europa. At the international level, it is not affiliated with any organisations.

b) OMOSPONDIA VIOMIHANIKON ERGATOEPALLILON KYPROU (OVIEK) SEK / CYPRUS INDUSTRIAL WORKERS FEDERATION (OVIEK) SEK

It was created in 1962 and registered with the Registrar of Trade Unions at the Ministry of Labour and Social Insurance. It covers the sub-sectors of footwear, clothing, beverages, metal, plastics, chemicals, electricians and importing of motor-vehicles. It provides medical and pharmaceutical care and social and welfare benefits at subsidised rates. It has a staff of 16 people. Its funding comes from its members which pay contributions at the rate of 1% of their earnings and about 0.5 - 1% for medical, social and other welfare benefits.

It has about 12,000 members, mainly workers and craftsmen (80%) and other employees (20%). Of these people about 900 are in the chemical industries which represent about 53%²⁹ of the total employees in the sector.

It takes part in consultations at sector, higher than enterprise and enterprise level. It can negotiate and sign collective agreements at all levels. At present, it has 120 collective agreements in force (of 2-3 years duration each). Of these, 111 are at enterprise level and 9 at the sector level. It also participates in tripartite concertation and about 30 collective agreements were signed in this framework. In the chemical industry, during the period 2003 – 2004 it signed 5 collective agreements at enterprise level.

At national level it is affiliated to the Cyprus Workers Confederation (SEK). At European level, as regards the chemical sector, it is a member of EMCEF. It is also a member of UNI Europa, EMF, EFFAT, ETUFTCL. At the international level, it is affiliated as a member with ICEM, UNI, IMF, IUF, and the ITGLWF.

c) OMOSPONDIA ECODOMON, METALORIHON KE SYNAFON EPAGELMATON SEK / FEDERATION OF CONSTRUCTION, MINES AND RELATED OCCUPATIONS SEK

This trade union which also belongs to the Cyprus Workers Confederation (SEK) organises 120 employees (accounting for less than 1% of its membership) in the manufacture of paints, varnishes and similar activities of the chemical industry, which are related to the construction sector. It was created and registered in 1959 as a Trade Union with the Ministry of Labour and Social Insurance (it evolved from the Association of Construction Workers). It has a staff of 16 people. Its funds come mainly from the subscriptions of its members at the rate of 1% of their earnings and 0.5-1.0% for medical, social and other welfare benefits. It provides medical and pharmaceutical care and social and welfare benefits at subsidised rates. Its members are workers in the building industry in general, miners and related workers. Its membership is about 10000 people, mostly skilled and unskilled workers (90%) and white collar workers (10%).

It takes part in consultations at all levels and negotiates and signs agreements at all levels. It participates at tripartite concertation and so far it has signed about 50 collective agreements in this framework for the various sub-sectors of its activities. During the years 2003 and 2004 it has signed 10 collective agreements in various sub-sectors (of which 2 in the paints, varnishes and similar activities, at the enterprise level). In these activities, CAs are on an enterprise level. Although it is recognised by all social partners, this federation has no significant role to play in the chemical sector as a whole.

At the local level, it is affiliated to SEK. It is not affiliated to any European Organisation. At the international level, it is affiliated as a member of the IFBWW.

²⁸ For 2003, the total number of employees is estimated at 1,700 people, of which 350 belong to SEVETTYK (Source: PEO).

²⁹ I.e.: 900 out of 1,700 people= 53% for the year 2003.

Trade Unions

Organisation		Type of SW	Members	Members Working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Syntehnia Ergatoepallilon Viomihanias, Emporiou, Typou-Typografion ke Genikon Ipiresion Kyprou (SEVETTYK) PEO	Cyprus Industrial, Commercial, Press-Printing and General Workers Trade Union (SEVETTYK) PEO	Blue-collar workers (70%) White collar Workers (30%)	9,000	350	21	yes	Pancyprian Federation of Labour, PEO	-	UNI Europa	-	-	-
Omospondia Viomihanikon Ergatoepallilon, Kyprou (OVIEK), SEK	Cyprus Industrial Workers Federation, (OVIEK) SEK	Skilled and semi-skilled workers & technicians (80%) and clerical & Others (20%)	12,000	900	53	yes	Cyprus Workers Confederation, SEK	-	EMCEF UNI Europa EMF EFFAT ETUFTCL	-	ICEM UNI IMF IUF ITGLWF	-
Omospondia Ecodomon, Metalorihon ke Synafon Epagelmaton SEK	Federation of Construction, Mines and related Occupations SEK	Skilled and semiskilled workers and technicians (90%) and white collar workers (10%)	10,000	120	7	yes	Cyprus Workers Confederation, SEK	-	-	-	IFBWW	-

Source: data supplied by the various organisations and the Statistical Service of Cyprus.

2.2 Employers' organisations

These associations are affiliated as members with the Cyprus Chamber of Commerce and Industry (CCCI).

a) SYNDESMOS PHARMAKOVIOMIHANION KYPROU / CYPRUS PHARMACEUTICAL MANUFACTURERS ASSOCIATION (CYPHAMA)

It was created in 1997 and registered as a limited liability company with the Registrar of Companies. Its aim is the advancement, strengthening and promotion of the pharmaceutical industry in Cyprus as well as the interests of its members. It has a membership of 5 enterprises³⁰ out of 6³¹.

It has no full – time staff. Its funding comes mainly from the subscriptions of its members. It deals with legal, regulatory and administrative issues that influence the pharmaceutical industry in Cyprus. However, it does not deal with collective bargaining and does not participate in resolving labour disputes and as such. It does not sign any collective agreements. At local level, it is affiliated as a member to the Cyprus Chamber of Commerce and Industry (CCCI). It is not affiliated to any European or International organisation.

b) SYNDESMOS VIOMIHANON, HROMATON, VERNIKION KE SYKOLLITIKON OUSION KYPROU / CYPRUS ASSOCIATION OF PAINTS, VARNISHES AND ADHESIVES MANUFACTURERS (CAPVAM)

³⁰ Members of CYPHAMA are 2 enterprises manufacturing pharmaceuticals employing 10-19 people and 3 employing 20 and over people. There are no multinationals or public companies.

³¹ The 6 enterprises noted here are included within the 9 enterprises marked in the table "Enterprises by size and employment, in the Chemical Sector in Cyprus, as at Census of Establishments, 2000", which covers also botanical enterprises which do not belong to the Association.

It was created in 1985 and registered with the Cyprus Chamber of Commerce and Industry. Its aim is to assist in the solution of problems faced by its members and to act as a link between Government Departments as well as assist in the compliance of this industry with European Union regulations. It has a membership of 8 enterprises representing 70% of all enterprises in this sub-sector³². It has no full-time staff. Its funding comes from membership subscriptions. The Association does not participate in labour issues and, as such, does not sign any collective agreements. At local level, it is affiliated as a member to the Cyprus Chamber of Commerce and Industry. At European level, it is planning to become a member of CEPE. It is not affiliated to any international organisations.

c) SYNDESMOS VIOMIHANON AEROZOL, APORRYPANTIKON & KALLINTIKON KYPROU / CYPRUS AEROSOL, DETERGENTS & COSMETICS MANUFACTURERS ASSOCIATION (CADCMA)

It was created in 1997 and registered with the Cyprus Chamber of Commerce and Industry. Its aim is to assist in the solution of problems faced by its members and act as a link between Government Departments as well as assist in the compliance of this industry with European Union standards and regulations. It has a membership of 6 enterprises representing 20% of all enterprises in this sub-sector³³. It has no full-time staff. Its funding comes from subscriptions of its members. It does not take part in labour disputes and does not sign any agreements. At the local level, it is affiliated as a member to the Cyprus Chamber of Commerce and Industry. At the European level, it is affiliated as a member of the Federation of European Aerosol. It is not affiliated to any international organisations.

Employers' organisations (2003)

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Syndesmos Pharmakoviomihanion, Kyrou (CYPHAMA)	Cyprus Pharmaceutical Manufacturers Association	pharmaceuticals	5	400	83* 8.3**	45* 25.6**	no	CCCI	-	-	-	-	-
Syndesmos Viomihanon Hromaton, Vernikion ke Synkollitikon Ousion Kyrou (CAPVAM)	Cyprus Association of Paints, Varnishes and Adhesives Manufacturers	Paints Varnishes Glues and related products	8	250	70* 13.3**	80	no	CCCI	-	-	-	-	-
Syndesmos Viomihanon Aerozol, Apporhypantikon ke Kallintikon Kyrou (CADCMA)	Cyprus Aerosol, Detergents & Cosmetics Manufacturers Association	Aerozol, Detergents, Cosmetics and similar products	6	150	20* 10**	30* 9.6**	no	CCCI	-	Federation of European Aerozol	-	-	-

*for the sub-sector; ** for the whole sector

Source: data supplied by the various organisations and the Statistical Service of Cyprus

³² The association pertains to enterprises manufacturing paints, varnishes and adhesives. Its membership consists of 8 enterprises (4 employing 20 people and over, 2 employing 10-19 people and 2 employing 5-9 people). There are no multinationals and public companies.

³³ The Association consists of enterprises manufacturing cosmetics, detergents, washing powder, liquid soap and other cleaning liquids. It consists of 6 enterprises employing, on average, 25-50 people. There are no multinational or public companies.

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR

3.1. Description of the tripartite concertation

There is tripartite social concertation in Cyprus, mainly for the overall economic and social policy of the country, which also includes at sector and enterprise level. In the case of the chemical sector, there are two types of tripartite concertation: one in dealing with labour disputes and the other for administrative and regulatory disputes. The actors who can negotiate at this level are representatives of the employers, trade unions and the government.

- In the case of labour disputes the main actors in this concertation are the Ministry of Labour and Social Insurance, and the two main Trade Union of the employees, OVIEK (SEK) and SEVETTYK (PEO) and the enterprises concerned;
- In the case of administrative and regulatory disputes the main actors are the Ministry of Commerce, Industry and Tourism, the Ministry of Health and the professional associations of the enterprises in the chemical sector, namely CYPHAMA, CAPVAM and CADCMA, which are affiliated to the Cyprus Chamber of Commerce and Industry (CCCI).

As regards labour tripartite concertation, the policy of the Ministry of Labour and Social Insurance is centred on the development and preservation of sound Industrial relations and the maintenance of industrial peace. This policy is pursued through the safeguarding of the freedom of association and the encouragement of free collective bargaining, the provision of assistance for the prevention and settlement of labour disputes, for the benefit of the two parties, within the interests of the public as a whole and the protection of vulnerable groups of workers. Usually, tripartite concertation in labour disputes take place when bipartite social dialogue fails to resolve a dispute. The social dialogue often moves from bipartite to tripartite, with the State getting engaged in such negotiations.

There are no matters specific to tripartite dialogue. The issues addressed in tripartite concertation exercises are those which have repercussions on the economy in general and those that cannot be resolved in a bipartite dialogue. There is a signed agreement for every case (i.e. about 10 cases every 2-3 years). The signatory parties are the employer and the trade unions. The contract of the agreements is, usually, almost a complete employment contract, covering rates of pay, contributions, retirement, other benefits and terms of employment. The implementation is according to the terms of the collective agreements signed. If there is a vague provision, usually the Ministry of Labour and Social Insurances tries to resolve it. The tripartite social concentration procedures apply to all the regional and sector levels. There are no informal procedures for tripartite concentration. There is an agreed code of procedure (as specified in the Industrial Relations Code, operating in Cyprus), which all social partners have to follow. The main procedure prescribed by the Code for the settlement of disputes involves relations such as hours of work, overtime pay, holidays, sickness pay, provident funds and other retirement benefits, rules for recruitment and dismissal and other procedural matters.

3.2. Description of the bipartite social dialogue in the Sector

Depending on the issue, collective bargaining takes places at sector level, at higher than enterprise level and at enterprise level. These levels are interconnected. If the issue concerned is not resolved at enterprise level, it is taken for discussion at other levels. The reason why the structure of collective bargaining in Cyprus for the chemical sector is mostly based on the enterprise level is because each enterprise specialises in one type of product. The social partners and the government encourage the promotion of bipartite social dialogue, as it contributes to industrial peace and time saving in many cases. The main obstacle in the development of social dialogue at sector level seems to be the heterogeneity of the sector, with each enterprise having its own characteristics as far as production is concerned. According to the Industrial Relations Code operating in Cyprus, there is an obligation to participate in collective bargaining at the sector or enterprise level and there are formal reciprocal recognition systems on the part of social partners.

a) At sector level

Bipartite social dialogue at sector level is possible, but usually the issues to be resolved bear a national context and a tripartite social dialogue, may be necessary. The players here can be a group of enterprises, the Cyprus Chamber of Commerce and Industry and the Federation of Employers and Industrialists, to which these enterprises may be affiliated. There are formal reciprocal recognition systems on the part of social partners. There are no conflicts between players regarding recognition issues. Other Organisations playing a consultative role in industrial relations in the sector are the Ministries of Labour, Commerce and Industry and Health, the Cyprus Chamber of Commerce and Industry and the Federation of Employers and Industrialists and

the corresponding professional associations of the enterprises concerned³⁴. The bipartite representatives will not negotiate unless they are recognised by both sides. There are no collective agreements at sector level, in the chemical sector.

b) At "higher than enterprise" level

There are no collective agreements at "higher than enterprise" level. The players at this level are Ministries, Professional Associations, Employers Associations and other related organisations. There is no legal provision for these actors and no recognition issues. Their role is consultative and to help enterprises and trade unions in the sector to reach CA.

c) At enterprise level

The structure of collective bargaining in Cyprus for the chemical sector is mostly based on the enterprise level. Indeed, the only CAs signed are at enterprise level. At the national industry and enterprise levels, these organisations recognise one another and are recognised by the State, as representatives of the respective workers and employers. On the workers' side, it is organised in two trade unions (SEVETTYK/PEO and OVIEK/SEK) while on the employer's side it is the owner/ manager or representative of the enterprise, usually assisted by the Cyprus Chamber of Commerce and Industry (CCCI) and/or the Federation of Employers and Industrialists (OEV), to which the enterprise may belong. The players who, although not directly involved in the dispute, must be regarded as playing a role in industrial relations in the sector are the Ministries of Labour, Commerce and Industry and Health, the Cyprus Chamber of Commerce and Industry and the Federation of Employers and Industrialists and the corresponding professional associations of the enterprises concerned. There are no conflicts between players regarding recognition issues. There are about 10 signed CAs, which remain in force. Their duration is between 2-3 years. These agreements are signed by the owners (or their representative) and the trade unions. The enterprises which are signatories of these CAs are mostly as follows: about half in the size groups 5-19, another 40% in the 20-49 group and 10% in the 50 -249 people group. There are no multinationals represented. SW covered by these CAs are mostly production and related workers. The formal procedure for negotiating labour matters at enterprise level in the chemical sector is as follows: two months before the expiration of a collective agreement, the Trade Unions submit their claims to the owners / managers of an enterprise. The latter can also submit claims. Negotiations are held between the manager / owner of an enterprise and representatives of the trade unions. If no agreement is reached at enterprise level, then the issue may be referred for consultations at "higher than enterprise" level before it goes to tripartite concertation under the chairmanship of the Ministry of Labour and Insurance (usually the Industrial Relations Service of the Ministry).

The social partners have the ability, at enterprise level, to conclude agreements relating to issues in the sector. Collective agreements in the chemical sector in Cyprus are all at enterprise level. The implementation of an agreement is according to the terms of the collective agreement and is usually supervised by the trade unions concerned. The number of collective agreements signed in the chemical sector amounts to about 10 every 2-3 years. The subjects covered by collective agreements include wages, pay systems and other conditions of employment and work specific provisions in the recently enforced new EU harmonised labour legislation, that ensures that collective agreements are amended so that provisions which are contrary to this new legislation are effectively removed. The duration of these collective agreements is usually for 2-3 years. Possible evolution relating to the number of collective agreements is that it will remain relatively constant but their content is likely to change to include items such as changes in the cost of living allowance and welfare benefits, extension of the age of retirement and the legal binding of collective agreements as well as safety and environmental conditions at work. The coverage of collective agreements at enterprise level in the chemical sector is about 84% (estimated at 1,400) for employees and 90% (estimated at 57 in 2003) for enterprises. The agreements have island-wide coverage. There are no formal ways of extending collective agreements to parties that are not signatories but usually employers adopt these agreements, since otherwise, employees may leave them for better employers.

4. COMMENT

The chemical sector in Cyprus is relatively small in terms of the value added contribution to GDP and employment but very significant in domestic exports. It is dominated by the production of pharmaceuticals and cosmetics. It is an expanding sector and has achieved relatively high rates of growth. The problems faced by the sector pertain to technological upgrading, shortage of skilled labour, increased foreign competition and compliance with EU standards and regulations, especially in the use of chemical substances and disposal of waste.

³⁴It is usually in their effort to avoid strikes which may jeopardise the supply of pharmaceutical products (for example) and cause problems to the general public. In such cases there are no recognition issues involved.

As far as tripartite concertation is concerned and although Cyprus collective agreements are not legally binding, there are first, direct negotiations and secondly, mediation for interests disputes (with the right to resort to industrial action such as strike or lock-out, by giving a 10-day notice) and arbitration in case of rights disputes, which is binding. As regards administrative and regulatory disputes these are submitted by the professional associations of the chemical industry to the Ministry of Commerce, Industry and Tourism and the Ministry of Health for discussion and resolution. Decisions taken are implemented through circulars, regulatory instructions and legislation. The professional associations and the Government have consultations on various issues, concerning the chemical sector. In this sector, industrial relations are at enterprise level. Various actors may assist to reach an agreement but they are exclusively signed at the enterprise level. The signatory parties are the owners or representatives of the enterprises and the trade unions.

The positions of the social partners with regard to future developments in the social dialogue in the chemical sector and the economy in general are positive and the partners believe in negotiations in a spirit of good faith and mutual understanding, in the context of the industrial relations principles and practices, prevailing in the country. Issues such as the right to strike in essential services, wage indexation in line with inflation, extension of the age of retirement, safety and environmental conditions in the workplace, seem to be the most important ones that need to be resolved. The adoption by Cyprus of the European "acquis" in labour relations (especially within the Social Policy Agreement of 1992) is not envisaged to require radical changes in its traditional collective bargaining system.

CZECH REPUBLIC

1. DESCRIPTION OF THE SECTOR CHARACTERISTICS

1.1. Delimitation and scope of activities in the sector

The definition of the Chemicals industry sector in the Czech Republic is broader from the point of view of CB. It follows NACE, i.e. it includes enterprises classified in Division 24: Manufacture of chemicals, chemical products, medicines and man-made fibres, and in 23.2 Crude oil refinement.

1.2. Socio-economic features of the sector³⁵

Year	2000	2001	2002	2003
Average registered number of employees (individuals)	46,427	44,452	44,615	44,061
As a% of employees in the national economy	1.2	1.2	1.1	1.1
Average monthly wage per head (CZK)	16,246	17,164	18,617	18,947
Gross added value in group 24+23.2 as a% of total gross added value at current prices	2.11	2.11	1.53	ND ³⁶

Source: CZSO calculations to order, RILSA calculations

Note: in the national economy, we had to calculate with gross added value (not with the GDP) because other data were not available from the Czech statistical office.

The manufacture of chemicals, chemical products, medicines and man-made fibres and crude oil refinement sector is one of the smaller sectors in the national economy in terms of the size of its workforce. The average wage in the sector was above the national average in 2002 and 2003 (the national average wage in 2002 was CZK 15,866, i.e. EUR 515³⁷; in 2003 CZK 16,920, i.e. EUR 531).

NACE 24+23.2	
International Standard Classification of Occupations (ISCO)	%
Legislators and managers (1)	4.5
Professionals (2)	12.1
Technicians (3)	26.4
Clerks (4)	7.5
Service and sales workers (5)	1.0
Craft and related trades workers (7)	13.0
Plant and machine operators (8)	25.2
Elementary occupations (9)	10.3
Education	%

³⁵ Seeing that the category 23.2 Crude oil refinement constitutes approximately 1,700 employees, data for both groups (24+23.2) will be given together.

³⁶ Data for Gross value added was available only for the whole sector 23 Manufacture of coke, refined petroleum products and nuclear fuel.

³⁷ Yearly average exchange rate for 2002 and 2003 from the database of the Czech National Bank (CZK 30,812 per EUR in 2002 and CZK 31,844 per EUR in 2003). Source www.cnb.cz.

Basic education - International Standard Classification of Education (ISCED) 1,2	6.5
Secondary with General Certificate of Education (GCE) - ISCED 3	41.9
Secondary without GCE - ISCED 3,4	33.7
University - ISCED 5,6	17.9
Employment contract term	%
Indefinite term	93.7
Fixed term	6.3
Full-time/part-time	%
Full-time	98.6
Part-time	1.4
Sex	%
Men	57.3
Women	42.7

Source: Labour Force Survey CZSO, 2004

Male employees form a slight majority (57.3%) in the sector, even though the nature of production means that there is a high proportion of women, roughly 43%. From the point of view of professional classification, most employees are technical workers and skilled labourers with secondary school education with or without the General Certificate of Education (GCE).

As of 31.12.2004, there were 3,635 business entities in the sector, divided up as shown below in terms of legal format and number of employees. There are many self-employed people and organisations without employees in the sector (80% and 61% respectively).

Breakdown by legal form:	NACE 24+23.2	
	absolute	%
Self-employed	2917	80.3
Commercial company	699	19.2
Cooperatives, state firms, other	19	0.5
Total	3635	100.0

Breakdown by number of employees:	NACE 24+23.2	
	Absolute	%
No employees	2220	61.0
1 - 9 employees	588	16.2
10 - 100 employees	232	6.4
100 plus employees	73	2.0
Not stated	522	14.4
Total	3635	100.0

Source: Register of Economic Subjects CZSO, 2004

Compared with the total number of units in the national economy, the number of units operating in the sector is minimal (the total number of active units in the national economy as of 31.12.2004 was 2,023,894). Added value generated in the sector is fairly small compared with other economic sectors.

Workers (2003)³⁸

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
Sub-sector 1 NACE 23.2	ND	cca.1,700	0.01	ND	ND	ND
Sub-sector 2 NACE 24	ND	42,361	1.1	ND	ND	ND
Total of the sector	ND	44,061	1.1	ND	ND	ND

Given the nature of production and the information available from interviews with representatives of the social partners it is possible to judge that the grey economy plays a minimal role in this sector.

The position of NACE 24 within manufacturing is progressively weakening (in the period 2000-2003). Most large companies have already completed fundamental modernisations and restructuring, small and medium-size enterprises are in a much worse situation and an uncertain future awaits them. The sale of the state share (63%) in the petrochemical holding Unipetrol, joint stock Co. to the Polish company PKN Orlen may influence the future development. The petroleum products manufacturing group reported a 25% decrease in the number of employees in 2003, when compared with 2000. Even though there has been a reduction of employees in this group, this has not reduced the overall employment significantly in the sector as a whole.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

2.1. Description of the workers' organisation active in the sector

Odborový svaz ECHO (OS ECHO), Trade Union ECHO

ECHO is the only trade union in the chemical industry that conducts sector CB³⁹. It is also the only trade union partner for the Association of Chemical Industry of the Czech Republic (SCHP CR), the employers' organisation with an equivalent status in sector social dialogue. According to its statutes, published on its own web site⁴⁰, ECHO is an independent, voluntary, open and democratically based association of basic and local organisations that associates, regardless of political persuasion, nationality, religion, race or sex, employees at enterprises, in particular generators and distributors of electricity and heat, the chemicals and pharmaceuticals industry, oil processors, rubber and plastics industry and other organisations who express an interest in joining the federation⁴¹. ECHO's mission and objective is to formulate, satisfy, bring to bear and defend the professional, economic, social and other interests, rights and needs of its members.

³⁸ The total number of employees in ČR, average registered number of persons, 2003, according to CSO: 4,044,639 persons (employees).

³⁹ The other trade union in the chemicals industry sector, mentioned above, is merely regional and does not take part in CB at sector level.

⁴⁰ <http://www.os-echo.cz/>

⁴¹ It is clear that the principle of sector allegiance takes second place to openness towards potential members from other sectors. The name for the new federation proposed by the Trade Union of Chemical Industry bears that out: Trade Union of Electricity, Chemicals and Other Sectors.

The federation was established under Act no. 83/1990 Coll., on citizens' associations. The federation is divided into two sections, electricity and chemicals, which constitute the key framework for matters of CB and other problems specific to the sector. The sections are run by the respective vice-chairmen of the federation. In its programme declaration for 2004 to 2008 the federation stresses its willingness to give precedence to social dialogue as the fundamental means of maintaining social concord and asserting the legitimate interests of its members. It declares the need to assert the principle of equal treatment for men and women and to abolish all forms of discrimination and its intention to remain in the Czech-Moravian Confederation of Trade Unions (CMKOS) and to cooperate with European trade union movements.

ECHO was formed in the middle of 2004 by merging two originally separate trade union federations, the Trade Union of Power Workers (OSE) and the Trade Union of Chemical Industry (OSCH). Both federations were originally members of the CMKOS, the biggest trade union grouping in the Czech Republic⁴². OSCH brought to the new federation its tradition of good cooperation with its sector social partners (an example of which is the signing of the joint Agreement on Sustainable Enterprise in the Chemicals Industry of 11.2.1999); good cooperation is also regarded as one of ECHO's priorities.

As far as financing is concerned, ECHO has maintained the same level of membership dues specified by the original founder federations. According to its statutes, member dues for the chemicals section are 1% of net monthly earnings. The federation's staff comprises 16 employees, 4 of whom are elected officials and 12 specialist employees. By our estimate (the federation does not keep the necessary records), the membership base is drawn from the full spectrum of professional, qualification and education categories of employees, former employees, the unemployed and pensioners.

According to CMKOS data, the number of individual members in the chemicals section of the federation⁴³ as of 31.8.2003 was 19,400 in 2003 (18,400 in 2004, as of 31.8.). These are only employees; ECHO does not give information on groups such as pensioners, who are members of local or basic organisations, and for that reason no data on the categories making up its members are available. Additionally, there is no available data on the number of the federation members working in the sector (in our opinion, however, this figure will be very close to the aforementioned total number of individual members of the federation's chemicals section). The density (2003) is as following: $100 \times 19,400^{44} / 44,061^{45} = 44.03\%$.

There are no differences in the form of membership for employees who are members of the federation. There are no systems for mutual recognition between the partners – they merely have to satisfy the basic conditions authorizing bodies to conduct CB as laid down by law. ECHO takes part in CB at sector level. Member organisations take part in enterprise-level bargaining through the respective trade union bodies. ECHO, which was formed on 1.7.2004, has concluded one sector CA (HLCA), in force from 1.1.2005, with SCHP CR, which applies for 2005-2008. In previous years OSCH always signed one HLCA in the sector with the same partner. ECHO is represented by CMKOS's representatives in the Council of Social and Economic Agreement of the Czech Republic (RHSD CR); the federation's chairman also takes part in RHSD CR consultations in person. Agreements are not concluded in the RHSD CR.

ECHO is a regular member of the Czech-Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazů, CMKOS) and EMCEF (membership in ICEM was terminated in 2004, mainly for financial reasons).

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Odborový svaz ECHO (OS ECHO)	Trade Union ECHO	All types	19,400 in 2003 (18,400 in 2004) ⁴⁶	ND ⁴⁷	44.03	yes	CMKOS	-	EMCEF	-	-	-

⁴² For more details on the formation of ECHO see A. Kroupa, Energy and Chemicals Unions Merge, EIRO on-line.

⁴³ According to CMKOS data, ECHO as a whole had 33,356 members as at 30.6.2004, and was one of CMKOS's biggest members.

⁴⁴ According to ECHO/CMKOS data, as to 31.8.2003

⁴⁵ According to CSO, 2003 (NACE 24 plus 23.2)

⁴⁶ According to CMKOS data, the number of individual members in the chemicals section of the federation as at 31.8.2003, 31.8.2004.

⁴⁷ Our estimation: most of all ECHO's members.

2.2. Description of the employers' organisations active in the sector

Svaz chemického průmyslu České republiky (SCHP ČR), Association of Chemical Industry of the Czech Republic.

SCHP CR was founded in 1990 as a voluntary association of manufacturing, trade, design, research and consultancy organisations associated with the chemicals, pharmaceuticals and petrochemical industry and to the plastics and rubber processing industry. The federation is headed by an elected president with a twelve-member board of directors and five-member supervisory board. The federation's work focuses on four areas of activity: lobbying (it is very active in exercising influence on legislation, including commenting on and co-authoring draft legislation), boosting the image of the chemical industry with the public, representing member companies in disputes over workforce, social and wage issues and occupational safety issues, in CB at sector level and in consultations with state authorities, and, recently, helping members obtain financing from European funds. In the Czech Republic the federation works closely with the Confederation of Industry and Transport, of which it is a member. It also cooperates with other organisations associating companies from various fields of chemicals manufacture, e.g. the Czech Association of Petroleum Industry and Trade, the Union of Plastics Manufacturers, the Association of the Czech Pharmaceuticals Industry et al. (these associations do not deal with employer issues or sector social dialogue). SCHP CR has a number of expert commissions and committees, including a human resources council comprising human resources experts, mainly from major chemicals firms, which deals with social dialogue and handles CB with ECHO. The federation's staff is comprised of 4 employees, including a director (the director answers to the board of directors). Originally SCHP CR had more employees, but their number was cut (the federation does not have any CB experts, as it makes systematic use of the specialist teams of its members). According to the representative interviewed, the federation has one of the lowest levels of membership dues of all European chemical industry federations. Dues are based on achieved turnover. At its last session, the federation's general assembly approved annual dues of CZK 43 out of every CZK 1 million of turnover for manufacturers and CZK 21 per million for trading companies or CZK 20,000 per year, whichever is the greater. Dues make up just less than 2/3 of the federation's incomes (this proportion should be increased in future though, in the opinion of some). Other funding comes from revenues gained from grant work; the federation is very active in trying to obtain grants (sometimes in collaboration with the Confederation of Industry, including the Phare programme). Services billed to members (for training, for example) are another source of revenue. Most of the large chemicals firms operating in the Czech Republic are members of SCHP CR, but some members are medium-sized and some small. There is no detailed information on the structure of its membership. At present SCHP CR has 74 individual members and 3 collective members; including the members of its collective members, SCHP CR has a total of 114 members including multinationals, large and medium-sized enterprises etc. The members employ approx. 60% of all employees in the sector in total⁴⁸.

SCHP CR takes part in national tripartite consultations both through the Confederation of Industry and Transport and through the personal participation of SCHP CR's president. Most consultation takes place at sector level, however. Every year since the start of the 1990s SCHP CR has concluded one HLCAs in the sector. There is no information on the number of ELCAs signed by SCHP CR's members. We believe that this number is close to the number of ELCAs concluded by ECHO's trade union organisations, however. Agreements are not concluded in the RHSD CR.

As said above, the federation is a regular member of the Confederation of Industry and Transport, the biggest employer and entrepreneur umbrella organisation in the Czech Republic.

⁴⁸ According to SCHP CR website, <http://www.schp.cz/schp/index1.html>

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Svaz chemického průmyslu České republiky (SCHP ČR)	Association of the Chemical Industry of the Czech Republic	23.2, 24 (mainly)	114	ND	12.77 ⁴⁹	60	yes	Confederation of Industry and Transport (Svaz průmyslu a dopravy ČR, SP ČR)	-	CEFIC ECEG	FECC*	ICCA	-

*SCHP CR is an indirect member of the FECC through its affiliation to SCHOD CR.

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

3.1. Description of the tripartite concertation in the sector

There is no tripartite concertation at sector level comparable with that at national level, i.e. the RHSD CR, in any sector, including the chemical industry sector. The above notwithstanding, irregular tripartite consultations focusing on a particular topic do exist and their results have been registered in the chemical industry sector. These include the area defined by the Cooperation Memorandum signed on 3 May 2001 in Prague by the top representatives of SCHP CR, OSCH, the Ministry of Finance of the Czech Republic – General Directorate of Customs and the Police of the Czech Republic. The signatories will mainly cooperate in tackling the illegal manufacture of and trafficking in medicines, including effective information exchange. There will also be cooperation in organising and recruiting for specialist training and in adopting further measures to minimize the risk of abuse of chemicals. The state authorities were the driving force behind this cooperation. Other irregular tripartite negotiations have been held on the REACH project, with the involvement of the Ministry of Industry and Trade of the Czech Republic, the Ministry of the Environment and the Ministry of Health of the Czech Republic and representatives of SCHP CR and the KOVO Trade Union.

3.2. Description of the bipartite social dialogue in the sector

By law CAs may be signed by the appropriate trade union bodies and employers, or organisations thereof. CB in the Czech Republic, where the legislation only recognizes enterprise level CAs (ELCAs) and sector - high- level CAs (HLCAs), takes place mainly at enterprise level – that is also true for the chemical industry sector. As a result, ELCAs binding not only the signatory parties, i.e. an employer and a trade union organisation, but also employees (regardless of whether they are trade union members or not) are concluded in the chemical industry sector. Unlike ELCAs, HLCAs are, in the words of the law, “concluded for a greater number of employers between the appropriate higher trade union body and an organisation or organisations of employers”; HLCAs are binding for all employers on whose behalf the employers organisation signed the agreement and for all trade union bodies on whose behalf the trade union body signed the agreement. Like ELCAs, HLCAs are signed by trade unions on behalf of all employees, i.e. including trade union non-members. The law therefore does not recognise CAs applying to a particular sector (sectors are not legally defined in the Czech Republic)⁵⁰. Moreover, the law does not deal with the question of representativeness⁵¹, and this principle is not brought to bear in the system of negotiating HLCAs and ELCAs (representativeness is only a criterion for participation in the RHSD CR). In fact, HLCAs tend only to cover part of a sector, usually because the membership base of the

⁴⁹ The whole number of 114 members (SCHP CR's website)/893 companies (according to CSO: the whole number of enterprises of NACE 24 plus 23.2 together, minus the number of enterprises without employees (2220) and minus those ones, who didn't give the number of their employees (522), up to 31 December 2004.

⁵⁰ i.e. The law does not rule sector collective agreements out, but they are not subject to legislative regulation and are in practice governed by the procedural customs of the partners.

⁵¹ i.e. The formation of trade union and employer associations and their federations is governed mainly by Act no. 83/1990 Coll., on citizens' associations, as amended. Citizens' associations formed under Act no. 83/1990 Coll. are subject to registration with the Ministry of the Interior of the Czech Republic; in line with the relevant International Labour Organisation treaties, trade unions and employers' organisations are required merely to register, without the state interfering in either training or work processes. The act does not lay down any representativeness criteria for either trade union or employer organisations.

employers' organisation does not include all the businesses in the sector (what is more, it is very often the case that the employers organisation only concludes an HLCA for part of its membership, i.e. only for those members who give their consent). Equally, trade unions negotiating HLCAs do not represent all trade union organisations at employers in the sector (as said above, the question of representativeness is not taken into consideration in this regard).

Although the sector framework in the Czech Republic is not a direct factor for defining the validity of CAs, in practice it does constitute a basic criterion for affiliation among both employers and trade unions and is therefore naturally one of the central principles on which organisations of the social partners are built. The sector will evidently increase in importance in the future as well – the need to strengthen the role of sectors, and thus also to table the question of representativeness, is now being felt more intensely. Primarily, this involves the ongoing issue of legislation on extending HLCAs: the HLCA extension process has been stalled by a ruling of the Constitutional Court of the Czech Republic, which revoked the existing legislation on extension. From these points of view, it is reasonable, in our opinion, to prefer the sector level to the higher-than-enterprise level in negotiating HLCAs (for the Czech Republic generally), despite the aforementioned reservations. The relationship between CB at sector level and enterprise level derives first and foremost from the applicable legislation. By law, any parts of an ELCA that provide employees with lesser entitlements than an HLCA or guarantee employees higher wages than an HLCA specifies as the maximum admissible, are deemed to be invalid. Another consequence of HLCAs' superiority over ELCAs is the fact that the commitments contained in HLCAs apply to employers affiliated in the respective employers organisation that signed an HLCA and for those employers' employees, even if no ELCA has been signed.

In general, it is fair to say that CB in the Czech Republic is more developed at enterprise level, for the simple reason that HLCAs are not signed in every sector – either because there is no legitimate partner for trade unions to bargain with or because employers are unwilling to sign HLCAs. CB has been relatively successful in the chemical industry, however, both at enterprise level and at the level of the sector representatives of the social partners, where, according to concurring information from both partners, CB has consistently been conducted in an atmosphere of genuine effort to reach agreement. The upshot is that there has been no tension between the social partners either at sector level or in chemical plants in the Czech Republic.

No formal or informal procedures for mutual recognition of the social partners are established in the Czech Republic.

There is a whole series of barriers to social dialogue at sector level. For example, the absence of representativeness criteria for organisations of the social partners is regarded as an obstacle. Although trade unions in the Czech Republic represent even employees who are not members of any union and their authority is thus conceived very broadly, the law does not impose any representativeness criteria on trade union or employer organisations, for the purpose of negotiating HLCAs or in connection with extension, for example. Nevertheless, the lack of any representativeness criteria is seen by the trade unions as a cause of the decline in membership and, on the part of employers, of the lack of interest in joining forces or conducting CB at sector level⁵². Two changes to the tax legislation are expected to help increase the capacity for social dialogue. On 1 January 2004, an amendment of the income tax act took force, enabling trade union members to deduct member dues paid to their trade union organisation from tax. Similarly, employers may deduct from tax member dues paid to an employers' organisation.

There are no direct links between the aforementioned irregular tripartite consultations and bilateral social dialogue, either in general or in the chemical industry specifically.

Specifically, sector themes of social dialogue in the chemical industry sector are occupational health and safety and environmental protection.

a) At sector level

The main sector association of trade union organisations in the chemical industry sector is ECHO⁵³. ECHO's partner in the chemical industry is SCHP CR, which is the only organisation representing employers' interests in this sector. CB at sector level in the chemical industry takes place between these organisations (and only between them). Negotiations between the sector representatives of the social partners have taken place since the start of the 1990s and have always, without exception, culminated in a CA – for the past 15 years there has always been one HLCA in force in the chemical industry. As far as the substance of the agreements is concerned, the HLCA that expired on 31.12.2004, for example, contained comprehensive rules for

⁵²For more information, see e.g. J. Hála, A. Kroupa, Factors Constraining Social Dialogue and Social Partners' Influence Examined, EIRO on-line, 2004.

⁵³Another trade union in the sector is the Regional Trade Union (ROSa), but this organisation does not take part in social dialogue and CB at sectoral level. According to the information available, this trade union accents its regional nature rather than sectoral focus. It operates in North Moravia and associates a total of around 5 trade union organisations that split from the Trade Union of Chemical Industry. The founding assembly was held in Opava on 23..2002, where a chairman was elected and the board of directors approved the Programme of the Regional Trade Union ROSa. The union is also open to the unemployed and pensioners. It mainly associates employees of small firms, employees of foreign supermarket chains etc. It set up a trade union organisation called FILIP for employees of firms where no trade unions operate. It publishes a magazine called BEACON for its members. Since 2002 it has been a member of the Association of Independent Trade Unions (ASO). Contact: Regionální odborový svaz ROSa, Nerudovo nám. 624, 708 00 Ostrava-Poruba, tel. 596 922 830, internet: rosa.web.wo.cz

remuneration and also increased the proportion of total wages or total pay accounted for by tariff-based wages or pay; it increased the compensation to be provided for stoppages at work over and above the framework of the Labour Code, etc. At present an HLCA concluded for 2005-2008 is in force. Wage issues are governed by annual protocols (annexes to the HLCA). Other topics covered include commitments by the parties regarding the status and authority of ECHO basic organisations at enterprises, commitments to apply equal treatment for employees and to ban discrimination, for joint assessment of wage development, inflation risks, developments on the labour market etc. There are also provisions regarding the employer's social policy, labour entitlements, etc. The content structure and standard of formulations in HLCAAs signed by the two organisations have stabilised over the years (that is one reason why it was possible to enter into a three-year agreement), so there have been few differences in the content in recent years; no fundamental changes can be expected in the coming years either.

There is no specific duty to take part in CB at sector level. The coverage rate of the CAs in comparison with total number of enterprises and total number of SW is for the enterprises (2004): $100 \times 31^{54} / 893^{55} = 3.47\%$, and for the salaried workers (2003): $100 \times 28,406^{56} / 44,061^{57} = 64.47\%$. The HLCA signed for 2005-2008 covers a total of 31 employers which are members of SCHP CR (mainly large and medium-sized enterprises) and which authorised the SCHP CR to negotiate on their behalf. According to the questioned SCHP CR representative, the HLCA thus covers employees constituting around 50% of all employees of all members of the organisation. By our estimate based on data from the ECHO chemicals section as at 30.6.2004 concerning the HLCA applicable up to 31.12.2004, the total number of employees covered by the existing HLCA does not exceed 26,000, however. It follows from the above that detailed (trade union) data are available for the previous years. According to ECHO, the total number of employees at employers covered by the HLCA in the chemical industry was 26,380 as at 30.6.2004, 13,126 of whom were trade members. At that time the HLCA covered 32 employers that were members of SCHP CR and 47 member organisations of ECHO. In 2003, the HLCA covered 34 employers (4 of these by extension) and 51 trade union organisations (4 of these by extension) and 28,406 employees (just under 130 of these by extension), with 13,893 of the employees covered by the HLCA in 2003 members of trade unions.

HLCA extensions were implemented in the Czech Republic up to 31.3.2004. The legal basis on which extensions were founded on CB, was annulled by a finding of the Constitutional Court with effect from 1.4.2004⁵⁸. There was not much extension of HLCAAs in the chemical industry even when the law permitted it, however (in 2003, for example, the HLCA was extended to 4 employers and 130 employees, as mentioned above).

As far as we know, there are no conflicts between the parties over mutual recognition or the authorisation to conduct CB and sign CAs. HLCAAs in the Czech Republic must comply with the law, otherwise they are invalid. The same is true for the position of the social partners in the chemical industry at sector level, there has never been any contention between the social partners or from outside. The merger between OSE (trade unions operating in the power industry) and the Trade Union of Chemical Industry (OSCH) and the creation of ECHO helped consolidate the resources of the founder unions. Furthermore, the SCHP CR, representing employer interests in the sector, is systematically striving to widen its member base, according to the questioned representative of the organisation. The integration by the trade unions has not changed the situation of either social partner in CB terms, however, and evidently will not do so in the future either. The key point is that the sector as a whole has played a significant part in the good business results achieved by Czech industry in recent years. There are no rival organisations of the social partners playing a role in social dialogue and CB at sector level.

b) At enterprise level

Bilateral social dialogue takes place at enterprises in the chemical industry just as it does in other sectors of industry.

Besides those in ECHO, there are other trade union organisations operating in the chemical sector, such as the member organisations of the aforementioned ROSa, but there is no detailed information on these subjects. We are not aware that there have been any conflicts regarding mutual recognition (authorisation to bargain) and ECHO has not registered any disputes at enterprise level⁵⁹.

⁵⁴According to data of ECHO/CMKOS, up to 30 June 2004.

⁵⁵According to Czech Statistical Office, CSO (Český statistický úřad, ČSÚ): The whole number of enterprises of NACE 24 plus 23.2 together, minus the number of enterprises without employees (2220) and minus those ones, who didn't give the number of their employees (522), up to 31 December 2004.

⁵⁶ According to data of ECHO/CMKOS, up to 30 June 2003.

⁵⁷ According to CSO: The average number of salaried workers of employers with 20 or more employees, NACE 24 plus NACE 23.2 together, in 2003.

⁵⁸For more information see J. Hála, A. Kroupa, Extension of CAs under Debate, EIRO on-line.

⁵⁹According to a CMKOS report up to 30.6.2004.

As far as ECLAs in the sector are concerned, the only information available is that of ECHO, or the original Trade Union of Chemical Industry in the Czech Republic (the following figures therefore do not represent the total number of ELCAs concluded in the sector)⁶⁰. There is also no information available on the number of ELCAs in force in the sector since the start of 2005. According to ECHO data as of 30.6.2004, there were 80 ELCAs signed by ECHO members in force in 2003 and 2004. Of this number, 78 ELCAs regulated wages, so 42,350 employees under ECHO received wages based on a CA in 2003 and 40,760 in 2004. The main features of the content of ELCAs do not differ from the structure of HLCAs, but the arrangements contained in ELCAs are more detailed and specific. The coverage rate of the CAs in comparison with total number of enterprises and total number of SW is for the enterprises (2004): $100 \times 80^{61} / 893^{62} = 8.96\%$ and for the salaried workers (2003): $100 \times 42,603^{63} / 44,061^{64} = 96.69\%$. ELCAs signed by members of ECHO covered 42,350 employees in 2003 and 40,760 in 2004. Given that only two of the total of 95 trade union organisations in 2003 and 93 in 2004 failed to conclude an ELCAs in the year in question, just 260 employees in 2003 and 70 in 2004 remained in enterprises where there is a member organisation not covered by a CA. As far as the employers that signed ELCAs (in force in 2003 or 2004) are concerned, 16 were medium-sized (i.e. with a workforce ranging from 51 to 100 employees) and 10 were small (10 employees or fewer). ELCAs applying for 2003 were signed by 12 foreign-owned employers (i.e. a branch of a foreign company, a Czech-based company with a foreign owner, a Czech-based company with more than 50% foreign ownership) and ELCAs applying for 2004 by 13 such employers. ECHO has no information on the category of employees covered by ELCAs. In our opinion, they are both manual and non-manual professions across the spectrum of educational level and qualifications.

The law does not permit extension of ELCAs and no change in this regard can be expected in the future. That is because extension has only been a tradition in the case of HLCAs in Czech conditions.

4. COMMENT

The chemical industry sector has been one sector of the Czech Republic in which social dialogue has not brought any social conflicts. That is partly due to the traditionally good cooperation between the sector social partners, which have a strong position in the sector. Both trade unions and employers in the sector have managed to build up highly organised, integrated representative federations that advocate a constantly rational, cooperative strategy. CB, whether at sector level or at enterprise level, has resulted in CAs; ongoing social dialogue fulfils its function. Some of the missing data on the capacity of social dialogue in the sector can be blamed on the lack of a legally defined framework for central monitoring in this area.

⁶⁰ There are no central records or statistics of ELCAs in the Czech Republic, so specific figures for the number of ELCAs in the chemicals industry sector are not available. However, the figures for ECHO account for a large majority of the ELCAs in force in the sector in 2003 and 2004.

⁶¹ According to data of ECHO/CMKOS, up to 30 June 2004.

⁶² According to the Czech Statistical Office, CSO (Český statistický úřad, ČSÚ): The total number of enterprises of NACE 24 plus 23.2 together, minus the number of enterprises without employees (2220) and minus those ones, who didn't give the number of their employees (522), up to 31 December 2004.

⁶³ According to data of ECHO/CMKOS, up to 30 June 2003.

⁶⁴ According to CSO: The average number of salaried workers of employers with 20 or more employees, NACE 24 plus NACE 23.2 together, in 2003.

DENMARK

1) DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

1.1. Delimitation and scope of activities in the sector

Chemical industry in Denmark, as in all of Europe, is covered by NACE code 24. However, the chemical industry, NACE code 24, is sometimes mixed with the related industries, mineral oil (NACE 23) and especially the rubber and plastics industry (NACE 25) in the official statistics, whether made by Statistics Denmark or the labour market organisations. Basically, the companies in the chemical industry are involved in transforming organic and inorganic raw materials and with the manufacturing of chemical products. There is a division between the production of basic chemicals and the production of intermediate products and finished products, which are produced by the further treatment of basic chemicals.

Collective bargaining in Denmark takes place at sector level and at company level. Sector bargaining between DI and CO-industry, as mentioned below, covers all manufacturing industry.

1.2. Socio-economic features of the sector

The composition of the chemical industry in Denmark shows different characteristics than most other industries. As such the sector has been growing steadily the last decades, but the weight of the sub-sectors has changed slightly. The Pharmaceutical and biotechnology industries are the strongholds of the sector today. The pharmaceutical industry employs around 16,000 people against 12,000 in the rest of the chemical industry (Statistics Denmark, end 2002). This also means that the numerical relationship within the sector between professionals, skilled and unskilled workers shows different patterns than in other industry sectors. GDP (2002) is DKK 1365 billion (EUR 182 billion) and the added value produced (2002) is DKK 1167 billion (EUR 156 billion). The productivity of the chemical industry represents DKK 50,000 million (EUR 6,670 million), i.e. 3.85% of GDP. The industry is also characterised by more large companies like Novo Nordisk and H. Lundbeck, for instance, and innovations inside the biotechnology industry has lead to a leading position in Europe. More than 50 companies have more than 100 employees. At national level, small and medium-sized enterprises, SMEs, by far, constitute the backbone of the Danish economy. Among the 6,100 member companies of the largest employers' organisation in Denmark, the Confederation of Danish Industries, Dansk Industri, 75% have less than 50 employees, and within this majority the main share is below 25. The traditional chemical industry has experienced a certain decline in employment, while the pharmaceutical industry employs around 40% more than in 1995. The number of full-time employed was 11,500 in 1995 and 15,500 in 2002. Manufacturing of basic chemicals employed 5,700 in 1995 against 4,000 in 2002. The most interesting part of the chemical industry in Denmark as of today is the biotechnology industry. This is due to innovation and the establishment of new companies creating new jobs for mainly people with professional skills. The biotechnology research is regarded as very important and has created significant developments. In a time where the regulation of the labour market is influenced by globalisation, innovation in areas requiring high skills is one of the ways to combat the effects of globalisation in Denmark. Thus the development in the chemical and pharmaceutical industry is of great importance for the Danish economy.

The chemical industry covers 11.2% (2002) of the total turnover made by Danish companies in industry as a whole. Of this percentage, medical and pharmaceuticals represent little more than half, i.e. 52.6%. In 1995 the chemical industry covered 7.2% of the total turnover in industry and pharmaceuticals accounted for 44.4% of the turnover in chemical industry⁶⁵. The increase of pharmaceuticals in relation to the more traditional chemical industry sectors in 2002 is almost eight percentage points or 15%. The comparison between the increase of turnover in the chemical industry and all sectors of industry from 1995 to 2002 is interesting. The turnover in all industry has increased 28.4% whereas the increase in chemical industry is 100.7%. Reliable figures from 2004 have not yet been released from Statistics Denmark but there are good reasons to believe that the rate of increase has not slowed down.

⁶⁵ CO-industri (1998): *Brancheanalyse for den kemiske industri i Danmark* (Analysis of the chemical industry in Denmark), Report, CO-industri 1998) and own calculations. The study includes the rubber and plastics industry as part of the chemical industry, but for certain figures it is possible to isolate 'rubber and plastics'.

Companies⁶⁶

Sub-sectors	Number of Companies ⁶⁷	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
24.10	65	35%	16 25%	21 32%	5 8%
24.20	10	50%	2 20%	2 20%	1 10%
24.30	53	30%	17 32%	17 32%	4 6%
24.40	82	37%	24 29%	18 22%	10 12%
24.50	120	34%	45 38%	15 13%	5 4%
24.60	67	43%	22 33%	14 21%	2 3%
24.70	3	33%	0	0	2 67%
Total of the sector	400	39%	126 32%	87 22%	29 7%

Source: "number of companies": Statistics Denmark, Firm Statistics 2002 (DST); "numbers/percentages of the company sizes": Central Business Register (CVR).

Employment shows more or less the same features. In 1995 chemical industry employed 26,000 against 29,000 in 2002 (full-time). In 1995 medico and pharmaceuticals employed approx.11,500; in 2002 the number was 15,500 or an increase of 35% against an increase of 11.5% for the chemical industry as such. In the same period employment in the whole industry fell from 432,035 to 402,653 full-time equivalents; a decrease of 5.5%. As a matter of fact the only sector within industry that has shown progress in the period is 'chemical and plastics industry' on behalf of the larger metal and food industries, for instance. The conclusion is that chemical industry, and especially medico pharmaceuticals, for the time being are among the 'industrial trains' in a time where industry in Denmark, and Europe, are loosing shares to the service sector. Basically the companies in chemical industry are occupied with transforming organic and inorganic raw materials and with the manufacturing of chemical products. There is a division between the production of basic chemicals and the production of middle products and finished products, which are produced by further treatment of basic chemicals.

Workers

Sub-sectors	Number of workers FULL-TIME	Number of SW	Number of SW/ number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
24.10	4,021	ND	0.18	ND	ND	ND
24.20	908	ND	0.04	ND	ND	ND
24.30	1,978	ND	0.09	ND	ND	ND
24.40	15,482	ND	0.70	ND	ND	ND
24.50	3,198	ND	0.15	ND	ND	ND
24.60	2,481	ND	0.11	ND	ND	ND
24.70	849	ND	0.04	ND	ND	ND
Total of the sector	28,917	ND	1.31	ND	ND	ND

Source: "number of companies": Statistics Denmark, Firm Statistics 2002 (DST); "numbers/percentages of the company sizes": Central Business Register (CVR).

⁶⁶ The percentages in this table can only serve as a guideline, although based on a qualified estimate. The insecurity lies in the fact it is not the same statistics within the table. CVR registers all companies; DST only registers actual active companies. But since companies with employees should be considered active, the correlating figures from CVR have been used to calculate the percentages. The numbers are also given since percentages alone do not make sense, especially if a sub-sector only contains less than 10 companies.

⁶⁷ DI mentions 424 companies in: Member & Observer Data Sheet 2004, sent to ECEG november 2004

The chemical industry is interesting from the point of view of the occupational composition of its employees. Although it is a process industry where the concentration of general workers is normally high, the chemical industry shows a high concentration of specialists and skilled workers among the employees. This is, of course, is due to the complex character of the industry. The total wage bill in the chemical industry was DKK 4,303 million in 4th quarter 2004 (EUR 577 million) and has been at this level over recent years. This is 14% of the total wage bill for industry as a whole. The average wage in the chemical industry is approximately DKK 385,000 (EUR 52,000); the average national wage is: DKK 287,000 (EUR 38,500) (2002-level). 100% of the companies are privatised and the underground economy is not significant.

2) DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

There is no formal recognition system, but a mutual recognition within the system of collective bargaining. There are no conflicts between players regarding recognition issues.

2.1. Description of the workers' organisations active in the sector⁶⁸

The trade unions represented in chemical industry show a great variety. Six trade unions belong to the main workers confederation LO⁶⁹, one is a national association within a LO-union, three unions are professional associations belonging to AC⁷⁰ and one is considered a main organisation itself, LH.

Trade Unions⁷¹

Organisation		Type of SW	Members	Members working in the sector	Density***	CB	National affiliations		European affiliations*		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
CO-industri ⁷² (bargaining unit in industry)	Central Organisation of Industrial Employees,	Industrial workers in unions belonging to LO	306,511 (as of 1.01.2005)	ND	±100% (ND)	yes	LO	-	EMCEF	ETUC	-	-
Fagligt Fælles Forbund, 3F*	United Federation of Workers, 3F	Skilled and unskilled workers	365,500	884	±100% (0.25%)	yes	LO	-	-	EMCEF, ETUC	-	-
Handels- og Kontorfunktionærernes Forbund, HK*	The Union of Commercial and Clerical Employees in Denmark, HK	Clerks, salaried employees (employee, agent)	367,000 (75% women) (HK/Private: 160,000)	3,661	±100% (1%)	yes	LO	-	-	EMCEF, ETUC	-	-
Dansk Metal*	Metalworkers Union in DK	Skilled workers within mechanic, electronics and	146,000	ND (register members after	±100% (ND)	yes	LO	-	-	EMCEF, ETUC	-	-

⁶⁸ EMCEF notes that "there was recently a merger of several unions: SID, HK and KAD - 3F is the result of this merger. The other 6 unions in the list of the 8 unions are in fact white color unions (Central Organisation of Industrial Employees; Danish Laboratory Technicians; Danish Society of Engineers; Association of Danish Pharmacists; Danish Association of Masters and PhDs; Organisation of Managerial and Executive Staff in Denmark) which are not affiliated to EMCEF". EMCEF adds that "To make it even more complicated they are members of LO, or the Danish Confederation of professional associations (AC) which is also a member of the ETUC, what mean that these unions should, in principle, also be affiliated to EMCEF, as this is a request to all affiliates of Confederations affiliated to the ETUC. So we will occasionally talk to them about affiliation. But for the time being they are not members of EMCEF ».

⁶⁹ LO: The Danish Confederation of Trade Unions (Landsorganisationen i Danmark).

⁷⁰ AC: The Danish Confederation of Professional Associations (Akademisk Centralorganisation).

⁷¹ These figures should be taken with a little caution, though. They are mostly correct. But there is no obligation, nor a uniform method, as to register union members in different trades and industries.

⁷² CO-industri is a cartel set up by LO and consisting of unions in the industry sector. The unions in CO-industri are also represented in other sectors within both the private and the public sector.

		information technology		regions)								
Dansk El-Forbund, DEF*	Danish Union of Electricians	Electricians	30,000	ND	±100% (ND)	yes	LO	-	EMCEF	ETUC	-	-
Teknisk Landsforbund, TL* and **	Danish Association of Professional Technicians	Technicians, constructors designers	32,000	330	±100% (1%)	yes	LO	-	-	EMCEF, ETUC	-	-
Dansk Laborant-Forening, DL-F**	Danish Laboratory Technicians	Laboratory technicians and chemists' assistants	10,500	6,200	±100% (59%)	yes	HK	LO	-	EMCEF ETUC	-	-
Ingeniørforeningen i Danmark, IDA**	The Danish Society of Engineers, IDA	Chemical engineers	61,000	3,000	±100% (10.3%)	No	AC	-	EMF	ETUC	-	-
Dansk Farmaceut forening**	Association of Danish Pharmacists	Researchers in medico/pharmaceutical industry	4,000	1,600	±100% (40%)	No	AC	-	NFU ⁷³	ETUC	FIP	-
Dansk Magister forening, DM**	The Danish Association of Masters and PhDs	Biologists, chemists and biochemists	34,600	379	±100% (1.1%)	No	AC	-	-	ETUC	-	-
Ledernes Hovedorganisation, LH**	The Organisation of Managerial and Executive Staff in Denmark	Executive staff	74,400	2,233 ⁷⁴	±100% (ND)	No	-	-	CEC	-	-	-

Source: The respective unions, 2004

*CO-industri affiliates

** The spearhead of the chemical industry in Denmark is the pharmaceutical industry. The development of this sector, to a high degree, depends on innovation and technological development. To this end, a relatively high number of engineers and scientists are employed in the sector. Chemical engineers and pharmacists, chemists, biochemists and human biologists graduated at the university together with the laboratory technicians form a core group in pharmaceuticals. As for the engineers they are also present in other sub-sectors of chemical industry, i.e. basic chemicals. The professional associations are members of the union confederation, AC while the laboratory technicians and other technicians are members of LO.

*** If density is understood as the percentage between affiliated workers and all workers with the same job function (e.g. electricians) in the sector, then the density is close to 100% for all workers in the sector. There is no reason to believe that the great majority of electricians in the sector should not be members of DEF. That is the normal pattern in industry at national level. This is valid for all LO-unions as well as AC unions. For informational purposes, the data in parenthesis consider the percentage which covers the number of the affiliated workers working in the sector compared to the total affiliation.

Note: some unions are indirect members of EMCEF, because they are members of the bargaining cartel, the central organisation CO-industri.

All Danish unions are funded by membership subscription. The unions belonging to the bargaining unit CO-industry cover all sub-sectors. For the professional unions see text.

a) Central Organisation of Industrial Employees (CO-industri)

Staff: 36 people; When the large employers confederation in industry, DI, was created in 1991, the trade unions needed a response to the new employers' 'giant' according to Danish scale. The result was the formation of a cartel of all unions represented in manufacturing and service industry – the Central Organisation of Industrial Employees in Denmark also called CO-industri. The head organisation, or the organisation with most members belonging to the cartel and thus holder of the post as president, was the Metalworkers Union and the vice president was normally recruited from the general workers union, SiD. With effect from January 2005, however, SiD merged with the female workers union, KAD, into the United Federation of Danish Workers (Fagligt

⁷³ NFU: Nordisk Farmaceutunion

⁷⁴ The number includes rubber and plastics industry

Fælles Forbund) abbreviated 3F, and thus became the largest trade union within the cartel of CO-industri.⁷⁵ So far this has not changed the balance within the cartel. The president and the vice president at the same time constitute the negotiation committee when the bargaining takes place with the counterpart, DI. The result of this negotiation is pace setting for the whole private sector. The Industry Agreement is actually setting the pace concerning the wage development at national level.

Number of CO-industri affiliates (1.1.2005)

United Federation of Danish Workers - Fagligt Fælles Forbund, 3F	139,200
Danish Metalworkers Union - Dansk Metal	110,632
Union of Commercial and Clerical Employees in DK/Private - HK/Private	33,500
Danish Association of Professional Technicians - Teknisk Landsforbund	15,000
Danish Union of Electricians - Dansk Elforbund, DEF	8,200
<i>Subtotal</i>	300,439
Five unions not present in chemical industry	6,355
Total membership	306,794

Source: CO-industry 1.1.2005

Comparing these figures the density of the trade unions in the sector is very high, in so far as the total number of employees also includes self-employed, managers and academics, which are outside the range of CO-industri.

b) United Federation of Workers, 3F (Fagligt Fælles Forbund, 3F)

Creation: a merger between SiD and KAD with effect from 1.1.2005, both more than 100 years old; type of workers affiliated: Unskilled and skilled workers (general workers); Staff: inclusive elected officials min. 650.

c) The Union of Commercial and Clerical Employees in Denmark, HK (Handels- og Kontorfunktionærernes Forbund, HK)

Creation: 1900 with the purpose of organising commercial and clerical employees in order to improve their salaries and working conditions; Staff: more than 1,000; HK consists of a number of departments, regional branches and national associations, one of them being the laboratory technicians (see below); Together with 3F, HK is the largest union in Denmark (both around 370,000 members; 75% of the members are women).

d) Metalworkers Union in DK (Dansk Metal)

Creation: 1888 as a union for blacksmiths and metalworkers, and is one of the oldest unions in Denmark; Staff: 195; Today the union embrace employees with a 'common understanding within technical, mechanical, electronic and information technological information' (quote home page).

e) Danish Union of Electricians (Dansk El-Forbund, DEF)

Creation: 1904 as a union for electricians; The technological development since then has widened the scope of work of the affiliates; Staff: 65 people; Aim: to be an organisation for people employed within energy and communications, security and alarms.

⁷⁵ The CO-industri is by far the biggest private sector cartel within LO. There are six all in all of which two belong to the public sector.

f) Danish Association of Professional Technicians (Teknisk Landsforbund, TL)

Creation: 1919; Staff: 160 people; Membership: salaried employees, 32,000 technicians, constructor and designers; 45% women; The technicians in the chemical sector have received special training and are called 'chemo technicians'.

g) Danish Laboratory Technicians (Dansk Laborant-Forening, DL-F)

Creation: 1957, DL-F is a cross-national association under the union of clerical employees, HK; Staff: as member of HK, DL-F also make use of HK's staff (own staff: 5); It covers all sub-sectors within NACE 24, chemical industry; Membership: 10,500 laboratory technicians and environmental technicians in the public and the private sector, mainly employed with environmental issues or in food and chemical industry (more than half of the members (59%) work in the chemical industry), membership at national level is estimated to be around 85% of the potential membership.

h) The Danish Society of Engineers, IDA (Ingeniørforeningen i Danmark, IDA)

Creation: 1995 as a merger between Dansk Ingeniørforening and Ingeniørsammenslutningen; Staff: 250; Membership: All types of engineers in Denmark, chemical engineers work in all sub-sectors in chemical industry (around 10% of IDA's members are employed in chemical industry) and mostly occupy core job functions in basic chemicals and associated sub-sectors; Parallel to the growth of the chemical industry sector over the last decades the number of chemical engineers in the sector has doubled since the growth began in the mid 1980ies.

i) Association of Danish Pharmacists (Dansk Farmaceut forening)

Creation: 1873; Staff: 16; Membership: 3000 active members, candidates and bachelors with a university degree in pharmaceuticals or human biology, 50% of its members are employed in the companies in the pharmaceutical industry and in biotechnology industry (the rest work mainly in pharmacies), in the development departments and laboratories as researchers and technicians.

j) The Danish Association of Masters and PhDs (Dansk Magister forening, DM)

Creation: 1918; Staff: 120; Membership: people with a university degree in the humanities, natural sciences or social sciences, employed in higher education and research, in public administration, in cultural institutions and in a variety of private jobs such as IT, human resource and communication; Even if the DM-members are occupied in the above mentioned job functions within the chemical industry, including the communication departments of the companies, their primary presence is not in core industries such as chemicals. Some biologists also work within the sector, but human biologists are organised in the association of pharmacists. Like other unions under the umbrella of AC, the DM-members working in the private sector are employed in individual contracts, but are entitled to receive advisory and judicial support from the union.

k) The Organisation of Managerial and Executive Staff in Denmark (Ledernes Hovedorganisation, LH)

Creation: 1899; Staff: 200; LH is considered a union confederation and was originally a result of a merger between two managers' associations; Membership: 85,000 members (2,300 are employed in the chemical, plastics and rubber industry -it is not possible to isolate the chemical industry). LH is different from other trade union confederations as it organises only people in trusted positions as managers within a single private or public company, and this position should also be reflected in the individual pay check; Role: LH does not undertake CB on behalf of the members but rather supports individual negotiations between the manager and the employer. However, a set of rules of the game has been laid down in the so-called Manager's Agreement between LH and the confederation of Danish employers, DA, which determines the employment relations between the manager and the employer and arbitration in case of dispute. The Agreement is from October 1977 and amended in 1982, in 1990 and latest in the autumn of 1998. Even though the Agreement is a framework agreement, a certain practice has formed itself as to the understanding and interpretation of the provisions of the Agreement.

2.2. Description of the employers' organisation active in the sector

Today, there is only one employers' association in chemical industry in Denmark and that is DI (Confederation of Danish Industries, Dansk Industri). DI was created in 1991 as a merger between 2 already powerful associations in Danish industry – the Association of Employers in Industry (Industriens Arbejdsgivere) and the Industrial Council (Industrirådet). The result was by far

the most influential employers' association representing half of the budget and thus half of the votes in the main confederation of Danish employers, DA. In practice DI has exerted great influence on the activities of DA as a confederation and has from time to time been accused of poaching on the other employers' associations' potential membership.

Currently, DI is a private organisation funded, owned and managed entirely by currently 6,100 companies within the manufacturing and service industries covering virtually all sub-sectors (this organisation is by far the most important employers' association within NACE codes 15 to 37). The total number of industrial companies is approximately 19,200. Measured in numbers DI's density rate is 34%. However, self-employed people are included in the figures, and DI only admits companies with employees as members⁷⁶. Looking at the density rate concerning the economic turnover in the sector, which gives a more accurate picture of the coverage and density rates, DI covers around 80% of the total turnover, even if companies like Novo Nordisk are excluded. Its staff includes 450 people, but there are no data on the number of staff members only for chemical industry.

Members within the chemical industry sector are mostly private SMEs, since the sector, like all sectors in Denmark, includes SMEs as well as large companies. However, the largest, Novo Nordisk, is not a member of DI. There are no public enterprises. A number of sector employers' associations and pure trade associations exist within DI's framework, being partly of fully integrated into DI.

DI is governed by a council and executive committee elected by the annual general assembly. DI offers professional support nationally as well as in an international context, which has caused different large companies to join DI instead of another perhaps even more 'familiar' sector association. It should be added that the freedom of association in Denmark also encompasses employers' associations. It is voluntary to stay outside and it is voluntary which one to join, as long as the relevant association in its statutes opens for the membership. And that DI does to a large extent.

The activities as the employers' interest association, i.e. conducting collective bargaining and signing collective agreements, is taken care of by DI on the behalf of all member companies. DI signs 80 collective agreements of which the Industry Agreement is by far the most extensive and far-reaching.

DI covers 50% of the membership and votes in the main confederation DA (Confederation of Danish Employers, Dansk Arbejdsgiverforening, DA). DI itself has several member associations – employers' interest associations as well as trade associations; the member companies in the chemical industry belong to "The Employers' Association in Process Industry".

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW full-time	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Dansk Industri, DI	Confederation of Danish Industries, DI	NACE 24	255	30,500 ⁷⁷	60-66%*	Estimation 60-63%**	Yes	DA		ECEG, UNICE	BIAC	ICC	IOE

Source : Dansk Industri, 2004.

*I.e. DI is currently covering between 60 and 66% of all the companies in the chemical sector.

**I.e. the companies affiliated to DI are currently covering between 60 and 63% of all the workers in the chemical sector.

⁷⁶ According to the statistical yearbook from Statistics Denmark, the number of self-employed was 11,100 in industry that year (2002). This leaves around 8,100 companies as the potential membership of DI, or a density of 75%.

⁷⁷ Information provided by DI, Member and Observer Data Sheet 2004: The number is higher than the numbers given in the table above covering workers. In Danish statistics NACE Codes 24 and 25 (Rubber and plastics industry) often appear together as one, i.e. Chemical, rubber and plastics industry. According to Statistics Denmark, Firm Statistics 20,809 persons are working (full-time) in the rubber and plastics industry. This gives a total number of the two related industries of 49,726 (year 2002). The total number given in the Data Sheet of DI from 2004 is 45,698 full-time employees and meant to cover 'Chemical industry including pharmaceuticals'. (Pharmaceuticals and medico industry are part of NACE 24, as 24.40) Given the comparability between the numbers there are reasons to believe that the number given by DI includes rubber and plastics industry.

3) DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

3.1. Description of the tripartite concertation in the sector

Tripartite social dialogue takes place at national level, i.e. between the confederations and the government. There are also informal consultations about the labour market policy. The tripartite dialogue is an ad hoc dialogue and not institutionalised.

3.2. Description of the bipartite social dialogue in the sector

Collective bargaining covers 80% of the Danish labour market. Collective bargaining takes place in all manufacturing industry simultaneously, including all sub-sectors, and under the umbrella of the sector bargaining between DI and CO-industri. Sector bargaining is followed up by company level bargaining conducted by the trade unions represented by the shop steward and the management. The collective bargaining competencies have steadily been decentralised in Denmark over the last 50 years. The main collective agreement in industry is the Industry Agreement signed between the employees' cartel CO-industry and the employers' DI. This is a sector framework agreement, which actually is pace-setting for the Danish labour market as such. This sector agreement consists of minimum rules, which are further negotiated, following the signature of the sector agreement, at enterprise level. This means that the negotiations at sector and enterprise level are linked. The confederations LO (employees) and DA (employers) only coordinate the collective bargaining.

a) At sector level

The players at this level are the organisations mentioned above (see section 2.), and the cartel is CO-industry. The most recent agreement between DI and CO-industri was concluded in spring 2004 and is in force until 2007. Strictly speaking, the Industry Agreement is a collective agreement at inter-sector level, in so far as it covers all sub-sectors of manufacturing industry and some in service industries. As it is signed between DI and CO-industri, eleven trade unions or rather the industry sections of the eleven unions⁷⁸, together form CO-industri (see also table above), which on behalf of the member unions, conducts collective bargaining with the counterpart in DI. DI states in the Yearbook 2003-2004 that the Industry Agreement covers 240,000 hourly-paid workers and salaried employees (i.e. white-collar workers). The agreement is actually divided in two parts: The Industry Agreement, covering 170,000 workers and the Collective Agreement for Salaried Employees in Industry⁷⁹, covering 70,000 salaried employees⁸⁰.

In Denmark, the coverage rate of collective agreements is combined with the membership of the employers' associations. All employees working in a company, which is member of DI, in this case, are covered by an agreement i.e. the Industry Agreement. On the other hand, not all members of a trade union are necessarily covered by an agreement. Finally, companies can have individual agreements, i.e. adoption agreements with the unions. As a result, it is difficult to calculate a precise coverage percentage, since not all members of DI belong to NACE D, as the postal services, Post Denmark, for instance. However, the coverage of the agreement throughout the industry is relatively high⁸¹. Moreover, it is much more difficult to calculate the precise collective agreement coverage in the chemical industry itself⁸². However, we can claim that since agreements cover around half of the employees in the chemical industry sector, maximum

⁷⁸ Five unions belonging to the cartel are not represented in the chemical industry.

⁷⁹ The latter part covers white collar workers, or salaried employees, in particular.

⁸⁰ DI: Årbog 2003-2004 (DI's annual yearbook)

⁸¹ The NACE D, manufacturing industry, covers 450,000 employees. The Industry Agreement covers 240,000; or coverage of around 55%. It also depends on how the number 450,000 is calculated. This number derives from the labour market statistics of Statistics Denmark. If the same figure is withdrawn from the accounts statistics also of Statistics Denmark the answer is 393,000 full-time employees. The difference lies in the calculation methods and fields.

⁸² The number of union members working in the sector is not quite clear. The registration method and field are not the same among the unions. Furthermore the employees graduated at universities and belonging to a professional association under the umbrella of AC do not have an agreement with DI. This stems back to the times of the first Danish collective agreement in 1899. The middle managers, the foremen, the trusted employees were not considered workers and thus not eligible for a union. Only unions had bargaining rights – and consequently the academics were outside the LO/DA agreement, which they have been ever since.

coverage cannot be higher than 50%. So the question is what the coverage is of the Industry Agreement among the other half of the employees. This should after all be the same as for the industry sector as such, which gives total agreement coverage in the chemical industry as of around 38%⁸³. Concerning extension of CAs to parties that are not signatories to the agreement, EU-directives which are embedded in collective agreements are extended to areas not covered by CA through follow-up legislation in order to cover all. Adoption agreements can be signed between unions and companies not affiliated to an employers' organisation. Other extension mechanisms do not exist.

Regulation of pay, working and employment conditions in Denmark are in general characterised by a low level of legislation. As a rule, regulation of all important issues takes place through the collective bargaining system. The exception to this rule is regulation of the working environment. And rules on the working environment are important concerning a 'hard' industry like chemicals. Nevertheless, determining levels of toxins and precautions in dealing with them is hardly a matter for collective bargaining. All issues, such as actual wage levels, working time, working conditions, pension, maternity leave, social issues are negotiated at enterprise level.

A major innovation in the current agreement (2004-2007), which gives the social partners at local level room for manoeuvre, is the experimental introduction of a clause, which makes it possible to deviate from a number of rules laid down in the agreements. These include those relating to management-employee cooperation, working time, telework and further and continuing training. The parties at local level now have a right to conclude local agreements, which deviate from the central collective agreement. The parties to the central agreement must only be informed of such local agreements. From the point of view of the employers, this means a higher degree of flexibility, as agreements can be tailor-made to the conditions in individual enterprises. From the point of view of the trade unions, this will give employee representatives a stronger role, as it is a condition that consensus is reached between the two sides at local level about such deviations, and local agreements can be concluded only in companies which have elected employee representatives. With regard to future developments in the social dialogue in the sector, the social partners in the sector support the continuation of the social dialogue including CB.

b) At enterprise level

The information given for the sector level is the same as for the enterprise level (e.g.: same agreement, same players as at sector level).

4) COMMENT

The traditional chemical industry has experienced a certain fall in employment, whereas the medico-pharmaceutical industry employs around 50% more than in mid 1990s. However, employment as such has increased. Research and development are, according to commentators, conditioned by the need to find replacements for raw oil as one of the most important raw materials for manufacturing industry combined with the wish to develop new products, i.e. therapeutical products within the biotechnology industry. The development of new therapeutical products represents the highest increase in value within the biotechnology industry. The biotechnology industry is, therefore, at the heart of the chemical industry in Denmark. A number of companies have established themselves in a cluster around Copenhagen, and have created work places for highly qualified people. The industry also imports well-educated foreigners to a higher degree than other industries. In general, the chemical industry is not in need of employment. The pharmaceutical industry, though, needs people with specific education and skills, such as pharmacists, chemical engineers and laboratory technicians.

In Denmark, union membership follows occupational lines and union density is as a rule generally high. Traditional high densities among the LO-unions that represent industry still prevail and among the professional associations under AC, density at national level is traditionally high. Collective bargaining still prevails in the area covered by DI and CO-industri, whereas the AC-unions are not encompassed by the main collective agreement in the area, the Industry Agreement. There have been talks over the years about a special agreement between AC and DA, but it still has to be seen. So far, professionals make individual agreements about wage and working conditions with the employers. In general they benefit, in this way, from a higher wage in comparison with their colleagues under a collective agreement in the public sector.

⁸³ The academics, however, sign individual employment contracts and are to this end, supported by their respective trade unions, if they wish. Exceptions are also connected to the salaried employees in the union of Commercial and Clerical Employees in Denmark (Handels- og Kontorfunktionærernes Forbund, HK), also due to historic reasons. The salaried employees (clerks and some technicians) are only covered by the agreement if 50% of all potential employees in clerical jobs at the single workplace are members of HK.

In contrast to other industries economic globalisation has not caused a remarkable relocation of production to low-wage countries. The largest companies in the pharmaceutical industry already operate at international level, and it still has to be seen if jobs in significant number will be relocated due to restructuring. Lately Novo Nordisk and the biotechnology company Ferring have announced that some degree of restructuring might take place in a not so far future.

ESTONIA

1) DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

1.1. Delimitation and scope of activities in the sector

From a statistical and CB point of view, the chemical sector includes the activities bellowing to the NACE 24 (Manufacture of chemicals and chemical products).

1.2. Socio-economic features of the sector

The chemical industry, and particularly its sub-sectors engaged in oil-shale processing and fertiliser manufacturing, have been one of the most significant industries in Estonia for years. The manufacturing of consumer chemicals products, pharmaceutical products, as well as plastic and rubber products were also relatively well developed during the Soviet times. During the years of Russian crises in 1998-1999, by reason of adversities faced by the economies of Russia and other CIS countries (major trade partners in the past), negative world market price fluctuations affecting the price of products, a decrease in its competitive position on both the domestic and foreign markets (price and quality), the Estonian chemical industry suffered a certain reverse development. Production of low efficiency phosphate fertilisers was terminated, production volumes of oil-shale chemical products, benzene and urea, as well as consumer chemical and pharmaceutical products decreased. This resulted in a decrease in the chemical industry's share of the net turnover of the total Estonian processing industries from 11.5% in 1995 to 7.5% in 1998. By now the situation has normalised but the share of chemical industry in overall industrial production is quite modest and its share has declined with time (despite the increase in current prices). The future development of the Estonian chemical industry, particularly the oil-shale chemical, depends on circumstances in the world market, as well as foreign investments. By reason of the profoundness of the scientific research in this field, and the relatively high quality of oil-shale deposits, this industrial sector could be of considerable interest to potential foreign investors. Since the Statistical Office of Estonia only publishes data by broad industry groupings (only on the first level of NACE classification) and not separate data by sub-sectors, it is very complicated to present accurate data about the share of the sector in the formation of GDP. As an indication, the share of manufacturing in total is around 16% in the formation of GDP (see also the table below).

Total industrial production and production in chemical industry in 1998-2002 (in current prices and as a share from total industrial production)⁸⁴

Production	1998	1999	2000	2001	2002
Total industrial production (in million EEK)	44,176	42,141	52,356	60,085	67,856
Production in chemical industry (in million EEK)	2,306	1,776	2,374	2,651	2,582
Production on chemical industry (share from total production, %)	5.2	4.2	4.5	4.4	3.8

Source: Statistical Office of Estonia, www.stat.ee

In 2002, the number of enterprises in the chemical industry was 84, which is only 1.9% of all manufacturing sector enterprises in Estonia. The largest group, in terms of numbers, consists of enterprises with 1-9 employees (the share of such enterprises is almost 50% of all enterprises in industry). However, we can say that the Estonian chemical industry is a relatively concentrated one, as the production of the three major companies – AS Viru Keemia Grupp (formerly AS Kiviter), AS Nitrofert, and AS Silmet – constitute approximately half of the entire output of the chemical industry. Production has centralised in the North-Eastern region of Estonia, as well as in Tallinn and its immediate neighbourhood.

⁸⁴ Since 2003, the Statistical Office of Estonia only publishes data by broad industry categories (only on the first level of NACE classification) and not separate data by sub-sectors (a two-digit numerical code). Therefore the quantitative data concerning chemicals industry are a little bit outdated.

Companies

Sub-sectors	Number of Companies	% companies without workers	% companies with <10 employees	% Companies 10-100 employees	% companies with > 100 employees
Chemicals industry	84	ND	50	39.2	10.8

Source: Statistical Office of Estonia, in 2002

Note: there is no separate data about salaried workers and other ones.

If we take a look at the employment characteristics, then we can see that the number of employees in the chemical industry has decreased steadily. 2,923 people were employed at the end of 2002 in the chemical industry, which represents 2.3% of the manufacturing sector employed.

Workers⁸⁵

Sub-sectors	Number of workers	Number of workers /number of workers in the country (%)	Number of workers in companies <10 Workers / number of workers in the sector (%)	Number of workers in companies 10-100 workers/number of workers in the sector (%)	Number of workers in companies >100 workers/number of workers in the sector (%)
Total of the sector	2923	0.5	ND	ND	ND

Source: Statistical Office of Estonia, in 2002

Note: there is no separate data about salaried workers and other ones.

Wages in the chemical industry have generally been higher than the average national wage. In 2003, average wages in the chemical industry were 111.1% of the national average wage. According to data, the percentage has fluctuated, but it has always been higher than the national average. Indeed, hourly wages of full-time employees in the chemical industry have been higher than average national hourly gross wages of full-time employees. However, there is a different situation with regard to wages of part-time employees, where wages in the chemical industry were lower than average national hourly wage of part-time employees in 2000.

The labour productivity per employee on the basis of net sales has risen at all levels, in particular because the growth of net sales has outpaced the growth in numbers employed. In chemical sector the figure is twice as high as in manufacturing and in the total economy⁸⁶, but the reasons are different from those mentioned before – the net sales in chemicals has risen, but the number of employees has decreased. Growth of labour productivity must be accompanied with environmental protection. According to the Federation of the Estonian Chemical Industry (Eesti Keemiatööstuse Liit, EKTL) there are two major problems affecting the development of enterprises in the chemical sector: strict environmental restrictions and investments as a result of these restrictions on the one hand, and lack of research and development on the other hand. From the environmental protection viewpoint, there are several improvements. To achieve the same level in environmental and health protection as the older members of European Union (EU), there are several projects which provide technical help: Phare/CEFIC, ChemFed/ChemLeg-1 and ChemFed/ChemLeg-2⁸⁷, which are meant to strengthen the structure of EKTL and were meant to prepare the Estonian chemical industry and EKTL for Estonia's integration to the EU.

⁸⁵ In Estonia, there is no separate data about salaried workers and other ones.

⁸⁶ Source : Statistical Office of Estonia, www.stat.ee

⁸⁷ The Initial purpose of ChemFed was to prepare the Estonian chemicals industry to join the EU, now the following programs are given more emphasis. The main purpose of the ChemFed project is to help enterprises adjust to the requirements of legislation concerning chemicals and involved actions. In order to achieve this, experts have been educated so that they can organise training on this subject. There is also helpline which has been set up to provide consulting. "Responsible Care" is a voluntary program, set up in 2002, for enterprises in the chemical industry. There are six enterprises involved: Viru Keemia Grupp, AS Silmet, AS Velsicor, AS Vivacolor, AS Kemivesi, Algol Eesti OÜ and AS Orto. The "Responsible Care" programme means that the enterprise cares about its products and the effects it may have once they have been sold. The second program, ICE (International Chemical Environment) is an international co-operation program, whose aims is to prevent accidents in transporting and sorting chemical products. In the case of accidents there are guidelines for quick and effective operations. One goal is to work

Over the last couple of years, the situation in chemical sector has been stable. There has been a minor increase in the number of enterprises, but at the same time a minor decline in the number of employees. The majority of enterprises in the chemical sector are private ones.

Data on categories of workers are not presented by separate categories. Unfortunately, there are no data on the estimated importance of the underground economy.

2) DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR

2.1. Description of the workers' organisations active in the sector

There are no central trade union organisations at sector level in the chemical industry. Probably, this is caused by the fact that most of the enterprises in chemical industry are small. In this situation, the creation of trade union organisations is complicated. The other reason may be the fact that in the chemical industry the average wages are higher than the national average wage, so there is no urgent need to demand higher wages. It is likely, that, in the future, concentration of firms will take place. Bigger firms will provide a better basis for unionisation and it is most probable that the number of trade unions and therefore also the workers' representativeness will increase.

There are some trade union organisations at the bigger firms (for example there is a trade union organisation in AS Silmet). These organisations only negotiate on wages and working conditions in the enterprises and do not have an influence outside the company. Their negotiating power would seem to be relatively low since there have been no CAs signed in the sector over the last years. It can be viewed also from the fact that there is no central trade union organisation at the sector level in the chemical industry.

2.2. Description of the employers' organisations active in the sector

There is one central employers' organisation in chemical industry – the Federation of Estonian Chemical Industry (Eesti Keemiatööstuse Liit, EKTL). EKTL was founded in September 1991. The EKTL is a non-profit organisation, funded mainly via membership subscriptions. There are two people on the organisation's staff. The aim of its activities is to represent its members in government organisations, participate in creating relevant legislative acts, develop international relations, exchange information, organise cooperation with corresponding organisations and chambers of commerce in other countries, support common activities and provide training. EKTL also takes an active part in communicating special information to companies of the Estonian chemical industry (for example, the search and offers of raw materials, background information about the chemical companies, proposals for co-operation and investment possibilities). The Federation of Estonian Chemical Industry has 32 members. The fields of activities of EKTL member organisations are production and brokerage of raw materials (incl. shale oil), production and sale of paints, polishes and chemical substances used in construction, production and sale of chemical and cosmetic products, production of different plastic materials and polyethylene pipes, ADR transportation of chemical liquids and scientific research.

The EKTL is one of the founding members of Estonian Employers' Confederation (Eesti Tööandjate Keskliit, ETTK). Through the ETTK, EKTL represented both its members and employers in multilateral negotiations with trade unions and government. EKTL considers it to be important that industrial policy, especially the aspects relating to all the branches of industry would be developed in conformity with the proposals made by ETTK. In 2002, it resigned its membership of ETTK as it sees its activities mainly in the field of promoting the chemical industry and environmental protection issues, etc. According to chairman of EKTL, H. Meybaum, the social issues have minor importance in their activities at the moment. The EKTL participates also in the work of several other organisations:

- Trade Council established under the Estonian Chamber of Commerce and Industry, which aim is to map the occupations of chemical industry and elaborate relevant occupational standards.
- Estonian Committee of Chemical Safety established by the government, whose aim is to participate in the creation and implementation of legislative acts.
- Estonian Packaging Association, which aims to find solutions to the problems related to packaging and packaging waste.

out an SQAS system, which connects particular chemicals with particular ways of transporting or logistics operations and evaluates whether actions by providers of logistics services satisfy the safety, quality and environmental requirements.

EKTL has drawn up a memorandum with the Estonian Wildlife Preservation Society (ELKS), where both parties declare that they support the scientific use of natural resources and economic activities based on the principles of the economic use of nature as the basis for the development of Estonia.

EKTL and Tallinn Technical University (TTU) have made a cooperation agreement in the field of information on development and specialist training. In this agreement, the involvement of TTU's intellectual capacities is considered to be very important in the development of the Estonian chemical industry.

EKTL is also active internationally. Since 1994, EKTL has been a member of A.I.S.E. (Association Internationale de la Savonnerie, de la Détergence et des Produits d'Entretien). In June 2001, EKTL became a member of the European Chemical Industry Council (CEFIC) and through this organisation EKTL cooperates with EC DG (European Community Directorate General) Enterprise E. via A.I.S.E and CEFIC, EKTL has had access to the norms applying to the chemical products in EU member states. Since March 2005 EKTL has also been an associate member of ECEG (European Chemical Employers Group).

Employers' organisation

Organisation		Sub-sectors covered	Companies	workers	Density Companies	Density workers	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Eesti Keemiatööstuse Liit	Federation of Estonian Chemical Industry	NACE 24 – chemical sector	32	ND	38%	ND	No	-	-	CEFIC, ECEG	-	A.I.S.E.	-

Source: Eesti Keemiatööstuse Liit, www.keemia.ee, March 2005.

The situation of social dialogue in Estonia, in general terms, (and not specifically in the chemical industry) is the following: the institutional weakness of employees' and employers' organisations has many interlinked reasons. For the majority of the sectors, low density rates and moderate wage levels result in scarce human and financial resources of trade union organisations. This in turn means that the negotiators are poorly provided with knowledge and skills. In addition there are not enough resources to set up permanent organisations at all levels and so bargaining at all levels at the same time is not possible. Unions are very poorly represented in the private sector and missing in SMEs. Decreasing union density further undermines their role in society. Employers' organisations suffer representation at sector level because of extreme diversity of enterprises. Regarding enterprises, the difference in economic, social and industrial relations within certain sectors are too large to establish a common framework for all. Even if there is an organisation that might represent employers' interests, it does not have the authority to conclude the agreements that extend to other companies. This results in a situation where unions do not have a counterpart with whom to negotiate at sector level or vice versa. In addition, employers' organisations see themselves often more as government lobbyists rather than social partners in collective negotiations. Given the economic circumstances and the decentralised bargaining structure, neither trade unions nor employers' associations have, with a few exceptions, a strong political will to conclude CAs at sector level.

3) DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

3.1. Description of the tripartite concertation in the sector

There is no tripartite concertation at sector level in Estonia. Nor are there are other kinds of consultation or meetings between the government and the social partners at the sector level.

3.2. Description of the bipartite social dialogue in the sector

In Estonia, tripartism is only satisfactorily developed at national level, but social dialogue at sector and company level is notably less developed. There is no bipartite social dialogue at "higher than enterprise" level in Estonia in the chemical industry. We can, in part, explain this by the situation of social dialogue in Estonia in general terms: this is evident from the low representation,

institutional and financial shortcomings of the social partners' institutions. CAs on wages and working conditions are only negotiated in a limited number of sectors and companies⁸⁸. The "classical" sector-based CA, as they exist in the EU member states, is limited to few in Estonia⁸⁹.

Social partners have had to organise themselves firstly at national level in order to take part in central consultation and negotiations in order to act as a partner for the government. The minor importance of sector CAs and social dialogue can be considered as a side-effect of tripartism; and as long as sector cooperation is not sufficiently developed, tripartite forums will continue to take on the consultative and regulatory role that bipartite structures often play in the CEE countries.

An unstable economic and structural environment has hindered CB development also through many factors. These include the fact that there is large share of SMEs, in which the unionisation is low and the restructuring of company assets as well as organisational reform. Rapid economic change has also played a role since the social partners not being able to adapt fast enough has contributed to the low importance of CB. In addition, for many years the economic recession has considerably limited the room for bargaining. With the limited scope for manoeuvring and working out concessions, it is usually difficult to conduct meaningful bargaining at more than one level and thus sector level has been left out.

In the future the number of CAs may increase, as probably in the future the number of trade union organisations will increase in the sector.

4) COMMENT

The chemical industry illustrates the typical problems of industrial social dialogue in an Estonian context. This was the sector with a big market and relatively large employment during the Soviet time. The collapse of the Soviet regime caused a decline in production and diminishing demand, which entailed collapse and bankruptcy for many big companies. Instead of large firms, many new and small firms were created using qualified labour and know how.

Today, the majority of firms in the sector are private and very small, which inhibits the creation of trade union organisations. The second reason for low unionisation is that wages in the chemical industry are higher than the national average wage, which also decreases the motivation for the creation of trade union organisations in companies. To conclude, we can say that in such a very segmented and decentralised market, it is very difficult to develop a social dialogue. Probably, it will take several years before the concentration of the chemical industry will achieve the level at which trade unions have a good basis on which to organise workers and develop the labour movement.

⁸⁸ According to the Register of CAs, there were only 2 CAs signed in this sector at enterprise level over the years. One of them was valid from 2002-2004, covering 627 employees in AS Kiviöli Keemiatööstus and the second one was valid in 2002-2003, covering 309 employees in AS Silmet⁸⁸. It is possible to calculate the coverage rate : for 2002, there were 84 enterprises in 2002, so the coverage rate will be 2.4% and there were 2923 workers in the sector, so this coverage rate will be 32.0%. Concerning the procedures for extending the CA, according to the law you have to specify in the agreement, whether it is extended CA or not, and the result of negotiations depends on parties involved. In the later years, there were no CAs signed in the chemical industry.

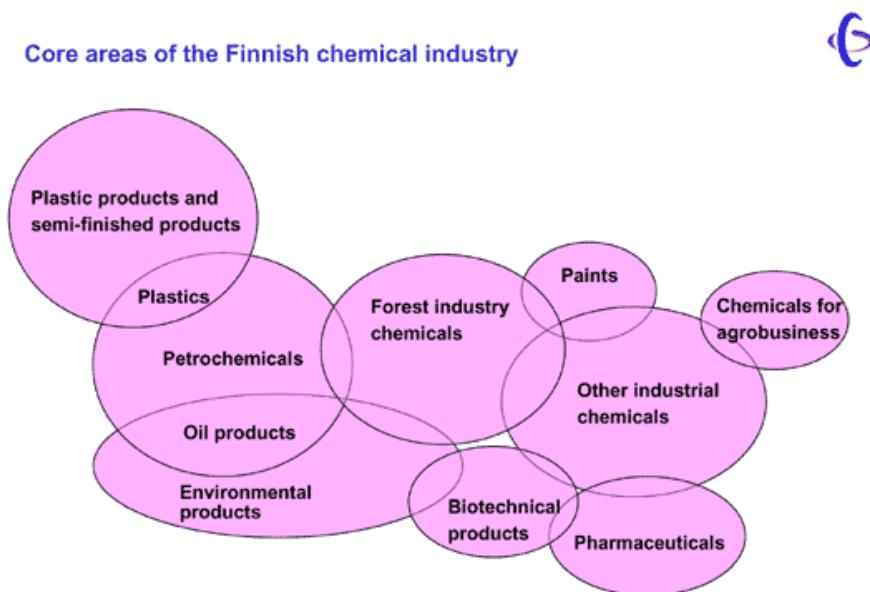
⁸⁹ The only valid -as February 2005- sectoral CA is in healthcare sector.

FINLAND

1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

1.1. Delimitation and scope of activities in the sector

The Finnish chemical industry comprises a number of core areas ranging from relatively mature industries to such new high-tech industries as the pharmaceutical or the bio-industries. The core fields are forest industry chemicals, chemicals for agribusiness and other industrial chemicals as well as paints, plastic products, environmental products, petrochemicals and oil products, pharmaceutical products and as the latest group biotechnical products. The Finnish chemical industry is defined by the NACE (24) classification, but the borderline with Nace 25 (plastic industry and rubber industry) is obscure.



Picture 1. Core areas of the Finnish chemical industry⁹⁰

The chemical industry sector includes the same activities, from a statistical point of view and from a CB point of view, if we define the chemical sector as Nace 24. From the point of view of the CB and from the point of view of employers' organisations it would be possible to add one more sub-sector, the plastics industry sector. The Finnish Plastics Industries' Federation (employers' organisation) is a member of the Chemical Industry Federation of Finland, that is the employers' central organisation in the chemical sector and it signs the collective agreements for the plastics

⁹⁰ Source: The Chemical Industry Federation of Finland

industries as well. However the plastics industry differs from the other chemical industry clearly and it is not normally included in the chemical industry (statistics etc.). Thus CB in the subdivision of the chemical sector follows Nace 24 classification. From the point of view of trade unions the sub-sectors of the Nace 24 classification are covered in the CAs of the Chemical Workers' union. In addition to these agreements the Chemical Workers' Union signs agreements for many other branches (glass, rubber, leather/shoes, textiles etc.). In this context, we will especially consider Nace 24 for the socio-economic features of the sector.

1.2 Socio-economic features of the sector

Measured by the gross value and the value of exports the chemical industry is the third largest of the main industrial sectors. In 2003 the share of the chemical industry sector of the gross value of industrial production was 12.7% (12 billion euro). The share of value added of the Finnish industrial production was 10.6% (3 billion euro). The share of GDP is around 4%. Around 40% of production is exported and the share of the chemical industry sector of all Finnish exports is close to 12%. Paper chemicals represent about 12% of the costs incurred by paper and paperboard industries. Finnish mills account for about 10% of the world consumption of paper chemicals, making Finland the world leader in paper chemicals. An example of growing branches inside the chemical sector is the pharmaceutical industry. The number of companies is not high but the branch employs over 6,000 people. Biotechnology is one of the most promising high-tech industries in Finland encompassing more than 110 companies. These have a total turnover of about EUR 700 million and employ around 4,000 people. Growth expectations for the industry remain high. The gross value of the Finnish chemical industry (2003)⁹¹ is as follows: Petroleum products: 33%; Basic chemicals: 30%; Plastic products: 16%; Pharmaceuticals: 7%; Others: 6%; Rubber products: 4%; Paints and inks: 4%. The total represents 11,980 million Euros.

As a whole the Finnish chemical industry has been rather steady in employment. It has witnessed economical fluctuations, but they have related mainly to the basic chemical industry and the class Nace 24. During the last few years, employment in the chemical industry (NACE 24 + 25) has been about 38,000 people in Finland. In 2003, total employment in the Finnish chemical industry was 37,200 people, which represented 9% of the work force in the whole of manufacturing industry in Finland. Strictly speaking, Nace class 24 employs about 20,000 people. A typical feature of the field is the high amount of white-collar workers. According to the labour force statistics,⁹² the share of white-collar employees has changed from 40 to 50% over the last few years. The basic chemical industry has been decreasing, but this decrease has been compensated by a high growth of other new branches like the plastics, the pharmaceutical industry or modern bio-industry. In the chemical sector atypical work (part time, temporary, fixed termed etc.) is rare. Just as in most traditional industrial sectors, full time work is the norm. However in the processing industry, shift work is quite common. Wages and salaries are higher than an average of the Finnish labour markets. A main reason for this is the structure of employment: workers are highly skilled and well educated. Due to the growing average age of personnel, the need for young skilled people will increase dramatically by the year of 2010. The estimates show that chemical companies will need some 20,000 new employees during the next ten years if the total number of employees does not change. The need is partly due to the generation shift and partly due to labour turnover. There are almost as many women as men working in the field. The main problem in the near future will be the ageing of the personnel.

Table 1. The number employees in the chemical industry sector (Nace 24)⁹³

Sub-sectors	Total (workers)	Number of SW	Number of SW/number of SW in the country (%)	Number of employees in companies with less than 10 SW (%)	Number of employees in companies with 10 – 100 SW (%)	Number of salaried workers in Companies with more than 100 SW (%)
Manufacture of basic chemicals	8,576	8,576	0.4	217 (= 1.1%)	2,737 (= 14.1%)	5,622 (= 29.0%)
Manufacture of paints, varnishes etc.	2,645	2,645	0.1	51 (= 0.3%)	205 (= 1.1%)	2,389 (= 12.3%)
Manufacture of pharmaceuticals	6,076	6,076	0.3	0	478 (= 2.5%)	5,598 (= 28.9%)
Manufacture of detergents etc.	141	141	0.01	68 (= 0.4%)	73 (= 0.4%)	ND

⁹¹ Source: The Chemical Industry Federation of Finland

⁹² Statistics Finland, Labour Force Statistics

⁹³ Source Martti Niskanen, Chemical Industry Federation of Finland. Note: The sub-sector "Manufacture of other chemical products" (NACE 24.6) includes the NACE 24.2. There is only one company in the branch of manufacture of pesticides and other agro-chemical products (Kemira Growhow). Pesticides etc. are only a small product group of the company and it is impossible to count an exact number of SW working in this sector. In spite of this there is an organisation - Finnish Crop Protection Association (KASTÉ Kasvinsuojeluteollisuus ry) - working in the field of crop protection in Finland. It is a member of the Chemical Industry Federation of Finland. It is also a member of the European Crop Protection Association ECPA.

Manufacture of other chemical products	1,575	1,575	0.1	32 (= 0.2%)	664 (= 3.4%)	879 (= 4.5%)
Manufacture of synthetic fibres	360	360	0.02	0	0	360 (= 1.9%)
All sectors	19,373	19,373	0.8	368 (= 1.9%)	4,157 (= 21.5%)	14,848 (= 76.6%)

Source: The Chemical Industry Federation of Finland, March 2005

Note: Some percentage totals do not equal 100 due to rounding.

The competitiveness of the Finnish chemical industry is based on the high expertise level of the personnel. Over 40% of the personnel in the Finnish chemical industry hold degrees in technology. Over 50% of white-collar workers in the Finnish chemical industry hold degrees in science or technology, either at university level or from vocational institutions. The inquiries made in companies show that scientific and technical expertise will clearly be the most important areas of competence in the chemical industry in the future.⁹⁴

The Finnish chemical industry has a committee called the Scientific Advisory Board of the Chemical Industry. The broadly based committee, which consists of representatives of the chemical industry, universities and research institutes, has actively participated in the chemical industry's technology programmes and in the development of innovation mechanisms, industrialisation projects and education and training important for the chemical industry. Research and technology development expenditure as a percentage of GDP is increasing in Finland. The chemical industry sector is one of the most research intensive fields of industry in Finland. Its share of the whole input in research is 10%. R&D investments reached EUR 4.9 billion, or 3.4% of GDP in 2003. This puts Finland amongst the leaders in the OECD countries in R&D spending. The share of the industry in this respect accounted to over EUR 2.8 billion in 2003. The R&D investments by the Finnish chemical industry was EUR 286 million, with achieved good results because of the intensity of the input. The National Technology Agency (Tekes) is the principal source of public funding for applied technological development. In 2003, Tekes financed a total of 2,196 R&D projects with EUR 392 million. The investments in chemical technology and biotechnology sectors totalled EUR 107 million. The main characteristic of the field is its large input in research and development work.

The percentage of small and medium sized companies is quite high in the field. The client base is mainly the forestry industry, transportation, the electronics industry, the metal industry and the building industry. The competitive strategy for the future relies highly on highly skilled workers and the high quality of the refined products. As in other Finnish industrial sectors there is almost no underground economy.

Table 2. The number and size of companies in the chemical industry sector (Nace 24)⁹⁵

Sub-sectors ⁹⁶	Number of companies	% companies without SW	% of companies with less than 10 SW	% of companies with 10-100 SW	% of companies with more than 100 SW
Manufacture of basic chemicals	246	-	26	57	17
Manufacture of pesticides and other agro-chemical products	1	-	0	0	100
Manufacture of paints, varnishes etc.	36	-	31	17	52
Manufacture of pharmaceuticals	32	-	0	47	53

⁹⁴ Source: The Chemical Industry Federation of Finland

⁹⁵ Source Martti Niskanen, Chemical Industry Federation of Finland

⁹⁶ Nace 25: There are close to 800 companies or places of business in the plastics industry sector in Finland. They employ almost 18 000 people. Finnish Plastic Industries' Federation has 116 member companies (about 15% of companies in the branch). They employ 13 800 wage earners (about 77% of wage earners in the branch). The Rubber Manufacturers' Association of Finland has about 20 member companies and they employ 2000 wage earners (about 70% of wage earners in the branch). (Sources: www.muoviteollisuus.fi and www.kumiteollisuus.fi)

Manufacture of detergents etc.	23	-	92	8	0
Manufacture of other chemical products	50	-	22	63	15
Manufacture of synthetic fibres	1	-	0	0	100
The whole of chemical sector (NACE 24)	389	-	28	50	22

Source: The Chemical Industry Federation of Finland, March 2005

With regard to trends within the sector, employment in the chemical sector has been quite steady. Future expectations of the sector are optimistic especially in sub-sectors like bio-chemicals, environmental or pharmaceutical industries. In the field of basic chemicals there are a few big state owned companies that co-exist alongside many private SMEs. Over recent years, state policy has been to decrease its share of ownership. A characteristic of the chemical industry sector is that many multinational companies have founded affiliated companies in Finland. Many Finnish enterprises have had investments in production abroad as well.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

Kemiateollisuus ry is the central organisation in the field, the central actor for the employers in the branch. It acts as the negotiator for the employers in the collective agreement negotiations and it has the right to sign these agreements. Member organisations of Kemiateollisuus ry (Chemical Industry Federation of Finland) cover all the branches in the above mentioned core areas of the Finnish chemical industry.

Organisations in the chemical industry sector were set up as unified entities 12 years ago. The common goal for these organisations is to ensure that the competitive stance of companies in the industry and that the preconditions for operations of the companies in the field in Finland are maintained. As well as this, special networks of participants in the field have been established. Cooperation is exercised with tens of national and international industrial organisations, the most important of these are Elinkeinoelämän Keskusliitto (Confederation of Finnish Industries) EK, the European chemical industry organisation Cefic and other European cooperation partners for various branches in the field.

The organisation rate for the employee's side is high. Both the employers and the employees in different branches are represented in the central organisations and due to this are involved in collective bargaining.

It is worth noting that there is no formal recognition system on the part of the social partners in Finland. The constitution guarantees freedom of organisational activities including trade unions. The recognition system is based mainly on a long tradition.

2.1. Description of the workers' organisations active in the sector

a) Kemianliitto ry (Chemical Workers' Union)

The most important workers' organisation in the chemical sector is the Chemical Workers' Union (Kemianliitto ry). Kemian Työntekijäin Liitto was founded in 1970 and it has evolved to the Kemianliitto ry (Chemical Workers' Union) since then. It has over 300 member associations, which altogether have around 49,000 members. Approximately 52% of the members are female, both white and blue collar workers. Density is high, 90%. The organisation is funded by membership fees. The central office of Kemianliitto is divided into 8 departments and it has a little over 50 employees. It covers all the core areas in the chemical industry sector and members of the Kemianliitto work in the fields mentioned below: Car Tyre branch; Basic chemical industry; Shoe and leather industry; Rubber industry; Glass and ceramics industry; Glasswork industry; Plastic products and chemical products industry; Textile maintenance field; Textile and clothing industry; Maintenance personnel in the textile industry; Oil, natural gas and petrochemical industries. The Kemianliitto is the signatory for the collective agreements for these fields. The organisation represents the employees in the in the collective agreement negotiations and is the signatory for these as well. The Kemianliitto is also included in the national incomes policy agreement. It is also a signatory of the collective agreements in the chemical sector and by its member organizations these agreements are applied in detail in the branches in question and also in the workplace level. Kemianliitto has signed 12 new collective agreements in the beginning of 2005. 10 of these are collectively binding and two are local, bipartite agreements.

At national level, the Chemical Workers' Union is a member of the Central Organisation of the Trade Unions (SAK)⁹⁷.

b) Sähköliitto ry (Finnish Electrical Workers' Union)

The Finnish Electrical Workers' Union was founded 50 years ago as a trade union for employees in the field of the electrical industry and industries close to it. Its members are employed in the electrical industry, energy maintenance, data communications, housing technicians and in industry. The central office of the organisation employs approximately 40 people. In addition to this, the organisation has five regional offices. The organisation is funded by membership fees. The Finnish Electrical Workers union has around 32,000 members.

The Finnish Electrical Workers' Union signs 15 collective agreements. One of these covers about 100 electrical employees in the chemical industry sector. So in this sector the Finnish Electrical Workers' Union is a very small player representing only one specialised group of workers.

At national level, the Finnish Electrical Workers union is a member union of the Central Organisation of the Trade Unions (SAK). It takes part in the income policy negotiations as a member of SAK.

c) Toimihenkilöunioni TU (Union of Salaried Employees TU)

The Union of Salaried Employees TU is the largest Industrial White Collar union in Finland. The Union of Salaried Employees TU was founded in May 2001 when the Finnish industrial White Collar workers unions, the Union of Technical Employees (TL), the Union of Salaried Employees in Industry in Finland (STL), the Federation of Private Building Employees (RAL) and the Swedish Association of Technicians and Foremen in Finland (STAF) set up a new union called the Union of Salaried Employees TU. TU has approximately 125,000 members in various fields of employment and of these, almost half (45%) are female. Members of the TU work as foremen, specialists etc. The main branches are Metal; Pulp, Paper and Wood; Chemistry; Energy and service sector. It has 290 member organisations. The organisation has 11 regional offices and is funded by membership fees. 9% of the organisations work in the field of chemical industry sector. Other sectors are the metal industry (33% of the members), the building industry and fields related to it (17%), the forestry industry (12%), the food industry (7%), data communications (4%) and the energy industry (3%). About 140 people work for the organisation (staff).

The Union of Salaried Employees TU has signed 36 collective agreements. In the industry and the building industry these agreements cover all the sectors and in the service sector the Union of Salaried Employees has signed collective agreements for information technology, media and traffic. It represents clerical employees and foremen/forewomen in these fields. The density is about 63%.

At national level, the Union of Salaried Employees TU is a member of the Finnish Confederation of Salaried Employees STTK⁹⁸.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations*		International affiliations*	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Kemianliitto	Chemical Workers' Union	Blue and lower white collar	49 000	49 000	90	yes	SAK	-	EMCEF ETUF:TCL	ETUC	ICEM	ICFTU
Sähköliitto	Finnish	Technicians	32 000	100	ND	yes	SAK	-	EMCEF	ETUC	ICEM	ICFTU

⁹⁷ The Central Organisation of the Trade Unions was founded 1907 and it is the biggest labour market organisation in Finland. It has 23 member unions and over one million wage earners are its members. The Central Organisation of the Trade Unions represents workers in many sectors including industry, private services, local government, the state and transport.

⁹⁸ It is one of the three trade union confederations in Finland. STTK's 21 affiliated trade unions represent approximately 650,000 professional employees. These member unions organize employees in a wide range of sectors: industry, private services, local and regional government and the State. The Union of Salaried Employees TU represents large professional groups such as nurses, technical engineers, police officers, secretaries, institute officers and salesmen.

	Electrical Workers' Union	etc.						EMF IN*		IMF		
Toimihenkilö unioni TU	Union of Salaried Employees TU	Clerical workers	125 000	11 000	63	yes	STTK	-	EMCEF Nordiska Metall + NIF → IN*	ETUC	ICEM	-

Source: Web Sites of the unions in April 2005 (www.kemianliitto.fi, www.sahkoliitto.fi, www.toimihenkilounioni.fi)

Note: Only the European and international affiliations in the chemical sector have been noted. As the Union of Salaried Employees, TU, is the largest industrial white collar union in Finland and, as it is working in many fields of employment, it has widespread national and international contacts, such as IMF, EMF (metal industry), UNI, Uni-Europa (services, ICT), IFBWW, EFBWW, NTBF (construction), ITGLWF, ETUF:TCL (textiles, etc.), IUF, EFFAT (food, catering etc.), ITF, ETF, NTF (transportation), etc.

* NIF and Nordiska Metall merged on 1.1.2006 into IN (Industrianställda i Norden/Nordic Industry Workers).

Complementary note: Some members of The Finnish Construction Trade Union (Rakennusliitto) and The Finnish Paper Workers' Union (Paperiliitto) may work in the chemical sector, but these unions do not take part in the negotiations of the chemical sector. Some upper white- collar employees working in the chemical sector are members of the Union of Professional Engineers in Finland (Insinööriliitto) or the Finnish Association of Graduate Engineers TEK. These unions do not represent any special sector but graduate engineers, engineers or some other professionals working in the field of technology.

2.2. Description of the employers' organisation active in the sector

Kemiateollisuus Ry (The Chemical Industry Federation of Finland)

Organisations in the chemical industry sector founded a peak organisation 12 years ago, the Chemical Industry Federation of Finland. The Chemical Industry Federation has a central office in Helsinki, which employs near 70 officials. Its mission is to advance the operating conditions of the member companies in the field of industrial and labour market policy. The membership of the federation is drawn from all sectors of the chemical industry from basic chemicals to manufactured chemical products. Altogether there are 280 member companies, which employ approximately 38,000 employees. The Federation represents around 90% of the companies in the field. Funding comes from membership fees.

The Federation represents them in the negotiations for CAs and signs all the collective agreements in the chemical sector, excluding the one for rubber employees. Indeed, companies in rubber industry are not members of the Federation, but are organised in the Rubber Manufacturers' Association of Finland (Kumiteollisuusyhdistys)⁹⁹. Roots for the existing arrangements can be found in the organisational political history. In 2003 and 2004, 4 CAs were signed by the organisation.

The Federation works flexibly, in close co-operation with organisations representing the different chemical industries as well as other industries and industry as a whole.

It has seven member associations¹⁰⁰, which cover all the main branches of the chemical sector in Finland. There is cooperation with tens of national and international industrial organisations, the most important of these are Elinkeinoelämän Keskusliitto (Confederation of Finnish Industries) EK¹⁰¹, the European chemical industry organisation CEFIC, of which it is a member. The organisation is also member of ECEG and ICCA.

⁹⁹ Actually the association should be outside the chemical industry sector (it is Nace 25). As an indication, The Rubber Manufacturers' Association of Finland is a coalition of companies working within the rubber industry and of those utilising rubber as their main raw material. The scope of the association comprises both subjects related to industrial policy and to employers' interests. The association was founded in 1961. The object of the association is to represent the interests of its members by, for instance, following up relevant legislative and other developments both domestically and internationally, and informing members about them, representing member companies in dealing with authorities, other organisations and interest groups and introducing matters of interest to authorities, making statements and giving reports on topics related to rubber industry. It is a member of Elinkeinoelämän Keskusliitto EK (Confederation of Finnish Industries).

¹⁰⁰I.e.: The Association of the Finnish Paint Industry; The Finnish Cosmetic, Toiletries and Detergent Association; The Finnish Bio-industries (FIB); The Finnish Plastics Industries Federation; The Finnish Printing Ink Association; The Pharma Industry Finland (PIF); The Rubber Manufacturers' Association of Finland.

Employers' organisation

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect	
Kemianteollisuus ry	The Chemical Industry Federation of Finland	NACE 24 + NACE 25.2	280	38 000	90%	Nace 24: 90% Nace 25 About 75%	yes	EK	-	CEFIC ECEG	-	ICCA	-

Source: Web site of the Chemical Industry Federation of Finland, April 2005 (www.chemind.fi)

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

At national level, the collective bargaining can be settled at 3 levels:

- ❖ Level 1. Income policy agreement negotiated and signed by three central labour market organisations. Result: General income policy agreement which unions can join (voluntarily).
- ❖ Level 2. Union level sector CAs, which are based on the income policy agreement normally negotiated between the parties in the sector. Result alternative a) Tailored agreement that is an element of the general income policy agreement (all the agreements of the chemical industry sector belong to this group). Result alternative b) agreement outside the general income policy agreement that is signed by workers' union(s) and employers' organisation(s)
- ❖ Level 3. Locally settled agreements (based on the above agreements). Representatives of companies or other workplaces, local subdivisions of unions and shop stewards.

3.1. Description of the tripartite negotiations in the chemical industry sector (levels 1 to 3)

Since 1968, the Finnish labour market organisations have (in most cases) negotiated centralised tripartite agreements based on the tripartite income policy agreement – usually called 'Incomes Policy Agreements'. The centralised tripartite income policy agreements are first negotiated between the central labour market organisations (SAK, STTK, AKAVA¹⁰² on the employees' side and EK on the employers' side). The Finnish government associates itself with the agreement (for example intergovernmental policy agreements, which concern taxation etc.). Unions can join the general agreement and after that they negotiate a detailed agreement for their members (inside the framework of the income policy agreement). Each union (or sometimes a few unions together) signs a normal collective agreement. The central level tripartite agreements have normally been valid for one or two years.

The income policy agreements can be characterised as a labour market policy affair, as such they have no legal validity. The above negotiation system is based on a consensus between the social partners and it has since 1968 been a normal negotiating practice in Finland. There are over hundred agreements. Most of them are valid for all the employers in the sector (or the equivalent). Some can cover only one firm, for example. At this level, the representativeness and/or recognition measures that the social partners have is a tripartite representativeness (for all three central confederations SAK STTK and Akava (employees) + the Confederation of Finnish Industries EK (employers) (+ state in the background)). Consensus/tradition is based on recognition measures.

¹⁰¹ EK has been officially operational from the beginning of the year 2005. This organisation represents all sectors, about 15.000 enterprises, about 70% of the Finnish Gross National Product and over 95% of Finnish exports. The member companies of EK employ a total of 900,000 people.

¹⁰² AKAVA - the Confederation of Unions for Academic Professionals in Finland - is the third central confederation in Finland. It is for those with university, professional or other high-level education, formed by 32 affiliates and with about 436 000 members and with 80% unionization rate. Membership in the affiliates of AKAVA is based on a particular degree or membership in a certain profession. In their workplaces, AKAVA members work as experts and educators; one third of them hold managerial or leading positions. AKAVA is active in the European Trade Union Confederation (ETUC), and especially its division EUROCADRES. Moreover, AKAVA's representative is a member of the European Union's Economic and Social Committee. AKAVA has co-operation with all the Nordic countries, the Baltic countries and Russia. AKAVA is also a member of OECD's Trade Union Advisory Committee (TUAC), the International Confederation of Free Trade Unions (ICFTU) and of the Finnish ILO Committee

3.2. Description of the bipartite social dialogue in the sector

Open social dialogue is the most crucial and important precondition of the Finnish 'incomes policy system'. The chemical industry is very strongly organised at the sector level (both employers and employees). 'At higher than enterprise' level, there are many organisations that are actually coalitions of companies operating within different sub-sectors of the chemical sector. The scope of the organisations comprises several subjects related to industrial policy and labour market issues. They take part in CB indirectly as members of bigger organisations. At enterprise level, CB really is only fine tuning of the chemical sector signed agreements.

Concerning the scope of consummated agreements, there is a special (tripartite) board, that declares agreements generally binding or not. The main criterion is a density of membership. However most union level agreements are generally binding in Finland and it holds true for the chemical sector, too. This means that the agreements are valid also for those employers and employees, who do not belong to the employers' associations or employees' unions in the sector. Other agreements (non binding) bind only the members of the organisations that have signed the agreements.

a) At sector level (level 2)

If either employers' or/and employees' organisation do not accept the inter-sector incomes policy agreement, they opt out of the agreement. The negotiating parties are free to join or not join the general incomes policy agreement voluntarily¹⁰³. If an organisation decides to opt out, the negotiations continue as a bipartite negotiation outside the normal incomes policy agreement.

CAs are always negotiated at sector level. The coverage of the CAs in Finland is around 90%. In the chemical industry it is even higher than average as is the case with other industrial sectors, unlike the service sectors, which generally have lower than average coverage. Unfortunately, the exact figures are not available. CAs for the chemical industry (in some form) have been negotiated since the 1940's. Agreements have been negotiated since the early 1970's according to the current categories.¹⁰⁴ For the years 2003 - 2004 (end of February/March 2005) there were six CAs in this sector, of which five are collectively binding. New agreements for the year 2005 – 2007 were signed in December 2004. The new agreements follow the old divisions of the sub-sectors and they are valid for about two years - 16.2.2005-30.9.2007. There are no conflicts between players regarding recognition issues. There are no dominant players who, although not recognised by the dominant players or by public authorities, must be regarded as playing a role in industrial relations in the sector.

CAs in the field of chemical industry in 2003-2004

CA	Period of validity	Coverage(People) Collectively Binding yes / no	Negotiation party for the employees	Negotiation party for the employers
CA for basic chemical industry	01.02.2003- 31.03.2005	6000-7000 (blue collar workers) Yes	Chemical Workers' Union	The Chemical Industry Federation of Finland
CA for the supervisors and clerical employees in chemical industry	01.02.2003- 15.02.2005	15 000 (supervisors and clerical employees) Yes	Union of Salaried Employees (TU)	The Chemical Industry Federation of Finland
CA for the rubber industry ¹⁰⁵	01.02.2003- 15.02.2005	2800 (blue collar workers) Yes	Chemical Workers' Union	The Rubber Manufacturers' Association of Finland
CA for petrochemical industry	01.02.2003- 31.03.2005	2600 (blue collar workers) Yes	Chemical Workers' Union	The Chemical Industry Federation of Finland

¹⁰³ As members of the central labour market organizations they take part in the decision-making process of the general income policy agreement. This guarantees the member organisations' commitment. In practice the decisions are not always unanimous and some organisations may want to opt out of the general agreement.

¹⁰⁴ Source: Martti Niskanen, The Chemical Industry Federation of Finland.

¹⁰⁵ Rubber industry is in the class 25 in the Nace classification.

CA for plastic and chemistry product industry	01.02.2003-31.03.2005	15000 (blue collar workers) Yes	Chemical Workers' Union	The Chemical Industry Federation of Finland
CA for the electrical employees in the sector of chemical industry ¹⁰⁶	01.02.2003-15.02.2005	100 (electrical employees) No	Finnish Electrical Workers' Union	The Chemical Industry Federation of Finland The Rubber Manufacturers' Association of Finland

Source: www.finlex.fi, April 2005

The content of the CAs, which remain in force for the moment (valid until 30.9.2007) concerns among others: Labour contracts, working time and different forms of working hours, flexible working hours, resting periods, overtime work etc. wages and salaries, wage structures etc., pay periods, forms of payment of wages, daily allowances, daily benefits, travelling benefits, sickness leave, maternity leave and allowances, medical care, occupational health and safety, insurances, vacations, shop stewards, safety delegates, collection of membership fees, local social dialogue and local agreements, professional training, in-company training, rationalisation, information etc.

As far as players' positions with regard to future developments in the social dialogue in the sector are concerned, only fine adjustments in future at national level are foreseen. We also observe that the European level is becoming important.

b) At local level (level 3.)

Officially, the concept of 'local level' has a strict meaning in the Finnish CB. In the normal CAs there may be a chapter where the parties agree on some matters that can be negotiated 'locally'. This means that for these matters the employer or his representative can negotiate directly with the workers or with the local shop steward. Results of the negotiations supplement the original CA and they are called local agreements. Some 'local level' matters are embodied in the CAs of the chemical sector (for example specifications concerning working times, some benefits etc.). In Finland, it is possible to negotiate an enterprise level CA, also. In the chemical industry sector, there are no enterprise level agreements. Naturally all the signed CAs must be fine-tuned at enterprise level. But this is only a step in the normal tripartite CB process.

4. COMMENT

The chemical sector in Finland has a strong tradition of industrial relations. It has some unique features compared to other industrial sectors. The chemical sector is at the same time old, traditional and very modern and innovative. Employees in the chemical industry are very well educated and the share of white-collar workers is exceptionally high. The number of employees has been fairly steady in the sector as a whole¹⁰⁷. The Nace class 24, especially the basic chemical industry, has been decreasing, but this decrease has been compensated for by high growth of other branches like plastics, the pharmaceutical industry or the modern bio-industry. In general terms, the CB system works well.

¹⁰⁶ It covers only around 100 persons in the chemical industry sector (including the rubber industry). The total number of electrical employees in the sector is around 500. The agreement is not generally binding due this.

¹⁰⁷ Nace24 + Nace25

FRANCE

1. DESCRIPTION OF THE CHARACTERISTICS OF THE SECTOR AT NATIONAL LEVEL

1.1. Delimitation of the sector

A. Scope of the national collective agreement for the chemical industries

The scope was redefined by the (non-extended) agreement of 4 November 1996, modified by a codicil in 1997. The following are concerned: enterprises whose main activity comes within the classes of activities indicated below, as well as the holding companies and registered offices on which they are dependent; wholesale enterprises whose main activity involves the handling and sale of products whose manufacture is covered by the classification below, subject to the additional details provided for class 51.4L and excluding wholesalers of fatty substances.

The activities covered by the collective agreement for the chemical industries are as follows (based on NAF, the French classification of activities):

I. Activities covered by the Union des industries chimiques (UIC, Union of Chemical Industries)¹⁰⁸

'Manufacture of starch and starch products' (15.6D – all activities in this class with the exception of wheat, rice and cassava starch mills); manufacture of food additives and thickeners (15.8V); denaturing of ethyl alcohol for use in the chemical industry (15.9D); production of tar (23.1Z); conversion of uranium ore into uranium hexafluoride (23.3Z); 'manufacture of industrial gases' (24.1A); 'manufacture of pigments and dyestuff' (24.1C); 'manufacture of other basic inorganic chemicals' (24.1E); 'manufacture of other basic organic chemicals' (24.1G- all activities of this class with the exception of the production of coal for household use not related to the recovery of pyrolygneous liquid); 'manufacture of nitrogen compounds and fertilizers' (24.1J); 'manufacture of basic plastics' (24.1L – all activities with the exception of the preparation of mixtures of basic plastics, coloured or non-coloured¹⁰⁹); 'manufacture of synthetic rubber' (24.1N); 'manufacture of pesticides and other agro-chemical products' (24.2Z); 'manufacture of basic pharmaceuticals' (24.4A- all activities related to the research, development and manufacture of basic chemicals and biochemicals for pharmaceutical use or of intermediaries for their synthesis, with the exception of the processing of human blood and the manufacture of its by-products); 'manufacture of soaps, detergents and other cleaning preparations' (24.5A- all activities of this class with the exception of the manufacture of soaps and the manufacture of washing or softening preparations for laundry, dishwashing, etc., which are covered under part II of this scope); 'manufacture of explosives' (24.6A); 'manufacture of essential oils' (24.6E); 'manufacture of photographic chemical material' (24.6G- all activities of this class with the exception of the manufacture of heliographic paper); 'manufacture of data media' (24.6J- all activities of this class. However, the enterprises concerned which, on the date of entry into force of this agreement were implementing a collective agreement for the metallurgy sector, may continue to do so); 'manufacture of chemicals for industrial use' (24.6L); 'manufacture of abrasives' (26.8A- all activities of this class with the exception of production using natural stone grinders and similar items); 'manufacture of non-metallic minerals' (26.8C- all activities of this class with the exception of the manufacture of plate facings and of parts for these facings, and the manufacture of expanded clay and mineral wool); manufacture of matches, coloured pencils, lead or charcoal pencils, writing and drawing chalk, dressmaker's chalk, typewriter ribbons, ink pads, date stamps and similar items provided they are not made of metal (36.6E); reprocessing or physico-chemical treatment from the recovery of used chemicals (37.2Z); 'wholesale of fuels' (51.5A: this class covers wholesalers of petroleum products which were applying the collective agreement for the chemical industries prior to 8 August 1990); 'elimination and processing of other waste products' (90.0C- all activities of this class with the exception of heat treatment of wastes from health care).

¹⁰⁸ The titles are placed between inverted commas when the collective agreement for the chemical industries covers *all the activities of the NAF class shown* (NAF code in parentheses). In the absence of inverted commas: the activities listed are *those of the NAF class (code between parentheses) covered* by the collective agreement for the chemical industries.

¹⁰⁹ However, enterprises coming within the scope of this activity and which, on the date of entry into force of this agreement (1997 codicil) were applying the chemicals agreement, may continue to do so.

II. Activities covered by an associated employers' organisation

- Fédération Nationale des Industries Electrométallurgistes, Electrochimiques et Connexes (National Federation of Electrometallurgy, Electrochemical and Related Industries): manufacture of corundum, manufacture of items made of graphite or carbon (26.8C); production of ferro-alloys in an electric furnace or using aluminothermy, associated electrometallurgy and electrochemical processes (27.3J); production of aluminium oxide and electrolysis production of aluminium and primary aluminium alloys (27.4C); production of magnesium and other light metals using electrometallurgy, associated electrometallurgy and electrochemical processes (27.4M); production of coal or graphite electrodes (31.6D).
- Fédération Nationale des Industries des Peintures, Encres, Colles et Adhésifs (National Federation of Paints, Inks, Glues and Adhesives Industries): 'manufacture of paints and varnishes' (243.Z); manufacture of glues and gelatines¹¹⁰ (24.6C).
- Fédération des Industries de la Parfumerie (Federation of Perfume Industries): 'manufacture of perfumes and toilet preparations' (24.5C); 'wholesale of perfumes and beauty preparations'¹¹¹ (51.4L).
- Fédération des Industries des Corps Gras (Federation of Fatty Substances Industries): rendering of lard and similar fats (15.1A); 'manufacture of crude oils and fats' (15.4A); 'manufacture of refined oils and fats' (15.4C); 'manufacture of margarines' (15.4E); manufacture of soaps, manufacture of detergents or softening preparations for laundry, dishwashing, etc. (24.5A); manufacture of candles (36.6E).
- Syndicat Français des Enducteurs, Calandreurs et Fabricants de Revêtement Sols et Murs (French Union of Industries for Plastic Sheets, Coated Fabrics and Floor Coverings): coating of fabrics (17.5G).
- Chambre Syndicale du Papier, 10^{ème} comité (Paper Professional Association, 10th Committee): manufacture of stencils and paperboard (21.2G); manufacture of consumables for office automation with the exception of paperboard (21.2L).
- Syndicat des Entrepreneurs de Travaux Photographiques (Association of Photographic Activities Contractors): photographic processing laboratories and cinematographic laboratories (74.8B).
- Chambre Syndicale du Reraffinage (Re-refining Professional Association): re-refining of used oils (37.2Z).

III. Other activities covered by UIC or by another associated employers' organisation:

- Chemical research centres and laboratories (73.1Z, 74.2C et 74.3B)
- Services¹¹² (60.3Z: 'pipeline transport'; 63.1E: 'non-refrigerated storage'; 72.1Z: 'information technology systems consulting'; 72.2Z: 'software development'; 72.3Z: 'data processing'; 72.6Z: 'other related information technology activities'; 74.1C: 'accounting activities'; 74.1G: 'business and management consulting'; 74.1J: 'business administration'; 74.8K: 'production related services')
- Vocational training¹¹³ (80.2C: 'secondary technical and vocational education'; 80.3Z: 'higher education'; 80.4C: 'adult education and continuing training'; 80.4D: 'other education').

¹¹⁰ The enterprises concerned which, on the date of entry into force of this agreement (1997), were already applying the rubber agreement may continue to do so.

¹¹¹ Included in this class are those wholesalers whose activities are carried out on behalf of other units, firms or companies bound hereby and operating in France or abroad, provided those other units, firms or companies belong to the same enterprise, group, economic and social unit or economic interest grouping as the enterprise concerned.

¹¹² In the following classes are concerned, on the one hand, any enterprise that carries out more than half its activity on behalf of one or more companies covered hereby and which are legally dependent upon that company(ies), and on the other any enterprise that carries out more than half its activity on behalf of one or more companies covered hereby, provided that company(ies) are legally dependent upon the same enterprise, group or economic interest grouping as the enterprise in question.

¹¹³ The private training bodies concerned here are those that meet the following conditions: • training associations created at the initiative of chemical industry employers' and/or enterprise professional organisations (as defined in I and II) or managed by them; • training bodies not having legal personality and forming part of a chemical industry enterprise (as defined in I and II), and training bodies having legal personality and whose activity is carried out primarily for the enterprise taking the initiative for its creation, or the group to which the enterprise belongs, provided the enterprise is active in the chemical industries (as defined in I and II); • apprentice training centres created at the initiative of chemical industry employers' and/or enterprise professional organisations (as defined in I and II).

The agreements establishing the scope of the national collective agreement for the chemical industries are not extended, due to overlapping with the scope of agreements for the metallurgy and pharmaceuticals branches.

B. Main chemical industry sectors as defined by the Ministry for Industry

- inorganic chemicals (basic inorganic chemicals, industrial gases, dyes, pigments, fertilizers) and organic chemicals (basic organic chemicals, plastics, rubber) -the first two make up what is known as basic chemicals;
- parachemicals (agro-chemicals, paints and varnishes, glues and gelatins, explosives, essential oils, photographic chemical material, industrial use material), soaps, perfumes and cleaning preparations (soaps, detergents, cleaning preparations, perfumes and toilet preparations) –parachemicals are also referred to as fine or specialty chemicals;
- pharmaceuticals (basic pharmaceuticals, medicines) –fine chemicals for the former and consumer products for the latter.

The scope of the collective agreement for the chemical industries therefore does not overlap exactly the wider definition of the industrial sectors related to chemicals as established by the Ministry for Industry.

1.2. Socio-economic characteristics of the sector

Taken as a whole, basic chemicals, parachemicals and pharmaceuticals (definition of the chemical industries used by the Ministry for Industry, which is broader than the scope of the national collective agreement for the chemical industries), form a key sector of French industry because of their contribution to economic growth but also because of the products (intermediate goods and consumer goods) they provide to other industrial sectors or final users. With turnover of 84.7 billion euros in 2002¹¹⁴, the chemical industry ranks second among French industries, after motor vehicles. In 2002 it accounted for 16% of added value created by French industry¹¹⁵.

Turnover in 2003 for the French chemical industry as a whole amounted to 86.7 billion euros¹¹⁶, breaking down as follows¹¹⁷: inorganic chemicals (6.4%), organic chemicals (21.6%), parachemicals (14.8%), soaps, perfumes and cleaning preparations (18.6%), and pharmaceuticals (38.7%). Today, however, growth in turnover of the chemical industry is driven mainly by sectors related to household consumer products (soaps, perfumes and cleaning preparations on the one hand, and pharmaceuticals industry on the other).

In 2004, 3,257 enterprises were covered by the national collective agreement for the chemical industry¹¹⁸. The number currently employed in the chemical industry has declined regularly for the past 15 years, at an average rate of -1.5% per year, while production has risen. Furthermore, the shrinking of the category of blue-collar and white-collar workers has been confirmed repeatedly over the last decade, to the benefit of the categories of supervisors, technicians and managers. In 2004, the 239,186 salaried workers covered by the collective agreement for the chemical industries broke down as follows, by gender and by socio-professional category:

Salaried workers in 2004 (%)	Men by category/total men	Women by category/total women	Salaried workers by category
Blue-collar and white-collar workers	44.2	31.3	40.7
Supervisors and technicians	34.1	40.9	36
Engineers and managers	21.6	27.8	23.3

Source: UIC Branch Report 2004

¹¹⁴ UIC, Economic Bulletin, March 2004.

¹¹⁵ *Ibidem*.

¹¹⁶ 'L'industrie chimique en France. Diagnostic global', Note du groupe de réflexion stratégique sur l'avenir de l'industrie chimique à l'horizon 2015 ('The Chemical Industry in France. Comprehensive Diagnosis', Note by the study group on the future of the chemical industry to 2015), September 2004.

¹¹⁷ *Ibidem*.

¹¹⁸ UIC Branch Report, December 2004.

The basic monthly salary (shown here by level) for a full-time worker (excluding all bonuses, reimbursement of expenses and overtime pay) averages between 1,237 and 10,403€¹¹⁹. A wide variety of companies is covered by the national collective agreement for the chemical industries.

Companies

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-200 SW	% companies with > 200 SW
Total of the sector	3,257	ND	45.5%	43%	8.6%

Source: OPCPA-Chimie Pétrole Pharmacie (the body that collects funds for vocational training for the chemicals, oil and pharmaceutical sectors), 2004

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-199 SW/number of SW in the sector (%)	Number of SW in companies >199 SW/number of SW in the sector (%)
Total of the sector	ND	239 186	1.51%	2.58%	31.68%	65.74%

Source: OPCPA-Chimie Pétrole Pharmacie, 2004

The sector was privatised in large measure (the exact extent of which is not known) during the 1990s, with Rhône Poulenc, Elf, Saint-Gobain and Péchiney being floated on the stock exchange. The following years then saw a number of mergers and restructuring operations, the big groups¹²⁰ constantly changing profile due to the very nature of the activities. Enterprises are currently refocusing on their own production and tending to specialise. Finally, along with the rest of industry, the sector has experienced a considerable increase in subcontracting, in particular for upkeep and maintenance activities, and even for management of human resources and wages.

Analysis and discussion by all the social partners and State representatives brings to light the following observations and prospects: the number of salaried workers in the chemical industry seems likely to continue the downward trend already observed over the last three years, with investment by the French chemical industry declining regularly; the productivity of the French chemical industry should be reinforced through investments and streamlining and by developing production with greater added value.

Unfortunately, no data is available on the sector's GNP, the informal economy, workers' qualifications or the type of contracts in the sector.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

2.1. Workers' organisations¹²¹

Fédération nationale des industries chimiques-CGT. The National Federation of Chemicals Industries-CGT was created in 1907. It has 10 staff members (two are paid by the Federation, two by their employer and six partially by the Federation and partially by their employer). Some 35% of the funding comes from membership dues; other resources come from agreements on

¹¹⁹ Source : UIC, 2004.

¹²⁰ 'La chimie de base française à l'heure de l'internationalisation' ('French basic chemicals in the age of internationalisation'), *Le 4 pages des statistiques industrielles*, SESSI, Ministry for the Economy, Finance and Industry, October 2004.

¹²¹ With the 2003 'social elections' (i.e. election of workers' representatives at enterprise level) the CGT ranked first (27%), ahead of the CFDT (23%), CGT-FO (10%) and CGC (9%) (in: Annette Jobert, 'Quelles dynamiques pour la négociation collective de branche' ('What Dynamic for Industry-wide Collective Bargaining'), *Travail et Emploi*, No. 95, July 2003, pp. 5-26). These results are estimates provided by the trade unions, resulting from the merging of the results of the social elections held in the big groups; social elections are not organised industry-wide in this sector.

union rights and on advertising in the Federation's journals, concluded with the main groups in the sector. This Federation covers the sectors of chemicals (UIC scope), petroleum, plastics, rubber, medical analysis laboratories, druggists, pharmacies, writing instruments and pharmaceuticals. It is made up of unions that enjoy full independence, since they decide the Federation's orientations at a congress every three years. The Federation is in a majority position in many large groups. For chemicals, it estimates its membership at 13,000 (25,000 for the Federation as a whole in all the branches it covers).

The Federation is a member of the European Mine, Chemical and Energy Workers Federation (EMCEF) at European level and indirectly of ETUC.

Fédération Chimie et Energie CFDT. The Federation of the Chemical and Energy Industries-CFDT was created in 1997 and covers chemicals (UIC scope), pharmaceuticals, petroleum, rubber, plastics, glass and paper. The Federation did not indicate its membership numbers, nor is any data available on the organisation's funding or its number of staff members. It is present in the big groups and is also well developed in SMEs through mandating (as part of negotiations on working time). It is not present in companies with fewer than 25 wage earners, as is the case for all trade unions. The Federation has more members than the CGC among managers and is progressing among supervisors. The Federation is a member of EMCEF at European level and indirectly of ETUC and ICEM at international level.

Fédéchimie CGT-FO. The Chemical Federation CGT-FO covers chemicals (UIC scope), as well as nuclear energy, rubber, plastic and glass. CGT-FO was created in 1947 (owing to a split between CGT and CGT-FO, the CGT-FO explaining that 'the origins of our Federation in fact date back much further, since it was an integral part of the CGT'). The Federation has five staff members. Membership dues make up 73% of its funding. It estimates that it represents around 22% of votes cast in 2004. CGT-FO reports that it pays dues to EMCEF for 15,000 members. The Federation is present among all categories of workers, in both big groups and SME-SMIs. It is a member of EMCEF at European level and indirectly of ETUC and ICEM at international level.

Fédération Chimie Mineurs Textile Energie CFTC. The Federation of the Chemical, Mine, Textile and Energy Industries-CFTC was founded in the 1960s. It covers the traditional scope of chemicals activity (UIC scope), as well as rubber, manufacture of mirrors, pharmaceuticals, plastics, pharmaceutical distribution, industrial glassmaking and hand glassmaking. The Federation is particularly strong presence in heavy chemicals and its membership in the perfume industry is rising. Unfortunately, there is no data on the organisation's funding or staff members. It has few members among managers and tends to be stronger in big companies although it does have a presence in SMEs through mandating. The Federation estimates at around 3,000 its membership in the chemical sector alone. It is a member of EMCEF and ETUC via the confederation at European level.

Fédération du personnel d'encadrement des industries chimiques, parachimiques et connexes-CFE-CGC. The Federation of managerial and professional staff of the Chemical, Parachemical and Related Industries-CFE-CGC covers the following branches: chemicals (UIC scope), plastics, pharmaceuticals, rubber, industrial glassmaking and the manufacture of mirrors, hand glassmaking, glass-related trades, writing instruments, pharmacies, veterinarians and pharmaceuticals distribution. The federation was created in 1946. It currently has four staff members. Its funding sources are mainly membership subscriptions.

The Federation is present in big groups and to a lesser extent in small companies. It did not disclose its membership level. The CFE-CGC reports that it "has a strong majority in terms of the results of social elections in the big CAC 40 industrial groups of the chemicals and related industries, in the managers' electoral body". In response to the CFDT's claim, the Federation notes, on the one hand, that: "while the CFDT had more votes than the CFE-CGC in the election of industrial tribunal, it did so for the "professional and managerial staff electoral body", the only level concerned in these elections. In accordance with legislation, there is no "manager electoral body". This "professional and managerial staff electoral body" lacks senior managers, who are classified by companies in the employers electoral body and at its lower level is under pressure from blue-collar workers' organisations trying to get in a maximum number of voters.' The Federation also considers that 'The result of the social elections published by the Labour Ministry show that in a genuine managers electoral body, the CFE-CGC is still by far the leading trade union organisation¹²², and this is particularly true in the chemical sector.'

¹²² DARES surveys, first summaries, October 2003 & January 2005.

The statistics compiled by DARES on the results of elections to Works Councils for 2002 show that in the third board (managers), the CFE-CGC is the leading trade union with 23.2% of votes, followed by the CFDT in the same board, with 21.1% of votes ('Les élections aux comités d'entreprise en 2002', Premières synthèses ('Works Councils Elections, 2002, First summaries'), DARES, January 2005).

At European level, the CFE-CGC is part of the European Confederation of Executives and Managerial Staff (CEC). The Federation is a member of FECCIA and a founding member of CEC. Further to the Helsinki Protocol, the CEC participates in European social dialogue with Eurocadres/ETUC.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Fédération des industries chimiques-CGT	Federation of the Chemical Industries-CGT	All types	25,000	13,000	5.4%	yes	CGT	-	EMCEF	ETUC	-	-
Fédération Chimie et Energie CFDT	Federation of the Chemical and Energy Industries-CFDT	All types	ND	ND	ND	yes	CFDT	-	EMCEF	ETUC	ICEM	-
Fédéchimie CGT-FO	Chemical Federation CGT-FO	All types	15,000 (*)	ND	ND	yes	CGT-FO	-	EMCEF	ETUC	ICEM	-
Fédération Chimie Mineurs Textile Energie CFTC	Federation of the Chemical, Mine, Textile and Energy Industries-CFTC	All types	ND	3,000	1.25%	yes	CFTC	-	EMCEF	ETUC	-	-
Fédération du personnel d'encadrement des industries chimiques, parachimiques et connexes-CFE-CGC	Federation of managerial and professional staff of the Chemical, Parachemical and Related Industries-CFE-CGC	Managers	ND	3,000	1.25%	yes	CFE-CGC	-	FECCIA	CEC	FICCI A	CIC

Source: data provided by the organisations themselves

(*) This figure means that Fédéchimie CGT-FO pays dues to EMCEF for 15,000 members.

2.2. Employers' organisations

In 2003, the Union of Chemical Industries (UIC) comprised 1,191 enterprises in the chemical sector, of which 88% SMEs and all the main groups. The UIC reports that very small enterprises (fewer than 10 workers) are traditionally less likely to join a federation. Today, the UIC estimates its coverage at around 80% of staff and 60% of enterprises covered by the collective agreement for the chemicals industries. Unfortunately, no data is available on the organisation's funding. The UIC is a network of 18 regional unions covering all of France. At national level, the UIC is composed of five directorates with a staff of 45 as of 31 December 2003. UIC is a member of MEDEF, which is a member of UNICE at European level. At European level, UIC is a member of two organisations, one economic (CEFIC) and the other social (ECEG). It is a member of ICCA at international level.

Employers' organisations													
Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations*	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Union des Industries Chimiques	Union of Chemical Industries	Correspond to the definition of the scope of the agreement referred to above*	1191	ND	Around 60%	Around 80%	yes	Medef	-	CEFIC ECEG	UNICE	ICCA	-

* No sub-sectors are identified other than the details on activities shown in the scope, and that of the associated federations and unions.

Source: UIC, 2003

On the trade union side, representative status is established by law: Article L132-2 of the Labour Code states that 'to be valid, the collective labour agreement must be a written document concluded between: on the one hand, one or more workers' organisations recognised as having representative status at national level in accordance with Article L133-2 of this code¹²³, or which are members of the said organisations, or which have proved their representative nature in the scope of the agreement; on the other, one or more employers' organisations or any other grouping of employers, or one or more individual employers.'

There is no legal definition of representativeness for employers' associations, however, where representation is much freer. This is confirmed in Article L132-3 of the Labour Code, which continues as follows: 'representatives of the organisations referred to in the preceding Article may enter into agreements, on behalf of the organisation they represent, pursuant to: either a provision in the statutes of the organisation; or special deliberations of the organisation; or special written mandates given to them individually for all the members of the organisation. Employers' groupings determine their own mode of deliberation.'

3. DESCRIPTION OF SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

3.1. Tripartite consultation

There is no tripartite consultation in the sector. However, a study group on the future of the chemical sector in France was recently put in place by the Ministry for Industry. The trade unions and employers' organisations that are representative for the scope of the collective agreement for the chemicals industries participate in the group's deliberations. As in the other branches of industry, meetings –around two a year- are held between the State and the branch representative organisations, on the breakdown of the apprenticeship tax in the apprentice training centres. Generally speaking, this branch functions independently of the State.

3.2. Bipartite social dialogue

Bipartite social dialogue in the chemical sector occurs at two levels: at branch level on the one hand, and at enterprise and group level on the other. The study referred to above (A. Jobert, 2003) states that the chemical sector, among several others, is 'symbolic of the changes taking place in industry-wide collective bargaining, which is subject to increasing competition from enterprise-level bargaining (...). The heart of this change lies primarily in the sharing of roles between the branch level and the enterprise level.' The author states that the characteristic of this branch, unlike other sectors where the 'vitality of branch control' is obvious, resides from the economic standpoint in 'the lack of internal consistency in the branch and the high proportion of large companies and groups.' As noted below, moreover, new legal measures have just been introduced in France on the articulation between the branch level and the enterprise level.

¹²³ That article states that 'the representative nature of trade unions is determined by the following criteria : members; independence; dues; experience and seniority of the union; and patriotic attitude during the occupation.'

At the chemical industries branch level¹²⁴

The following participate in collective bargaining at the chemical industries branch level: the five salaried workers' trade union organisations and the Union of Chemicals Industries (UIC). The UIC notes that the Fédération des Industries de la Parfumerie (FIP), the Fédération Nationale des Industries des Corps Gras (FNCG) and the Fédération Nationale des industries des Peintures, Encres, Colles et Adhésifs (FIPEC) take part in the negotiations, while the other representative employers' federations (which are also signatories to the national collective agreement) generally give UIC a negotiating brief: Syndicat Français des Enducteurs, Calandreurs et Fabricants de Revêtement Sols et Murs (SFEC), Chambre Syndicale du Papier (CSP), Fédération Nationale des Industries Electrométallurgiques, Electrochimique (FNIEEC), Syndicat des Entrepreneurs de Travaux Photographiques (SETP) and Chambre Syndicale du Reraffinage (CSR). There are no conflicts between players regarding recognition issues.

All agreements are extended, with the exception of the agreement establishing the scope, which gives rise to difficulties for social dialogue in general and for trade union activity or the application of collective agreements for situating companies in the scope of the agreement, in particular. The UIC also notes that the negotiations generally conclude with the signature of an agreement, with the exception of the problem of wages, for which the trade unions and UIC have a relatively limited margin of intervention and where big companies also have their wage policy, with annual negotiations.

The following agreements were signed in 2003:

• **Agreement of 27 January 2003 on implementation of training capital in the chemical industries**, *content*: definition of priority targets, definition of types of training actions taken into consideration as part of training capital, definition of conditions of eligibility for use of training capital, practical arrangements for implementing the system; *signatories*: FCE-CFDT, CFE-CGC, CMTE-CFTC, CGT-FO, UIC, SFEC, CSP, FIP, FIPEC, FNCG, FNIEEC, SETP and SCR.

• **Agreement of 16 September 2003 on night work in the chemical industries**, *content*: definition of night worker, definition of conditions for recourse to night work, setting of maximum daily and weekly working hours for night workers, time off in lieu granted to night workers, night shift differential, medical supervision of night workers, guarantees for workers doing night shifts on a regular basis, call back pay during the night shift, guarantees for workers performing continuous work in connection with the switch to a day shift, measures to guarantee gender equality at the workplace, exercise of trade union and workers' representatives mandates, vocational training for night workers, guarantees related to the switch from the day shift to the night shift, follow-up and assessment of the agreement; *signatories*: CFE-CGC, CMTE-CFTC, UIC, SFEC, CSP, CSR, FIP, FIPEC, FNCG, FNIEEC and SETP.

• **Agreement of 16 September 2003 on health and safety at the workplace in the chemical industries**; *content*: definition of the stages of ex ante assessment of risks to health and safety at the workplace, mobilisation of multidisciplinary expertise for such assessment, role of the occupational health officer, identification of high-risk posts and occupations at branch level and risk prevention programme at branch level, medical surveillance of workers, setting of criteria for enhanced medical surveillance, medical surveillance of workers from external companies, workers' representative bodies: training; *signatories* : FCE-CFDT, CFE-CGC, CMTE-CFTC, UIC, SFEC; CSP, CSR, FIP, FIPEC, FNCG, FNIEEC and SETP.

The following agreements were signed in 2004:

• **Agreement of 2 February 2004 on retirement in the chemical industries**, *content*: improvement of provisions in the collective agreement for workers with very long careers wishing to retire before age 60 (calculation of benefit for retirement at the worker's initiative, provisions on benefit for retirement at the employer's initiative), 'employment' counterpart, 'training' counterpart, setting of compensation for retirement between ages 60 and 65, provisions applicable from age 65; *signatories*: CFE-CGC, CMTE-CFTC, UIC, SFEC, CSP, CSR, FIP, FIPEC, FNCG, FNIEEC and SETP.

• **Agreement of 8 November 2004 on lifelong training in the chemical industries**, *content*: definition of priority actions in the branch, role of supervisory/management staff, development of mentoring, integration of young people into employment, provisions for workers aged 45 years, training and equality at the workplace, vocational interview, skills assessment, validation of experience, enterprise training plan, individual right to training, job skills development contract, individual training leaves, missions, functioning and financing of the monitoring centre on trades and qualifications in the chemical industries, role of the branch National Joint Committee for Employment (CPNE), financial provisions; *signatories*: FCE-CFDT, CFE-CGC, CMTE-CFTC, CGT-FO, UIC, SFEC, CSP, CSR, FIP, FIPEC, FNCG, FNIEEC and SETP.

¹²⁴ The chemical industries branch corresponds to the scope of the collective agreement for the chemical industries.

All industry-wide agreements are comprehensive and therefore apply to all companies coming within the scope of the collective agreement for the chemicals industries and to these companies' workers (if the agreements on scope are not extended, the previous scope applies, which is the case for the chemicals industries). As do all branches, the chemicals branch also has joint bodies, namely the OPCA, CPP¹²⁵, Commission Paritaire Nationale pour l'Emploi (National Joint Committee for Employment)¹²⁶ (specific to the chemicals branch) and the Commission Paritaire Nationale des Conditions de Travail, d'Hygiène et de Sécurité (National Joint Committee for Working Conditions, Health and Safety). The CFDT nonetheless regrets the extreme formalism of the consultation bodies which, while necessary, restrain the dynamism of another form of consultation. Finally, certain trade union organisations consider that the difficulties of collective bargaining in the branch stem from the employer's structure representation, and in particular the positions of associated federations, which could at times 'block the system more'.

A recent survey revealed that the chemical sector is 'a branch where enterprise-level negotiations, with a high proportion of big groups, are rising appreciably'¹²⁷. The trade unions confirm this observation. The CGC nevertheless notes that a distinction needs to be made between 'the very big groups where trade unions have a structured presence, and numerous SMEs which rely much more on the branch. The groups have created economic and social bodies and have a branch-based internal organisation with industry-wide agreements. The SMEs are at branch minimum levels.' Here too, however, the question of wages must be considered separately. The CFTC also points out that 'in terms of wages, the companies give more than the branch minimum levels (being obliged to do so to be at the level of the SMIC, or minimum growth wage). As for the rest, the collective agreement is applied. Few companies give more than the minimum levels negotiated at branch level. But some firms, like Solvay, are moving forward faster than the branch on vocational training.'

At the level of enterprises and groups

Trade unions that negotiate in companies are members of organisations that negotiate the collective agreement and industry-wide agreements. There is no problem of recognition, nor are there any organisations not yet recognised that intervene in industrial relations. According to the CFDT, enterprise-level agreements concern, in addition to wages, profit-sharing and participation, benefits, and sometimes night work; agreements on restructuring methods are also concluded at group level, as are agreements on bodies (group committees) and trade union rights. The CGT confirms that enterprise-level negotiations concern in particular wages, and are closely linked to trade union presence: 'At enterprise level they negotiate real wages. So it is not rare to see peak values exceed the branch minimum levels. That is why there is a discrediting of collective bargaining. (...) Social dialogue differs considerably from one branch to the next. The chemicals branch is an old branch and there is a balance of power that has made it possible to have trade union rights in the big companies (there are no trade union rights in the collective agreement).' The agreements signed at enterprise level by representative trade unions apply to all the workers of the enterprise.

Unfortunately, there is no data available on the number of collective agreements (CAs) signed and still in force for the moment at this level in the sector, the signatories, the duration of the CAs, possible evolutions relating to their number and content, their coverage rate in comparison with total number of enterprises and total number of SW, the number of enterprises signing CAs at the enterprise level and their type and size, as well as the number and type of SW covered by the CAs.

Finally, at territorial level, the collective agreement provides for the existence of regional commissions, known as joint conciliation commissions, set up as part of each (regional) employers' association in order to settle collective disputes relating to application of the collective agreement. As soon as a dispute is brought before the relevant employers' organisation, it must refer the matter to these conciliation commissions. The collective agreement also provides that in the event a regional conciliation commission should fail to reach friendly settlements of the disputes submitted to it, the parties may decide to refer the matter to the national conciliation commission.

¹²⁵ Organisme Paritaire Collecteur Agréé (approved joint collection body) which collects all or part of the compulsory contributions of branch enterprises for continuing vocational training; OPCA covers three branches here: chemicals, petroleum and pharmaceuticals.

¹²⁶ The CFTC and the CGT regret that, given the current context, 'there are more discussions on redundancy programmes than on employment: the redundancy programmes are reviewed by the CPNE and we give an opinion, which does not change a thing.'

¹²⁷ Annette Jobert, 'Quelle dynamique pour la négociation collective de branche' ('What Dynamic for Industry-wide Collective Bargaining'), *Travail et Emploi*, No. 95, July 2003, pp. 5-26.

In addition to these bodies, a form of social dialogue has also been introduced in certain regions, in particular those subject to the restructuring measures being taken in the chemical sector. In Upper Normandy, for example, the different regional partners organise exchanges for the purpose of sharing their analyses. The CGT and the CGT-FO are nonetheless opposed to the creation of a regional collective agreement (as these exist in France, particularly in the metallurgy sector).

4. COMMENT

The chemical sector has undergone extensive restructuring in recent years, which has had an impact on the profiles of the big groups that dominate the sector. Bargaining at enterprise level seems to be rising in the chemicals industries branch, where trade unions still have a relatively strong presence, particularly in big groups. The collective agreement is nonetheless still the reference and the branch also continues to give impetus to negotiations on vital subjects such as vocational training, occupational hazards, etc.

GERMANY

1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

1.1. Delimitation and scope of activities in the sector

The definition of the sector follows the NACE24 (24.1-24.7), from a statistical point of view. From a collective bargaining point of view, activities correspond to NACE 24 and to parts of NACE 23, 25, as well as some service sectors.

1.2. Socio-economic features of the sector

The companies in the chemical sector produced a turnover of 136,427,634,000 € in 2003 (Statistisches Bundesamt 2004: 45), which accounted for 6.4% of German GDP in that year (2,128,200 mill. €) (Statistisches Bundesamt 2005). Furthermore it accounted for roughly 10% of total turnover in the German manufacturing industry in 2003, which made it the fourth biggest share among all manufacturing sectors (VCI 2004b: 4). The turnover in the German chemical industries amounted to 8.4% of the worldwide turnover of the chemical industries in 2003 (VCI 2004a: 104). For 2004 the VCI estimates the turnover to be 141,200,000,000 € (VCI 2004b: 2). Over the last three years the production of the German chemical industries has grown slightly: It grew by 3.8% in 2002, by 0.3% in 2003 (VCI 2004a: 16) and is estimated to have grown by 1.5-2% in 2004 (VCI 2004b: 2).

Table 1: Turnover in the chemical sector by sub-sector

NACE	Sub-sector	Turnover 2003 (thousand €)	% of total turnover in the chemical industries
24.1	Manufacture of basic chemicals	66,516,256	48.8%
24.2	Manufacture of pesticides and other agro-chemical products	2,269,584	1.6%
24.3	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	9,567,379	7.0%
24.4	Manufacture of pharmaceuticals, medicinal chemicals and botanical products	28,507,072	20.9%
24.5	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	12,981,736	9.5%
24.6	Manufacture of other chemical products	13,461,282	9.9%
24.7	Manufacture of manmade fibres	3,124,325	2.3%

Source: Statistisches Bundesamt 2004: 45f.

In 2004, exports worth 98,500,000,000 € were produced in the industry, which implies a growth rate in exports of 14% as compared to 2003 (estimated by VCI 2004b: 2). The export rate (percentage of foreign turnover as compared to total turnover) in 2003 amounted to 51.6% (Statistisches Bundesamt 2004: 45).

In 2003, there were 1,861 companies in the German chemical industries (Statistisches Bundesamt 2004: 21). From 2002 to 2003 the number of companies increased by 1.6% (Statistisches Bundesamt 2004: 21).

Companies

Sub-sectors	Number of Companies	% companies with <50 SW	% Companies 50-499 SW	% companies with > 499 SW
Total of the sector	1,861	36.2%	54.0%	9.8%

Source: VCI (2004a: 50)

The number of salaried workers in the sector was 464,314 in 2003 (Statistisches Bundesamt 2004: 21). Therefore the salaried workers in the sector amounted to 1.4% of all salaried workers in Germany (34,096,000) in 2003 (Statistisches Bundesamt 2005). Between 2002 and 2003 the number of workers decreased by 0.3% (Statistisches Bundesamt 2004: 21).

In 2003, 10,374 salaried workers, which is equal to 2.2% of all salaried workers in the sector, were employed in "mini" employment contracts (*geringfügige Beschäftigung / Mini-Jobs*) (source: Bundesagentur für Arbeit (2004): Arbeitsmarkt 2003. Amtliche Nachrichten der Bundesagentur für Arbeit. 52. Jahrgang, Sondernummer Nürnberg, 15. Juli 2004. p. 122). This type of employment contract can be used if the employee does not earn more than 400 Euros per month. Employees with such contracts do not have to make contributions to social security. In 2003, 1,221 salaried workers, which equals 0.3% of all salaried workers in the sector, were employed in shortened working time employment contracts (*Kurzarbeit*) (source: Bundesagentur für Arbeit 2004: p. 126). Employees with this type of employment contract work less hours or not at all for a certain period of time (normally up to 6 months, can be extended to 24 months in special cases). This type of employment contract can only be used by companies with temporary economic problems, if it serves to avoid layoffs.

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SWs in the country (%)	Number of SW in companies <50 SW/number of SW in the sector (%)	Number of SW in companies 50-499 SW/number of SW in the sector (%)	Number of SW in companies >499 SW/number of SW in the sector (%)
Total of the sector	ND	464,314	1.4%	4.1%	33.2%	62.7%

Source: VCI (2004a: 50)

These numbers show that small and medium-sized businesses prevail in the German chemical sector, with 90.2% of all companies having fewer than 500 salaried workers (VCI 2004a: 50). The share of these companies in total turnover totals 38.4% and their share in the total number of workers amounts to 37.3% (VCI 2004a: 50). As far as geographical distribution of the chemical industries in Germany is concerned, the highest turnover in the chemical industries was achieved in North Rhine-Westphalia, Hessen and Rhineland-Palatinate. "The geographic centre of the German chemical sector is along the river Rhine. [...] Saxony-Anhalt is an important chemical sector site in the New Laender" (VCI 2004b: 4). In 2003, the workforce in the German chemical sector consisted of 208,113 blue-collar workers and 256,201 white-collar workers, or 44.8% and 55.2% of the workforce, respectively (Statistisches Bundesamt 2004: 21). The gross sum of salaries and wages in the industry was 43,733 € per capita in 2003. Therefore the salaries and wages paid are 18.6% above the average of the wages and salaries in the manufacturing industry as a whole, where the gross sum was 36,859 € per capita in that year (VCI 2004a: 63). Compared to Germany as a whole, the sum in the chemical industry was even 66.5% higher, as the gross sum of wages and salaries in Germany was approximately 26,268 € per capita in 2003 (calculated from the average monthly gross sum of wages and salaries per capita, which was 2,189 € in 2003, source: Statistisches Bundesamt 2005). After relative stagnation in the industry during the last three years, the VCI is optimistic that in 2004 a moderate upward trend will be achieved. For 2004 the production is estimated to have grown by 1.5 to 2% and sales were 3.5% above the level of the preceding year. Due to weak consumer confidence, domestic sales were up only slightly. But because of high growth rates in North America and Asia, foreign sales increased strongly. Producer prices have, on average, increased by 1% in 2004, as the costs for raw materials and energy have risen (VCI 2004b: 2). The global economy presents new opportunities, but also intensified competition to the companies in the German chemical industries. This results in a higher degree of corporate specialisation as compared to the 1990s: "Company groups have reduced the number of fields where they are active. In the petrochemical industries there is a stronger concentration of suppliers" (VCI 2004b: 9). Furthermore, chemical research in Germany has become more application-oriented. To a growing extent, public research facilities now perform basic research (VCI 2004b: 10).

Unfortunately, there are no data available on the estimated importance of the underground economy, the level of qualifications or gender split.

2. DESCRIPTION OF THE ORGANISATIONS' ACTIVE IN THE SECTOR AT NATIONAL LEVEL

There are no formal recognition systems in Germany. There is no legal basis for the so-called "Tariffähigkeit" (ability/power to conclude agreements). However, the Bundesarbeitsgericht (Federal Labour Court), established characteristics for the Tariffähigkeit of organisations. Usually, organisations, which conclude agreements, show these characteristics.

2.1. Workers' organisations active in the sector

a) Mining, Chemical and Energy Industrial Union (*Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE)*)

In 1898, an association of factory workers was founded in Hannover. Then, in 1948, the "IG Chemie-Papier-Keramik" was found (Western Germany) and in 1991, there was the first official common meeting for Eastern and Western Germany. The IG BCE is one of the eight member trade unions affiliated to the large German umbrella union organisation Deutscher Gewerkschaftsbund (DGB). In its present form, it was formed in 1997, merging the Chemical, Paper and Pulp and Ceramic Workers' Union (IG Chemie-Papier-Keramik), the Mining and Energy Workers' Union (IG Bergbau und Energie) and the Leather Workers' Union (Gewerkschaft LEDER)¹²⁸. In addition to the chemical industries, the IG BCE also represents workers from the mining, energy, crude oil and natural gas, glass, rubber, ceramics, leather, paper and pulp, plastics and environmental matters industries, as well as from the water, utilities and the non-metallic materials industries¹²⁹. Around 980 people are employed at the IG BCE itself. The IGBCE is funded by membership fees. The IG BCE reports a total membership of some 771,000 workers, of which around 200,000 are in the chemical sector. The IG BCE estimates member density rate¹³⁰ at about 40%. Detailed data on the structure of memberships is not available; however, the density rate for highly skilled workers is significantly smaller than for specialised employees. The IG BCE is a member of the DGB (Deutscher Gewerkschaftsbund (German Confederation of Trade Unions) at national level, and of the following international organisations: EMCEF, ICEM, ETUC, ICFTU, ITGLWF and its European regional organisation, the ETGLWF.

b) Chemicals Executives Union (*Verband angestellter Akademiker und leitender Angestellter der chemischen Industrie e.V. (VAA)*)

In 1919, the "Bund angestellter Chemiker und Ingenieure" (BUDACI) (free translation "association of employed chemists and engineers") was founded but was forced to break up in 1933. Then, in 1948 it was reinstated under its present name, "Verband angestellter Akademiker" (VAA). The VAA is the largest organisation of executives in Germany, hosting employed academics and leading white-collar workers in the chemical sector. The VAA is funded by membership fees. Most of the members are organised in local or regional groups. In Germany, there are around 190 groups. In addition to the chemical industries, the VAA also represents academics working as executives in various industries from the natural sciences, engineering and business administration. However, academics from natural sciences and technical positions traditionally form the largest group of members. Around 20 people are employed at the VAA itself. The VAA reports a total membership of some 28,000 workers, of which around 18,000 are in the chemical sector, resulting in an estimated member density rate of about 64%. While 95% of the members hold the status of executive (Angestellte; Leitende Angestellte), about 5% of the members are self-employed. Around 9% of the members are women. The VAA is a member of the following national organisations: Deutscher Führungskräfteverband (formerly: Union der Leitenden Angestellten, Confederation of Executives in German Industry, ULA) and Aktionskreis Leistungsträger (Working Group for Societal Providers, AKL). Additionally, the VAA is a member of the CEC, FECCIA, FICCIA and the CIC.

c) Christian Chemicals and Energy Workers' Union (*Christliche Gewerkschaft Bergbau, Chemie, Energie (CGBCE)*)

In 1894, the "Gewerksverein Christlicher Bergarbeiter" (free translation: association of christian miners) was found in Dortmund. Then, in 1973, the "Christliche Gewerkschaft Bergbau und Energie" merged with the "Christliche Gewerkschaft Papier-Chemie-Energie and became the Christian Chemicals and Energy Workers' Union. The CGBCE is a Christian trade union, member of the national umbrella organisation CGB (Christian Chemicals and Energy Workers' Union, Christlicher Gewerkschaftsbund Deutschland) and organises workers from the chemistry, and the mining sectors. Around 15 people are employed at the CGBCE itself. The CGBCE is funded by membership fees. The CGBCE reports a total membership of some 15,408 workers, of which around 13,200 are in the chemical sector¹³¹ which results in an estimated density rate of about 2.2%. 30% of the members hold the status of white collar employees (Angestellte; Leitende Angestellte), while about 25% of the members are unskilled or semi-skilled. Self-employed members only amount to 0.1%. Around 19.4% of the members are women. At national level, the CGBCE is member of CGB. Additionally, the CGBCE is member of the following international organisations: SECB, WFIW, CESI and WCL.

¹²⁸ Source: www.igbce.de

¹²⁹ Source: www.igbce.de

¹³⁰ i.e. number of salaried workers affiliated to IG BCE as a share of all salaried workers in the industry.

¹³¹ According to the IGBCE and the VAA (correspondence from March 8 and March 18, 2005) the CGBCE has only a very minor role in the Social Dialogue. They state doubts on the membership numbers.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
IG Bergbau, Chemie, Energie (IG BCE)	Mining, Chemical and Energy Industrial Union	ND	771,000	200,000	40% ¹³² (43.1% ¹³³)	yes	DGB	-	EMCEF ETGLWF	ETUC	ICEM ITGLWF	ICFTU
Verband angestellter Akademiker und leitender Angestellter (VAA)	Chemicals Executives Union	ND	28,000	18,000	58.7% ¹³⁴	yes	ULA AKL	-	FECCIA	CEC	FICCIA	CIC
Christliche Gewerkschaft Bergbau, Chemie, Energie (CGBCE)	Christian Chemicals and Energy Workers' Union	ND	15,408	13,200	2.2% ¹³⁵ (2.8% ¹³⁶)	yes	CGB	-	SECB	CESI	WFIW	WCL

2.2 Employers' organisation active in the sector

German Federation of Chemical Employers' Associations (Bundesarbeitgeberverband Chemie (BAVC))

The BAVC was found in 1949 as "Arbeitsring der Arbeitgeberverbände der Deutschen Chemischen Industrie" and renamed in 1983 with its present name "Bundesarbeitgeberverband Chemie e.V." (BAVC). In 1990 the newly founded regional associations for the new states joined the BAVC. The BAVC is the association acting as an employers' organisation and is a member of the national employers' organisation (Confederation of German Employers' Associations, the Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA). The BAVC is composed of 11 regional sub-associations (Baden-Württemberg, Bavaria, Hessen, Lower Saxony, Hamburg/Schleswig-Holstein, Düsseldorf/Köln, Rheinland-Palatinate, Saarland, Unterweser (Bremen), Westfalen, Nordostchemie (West+Ost)). There are 244 people working at the BAVC its regional member federations, and the local offices of these federations. The BAVC is financed by the membership fees of the regional associations which are financed by the membership fees of the member firms. Apart from the traditional chemical sector (from official statistics) the BAVC also covers companies from the sectors of rubber products, synthetic material, glass and ceramics, mineral oil production, and industrial service companies. The BAVC reports a total membership of about 1,900 companies which amounts to 580,000 workers. About 34.6% of the employees work in companies with more than 5,000 employees, while around 27.5% of the workers are employed at companies with 1,000 to 5,000 employees. The BAVC claims itself to organise more than 70% of the companies in the chemical sector. Related to the number of workers the BAVC covers more than 80% of the chemical sector in Germany. The BAVC is member of the following international organisations: ECEG, UNICE and IOE.

¹³² Percentage reported by the IGBCE in the questionnaire.

¹³³ Calculation by the expert: 200,000/464,314=43.1%

¹³⁴ Membership in the VAA is mainly restricted to academics. As the number of academics (potential members) in the German chemical sector is 30,690 (questionnaire of the VAA) and the VAA organizes 18,000 persons, the density is 18,000/30,690=58.7%. Relating the number of members to the total number of SW in the German chemical sector leads to a density of 18,000/464,314=3.9%.

¹³⁵ Percentage reported by the CGBCE in the questionnaire.

¹³⁶ Percentage calculated by the expert: 13,200/464,314=2.8%

Employers' organisation

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Bundesarbeitgeberverband Chemie e.V. (BAVC)	German Federation of Chemical Employers' Associations	chemistry sector (from official statistics), rubber products, synthetic material, glass and ceramics	1,900	580,000	70*	80*	yes	BDA	-	ECEG	UNICE	-	IOE

*Both densities are given by the BAVC according to our questionnaire. Further (more detailed) data are not available.

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

3.1. Description of the tripartite negotiation in the sector

In Germany, there is no tripartite negotiation in the chemical sector. Given the Tarifautonomie (autonomy in collective bargaining), the employees' organisation negotiates with the employers' organisation directly and without governmental institutions interfering.

3.2. Description of the bipartite social dialogue in the sector

Collective bargaining in the chemical sector may take place on three levels: national sector level collective agreements (Flächentarifverträge), regional sector level agreements, and company-level agreements (Firmentarifverträge). These types of agreements can be distinguished, framework agreements and compensation agreements. Framework agreements (Manteltarifvertrag) include, *inter alia*, regulations on vacations, duration and distribution of working hours, and shift premiums for the chemical sector. These agreements are strongly binding in the German chemical sector. Additionally, there are contracts dealing with the compensation level (Entgelttarifvertrag) at the regional and the company levels, in which the wage level and wage increases are bargained.

Data in the following table are derived by adding the number from the tables below considering the position of the organisations in the process.

Framework and compensation agreements by level (2003-2004)

Number of CAs signed in 2003 and 2004	National sector level (nation-wide)	Regional sector level ¹³⁷	Company level
Framework agreements	>= 11 (2003), >= 10 (2004)	>= 12 (2003), >= 27 (2004)	>= 117 (2003), >= 134 (2004)
Compensation agreements	>= 3 (2003), >= 2 (2004)	>= 102 (2003), >= 96 (2004)	>= 323 (2003), >= 302 (2004)

Note: ">=" indicates "at least"

¹³⁷ The regional level can be defined as larger regions/districts (often the so-called Bundesländer (states)). The BAVC, for example, consists of 11 regional subassociations (Baden-Württemberg, Bavaria, Hessen, Lower Saxony, Hamburg/Schleswig-Holstein, Düsseldorf/Köln, Rheinland-Palatinate, Saarland, Unterweser (Bremen), Westfalen, Nordostchemie (West+Ost)). However, they may differ slightly across organisations.

Data on the number of agreements which remain in force in 2005 are not available.

There are four players in the bargaining process of the chemical sector in Germany: BAVC as employers' organisation, and IG BCE are the most relevant players with respect to members. Additionally, VAA acts as an important player for executives in the social dialogue. Furthermore, CGBCE acts as an employee association, though it is less important in the social dialogue.

Concerning the links between these levels, we can consider that organisations bargain over different issues at the different levels: Contracts dealing with the compensation level (Entgelttarifvertrag) are bargained at the regional and at the company levels. When comparing bargaining at regional and company level, it is more developed at regional level since it covers many more companies, even if the number of agreements is, of course, higher at company level. Contracts dealing with general agreements and working conditions are bargained at the sector level.

As Information on these topics cannot be separated for the different levels of agreement (i.e. at national, regional or company levels), because it mainly depends on the type of agreement (framework agreements and compensation agreements), which vary by type of contract, the identification of the players also depends on the partners of negotiation and not on the level of the agreements.

While BAVC, IGBCE, and VAA do not specify any players in this context, the CGBCE mentions the employer's liability insurance association in the chemical sector (Berufsgenossenschaft der chemischen Industrie) as an important partner (e.g., in covering social matters). The players at company level are mainly the employees and the employers' organisations, mostly their regional sub-organisations and the company itself. There is no bargaining cartel. In the same way, the conflicts mentioned are not attributable between regional and company levels. However, four main issues are particularly controversial between the social partners: training and further education, working time flexibility, compensation flexibility, and company pension schemes (information provided in response to our questionnaire).

As far as the duration of the CAs is concerned, the Manteltarifverträge are usually valid for a longer time (five years or even longer), while Entgelttarifverträge are valid for 12 to 24 months. This is true at all levels. Concerning the coverage rate of the CAs in comparison with the total number of enterprises and total number of SWs, only the number of the organisations active in the chemical sector are available, no data for the entire sector are available. At the national as well as the regional level, the BAVC states that all member firms are covered (around 1,900 firms, which is around 70% of the firms in the sector). The IGBCE specifies about 5,400 firms at regional and also at national level, which are covered by those agreements. At national level, the VAA specifies about 1,800 firms covered by its agreements, which is about 50,000 employees and amounts to 90% of the non-pay-scale employees and about 10% of total employees in the sector. The CGBCE mentions 1,100 firms at regional and national level. At each level there are about 348,000 employees. All the data used are taken from the questionnaire sent to the social partners. At company level, the BAVC states that about 40 member firms of its regional federations have concluded agreements at "company-level". The IGBCE mentions about 2000 firms with company-level contracts, which covers about 300,000 employees. Most of these companies are, if they are in the chemical sector, the companies which are not members of the BAVC. The VAA reports one company-level agreement covering about 1000 employees. The CGBCE states around 100 company level agreements. Firms with company-level agreements cannot be characterised, in general, apart from the fact that the sector-wide agreements do not provide suitable solutions (possible reasons: very special production technology; affiliation to a group from another sector; firm size – small and medium size firms). The procedures for extending CAs to parties that are not signatories to the agreement differ slightly across organisations. Generally, agreements can be extended to parties that did not sign the agreement by special superimposed clauses to the individual contract or other arrangements, which are, however, voluntary. The procedure of recognition is widely applied even if there are no specific numbers available. At company level, the agreements are generally valid for the company (with its employees) that signed the contract. Even if the number and type of SWs covered by these CAs is not available (here is no overall data for the industry available, but data of the different negotiation partners are provided), we can state that usually, compensation agreements are concluded at regional level, while framework agreements are concluded at national sector level, so that there is no great difference in the numbers (see tables above).

For the reason mentioned above, there are no data on the number of enterprises which signed CAs at the different levels. Data on possible developments relating to the number and the content of the CAs are not available either.

All the collective agreements mentioned in the following were concluded by these four organizations, where the BAVC always serves as the employers' organisation. The total number of framework agreements in 2004 was six (4 in 2003), with an additional 11 compensation agreements at the regional level.

BAVC

The regional contracts are signed by the regional sub-organisations of the BAVC. In 2004, the BAVC concluded 20 company-level agreements (in 2003 it was also around 20).

Number of CAs signed in 2003 and 2004 by BAVC	National sector level (nation-wide)	Regional sector level	Company level
Framework agreements	4 (2003), 5 (2004)	11 (2003), 11 (2004)	20 (2003), 20 (2004)
Compensation agreements	- (2003), - (2004)	13 (2003), 13 (2004)	20 (2003), 20 (2004)

IG BCE

The total number of collective agreements signed by the IG BCE in 2003 as well as in 2004 amounted to an additional 2,000 each year (in total). In the chemical sector the contracting partner was the BAVC. While Flächentarifverträge are valid industry-wide, the Entgelttarifverträge are negotiated regionally. Approximately 1,900 companies are covered by the industry-wide contracts (Flächentarifverträge), and about 100 firms have concluded company-level agreements, most of them smaller firms, e.g. L'Oréal (Karlsruhe), Dalli Werke (Stolberg), Hansa Chemie (Alsdorf).

Number of CAs signed in 2003 and 2004 by IGBCE	National sector level (nation-wide)	Regional sector level	Company level
Framework agreements	6 (2003), 4 (2004)	12 (2003), 27 (2004)	97 (2003), 114 (2004)
Compensation agreements	2 (2003), 1 (2004)	94 (2003), 88 (2004)	303 (2003), 282 (2004)

VAA

The VAA concludes only regional collective agreements. According to information from the VAA, it signed two collective agreements in 2003 and 2004, consisting of one Manteltarifvertrag and one Entgelttarifvertrag in each year. Additionally, the VAA concludes further agreements with the different partners of the social dialogue. Contracts of the VAA include arrangements on wages for academics from the natural and technical sciences at the start of their employment. Both Manteltarifverträge and Entgelttarifverträge are valid for members of the VAA and -induced by contractual agreements- for most of the non-pay-scale and employed executives. All collective agreements are concluded with the BAVC.

Number of CAs signed in 2003 and 2004 by VAA	National sector level (nation-wide)	Regional sector level	Company level
Framework agreements	1 (without new Eastern States) (2003), 1 (without new Eastern States) (2004)	-	-
Compensation agreements	1 (without new Eastern States), 1 (without new Eastern States) (2004)	-	-

CGBCE

The sister company of the CGBCE, the German Trade and Industrial Employees' Association (Deutsche Handels- und Industrieangestellten-Verband), concludes collective agreements for members of the CGBCE with the regional employers' organisations of the chemical sector. Industry-wide agreements are contracted with the BAVC. In 2003 and 2004, five such collective agreements were concluded, along with eight regional level collective agreements at regional level, which are implemented within the given framework agreements.

Number of CAs signed in 2003 and 2004 by CGBCE	National sector level (nation-wide)	Regional sector level	Company level
Framework agreements	5	-	-
Compensation agreements	-	8	-

4. COMMENT

The sales turnover in 2003 accounted for 6.4% of German GDP in that year. Furthermore it accounted for roughly 10% of total turnover in the German manufacturing industry in 2003, which gave it the fourth biggest share among all manufacturing sectors. With respect to the Social Dialogue, the German chemical sector consists of one organisation on the employers' side (BAVC), whereas on the employees' side, the IG BCE is dominant and negotiates general agreements, while the VAA specialises in academics.

GREECE

1. DESCRIPTION OF THE SECTOR

1.1. Delimitation and scope of activities of the sector

The chemical industry sector in Greece comes under the NACE nomenclature 24. All sub-sectors are included in the CB process, with no exception. The fact that there are 13 different players involved in the negotiations leading to the conclusion of the 13 collective labour agreements (3 in the pharmaceuticals' sub-sector and 10 in all other sub-sectors) reflects the extreme fragmentation and the weak bargaining power of the organisations.

1.2. Socio-economic features

The Greek chemical industry has gone through a stage of de-industrialisation and nowadays is more a distributor of chemicals and formulator than a producer. The chemical sector's manufacturing firms account for 5.4% of all manufacturing firms, whilst the total annual turnover of the sector reached 3.3 billion euro in 2002.¹³⁸ The pharmaceutical industry is a very important sub-sector of the chemical industry in Greece. In 2001, the pharmaceutical sector accounted for 35.2% of Gross Production Value in the chemical industry as a whole, whilst its market share is estimated at around 10%. The production value of pharmaceutical products in Greece has been rising steadily over the past years, reaching € 437 million in 2003. However, the rate of increase of the Industrial Production Index has been declining.¹³⁹ The local pharmaceutical industry has suffered a considerable loss, over the past decade, in its market share of medicinal products: at present, the share of locally manufactured medicinal products is only 20% of the market, as opposed to 70% ten years ago. As a result, it is estimated that around 7,000 jobs have been lost, during that period, from the local pharmaceutical industry.¹⁴⁰ A major structural problem facing the Greek pharmaceutical market is the excessive number of companies for the size of the domestic market, leading to intense competition and declining profitability.

All types of firms can be found in the chemicals' sector: multi-nationals, large local firms, SMEs, even micro-firms. Firms in the industry adopt competitive strategies that are based both on low-cost and specialisation or differentiation.

As far as the development and trends are concerned, we can observe a slow expansion in the chemical sector overall, but a slow decline in the pharmaceuticals sub-sector. Among the main concerns of the chemical industry in Greece are the following issues: the safe production, handling, management and use of chemicals throughout the supply chain; health and safety at work conditions; threats from the implementation of REACH arrangements (excessive costs and job losses); diversion of chemicals to the manufacture of illegal drugs; proliferation of micro-firms in certain sub-sectors, the non-compliance of the sectors' SMEs with EU regulations, and difficulties in issuing an operation license, due to excessive bureaucratic procedures.

Companies

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies >10 SW
NACE 24.1	164	ND	69.5%	30.5%
NACE 24.2	26	ND	69.2%	30.8%
NACE 24.3	245	ND	84.9%	15.1%
NACE 24.4	115	ND	47.0%	53.0%
NACE 24.5	270	ND	81.1%	18.9%

¹³⁸ SEV, 2004

¹³⁹ See IOVE, 2003

¹⁴⁰ Ministry of Development, 2005

NACE 24.6	157	ND	84.2%	15.8%
NACE 24.7	8	ND		
Total of the sector	985	ND	75.9%	24.1%

Source: National Statistics Service of Greece (ESYE), Companies' Register, 2001 & Industry Survey, 2001

Note: the only categories of company size that are available are those with less than 10 employees and those with over 10 employees

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies >10 SW/ number of SW in the sector (%)
NACE 24.1	ND	3,004	ND	ND	2,992 / 3,004 (99.6%)
NACE 24.2	ND	678	ND	ND	678 / 678 (100%)
NACE 24.3	ND	1,981	ND	ND	1,973 / 1,981 (99.6%)
NACE 24.4	ND	4,412	ND	ND	4,411/4,412 (100%)
NACE 24.5	ND	4,208	ND	ND	4,199 / 4,208 (99.8%)
NACE 24.6	ND	939	ND	ND	937 / 939 (99.9%)
NACE 24.7	ND		ND	ND	
Total of the sector	ND	15,222	ND	ND	15,190 / 15,222 (99.8%)

Source: National Statistics Service of Greece (ESYE, Industry Survey, 2001)

Note: the only category of company size that is available is that with over 10 SW

Nevertheless, CEFIC estimated that the number of employees working in the 400 companies of the chemicals' sector is approx. 20 000.¹⁴¹ The variance in figures comes from the fact that two different sources are used –the National Statistics Service of Greece and CEFIC, respectively- which use a different methodology. The NSSG is a more reliable source as it collects its own data, while CEFIC uses secondary data and estimates from its members. To gain a realistic picture, it is useful to take into account all available sources.

Unfortunately, there are no data available on the GDP of the sector and the added value produced, on estimations of the underground economy, on the different categorisation of the SW, on the characteristics of the employment in the sector (qualifications level, wages, atypical work, gender repartition, etc.) and on the possible change in the size of enterprises.

2. PLAYERS INVOLVED IN THE SOCIAL DIALOGUE PROCESS

There is mutual recognition between the trade union organisations and employers' organisations taking part in the collective bargaining procedures in the chemical industry sector.

¹⁴¹ Data provided by the Hellenic Association of Chemical Industry. The Federation of Greek Industries (SEV) in its annual publication on the Greek industry, reports 321 companies (Sociétés Anonymes or Limited liability companies) with 19 200 employees (SEV, 2004).

2.1. Workers' organisations

a) *Panellinia Enossi Farmakopoion/Panhellenic Association of Pharmacists (PEF)*

PEF was established in 1929 and represents those pharmacists that do not possess a license to operate a pharmacy, a warehouse, a production or a commercial unit. Its funding comes from membership subscriptions and the dues from the Workers' Institute (Ergatiki Estia). One full time employee works for the organisation. The Association has 2,200 members. The organisation takes part in consultations at sector level (pharmaceuticals) and concludes the CA covering the graduate pharmacists employed with a private employment contract and working in the pharmaceutical industry, in chemists' shops, in private clinics, in hospitals, in sales promotion, etc. PEF signs one CA every year, at the sector level (pharmaceuticals), with the 4 employers' organisations: SFEE, PEF, SAFEE and PSVAK. PEF is affiliated to GSEE (General Confederation of Greek Workers) at the national level, and to EIPG at the European level.

b) *Omospondia Ergazomenon Farmakeftikon kai Synafon Epaggelmaton Elladas/Federation of Employed Pharmaceutical and United Occupations of Greece (OEFSEE)*

OEFSEE covers all blue-collar and white collar employees working in the pharmaceutical industry (excluding medical advisers), estimated at approx. 30 000.¹⁴² It has 58 affiliated primary organisations, representing 2,950 voting members. Its funding comes from the membership subscriptions and the dues from the Workers' Institute (Ergatiki Estia). One full time employee works for the organisation. The organisation takes part in consultations at sector level and concludes a collective agreement covering employees working in the pharmaceutical industry (including cosmetics, veterinary drugs, pesticides), in chemists' shops, in hospitals, as representatives, etc. The collective agreement is concluded every year, at sector level (pharmaceuticals), with the 7 employers' organisations: SFEE, SAFEE, PEF, PSVAK, PEVVEKKP, PSF, SAEPKF. OEFSEE is affiliated to GSEE at the national level, but has no European or International affiliations.

c) *Panellinia Omospondia Iatrikon Episkepton/Hellenic Federation of Medical Advisers (POIE)*

POIE was established in 1992 and represents approx. 5,500 medical advisers working in the pharmaceutical industry. Its funding comes from membership subscriptions and dues from the Workers' Institute (Ergatiki Estia). One full time employee works for the organisation. It has 13 affiliated organisations, representing 160 voting members. The organisation takes part in consultations at sector level and concludes a collective agreement every year, covering all medical advisers working in the pharmaceuticals sub-sector, with the 6 employers' organisations: SFEE, PEF, SAFEE, PSVAK, PSF and SAEPKF. It is affiliated to GSEE at the national level, and the UIADM at the International level.

d) *Omospondia Ergatopallion Himikis Viomihanias Elladas/Employee Federation of the Chemicals' Industry of Greece (OEHVE)*

OEHVE represents the salaried workers employed in the private chemical industry. Its funding comes from membership subscriptions and dues from the Workers' Institute (Ergatiki Estia). One full time employee works for the organisation. It has 56 affiliated organisations, representing 6,870 voting members. The organisation takes part in consultations at sector level and concludes 9 major collective agreements with the Federation of Greek Industries (SEV), covering salaried workers employed in the various chemical industry sub-sectors (excluding pharmaceuticals).¹⁴³ The agreements signed in 2004 are of 2-year duration. The organisation is affiliated to GSEE at the national level, but has no European or International affiliations.

e) *Panellinios Syllogos Himikon Viomihanias/Panhellenic Association of Manufacturing Chemical Scientists (PSHV)*

PSHV was established in 1935 and represents chemists and chemical engineers employed mostly in the private chemicals' industry, in particular in chemical industries or related services and in the wider public sector with a private employment contract. Its funding comes from membership subscriptions and dues from the Workers' Institute (Ergatiki Estia). One full time employee works for the organisation. The organization has 1,200 registered members, out of an estimated total of 2,500 chemists employed in the chemical industry. The organisation takes part in consultations at occupational level and concludes one collective agreement every other year with SEV. One CA was signed in 2004 for a 2 year period covering graduate chemists working in the private chemical industry. PSHV is affiliated at national level to the Athens Labour Centre and to GSEE. It has no European or international affiliations.

¹⁴² According to the Federation's own estimates.

¹⁴³ Until recently, the Federation also concluded the collective agreement covering workers employed in the resins' industry.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density*	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Panellinia Enossi Farmakopoion	Panhellenic Association of Pharmacists (PEF)	pharmacists	2,200	ND	ND	yes	GSEE	-	EIPG	-	-	-
Omospondia Ergazomenon Farmakeftikon kai Synafon Epaggelmaton Elladas	Federation of Employed Pharmaceutical and United Occupations of Greece (OEFSEE)	employees	2,950	2,950	66%	yes	GSEE	-	-	-	-	-
Panellinia Omospondia Iatrikon Episkepton	Hellenic Federation of Medical Advisers (POIE)	medical advisers	160	160	3%	yes	GSEE	-	-	-	UIADM	-
Omospondia Ergatotypallion Himikis Viomihanias Elladas	Employee Federation of the Chemicals' Industry of Greece (OEHVE)	workers + employees	6,870	6,870	63%	yes	GSEE	-	-	-	-	-
Panellinios Syllogos Himikon Viomihanias	Panhellenic Association of Manufacturing Chemical Scientists (PSHV)	chemists	1,200	180	7%	yes	GSEE	-	-	-	-	-

Source: data collected from the interviews with the organisations, Spring 2005

* estimate by the author

2.2. Employers' organisations

Pharmaceuticals sub-sector

a) Syndesmos Farmakeftikon Epihirsseon Elladas/ Hellenic Association of Pharmaceutical Companies (SFEE)

SFEE was established in 1982 and represents 64 pharmaceutical industry companies, mostly large multinational or local producers and importers that account for 90% of the market and 80% of employment. Its funding comes from the membership subscriptions. 7 full time employees work for the SFEE. The organisation takes part in consultations at sector level and concluded 3 collective agreements in 2003 and 3 in 2004, one with PEF, one with OEFSEE, and one with POIE. It is affiliated to SEV at the national level, and EFPIA at the European level.

b) Panellinia Enossi Farmakoviomihanias/Panhellenic Association of the Pharmaceutical Industry (PEF)

The PEF was established in 1935 and represents the pharmaceutical producer companies of Greek ownership. 4 full time employees work for this organisation. The organisation is funded from its membership subscriptions. Its membership consists of 33 companies, out of a total of 178 manufacturing and wholesale pharmaceutical companies and co-operatives. The number of employees working within these 33 companies is unknown. The organisation takes part in consultations at sector level and concluded 3 collective agreements in 2003 and 2004, one with OEFSEE, one POIE and another with PEF as workers' organisations. At the national level, PEF is affiliated to SEV, but has no European or international affiliations.

c) Syndesmos Antiprossopon Farmakeftikon Eidon kai Eidikotiton/ Association of Representatives of Pharmaceutical Products (SAFEE)

SAFEE represents mostly the local importers of pharmaceutical products. The organisation takes part in consultations at sector level and concluded two collective agreements in 2003 and 2004, one with OEFSEE and one with POIE. It has no national, European or international affiliations.¹⁴⁴ Unfortunately, there are no data on the characteristics of the organisation (historic, sub-sectors covered by the organisation, way of funding of the organisation, etc.) and on the number of SW working for the organisation (staff).

d) Panellinios Viomihanon kai Antiprosopon Aromaton kai Kallyntikon/Panhellenic Union of the Industries & Representatives of Cosmetics & Perfumes (PSVAK)

PSVAK was established in 1964 and represents the producers, representatives and importers of cosmetics, perfumes and toiletry products. Its funding comes from membership subscriptions. Two full time employees work for this organisation. It has 71 members, consisting of both local and multinational manufacturing and commercial firms (of all sizes excluding the very small ones), employing approx. 7,500 salaried workers. The organisation takes part in consultations at the sector level and concluded 2 collective agreements in 2003 and 2004, one with OEFSEE and one with POIE. PSVAK is affiliated to SEV at the national level and of COLIPA at the European level.

e) Panellinia Enossi Viomihanon kai Viotehnon Ellinikon Kallyntikon kai Kallopistikikon Projonton/Panhellenic Association of Greek Cosmetics and Beauty Products Manufacturers and Artisans (PEVVEKKP)

PEVVEKKP was established in 1972. Its funding comes from the membership subscriptions. It represents mostly the small producers and artisans of cosmetics and beauty products, accounting for around 10% of the total local market. The organisation does not employ any staff. It has 40 members. The organisation takes part in consultations at sector level and concluded one collective agreement in 2003 and 2004, with OEFSEE. It is not affiliated to any national, European or International organisation.

f) Panellinios Syllogos Farmakapothiskaron/Panhellenic Association of Wholesalers and Qualified Pharmacists (PSF)

PSF, established in 1924, represents the total number of drug wholesalers in Greece, mostly large companies (by Greek standards) and a few small ones. Its funding comes from membership subscriptions. One full time employee is working for this organisation. It has 130 members. The organisation takes part in consultations at sector level and concluded 2 collective agreements in 2003 and 2004, one with OEFSEE and one with POIE. PSF is a member of GIRP.

g) Syndesmos Antiprosopon, Eisagogeon & Paraskevaston Ktiniatrikon Farmakon/Association of Representatives, Importers and Producers of Veterinary Drugs (SAEPKF)

SAEPKF /HAVEPHARM, established in 1983, represents the majority of companies involved in the production, import and trading of veterinary drugs. Its funding comes from membership subscriptions. The association employs no staff. It has 22 members (out of a total of approx. 30 companies), of which 6 are multinational firms and the remaining local firms. It takes part in consultations at sector level and concluded one collective agreement in 2003 and 2004, with OEFSEE, as well as one in 2004 with POIE. It is affiliated to IFAH.

All other sub-sectors

h) Syndesmos Ellinikon Himikon Viomihanon/Association of Hellenic Chemical Industries (SEHV /HACI)

SEHV / HACI was established in 1994 and represents the large chemical production, storage and trading companies in Greece. Its funding comes from membership subscriptions. The Association employs two full time employees. It has 57 members and does not have the right to conclude a collective labour agreement. As a result, it does not take part in consultations, negotiate or sign CAs. It is affiliated to SEV at the national level and CEFIC at the European level.

i) Syndesmos Ellinikis Viomihanias Aporrypantikon kai Saponon/Association of Greek Industry of Detergents and Soaps (SEVAS)

SEVAS, established in 1981, represents the multinational and local producers and –mostly- distributors of detergents and soaps. Its funding comes from membership subscriptions. One full time employee works for this organisation. It has 12 members, out of a total of 15 larger and more identifiable firms and a significant number of very small producers. SEVAS, according to its statutes, does not have the right to negotiate a collective agreement. As a result, it does not take part in consultations, negotiate or sign CAs. It is a member of AISE.

¹⁴⁴ The representatives of SAFEE were unable to provide any further information on their organisation.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Syndesmos Farmakeftikon Epihirsseon Elladas	Hellenic Association of Pharmaceutical Companies (SFEE)	pharmaceutical companies	64	9000	ND	ND	yes	SEV	-	EFPIA	-	-	-
Panellinia Enossi Farmakoviomihanias	Panhellenic Association of the Pharmaceutical Industry (PEF)	local pharmaceutical producers	33	500	ND	ND	yes	SEV	-	-	-	-	-
Syndesmos Antiprosopon Farmakeftikon Eidon kai Eidikotiton	Association of Representatives of Pharmaceutical Products (SAFEE)	pharmaceutical producers and importers	ND	ND	ND	ND	yes	-	-	ND	-	ND	-
Panellinios Syndesmos Vlomihanion kai Antiprosopon Kallyntikon	Panhellenic Union of the Industries & Representatives of Cosmetics & Perfumes (PSVAK)	larger producers of cosmetics and beauty products	71	7500	ND	ND	yes	SEV	-	COLIPA	-	-	-
Panellinia Enossi Viomihanon kai Viotehnon Ellinikon Kallyntikon kai Kalopistikon Proionton	Panhellenic Association of Greek Cosmetics and Beauty Products Manufacturers and Artisans (PEVVEKKP)	small producers of cosmetics & beauty products	40	400	ND	ND	yes	-	-	-	-	-	-
Panellinios Syllogos Farmakapothikarion	Panhellenic Association of Wholesalers and Qualified Pharmacists (PSF)	pharmaceutical wholesalers	130	2500	ND	ND	yes	-	-	GIRP	-	-	-
Syndesmos Antiprosopon, Elsagogeon kai Paraskevaston Ktiniatikon Farmakon	Association of Representatives, Importers and Producers of Veterinary Drugs (SAEPKF)	producers and importers of veterinary drugs	22	ND	73%	ND	yes	-	-	-	-	IFAH	-
Syndesmos Ellinikon Himikon Viomihanion	Association of Hellenic Chemical Industries (SEHV /HACI)	chemical industry companies	57	3000	14%	15%	NO	SEV	-	CEFIC	-	-	-
Syndesmos Ellinikis Viomihanias	Association of Greek Industry of Detergents and	detergents & soaps producers	12	2000	ND	ND	NO	-	-	-	-	AISE	-

Aporrypantikon kai Saponon	Soaps (SEVAS)										
----------------------------	---------------	--	--	--	--	--	--	--	--	--	--

Source: interviews with organisations, Spring 2005

3. THE SOCIAL DIALOGUE PROCESS IN THE CHEMICAL INDUSTRY SECTOR

As is the case with all sectors of the economy, there is no tripartite consultation, especially at sector level. Negotiations are bilateral and are held between the employers and the trade union organisations at the sector, and in some cases, at the occupational level. However, organisations often address their demands to the state institutions and authorities to seek solutions to their problems. No conflicts between the parties have been reported in the chemical industry regarding recognition issues.

Overall, in the Greek Industrial Relations system, there are 5 types of collective labour agreement, which are negotiated at the different levels:

a) The local occupational agreement, negotiated by primary or secondary local occupational unions; this is the most traditional (and in the opinion of many, anachronistic) type of collective agreement. Its scope is limited to wage issues;

b) The national occupational agreement, negotiated by occupational unions with a national coverage [as above];

c) The enterprise agreement, negotiated by the workplace unions;

d) The industry or branch of activity (sector) agreement, negotiated by industry-based unions representing workers of a specific branch;

e) The national general agreement negotiated by the tertiary level organisation, GSEE for the workers, and SEV, GSEVE and EESE on behalf of employers' organisations.¹⁴⁵

Of these, (c) and (d) were first established in 1990, with the introduction of law 1876/90. The first four types of agreement cannot include any terms and conditions which are less favourable than those included in the National General Collective Labour Agreement.

With respect to the chemical industry sector, no company level agreements are recorded. Collective bargaining takes place mostly at sector level and, in three cases, also at the occupational level¹⁴⁶. The right to conclude a collective agreement resides with the most representative organisation (either employers or employees), i.e. the one with the largest number of voting members at the last union elections. The agreement which is signed between the social partners, in principle, covers only the members of the signatory union(s). However, in practice, owing to the large number of exceptions, and despite the low level of union density, collective agreements are usually extended to the large majority of employees, irrespective of their union affiliation, following a formal request to the Labour Ministry by one of the two signatory parties. In this way, an agreement can be extended to those employers who are not members of an organisation (quite a large number in the case of Greece) and thus are not legally bound by a collective agreement. In the event of the concurrence of more than one type of collective agreement, the one which is more advantageous to the employee prevails (favourability principle). However, if a company or an industry-wide agreement also exists, it takes precedence over the occupational one, even if the latter is more favourable. The aim of the legislator is to indirectly weaken the impact of the occupational agreements, which are viewed as obsolete and an obstacle to the modernisation of the IR system.

A large number of players are involved in the social dialogue process in the Greek chemicals' sector: 10 employers' organisations (9 presented above, and SEV, the Federation of Greek Industries) –of which 8 are engaged in the collective bargaining negotiations leading to the conclusion of collective labour agreements- and 5 trade union organisations.¹⁴⁷ Most players are to be found in the pharmaceutical industry sub-sector, with 7 employers' and 3 trade union organisations involved in the conclusion of 2 collective agreements. Moreover, there are 4 major professional organisations, that do not have the right to engage directly in collective negotiations, but which, nonetheless, play a role as an official advisor to the state, as well as in the promotion of the professional rights of particular categories of professionals. These are:

¹⁴⁵ SEV=Federation of Greek Industries, GSEVEE= General Confederation of Greek Small Business and Trades, EESE= Federation of Greek Commercial Associations.

¹⁴⁶ In Greece, occupational collective agreements now constitute only 16% of the total agreements.

¹⁴⁷ This part refers to the main players involved in the collective bargaining process at both the sectoral and occupational level.

- The Pan-Hellenic Pharmaceutical Association, representing the pharmacists that are owners of a pharmacy and are registered at the 54 local associations. It is affiliated to GPEU (Pharmaceutical Group of the European Union)
- The Association of Greek Chemists (14,000 members)
- The Association of Chemical Engineers (7,700 members)
- The Hellenic Veterinary Association.

Besides the social partners' organisations involved in collective bargaining, there exists also a number of public and non-profit institutions and associations. To mention the two most important:

- the *State Chemical Laboratory*, which is responsible for the safeguard of public health and the environment, was established in 1929 and is under the authority of the Finance Ministry. It supervises the production plants and the marketing of goods, estimates the danger of chemical products and issues operating licenses for manufacturing plants. It also recommends, whenever necessary, the appropriate legislative measures;
- the National Organisation for Medicines (EOF), which is the competent authority for the evaluation and market authorisation of pharmaceuticals in Greece. Established in 1983 as a public entity of the Health Ministry, it also monitors the post-marketing product quality, safety, efficacy, the product manufacturing procedures and clinical studies.

Depending on the category of workers and the sub- sector, the collective bargaining agenda, apart from the general issues of wage increases and job security, includes a number of branch specific demands: compensation for unhealthy working conditions (premium payment); responsibility bonus (concerns certain categories of employees); continuous training for graduate chemists; conclusion of a collective agreement covering veterinarians in particular.

a) At sector level

There are 10 sector collective agreements signed every year at sector level, or every other year, in the chemicals' sector, of which one in the pharmaceuticals' sub-sector. These agreements cover all salaried workers employed in the chemicals' sector and they concern the following categories of workers: (a) employees working in the pharmaceutical industry (including cosmetics, veterinary drugs, pesticides), chemists' shops, hospitals, representatives, etc. The agreement is concluded every year between the employers' organisations SFEET, SAFEE, PEF, PSVAK, PEVVEKKP, PSF, SAEPKF, on the one hand, and the trade union organisation OEFSEE on the other; and (b) all other employees working in the all the chemical industry sub-sectors, except pharmaceuticals. In particular, 9 collective agreements were concluded in 2004 for a 2-year period, between SEV on one hand, and the Workers' Federation of the Chemical Industry (OEHVE) on the other, covering the following categories of workers: workers employed in the chemical industry, excluding pharmaceuticals and detergents (e.g. paints & varnishes, explosives, synthetics, perfumes, agricultural drugs, etc.); workers employed in the detergents and soaps industry; workers employed in the elastics industry; workers employed in the animal feed industry; workers employed in the spirits & alcohol industry; workers employed in the plastics industry; workers employed in the fertiliser industry; workers employed in the seed-oils and green soap industries; workers employed in the bakery dough and starch industry.

b) At occupational level

There are 3 occupational collective labour agreements concluded every year or every other year in the chemical industry sector. They concern the following professional categories of salaried workers:

- (a) graduate pharmacists that do not posses a licence to operate a pharmacy and who work in the pharmaceuticals sub-sector and are employed with a private employment contract and work in the pharmaceutical industry, in chemists' shops, in private clinics, in hospitals, in sales promotion, etc. The last agreement was signed in July 2004, between the 4 employers' organisations (SFEET, SAFEE, PSVAK & PEF) on the one hand, and the PEF on the other;
- (b) medical advisers working in the pharmaceuticals sub-sector and providing information services to pharmaceutical companies. The agreement is concluded every year between the 6 major employers' organisations SFEET, SAFEE, PEF, PSVAK, PSF, and SAEPKF and the Hellenic Federation of Medical Advisers (POIE);
- (c) graduate chemists working in the private chemical industry. The agreement is concluded between SEV on one hand, and PSHV on the other. The last agreement was signed in 2004 and covers a two-year period.

The content of the CAs signed at this level is mostly wage issues, bonuses and health and safety at work issues. Their duration is as follows:

- (a) One year for the pharmacists CA (2005);

(b) One year for the medical advisers CA (2004);

(c) Two years (2004-2005) for the graduate chemists and chemical engineers working in private manufacturing industries. The second CA covers around 5500 medical advisers and the third one covers around 2500 graduate chemists employed in the chemical industry, while there are no data on the coverage of the first CA signed at this level.

Sector and occupational collective agreements in the chemicals' industry sector, Main actors - Greece

Acronym (in Greek)	Activity	Collective agreements with
Employers' organisations		
SFEE	pharmaceutical companies	PEF *; OEFSEE; POIE *
PEF	local pharmaceutical producers	OEFSEE, POIE * PEF #
SAFEE	pharmaceutical producers and importers	OEFSEE, POIE
PSF	pharmaceutical wholesalers	OEFSEE; POIE *
PSVAK	large producers of cosmetics & beauty products	OEFSEE, POIE *
PEVVEKKP	small producers of cosmetics & beauty products	OEFSEE
SAEPKF (HAVEPHARM)	Producers and importers of veterinary drugs	OEFSEE, POIE *
SEHV (HACI)	chemical industry companies	-
SEVAS	detergents & soaps producers	-
SEV	Federation of Greek Industries	OEHVE (X 9); PSHV *
Trade Unions		
PEF *	pharmacists employed in the pharmaceutical industry, chemists' shops and private hospitals	SFEE, SAFEE, PSVAK, PEF #
OEFSEE	employees working in pharmaceutical companies	SFEE, PEF, SAFEE, PSVAK, PEVVEKKP, PSF, SAEPKF
POIE *	medical advisers	SFEE, PSF, PEF, SAFEE, PSVAK, SAEPKF
OEHVE	employees working in the chemical industry	SEV (X 9)
PSHV *	private industry chemists	SEV

* Occupational collective labour agreement

Please note that there are two organisations with the same acronym PEF, one is the employers' organisation which represents the local pharmaceutical producers, and the other is the trade union which represents the graduate pharmacists that work as salaried workers (employees).

4. COMMENT

Fragmentation and limited bargaining power are characteristic of the chemical industry and the pharmaceutical industry, as is the case with all sectors of the Greek economy.

HUNGARY

1) DESCRIPTION OF THE SECTOR'S CHARACTERISTICS

1.1. The sector classification of the chemical industry

There are various difficulties with the sector classification of the chemical industry. Although the Hungarian Central Statistical Office uses the definition based on the NACE code 24, interest reconciliation—in conformity with the decade-old traditions—takes place at a much wider level. The employers and employees of the sectors under code 23 (“manufacture of coke, refined petroleum products and nuclear fuel”) as well as 25 (“manufacture of rubber and plastic products”) also take part in the sector level interest reconciliation¹⁴⁸. The situation is further complicated by the fact that owing to the present trade union structure as well as the traditions we referred to above, the trade unions of the alumina (aluminium oxide) production (NACE 27.42) and the aluminium industry (NACE 27.53) would also wish to take part in the work of the Chemical Industry Sector Dialogue Committee, but, at present, do not take part in the social dialogue for the chemical industry sector. That is why the data presented in the monograph do not contain NACE 27.42 + NACE 27.53.

1.2. The national characteristics of the sector

a) *The importance of the sector within the national economy (GDP, output, the black economy)*

According to data from 2003, the share of the chemical industry sector of the GDP was approximately 6%. The inner structure of the sector is dominated by three sub-sectors: in 2003, the pharmaceutical industry's share of the total number of output was 39%, this rate in the case of the manufacture of plastics in primary forms and that of domestic/ household chemical cosmetics was 30% and 10% respectively. Even though the rate of growth of the chemical industry is double the amount of that of the GDP, the use of chemical industry products per capita is but a half of that in the sector formerly known as “EU15”. In 2003, the level of production output in the sector increased by 7.6%, which exceeds the average of the industry. There are significant differences in the rates of growth of production: the manufacture of basic pharmaceutical products grew by 21.5%, that of pesticides and other agro-chemical products increased by 27.9%, while the growth in manufacturing household chemical and cosmetic products (soap and detergents, cleaning and polishing preparations; perfumes and toilet preparations) was 14.2%. At the same time, the production of chemical fibres, organic chemicals and fertilisers increased by a greater a degree. The growth in the manufacture of basic plastic material, which had displayed an outstanding performance for years, has slowed down—due to various external and internal influences—the value of production fell by 3.3% at constant prices.

Gross output and sales in the chemical industry sector at current prices, in 2003 (million HUF)

	Gross output	Sales				
		Domestic		Export		
		Million HUF	%	Million HUF	%	
Manufacture of chemicals and chemical products (NACE 24)	879,170	867,418	369,366	42.6	498,052	57.4
Manufacture of coke, refined petroleum products and nuclear fuel (NACE 23)	505,947	507,279	373,471	73.6	133,808	26.4
Manufacture of rubber and plastic products (NACE 25)	470,572	466,326	225,493	48.4	240,833	51.6

Source: KSH 2004(a), pp.77-78.

¹⁴⁸ E.g. : with regards to the data on staff numbers, in 2003, the average number of employees in the chemical industry in the narrow sense (sectors under NACE code 24) was 32,705 people, in the case of sector activities in the larger sense under codes 23 and 25, this rate was 74,349, that is, almost double of the former.

Export activity in the sector is important: in 2003, 57% of sales were made in foreign markets. The list of top exporters is led by the pharmaceutical industry, which realised two thirds of its total sales in export markets, the share of plastics in primary forms was 61%, as well as the share of pesticides and other agro-chemical products in the export was 68%, which, however, as far as the total volume of production is concerned, lags well behind the others. Export relations have been restructured in a geographical sense, too, in the last one and a half decades; today, the great majority of exports go to the EU countries. In addition to exports, another important performance indicator of the chemical industry is the balance in the foreign trade of chemical products and materials. From this, it is evident that the sector, besides the considerable size of exports, is indeed dependent on imports, too. In this area, the foreign trade balance is negative and is continuing to deteriorate. The expert questioned, estimated the share of black economy as being under 10% in the sector¹⁴⁹.

b) The role of the chemical industry in employment, the composition of work force and the wage level

We can generally say that they are typically capital-intensive industries, they require less employees than other sectors. The great majority of employees work in full-time jobs, the proportion of part-time workers is very small (1.8%). The most important feature of the work force composition of the sector is the high ratio of white-collar workers: almost 40% of the full-timers are white-collar workers, while this proportion in the case of the employees of industrial companies is only 22% (this is especially true in the pharmaceutical industry (NACE 24.4), where the proportion of white-collar workers is more than 45%). Average wages in the sector are significantly higher than that for the national economy (the average wages of blue-collar workers is 150% of the national economy average and 140% of the white-collar workers). In spite of this, the chemical industry in Hungary—compared to the wages in the EU—is at a significant competitive disadvantage, since it has both low wages and low productivity, although the production of chemical products per employee is on a continuously rising trend. Unfortunately, there are no data available regarding the educational, gender- and age-related characteristics of the employees.

c) Ownership structure, privatisation, market structure

Foreign ownership is predominant in the chemical industry (84%), which is followed by domestic (or Hungarian) private ownership (10%), while the proportion of state property is negligible (1.5%).

Number of enterprises by size groups of employees, 2004

Sub-sectors	Number of Companies	% companies without SW	<20 SW	20-49 SW	50-249 SW	> 249 SW
NACE 24	842	8%	698	61	59	24
NACE 23	8	0	4	1	1	2
NACE 25	2665	26%	2307	203	129	26
Total of the sector	3515	26.8%	3009	265	189	52
Industry total (C,D,E)	76 322	41%	70 015	3265	2095	587

Source: KSH (2005): Az ipar és az építőipar 2004. évi tevékenysége (*Industry and Construction in 2004*), p.47.

Compared to the whole of the national economy, the role of the chemical industry in employment is outstanding. Despite the fact that it is basically a technology or capital-intensive sector, chemical industry companies employ more people on average than either the average for the national economy or for the industrial sector. There are four flagship companies which stand out within the sector: they employ more than 2000 people per firm. The distribution of employees by size of sales displays an even greater difference, which is clearly indicative of the fact that the chemical industry has one of the highest capital concentrations in the economy, since companies with over 10 billion HUF of sales employ more than 60% of the sector's employees, while this proportion in the whole of industry is only half of this (31.2%).

¹⁴⁹ This data strongly depends on the way you define black economy. It is usually defined as economic activities, which include undeclared earnings from a second job ('moonlighting'), and consumption of undervalued goods and services (such as company 'perks'), designed for tax evasion purposes. So, illegal employment is only one dimension of the black economy. In addition to this chemical sector is a special field since it is strongly regulated especially concerning labour and environmental safety issues. Through avoiding these regulation there is another space open for 'black economic activities'. If we talk about this "less than 10 percent", we have to consider all the aspects mentioned above.

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
NACE 24	32,594	32,594	0.8%	ND	ND	ND
NACE 23	7,046	7,046	0.02%	ND	ND	ND
NACE 25	36,147	36,147	0.9%	ND	ND	ND
Total of the sector	75,787	75,787	1.7%	ND	ND	ND

Source: KSH (2005): Az ipar és az építőipar 2004. évi tevékenysége (*Industry and Construction in 2004*), p.43.

2) DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

Employee interest representation is basically united in the sector, however, on the side of the employer, there are several professional associations operating. The various associations are different according to the economic weight, ownership structure, size and the density rate of the employees of the associations they represent. This heterogeneity is, however, present not only in the individual sectors, but also within them. Cooperation between the employer associations is just beginning to take shape; their activities are not harmonised for the time being. It is concentrated on professional issues affecting the whole of the sector (environment protection, education, security technology, etc.) and is chiefly aimed at mutual information exchange. There are also differences in the depth with which they tackle the topics of the social dialogue. At present, it is primarily the pharmaceutical manufacturers (MAGYOSZ) and MAVESZ, consisting of the majority of the traditional chemical companies that go into more detail on employer-related issues (however only at the level of experts). Concerning the representativeness of the organisations, there are several criteria:

- According to the Hungarian Labour Code (1992) there are two formal criteria of the representativeness of a workers' organisation: the results in recent works council elections in the given sector and the number of the active trade union members.
- The measurement criteria for the employers' organisations are the following: the total number of employees working for the employer belonging to the given sector interest representation, the net annual income and the number of employers who are interest representation members.

Moreover, both workers' and employers' organisations have to respect three additional criteria: participation in the social dialogue, membership in the National Interest Reconciliation Council either as employer or employee, as well as affiliation to the international organisation of the given branch.

The representativeness of the participating interest reconciliation organisations is legally assigned by an independent body of experts (the so-called "Committee for Deciding Participation") appointed from the members of the Labour Mediation and Arbitration Service. The specification of representation takes place on a scale of 100 criteria with varying importance.

2.1. Workers' organisations

a) MOL Chemist Trade Union (MOL Végész Szakszervezet)

Sub sector: 23 – Manufacture of coal, refined petroleum products and nuclear fuel (sub-sector 23.2: Manufacture of refined petroleum products). It was founded in 2002 as a successor to the former Petrol Processing and Trade Union Association (Kőolaj Feldolgozási és Kereskedelmi Szakszervezeti Szövetség) in order to represent the interest of the employees at MOL, the largest Hungarian enterprise operating in the petroleum industry. This organisation is the largest and oldest trade union in the sub-sector (NACE 23.2): approximately 44% (3,929 people) of the employees working in the sub-sector are members of the trade union. It represents workers of MOL Rt. (the largest Hungarian company operating in the sub-sector) and 8 other (outsourced/privatised) companies of MOL Rt. The organisation is funded through membership subscriptions. Unfortunately, there are no data on the number of SW working for the organisation. The MOL Chemical Trade Union takes part in social dialogue both at enterprise and sector level. The organisation has the right to sign collective agreements both at enterprise at sector level. The MOL Chemical Trade Union signed two collective agreements at the enterprise level; one in 2003 and one in 2004. At national level, this trade union belongs to the ASZSZ (Autónóm Szakszervezeti Szövetség, Association of Autonomous Trade Unions) and at European level, it is a member of the EMCEF.

b) Hungarian Federation of Trade Unions of the Chemical, Energy and Allied Workers (Magyar Vegyipari, Energiaipari és Rokon szakmákban Dolgozók Szakszervezeti Szövetsége (VDSZ)).

Sub-sector: NACE 24, 25.2, 27.42, 27.53, 23.2. VDSZ was founded in 1989 as an alliance of several trade union associations. VDSZ is the largest and oldest trade union in the chemical sector (it obtained the support of 80% of the employees in the last Works council election in 2004). The members of VDSZ work in organisations present in the following areas: aluminium industry, rubber industry, pharmaceutical industry (production and distribution), petroleum industry, gas industry, paper industry, chemical industry (manufacture of plastic products, manufacture and distribution of electrical equipment, domestic chemical and cosmetic goods, inorganic and organic chemical industry, manufacture of chemical-fibres), similar and associated professions. The organisation is funded through membership subscriptions. The staff consists of 6 people. The sectors represented by VDSZ—due to their economic weight, the role played in employment and their market position—are fairly heterogeneous. As we will mention in more detail later, this type of organisational logic is difficult to include in the present institutional system of sector dialogue. In the last works council elections (2004), VDSZ got 79.6% of the votes in the sectors it represents, which makes it the most important trade union organisation in the chemical industry. The VDSZ and its member organisations take part in social dialogue both at enterprise and sector level: it takes part in the bipartite social dialogue at sector level and through its affiliates at company level as well. The VDSZ and its member organisations have the right to sign collective agreements at enterprise level. The VDSZ signed 2 multi-employer CAs in 2003. The situation was the same in 2004 as well. There are no available data on the number of CAs at enterprise level. VDSZ is member of ASZSZ, MSZOSZ, EMCEF and ICEM.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
MOL Vegyész Szakszervezet	MOL Chemical Industry Workers' Trade Union	Both blue-collar and white-collar workers	3,929 8,850	8,850 3,929	3,929/74,3 49=5.3%	Yes	ASZSZ MSZOSZ	-	EMCEF	-	-	-
Magyar Vegyipari, Energiaipari és Rokon szakmákban Dolgozók Szakszervezeti Szövetsége (VDSZ)	Federation of Trade Unions of the Chemical, Energy and Allied Workers	Both blue-collar and white-collar workers	26,000	17,500	17,500/74, 349=23.5 %	Yes	ASZSZ – 70% MSZOSZ- 30%	-	EMCEF	-	ICEM	-
Biogal Dolgozók Független Szakszervezete	Indepent Trade Union of „Biogal” Workers	Mainly blue-collar workers	180	180	180/74,34 9=0.2%	Yes*	-	-	-	-	-	-
LIGA Vegyipari Szakszervezeti Szövetség (LIVESZ)	LIGA Chemical Industry Trade Union Alliance	Mainly blue-collar workers	1,400	1,400	1,400/74,3 49=1.9%	Yes*	LIGA Szakszervezetek (LIGA Trade Unions Association)	-	-	-	-	-
Munkástanácsok	Workers Council	Blue-collar workers	ND	ND	ND	Yes*	Munkástanácsok Országos Szövetsége – MOSZ (National Association Of Workers' Councils)	-	-	-	-	-
Nitrogén Összefogás Szakszervezet	Nitrogen Solidarity Trade	Blue-Collar workers	300	300	300/74,34 9=0.4%	Yes*	-	-	-	-	-	-

	Union											
--	-------	--	--	--	--	--	--	--	--	--	--	--

*at enterprise level only.

The last 4 organisations are not detailed within the text just because they do not take part in CB at sector level (but only at enterprise level) and are not affiliated to any European or international organisation:

- Biogal Dolgozók Független Szakszervezete (Independent Trade Union of „Biogal” Workers) operates at the pharmaceutical company Biogal Rt.
- LIGA Vegyipari Szakszervezeti Szövetség (LIVESZ) (LIGA Chemical Industry Trade Union Alliance) has member organisations at 3 enterprises operating in chemical industry.
- Munkástanácsok (Workers Council) has 3 member organisations in the sector.
- Nitrogen Összefogás Szakszervezet (Nitrogen Solidarity Trade Union) operates at the Nitrogen Co., one of the largest Hungarian nitrogen producers.

2.2. Employers' organisations

a) Hungarian Chemical Industry Association (Magyar Vegyipari Szövetség (MAVESZ).

Sub-sectors: NACE 25.2 and 24, excluding: 24.11, 24.17, 24.30, 24.51, 24.22, 24.52, 24.61. MAVESZ was founded in 1990. MAVESZ represents the Hungarian companies producing 80-85% of chemical manufacturing – excluding the pharmaceutical industry. The organisation is funded through membership subscriptions. MAVESZ has 9 employees. In 2005 MAVESZ has 52 members operating in the “traditional” chemical industry. As a partners’ organisation, since it has 2 partially independent member organisations: Magyar Műanyagipari Szövetség (Association of the Hungarian Plastic Industry) and Magyar Csögyártók Szövetsége (Association of Plastic Pipe Manufacturers). In certain cases MAVESZ represents the interest of the 75 member enterprises of these two organisations as well. The following data were available concerning the members of MAVESZ: Producers: 26; Traders: 9; Others services concerning the chemical industry (research institutes, engineers offices, etc.): 11; Others: 6; The members are Hungarian companies, mainly small and medium-sized enterprises. The MAVESZ takes part in collective bargaining only at sector level, but does not have the right to sign CAs at enterprise level. MAVESZ is member of MAGYOSZ (Munkaadók és Gyáriparosok Országos Szövetsége, Confederation of Hungarian Employers and Industrialists) which takes part in the national-level interest reconciliation and of CEFIC, ECEG, EUPC at European level.

b) Hungarian Pharmaceutical Manufacturers' Association (Magyar Gyógyszergyártók Országos Szövetsége (MAGYOSZ).

Sub-sector: NACE 24.41 and 24.42. MAGYOSZ was founded in 1990 as a representative professional organisation of the Hungarian pharmaceutical manufacturers. The organisation is funded through membership subscriptions. The organisation has 8 employees. MAGYOSZ has 47 member organisations, mainly Hungarian generic producers and/or distributors. It participates in the sub-sector social dialogue, represents the interests of its member organisations only at sector level and has the right to sign CAs only at this level. Since 2002, the president of MAGYOSZ has been authorised to sign the sector level collective agreement alone on behalf of the members. Unfortunately, there are no data on the number of CAs signed at sector level. MAGYOSZ is a member of MAGYOSZ at national level and of IFPMA and AESGP at European level.

c) Association of Hungarian Aluminium Producers (Alumínium-ipari Munkáltatók Országos Szövetsége (Hungamosz).

Sub-sector: 24 – Production of Aluminium. The HUNGAMOSZ was founded in 1996 by the 5 largest enterprises operating in the sub-sector. The organisation is funded through membership subscriptions. The organisation has 2 employees. Its members are Hungarian small and medium-sized enterprises operating in the sector covered by NCA 27.42. It represents a special case in the sector level social dialogue. The Hungarian aluminium industry was organised vertically, this means that large companies were created covering the whole production process (from mining to the sales). This internal logic is in conflict with the logic of the construction of the sector level dialogue committees (i.e. the committees are organised by only one activity), while double membership is not allowed. That is also the reason why the interviewee can not respond to the questions related to the coverage rate. The organisation does not take part at the sector level social dialogue in the chemical industry, only at enterprise level. It has the right to sign collective agreements at enterprise level. Since according to the NACE codification the member enterprises are not part of the chemical industry, the organisation has no right to sign CAs in the Sector Dialogue Committee of Chemical Industry although it is a member of it. There are no

data on the number of CAs signed by the organisation in 2003 and 2004, at enterprise level. HUNGAMOSZ is member of MGYOSZ, but it is not directly represented in any international professional organisation.¹⁵⁰

d) Hungarian Rubber Manufacturers' Association (Magyar Gumiipari Szövetség (MAGUSZ)).

Sub-Sector: 25. MAGUSZ was founded in 1990, in order to represent the professional interests of the employers operating in the rubber manufacturing sector with the twofold objective of coordinating social dialogue within the sector and bargaining with the government on all issues affecting the sector. Moreover, MAGUSZ plays an active part in the development of international relationships, in promoting the professional interests of the rubber manufacturing sector and in transmitting the European leading-edge practices in the field. The organisation is funded through membership subscriptions. MAGUSZ has 30 members: 75% of them are Hungarian SMEs, but the multinational rubber producers (Michelin, Phoenix, Continental) are members of the organisation as well. It maintains good relationship with approximately 300 other companies operating in the sector. MAGUSZ takes part in sector social dialogue. The organisation represents the interests of its member organisations only at sector level and has the right to sign CAs only at this level, as it is a member of the Sector Dialogue Committee. There are no data on the number of CAs signed at sector level. MAGUSZ is member of the MGYOSZ at national level, and it is also directly represented in the BLIC at European level.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		Number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
HUNGAMOSZ, Alumínium-ipari Munkáltatók Országos Szövetsége	HUNGAMOSZ, Association of Hungarian Aluminium Producers	NACE 24	5	ND	5/842 (number of companies in NACE 24)=0.5% ¹⁵¹	ND	Yes**	MGYOSZ	-	UNICE	-	-	-
MAVESZ, Magyar Vegyipari Szövetség	MAVESZ, Hungarian Chemical Industry Association	NACE 25.2 and 24., excluding: 24.11, 24.17, 24.30, 24.51, 24.22, 24.52, 24.61	52	22,600	1.4%*	29.83%	yes	MGYOSZ	-	CEFIC, ECEG, EUPC	-	-	-
MAGYOSZ, Magyar Gyógyszergyártók Országos Szövetsége	MAGYOSZ, Hungarian Pharmaceutical Manufacturers' Association	NACE 24.4	47	13,944	47/97 (number of companies in the NACE 24.4)= 48% ¹⁵²	13,944/14,237 (Number of SWs in NACE 24.4)=97% ¹⁵³	yes	MGYOSZ	-	AESGP	-	IFPMA	-
MAGUSZ, Magyar Gumiipari	MAGUSZ, Hungarian Rubber	NACE 25	30	ND	30/2,665=1.1%	ND	yes	MGYOSZ	-	UNICE, BLIC	-	-	-

¹⁵⁰ High membership fee in the European organisation was reported as a general problem by several social actors.

¹⁵¹ Or 5/3515 = 0,14% if we consider the total number of companies in NACE 23+24+25.

¹⁵² Or 47/3515=1.3% if we consider the total number of companies in NACE 23+24+25 or 47/842=5,6% if we consider the total number of companies in NACE 24.

¹⁵³ Or 13944/75787=18% if we consider the total number of SWs in NACE 23+24+25 or 13944/32594 = 42, 8% if we consider the total number of SWs in NACE 24.

Szövetség	Manufacturers' Association											
-----------	----------------------------	--	--	--	--	--	--	--	--	--	--	--

* These are the official data of MAVESZ.

** at enterprise level only

3) DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR

3.1. Description of tripartite social dialogue in the sector

In the Hungarian Labour Relations System there is no tripartite collective bargaining at sector level.

At the national level, there has been a tripartite dialogue since 1988 in the National Interest Reconciliation Council (OÉT). Currently, the OÉT consists of nine national interest representation alliances and six national trade union confederations on the employers' side, as well as the representatives of the government. The two authoritative trade unions operating in the chemical industry are VDSZ and the MOL Chemical Industry Workers' Trade Union. The four important employer organisations operating in the sector are MAVESZ, MAGYOSZ, HUNGAMOSZ and MAGUSZ. The OÉT, as the general institution of the tripartite national-level interest reconciliation, has the competency to set up the level of the annual minimum wage, additionally, it acts like a consultative body in numerous labour-related issues. The organisations involved in the chemical industry's interest reconciliation can join the tripartite interest reconciliation through the confederations mentioned above or the employer's association, thus there is no tripartite dialogue at the sector level.

There are two specific issues where the state can play a dominant role. Labour safety is one of them. Because of the technical processes used in the chemical industry, regulations related to labour safety may be specific to the sector. Within OÉT, the Labour Safety Committee is responsible for the labour safety-related laws. There are experts who participate in the work of the committee delegated by the chemical industry interest representation associations. The other area concerns the employment conditions in the sector. In 1990, the then existing Ministry of Industry, Trade and Tourism ordered that due to the dangerous working conditions evident in many of the chemical industry jobs, the working week should be 36 hours (according to the Labour Code, the weekly working time is 40 hours in Hungary). The decree has been in effect for 15 years now. Because of disagreement on the employers' side with this regulation, the government insists that there should be an agreement reached between the employees and employers as part of a bilateral interest reconciliation on this issue, and so, no agreement could in fact have been reached on tripartite basis in this area either to settle the interest-related debates between the social partners concerned.

3.2. Description of bipartite interest reconciliation in the sector

There are ongoing CB at both the firm and the sector level in the chemical industry. In the remaining section, we will focus on the areas covered by the NACE classification of codes; at the same time, however, the listing above calls attention to the complexity of the sector structure on the one hand, and to the contradiction existing between the traditions of the Hungarian interest representation organisations and the sector dialogue to be institutionalised based on NACE or its Hungarian equivalent, TEÁOR classification of sectors.

Sector dialogues have a long tradition in the industry; the first CA was signed back in 1946. Following the collapse of the state-socialist economic and political system, it was in this sector too where the first sector and the so-called multi-employer CAs emerged. The most important trade union representing employees in the sector-level dialogue is the VDSZ which is fundamentally an alliance of several trade union associations. The employer side is represented by several organisations in the sector. The majority of the employer associations were set up at the beginning of the 1990s as chambers and/or professional-economic interest representation organisations. In the aluminium industry, employers are represented by HUNGAMOSZ, in the rubber industry by MAGUSZ, in the pharmaceutical industry by MAGYOSZ, and in the gas industry by the Association of Gas Distribution Companies (GE) as well as the Hungarian PB Gas Industry Association. In the paper industry, also belonging to VDSZ, there is no formal employer association; however, there is interest reconciliation at the sub sector level.

The sector bipartite dialogue is rather unstable, which is still in an early phase of the institutionalisation. It was in November 2003 that the parties signed the agreement, according to which, the Chemical Industrial Sector Dialogue Committee was set up. The agreement was signed by VDSZ and the representatives of its member organisations, the MOL Chemical Industry Workers' Trade Union, MAVESZ, MAGYOSZ, MAGUSZ and HUNGAMOSZ. Despite of the agreement, the sector dialogue committee has not held one single meeting until the preparation of the present research report. The launch of the work of the sector level bipartite dialogue committee is hindered by several factors:

- Representativeness: in the agreement regulating the set-up of the committees and signed in the National Interest Reconciliation Council, the criteria concerning the representativeness of the trade unions were defined by a company-level, following the bottom-up sector model principle. Accordingly, they measure the actual weight of the interest representation organisations using the statistical approach of the sector concept¹⁵⁴. This means that the “authority” of the sector dialogue committees is defined according to the TEÁOR classification. In the case of the chemical industry, the problem concerns the fact that the structure of the sector trade union and the partner structure of interest reconciliation do not follow the statistical coding system, that is, there are ongoing social dialogues in several sub-sectors which, according to the TEÁOR, between interlocutors who are not members of the chemical industry sector level dialogue committee. The situation is further complicated by the fact that one association can only be a member of one sector level dialogue committee. In our opinion, the administrative logic of the sector level dialogue committees hinders the already developed self-organisational processes of social dialogue.
- Regulation: because of the economic and technological idiosyncrasies of the pharmaceutical industry, the pharmaceutical manufacturers wish to create their own sub-committee for social dialogue. At the same time, however, the current regulation limits the operation of the sub-committees a great deal, it does not make it possible that the participating parties reach an agreement that is different from that of the sector level committee; furthermore, it does not separate sources to secure the operation of the sub-committees.
- Participation: TVK, the leading manufacturer of plastics in primary forms (concerning its turnover and number of employees) was taken over by MOL, the largest oil company in Hungary. The management of MOL indicated that in contradiction to the former agreement, it did not wish to take part in the work of the chemical industry's sector-level dialogue committee.
- Diversity on the employers' side: in the last few years, a process has begun, in which sub-sector level organisations quit the largest professional interests reconciliation alliance and became independent (manufacturers of insecticides, paint, and the cosmetics industry). The background to this scission was primarily the economic conflicts of interests between the mainly foreign importers and the Hungarian manufacturers. An important question concerns what attitude the organisations leaving MAVESZ will display concerning collective interest reconciliation and whether they are willing to undertake employer interest representation. In the opinion of the trade union, the process of splitting up does not benefit sector level dialogues because it makes the expansion of the agreements insecure. In the pharmaceutical industry, the interests of those distributing innovative products and those Hungarian manufacturers that mainly produce generic products is different, within this, the attitudes of the large and medium- and small-sized companies towards the issue is also different. The situation is further complicated by the fact that the economic incentives are missing that could directly make the employers interested in signing medium-level agreements. A further negative consequence of the exits from the member organisations is the decrease in the membership fees of the employee interest representation organisations, and consequently, a drop in the resources that could be used for interest reconciliation. In this framework, such structural problems call attention to the difficulties concerning setting up agreements that could satisfy all partners of different weight and economic interests.
- Unsettled issues: the general problem affecting work time which generally renders the situation of CAs more difficult within both the chemical industry and the pharmaceutical industry would also be of key importance with respect to sector level dialogue. Indeed, the unsettled character of the problem makes interest reconciliation virtually impossible and keeps numerous employer partners away from the dialogue.

Owing to the problems described above, for the time being at least, the parties lack confidence regarding the future of the operation of the sector level social dialogue committees. The social partners express their hope that the situation will be resolved by making the state regulation of sector level interest reconciliation much clearer, which will settle the operation of the sector-level dialogue committees at the legislative level.

In the Hungarian Labour Relations System there is no formal link between the bipartite and tripartite social dialogue, since the first one takes place at enterprise or sector level and the second one at national level.

a) At sector level

The characteristics of sector-level social dialogue take on a somewhat different shape within the various sub-sectors in the whole of the chemical industry. There are separate CAs in the pharmaceutical industry and in the chemical industry:

- The chemical industry sector level CA was signed by the representatives of VDSZ and MAVESZ in 1993. The agreement involves the following areas: the aims of the agreement, the points of procedure, the forms of cooperation, legislation concerning the exercising of trade union rights, general rules on labour relations (starting a new job, labour contract, working hours, schedule, termination of employment, severance pay), the system of salary/wages (sector wage tariff, its prescription, bonuses), extra allowances, employee and employer obligations regarding labour,

¹⁵⁴ Várkonyi 2004, p. 78.

financial responsibility, strikes, labour debates. The agreement diverges from the rulings of the Labour Code for the benefit of the employees in the following areas: work schedules, prohibition of notice, severance pay, bonuses. The agreement primarily lays down guidelines and is principally a general agreement. Numerous issues, such as work schedules and bonuses, are referred to within the range of firm level CAs. An appendix to the CA is the sector level wage tariff, which is renewed every year by the contracting parties. One of the special features of the sector level social dialogue in the chemical industry is that leader of the employers' interest representation (MAVESZ) is not authorised by the trade union to sign the sector level CA in their name, and so its authority does not involve the companies automatically participating in the association, and, thus, they each have to declare whether or not they accept it. The number of companies signing it varied between 17 and 27. They are mostly Hungarian medium and small size companies belonging to the manufacturing sector.

•In the pharmaceutical industry, the sector level CA was signed in 1993. The agreement legislates in the following areas: the range of jurisdiction of the agreement, modification, revocation, its general rules (aims, relation to the company's CAs), the relationship of the contracting parties, the forms of cooperation, general legislation linked to employment (labour contract, working time, schedules, termination, standby and holiday pay), wages and incomes (setting up a wage tariff), bonuses, the amount of off-time, health protection, protection equipment, social benefit, the obligations of employees and employers, strikes. The agreement diverges from the rulings of the Labour Code for the benefit of the employees mainly in the following areas: work schedule, severance pay, bonuses and labour safety regulations. There are three appendices to the sector level CA, which is renewed every year. The first appendix regulates the wage tariff of the pharmaceutical industry, the second has rulings on the average wage and the annual amount of the increase of the average wage, as well as the yearly minimal wage, while the third controls the yearly minimum amount of the social benefits. At first, the agreement had to be signed by each of those involved individually, because the leadership of MAGYOSZ was not authorised by the member organisations to represent them personally. The number of those signing has altered since the launch of the agreement. The rulings of the agreements refer to the companies having signed it, and cannot be automatically expanded to the members of MAGYOSZ¹⁵⁵, but since 2002, the president of MAGYOSZ has been authorised to sign the agreement alone on behalf of the members, and with this, the possibility of adding clauses to the agreement has also ended. As a result of this, however, the number of companies joining the agreement dropped significantly. The aim of the decision was to improve coordination and alter the practice shown above, according to which, the members had to declare their willingness to sign separately, which in practice had the result that the wage tariff for the given year could be signed by all parties at the end of that year.

Approximately 16 100 SWs are covered by CAs in the chemical industry (including the pharmaceutical industry). The coverage rate of SWs is 21.2%. There are no data relative to the number and coverage rate for enterprises. There is no obligation to take part in the sector social dialogue and no conflicts concerning mutual recognition. There are no players who, although not recognised (or only partially recognised) by the dominant players or by public authorities, must be regarded as playing a role in industrial relations in the sector.

b) At enterprise level: Legislation at the firm level

Interest reconciliation at the level of the company is presently the strongest level of the social dialogue in the sector. Company-based CB has traditions in primarily Hungarian owned companies. These traditions can only be preserved in those areas where the management has remained Hungarian and the owners are mainly financial investors who do not practice professional control over the management of the companies. In companies with a foreign professional investor background, the owner, in many cases, ties the hands of the management in the CB. At the same time, there are several international companies which sign a CA at subsidiary level, which is adopted by the mother company, but it is not willing to participate in the sector level interest reconciliation. There is a corporate-level CA in effect in approximately 60% of the companies belonging to the sector, typically at medium-sized or large companies. The corporate level dialogue strongly depends on the size of the company and the owner's background. The corporate level agreements regulate the general conditions of employment and labour in more detail than what is to be found in the sector level CA. According to expert analyses, the companies of the sector usually digress from what is stated in the sector level CA for the benefit of the employee regarding issues like wages and social benefits. This can be partly explained by the fact that the divided parties with different economic weights are interested not in regulated circumstances but in the exploitation of competition advantages provided by the differences in regional labour markets and wages. It should be noted that the local trade unions' ability to enforce their interests and their resources are rather limited, thus the trade union association in the sector helps its member organisations with experts, information, and, if it is needed, interfering (coercion). In spite of this, the dialogue in the sector is not built on the balance between the sector and firm-level interest reconciliation because of the above-mentioned problems of the sector level interest reconciliation, and,

¹⁵⁵ The Hungarian legislation, if there are certain conditions met, makes it possible for the minister of economics to expand the authority of the sector level CA to the whole of the sector, even to those who did not actually sign the agreement. A few years ago, the interest representation organisations attempted to expand the agreement to the whole sector, but the rulings of the agreement did not comply with what the law would allow for expansion. The greatest problem was that some of the employers signed the agreement with a certain clause, namely, they did not accept some parts of it, mainly those related to wages and social benefits.

connected to it, the decisive characteristic of the company level. There are numerous small enterprises operating in the sector where there is no trade union or formal interest reconciliation, and there is no information available concerning informal interest reconciliation. There are no conflicts concerning the mutual recognition.

Unfortunately, there are no data on the number of CAs signed and which remain in force for the moment at this level in the sector, the signatory parties and duration of these CAs. In the same way, the number and type of SW covered by these CAs, as well as the coverage rate of the CAs in comparison with total number of SW are data unavailable. Both the employers' associations and the trade unions are making efforts to enlarge the number of companies covered by the sector CAs, but there are no formal ways to achieve this goal. The actors hope that the newly stated Sector Dialogue Committee will inspire the employers to join the sector level social dialogue in order to ensure more transparent and calculable labour relations in the chemical industry.

Concerning the content of CAs the strategic aim of the trade unions is to achieve an 8% growth of the gross wages in the sector. According to the expert, a rise in the number of CAs is unlikely to occur in the future.

4) COMMENT

As with most of the other sectors, the economic transformation which followed the social and political changes of the late 1980's was a determinant factor. It led to a significant fall in production levels¹⁵⁶, and there were also important changes in the ownership and organisational structure of industry¹⁵⁷. Indeed, just as in others sectors, the transformation in the ownership structure, that is privatisation, was a decisive factor in the chemical industry. The withdrawal of the state as the main shareholder had taken place in several steps, and privatisation was practically complete by 1998. The worst of the economic recession hit the sectors between 1991 and 1992, which was followed by a phase of stabilisation between 1992 and 1996. In the last 10 years, the fluctuations of production were in line with the world economy. These data, in themselves, can be misleading since the chemical industry consists of somewhat heterogeneous activities, from the manufacturing of explosives to the manufacture of photographic chemical materials as well as pharmaceutical products.

¹⁵⁶ I.e.: the volume of production in 2003 was less than three quarters of that of the 1990's.

¹⁵⁷ In 1992, State owned 77.8% of the chemical industry, foreign owners 8.2%, national owners 7.8% and other (e.g.: local government) 6.2%. In 2003, State owned only 1.6% of the chemical industry -, a considerable state ownership remained only in the pharmaceutical industry-, foreign owners 84.2% -which surpasses that of the manufacturing sector by a great degree (67%)-, national owners 10.6% and other (e.g.: local government) 3.6% (Source: MAVESZ, p. 2.).

IRELAND

1) DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

1.1. Boundaries and scope of activities in the sector

The Chemicals and Pharmaceutical industrial sector in Ireland is composed of three broad sub-sectors: NACE 24.4 (Manufacture of Pharmaceuticals related to healthcare services), NACE 24.5 (Manufacture of other chemical products not related to healthcare, referred to as speciality chemicals sub-sector), NACE 24.7 (Manufacture of man-made fibres or synthetic textiles).

The Pharmaceutical sector, which makes up the vast majority of the chemical sector in Ireland, is largely un-unionised and uses the social partnership pay agreements as a benchmark for its minimum wages. Some of the other chemical companies under NACE 24, such as perfumes, cosmetics and detergents do not take part in social dialogue within the Irish chemical industry. These companies make up a small minority. Therefore, there is a slight difference between the NACE classifications and sector dialogue.

1.2. Socio-economic features of the sector

The Chemicals sector in Ireland is relatively new, with modern manufacturing facilities, producing high value chemical and pharmaceutical products.¹⁵⁸ It differs from some other European sectors in that it is not based on a petrochemical industry and there is little production of bulk chemicals. The Chemical industry in Ireland is extremely dynamic in terms of its: Rapid growth in output; Export orientation; High productivity. In terms of the Irish economy, the chemical sector is the most important industrial sector measured by value of exports. The Chemicals sector was the largest exporter from Ireland in 2003 and 2004 with the value of its products representing 43% of total exports at over €35 billion for January – December 2003¹⁵⁹ and 44.6% of total exports at over €37 billion for the period January – December 2004.¹⁶⁰ Multinational companies from outside the European Union dominate a significant part of the sector. The global industrial leaders in chemicals have been identified and canvassed to locate in Ireland as part of an industrial development strategy implemented by the Industrial Development Authority (IDA) over the last 20 years. In 2004, 13 of the top 15 world pharmaceutical companies had operations in Ireland. Many of the overseas corporations have established production facilities around the Southern city of Cork. 'Big name' US companies such as Pfizer, Schering-Plough, Merck, Sharpe and Doehme, Allergan, Novartis and GlaxoSmith Kline have followed each other to Ireland. Global top selling products such as Viagra, Lipitor (cholesterol reducing) and Zocor (cholesterol) are now manufactured in Ireland.¹⁶¹ Of the 250 companies recorded in the Chemicals Sector (NACE 24) in 2002, some 50% are Irish owned companies, 20% are U.S. owned and 5% are German owned. United States companies are clustered in the Pharmaceutical/Medicinal Products sector (NACE 244). Irish firms are a majority – 60% - in the speciality companies – soaps, detergents, perfumes, oils and similar products (NACE 245-247). Unfortunately, there are no data on relative weight of the sector compared to the whole economy in terms of share in the GDP and produced added value.

The pharmaceutical sector in Ireland is very important in the international context - especially in relation to manufacturing. According to Pharmaceutical Ireland, there are three important islands in the manufacture of pharmaceuticals around the world: Singapore, Puerto Rico and Ireland. This is partly based on low rates of Corporation tax. As well as this, Ireland has built up a critical mass.¹⁶² When the nationality of firms is compared by gross output per person engaged, US firms have a significantly higher output per person compared with other companies in the sector. In the pharmaceutical sector, for example, the output per person engaged in US companies is ten times higher than in Irish companies, two and a half times greater than in firms from other EU countries, and almost three times greater than in firms from other non European Union countries. While the sector contains 250 firms, the high value of output is confined to a small number of just 49 US firms. These 49 firms account for 85% of gross output in the Chemicals sector.¹⁶³ According to Pharmaceutical Ireland, even though there have been some redundancies

¹⁵⁸ Forfás (no date available) 'Report of the chemical and pharmaceutical panel', in Technology foresight Ireland: An ICSTI overview, Ireland. Available from: <http://www.forfas.ie/icsti/statements/foresight/chem/sector.htm>.

¹⁵⁹ Central Statistics Office (2004) Statistical Yearbook, Ireland and the EU 1973-2003, Table 9.

¹⁶⁰ CSO (2005) External Trade, Table 3.

¹⁶¹ Enterprise Ireland (September 2004) Ireland: Economic Profile, Dublin.

¹⁶² Ralaheen interview February 2005.

¹⁶³ Calculated from CSO (2003) Census of Industrial Production 2002, Table 6

lately, the industry is still stable. Redundancies are rare and are more to do with global trends than to do with the industry in Ireland. Only one company has been lost in recent times. Most of the companies have been in Ireland for around 30 years and are very established here. 99.9% of the staff are Irish and all the Managing Directors are Irish.¹⁶⁴

A study published by the Central Bank provides evidence that Ireland enjoys a revealed comparative advantage (RCA) in the chemical sector at a global level and that this RCA is being sustained and even increasing.¹⁶⁵ Using a different approach, O'Malley has confirmed this trend for chemical production in Ireland in relation to the European Union. He argues that the value of output rather than employment levels are the better measure of comparison for sectors such as chemicals.¹⁶⁶ A calculation in the Central Bank Quarterly Bulletin, using Central Statistics Office Statistics, estimates employment in chemicals and chemical products at 9.8% of total industrial employment in 2003.¹⁶⁷ A different method of calculation involves expressing the figures for NACE 24 as a percentage of NACE 15-37. Using this calculation it is observable that employment in the Chemicals sector accounted for 11% of employment engaged in manufacturing industries in Ireland in September 2004.¹⁶⁸ A total of 1,641,587 people in the Irish labour force were at work at the time of the Census 2002. At this time, a total of 25,436 of these workers, or 1.5 per cent, were employed in the chemical industry.

The great majority of the 250 firms in the chemical sector are small in terms of employment with 75% employing less than 100 people. Only four% employ over 500 people. More than one in five production units (21%) are effectively micro enterprises or artisan operations, employing one to nine people. Employment in the Chemicals and related sector is extremely stable at just under or over 24,000 over a five year period from 2000 to 2004 as illustrated in Table 3. The employment plateau of 23,000 dates back to 1998. This employment stability is significant since the value of exports from the sector has been rising. This implies an increasing productivity as measured by the ratio of value of exports per worker. In terms of the 23,500 people engaged (employees + owner/family members) in chemicals, 46% are engaged in employment with US companies and of these an important proportion are in the pharmaceutical/medicines sub-sector. It is of note that only 17% of people engaged in chemicals are in Irish owned companies. This pattern is repeated in the sub sectors of chemicals (NACE 241-247). The balance between industrial workers and clerical/managerial workers is tilted away from industrial workers who constitute only 55% (13,000) of total employment (23,500). As with much of the manufacturing industry, the overall gender balance is 63/37 in favour of men. This rises to 71/29 among the single category of industrial workers. Only a very small number of people fall into the category of unpaid family members, outworkers or owners/managers. The majority of people in the sector have the employment status of employee. Some chemicals companies have large proportions of non-industrial workers under the 'other' employees' category. This includes technical and scientific employees who actually outnumber industrial workers in the organic basic chemicals sub sector. The table show that employment is concentrated in just three sub-sectors, pharmaceutical preparations, basic pharmaceuticals and organic base chemicals, which together account for 72% of employees. Of the employees in the sector, around 50% are educated to graduate level. In some companies it is as high as 80% and in other companies it is less than 50%. According to Pharmachemical Ireland, even at the general operative level training is quite sophisticated and up to a high standard. General operatives are often encouraged to gain some formal qualification as well as receiving this training. Pharmachemical Ireland explained how organisations within the sector, are very keen to promote an uplift in the acquiring of skills. Even the employees that have the jobs with the lowest skill level need a good level of expertise, as it is quite a skilled sector. The employees need a high level of awareness around the products that they are producing. An auditor could interview them at any time and check that they have received the correct training and that they really know what they are doing.¹⁶⁹ There was no underground economy identified in the course of the study.

Earnings in the chemical sector are above average for industrial workers as a whole. Average hourly earnings for men and women industrial workers were €17.30 per hour in September 2004. Earnings for men industrial workers per hour were €19.12 and for women €12.69. The average for manufacturing industry for the same period was €13.48. Hourly earnings in the chemical sector were therefore €3.8 above the manufacturing average in 2004¹⁷⁰.

¹⁶⁴ Ralaheen interview February 2005.

¹⁶⁵ Addison-Smyth, D. (2005) 'Ireland's revealed comparative advantage', in Central Bank Quarterly Bulletin, no. I, Dublin. p. 101-114.

¹⁶⁶ O'Malley, E. (Winter 2004) 'Competitive performance in Irish industry,' in Quarterly Economic Commentary, ESRI, Dublin.

¹⁶⁷ Addison-Smyth, D. (2005) 'Ireland's revealed comparative advantage', in Central Bank Quarterly Bulletin, no. I, Dublin. p. 108.

¹⁶⁸ NACE 24 as a percentage of NACE 15-37.

¹⁶⁹ Ralaheen interview February 2005.

¹⁷⁰ Data is only available for the average wages on a sector basis as there is no earnings survey in Ireland. This is why the average wage in the chemical sector is compared to the average industrial wage. The other sectors include Distribution and Business Services, Banking, Insurance and Building Societies, and the Public Sector. Each of these sectors is then split into various occupations and the data that is available is the average wage for each occupation.

In relation to the future of the sector, Pharmaceutical Ireland describe the following as the key challenges facing the industry: As the study of science in schools and university declines, the availability of qualified employees is under serious threat; The lack of an integrated waste infrastructure is a major challenge as it deters new investment in Ireland; The cost of energy ranks as the third highest cost to Irish industry after payroll and insurance; Ireland is becoming a very expensive place to conduct business, placing the country at a huge competitive disadvantage; The retention of a low competitive rate of corporation tax is a major challenge facing the Irish pharmaceutical and chemical industry.¹⁷¹ Another possible future issue is in relation to the stability of the sector. While the sector is generally stable there can be some volatility, for example, with companies developing drugs awaiting approval or having products of which the patent may expire.

Size of chemicals companies in Ireland measured by employment 2002

Size of employment (people engaged in employment)	Numbers of production units NACE 24*	% Distribution of production units
Under 10 people	53	21
10-19	41	16
20-49	57	23
50-99	38	15
100-199	20	8
200-499	32	13
500 and over	9	4
Total	250	100

Source: Extracted from Central Statistics Office (2003) *Census of Industrial Production 2002*, Table 3.

* A unit is geographically based. A single legal entity may own several dispersed units.

Companies

Sub-sectors	Number of Companies (units ¹⁷²)	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
NACE 24.1		ND	ND	ND	ND
NACE 24.2	109	ND	ND	ND	ND
NACE 24.3		ND	ND	ND	ND
NACE 24.4	66	ND	ND	ND	ND
NACE 24.5		ND	ND	ND	ND
NACE 24.6	75	ND	ND	ND	ND
NACE 24.7		ND	ND	ND	ND
Total of the sector	250	ND	21.2	54.4	24.4

Source: Extracted from Central Statistics Office (2004) Industrial Employment, Table 3, 23 December

¹⁷¹ Ralaheen interview February 2005. and Pharmaceutical Ireland (2004) Pharmaceutical Ireland: Focused on a Healthy Future, Dublin.

¹⁷² A unit is geographically based. A single legal entity may own several dispersed units.

Numbers of employees in detailed sub-sectors of chemical industry Ireland 2002

Sub Sector NACE	Industrial workers	Other employees	Total employees
24 Chemicals, Chemical products	15,129	10,154	25,283
2412 Dyes and Pigments	113	58	171
2411,2413 Gases, Inorganic Basic Chemicals	253	218	471
2414 Organic Basic Chemicals	2,800	2,968	5,768
2415 Fertilizers, Nitrogen Compound	610	298	908
2416 Plastics, Primary Form	503	197	700
2420-2430 Paints, Pesticides	399	323	722
2442 Pharmaceutical Preparations	5,542	3,349	8,891
2451 Soaps, Cleaning Agents, Detergents,	280	125	405
2441, 2452 Basic Pharmaceuticals, Perfumes, Toilet	2,234	1,305	3,539
2461-2463 Glues, Oils, Explosives	390	378	768
2464, 2465, 2470, Other Chemical Products	1,433	481	1,914

Source: Extracted from CSO (2004) *Census of Industrial Production 2002*, Table 13

Note: The data presented in the table above is all the available data from the *Census of Industrial Production 2002*. There is no data presented for NACE 24.17, 24.62 and 24.66.

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
NACE 24.1		ND	ND	ND	ND	ND
NACE 24.2	8,655	ND	ND	ND	ND	ND
NACE 24.3		ND	ND	ND	ND	ND
NACE 24.4		ND	ND	ND	ND	ND
NACE 24.5		ND	ND	ND	ND	ND
NACE 24.6	6,870	ND	ND	ND	ND	ND
NACE 24.7		ND	ND	ND	ND	ND
Total of the sector	25,436	25,400 ¹⁷³	1.54*	1**	21**	78**

Note: some data don't reach exactly 100% because of the rounding.

*Data only available for total number of workers in the country rather than SW.

** Data only available for total number of workers in the sector rather than SW.

Source: Extracted from Central Statistics Office (2003) *Census of Industrial Production 2002*, Table 3 and Table 6.

¹⁷³ Total number of employees. Excludes proprietors and unpaid family workers.

2) DESCRIPTION OF THE ORGANISATION'S ACTIVITIES IN THE SECTOR AT NATIONAL LEVEL

2.1. Description of the workers' organisation's activities in the sector

The Services, Industrial, Professional and Technical Union (SIPTU)¹⁷⁴

SIPTU is the largest trade union in Ireland and represents workers in the public and private sectors in general, technical and professional occupations and sectors. Its history dates back to the turn of the 20th Century as the Irish Transport and General Workers' Union (ITGWU), which later amalgamated with the Workers' Union of Ireland and the Irish Women Workers' Union. SIPTU is organised in sector Branches and in Regions. The Branch that is relevant to this study is the Chemicals, Healthcare and Distribution Branch. SIPTU cater for full-time, part-time, temporary, permanent, and contract workers, as well as retired and unemployed members. In relation to SIPTU as a whole organisation, it is funded by the fees paid by its members. As far as recognition systems are concerned, SIPTU is recognised under its affiliation to ICTU, which takes part as a social partner in the national collective agreements. SIPTU takes part in consultations at all levels (including tripartite concertation), depending on each individual situation, although details on any possible agreements in the chemical sector are unknown. It takes part in the tripartite Social Partnership agreements with the Irish Congress of Trade Unions (for details of these centralised agreements, see section 3.1.)

Trade Union

Organisation	Types of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name/English Name	type	number	number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
The Services, Industrial, Professional and Technical Union (SIPTU)	Mostly manual workers	Over 200,000	ND	ND	Yes ¹⁷⁵	ICTU ¹⁷⁶	ND	EMCEF	ETUC	ND	ICFTU

Unfortunately, data on sub-sectors covered by the organisation and number of SW working for the organisation (staff) are not available.

2.2. Description of the employers' organisation's activities in the sector

Pharmaceutical Ireland (Sector within The Irish Business and Employers' Confederation (IBEC))

Pharmaceutical Ireland was established within IBEC in 1994. It was established to represent the needs of the pharmaceutical and chemical manufacturing industries and it derives its strength and agenda from its members. Pharmaceutical Ireland was known as the Irish Pharmaceutical and Chemical Manufacturers federation (IPCMF) until it changed its name in May 2004. Pharmaceutical Ireland is a major sector within IBEC. IBEC provides a range of services to more than 7,000 businesses and organisations that comprise the organisational membership. It is the leading umbrella body acting as a voice for industry in Ireland on behalf of Irish business and employers. IBEC represents their own members' interests to the Government, state agencies, the trade unions, other national interest groups, and the general public. IBEC works on European policy issues on behalf of Irish business and employers at European level through the Irish Business Bureau (IBB), Brussels.

Pharmaceutical Ireland is comprised of approximately 55 pharmaceutical and chemical companies and is staffed by a full time executive staff of six people. The organisation is funded through membership subscriptions. According to the mission statement of the organisation: Pharmaceutical Ireland aims to establish Ireland as the most productive, best serviced, added value location

¹⁷⁴ As a representative from the Chemicals, Healthcare and Distribution Branch of SIPTU was unable to meet with us for an interview, some data specific to this branch is not available.

¹⁷⁵ Collective bargaining takes place at the national level through ICTU.

¹⁷⁶ The Irish Congress of Trade Unions.

in the world for the sustainable development and manufacture of pharmaceutical and integrated chemical products.¹⁷⁷ Its membership is mostly made up of multinational corporations (MNCs) and some indigenous companies. The indigenous companies are generally quite small. The manufacture of medical devices is included in a different sector and has its own associations.¹⁷⁸ There are a number of smaller chemical companies who are not members of Pharmaceutical Ireland, but are members of IBEC in their own right. These organisations would subscribe to any collective bargaining arrangements agreed by IBEC. The Irish Chemical and Pharmaceutical industry employs 23,600 people,¹⁷⁹ the vast majority of whom work in companies represented by Pharmaceutical Ireland. In relation to the density of the organisation, within the context of the whole industry, Pharmaceutical Ireland represents the majority of the pharmaceutical manufacturing sector.¹⁸⁰ Around 95% of the pharmaceutical industry are members of the organisation. Although Pharmaceutical Ireland membership does not include most of the individual companies in the sector (see Table 1), it does include most of the profits and employees of the sector. The majority of the companies that are not members are small or micro organisations with less than 20 employees.¹⁸¹

Pharmaceutical Ireland operates under the umbrella of IBEC and as a result, is recognised under its main organisation IBEC, which takes part as a social partner in the National Collective agreements.

Pharmaceutical Ireland does not take part in the tripartite negotiations as a social partner. However, the main umbrella employers' organisation IBEC, of which they are a sector, takes part in the social partnership negotiations with the other social partners. Pharmaceutical Ireland then uses these agreements as a benchmark for issues such as pay, rather than negotiating their own collective agreements. Pharmaceutical Ireland does not take part in any sector level CAs or consultations at enterprise level, and does not negotiate at these levels. All the collective agreements from IBEC are done in the context of social partnership and all the members are members for industrial relations purposes as well as being a trade association. Their members use national collective bargaining as a benchmark and there are no sector level collective agreements.¹⁸²

Pharmaceutical Ireland is a member of the CEFIC. It is also represented by UNICE, however, this is mainly through IBEC.¹⁸³

Employers Organisations

Organisation	Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name/English Name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Pharmaceutical Ireland	Pharmaceutical and chemical	55	ND*	22 ¹⁸⁴	ND	Yes ¹⁸⁵	IBEC, IBB	-	CEFIC	UNICE	ND	ND

* The Irish Chemical and Pharmaceutical industry employs round 24,000 people, the vast majority of which work in companies represented by Pharmaceutical Ireland¹⁸⁶

2.2 Other players

The Irish Cosmetics, Detergent and Allied Products Association (ICDA) is another employers' organisation that is affiliated to IBEC. However, ICDA does not take part in social dialogue within the Irish Chemical industry.¹⁸⁷ ICDA was established following the merger of the Irish Cosmetics and Toiletries Association (ICTA) and the Irish Detergents and Allied Products Association

¹⁷⁷ Pharmaceutical Ireland (2004) Pharmaceutical Ireland: Focused on a Healthy Future, Dublin.

¹⁷⁸ Ralaheen interview February 2005.

¹⁷⁹ Central Statistics Office (2004) Industrial Employment, Table 2, 23 December.

¹⁸⁰ Ralaheen interview February 2005.

¹⁸¹ Ralaheen interview February 2005.

¹⁸² Ralaheen interview February 2005.

¹⁸³ Ralaheen interview February 2005.

¹⁸⁴ Although 22% seems quite low, most of the companies not represented by Pharmaceutical Ireland are micro-enterprises that employ small numbers of employees. Most of the employees and profits in the sector are in companies represented by Pharmaceutical Ireland.

¹⁸⁵ Collective bargaining takes place at the national level through IBEC.

¹⁸⁶ Ralaheen interview February 2005.

(IDAPA) in 2000. It represents the interests of companies in Ireland engaged in the manufacture, distribution or sales of cosmetics, toiletries, detergents and allied household products, as well as international companies with an Irish sales division. The main focus of the association is to keep member companies informed on regulatory issues which impact on the industry and to make representation to the relevant national authorities on matters relating to consumer, environmental and safety legislation.¹⁸⁸ Membership of the organisation is relatively small, comprising of 21 companies.

ICDA is a full member of COLIPA, the European Cosmetic Toiletry, and Perfumery Association and actively participates at Board of Directors and committee level in COLIPA. ICDA is also affiliated to AISE.

3) DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

3.1 Description of the tripartite social dialogue in the sector

Tripartite Social Dialogue in Ireland takes place at a general level for all industries and not specifically for the chemical sector.

Collective bargaining in Ireland is conducted on a voluntary basis, whereby no side is obligated by law to enter negotiations, nor do the negotiations have a statutory basis¹⁸⁹. Since the 1980s there have been six successive Social Partnership Agreements. The Agreements are: The Programme for National Recovery (1987-1990); The Programme for Economic and Social Progress (PESP) (1991-1993); The Programme for Competitiveness and Work (PCW) (1994-1996); Partnership 2000 for Inclusion, Employment and Competitiveness (1997-1999¹⁹⁰); The Programme for Prosperity and Fairness (2000-2002); Sustaining Progress (2003-2005). The tripartite social dialogue takes place every three years. The most recent collective bargaining agreement was negotiated in 2002/2003 for the three year period 2003 to 2005. The Agreement was negotiated between Government, employers, trade unions, farming bodies and the community and voluntary sector. The community and voluntary sector did not participate in pay negotiations. The pay element of the Agreement, called *Sustaining Progress* is for an 18 month period of 2003 to 2004. Individual employers, workers or sectors do not sit at the negotiating table.

3.2 DESCRIPTION OF THE BIPARTITE SOCIAL DIALOGUE IN THE SECTOR

CB is present at sector level and at enterprise level. The Social Partnership agreements are completely independent from the situation within sectors, in other words, the sector and enterprise level agreements are not linked. Therefore, these social partnership agreements will exist whether there are enterprise level agreements or not and whether these enterprise consultations are a success or failure. The sector level agreements are the most developed¹⁹⁰ and there have been six successive agreements between the social partners since 1987.

a) At sector level

The main employers' organisation, Pharmachemical Ireland, does not take part in bipartite social dialogue. Instead, their collective agreements are undertaken in the context of social partnership. Indeed, Pharmachemical Ireland uses the national centralised collective bargaining agreement as a benchmark. As the national experts were unable to organise a meeting with the Chemicals, Healthcare and Distribution Branch of SIPTU, there is no available data on the workers organisation and social dialogue.

¹⁸⁷ Communication with IBEC.

¹⁸⁸ See www.icda.ie/about/about.htm.

¹⁸⁹ The agreements are voluntary in that they are not made in to law.

¹⁹⁰ The national level collective bargaining outcomes, are widely and pervasively used by various sectors of industry as a benchmark even where the sector has a low trade union density or where employer representatives are not very active in the national bargaining process. The wage rises, and their frequency, and their duration period, which emerge from national collective bargaining process have a direct and immediate impact on industry sectors. In this sense the sectoral level of bargaining is more important than enterprise level. The number of high value firms and employees in the Pharmachem sector in Ireland are small and these firms have a high level of cohesiveness and networking amongst themselves, enabling them to reduce 'wage dispersion' amongst themselves.

b) At enterprise level

There is evidence¹⁹¹ of enterprise level negotiations taking place in the sector. These are not collective agreements, but are agreements related to pay and conditions that are negotiated between trade unions and individual companies. As these agreements are not on a sector basis, but are rather agreements between trade unions and individual companies, they are not registered agreements and therefore are not in the public domain. The individual companies and the trade unions would hold this information themselves.

4) COMMENT

The Chemicals sector in Ireland is relatively new, with modern manufacturing facilities producing high value products. A large proportion of the profits and employment in the sector comes from the pharmaceutical industries. Of the 15 most profitable pharmaceutical companies globally, 13 of these companies had operations in Ireland in 2004. In 2003 the Chemical sector was the largest exporter from Ireland, with the value of its products representing 43% of total exports. The value of exports is €35 billion annually. In September 2004, 23,600 people were employed in the Chemical sector.

The tripartite social dialogue in the sector takes place under the Social Partnership Agreements between the Government, employers, trade unions, farming bodies and the community and voluntary sector. The main employers' group, Pharmachemical Ireland, does not take part in bipartite negotiations. However, there is evidence that enterprise level negotiations take place between trade unions and individual companies.

¹⁹¹ See <http://www.siptu.ie/news/pr.php?id=1355>.

ITALY

1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT THE NATIONAL LEVEL

1.1. Delimitation and scope of activities in the sector

The chemical industry includes companies classified under the NACE code 24, as the Ateco 2002 national classification of economic activities adopted by Istat¹⁹² derives directly from the current NACE nomenclature.

There are three main industry-wide agreements¹⁹³ (Contratti Collettivi Nazionali di Lavoro – CCNLs): one for industrial companies, one for SMEs, and the latter for craft companies. The CCNL relevant to industrial companies, signed on the 12th February 2002, applies also to the manufacture of ceramic goods (NACE code 26.2), refined petroleum products (23.2), and electrical equipment, such as carbon or graphite electrodes and insulating fittings (31.62). The CCNL referring to small and medium-sized enterprises, signed on the 22nd July 1998, and renewed the 2nd March 2004, applies also to tanning (19.1), and insulating fittings on the whole. Lastly, a CCNL signed on December 19th 1994, and renewed on July 11th 2000, covers all craft companies of chemicals, rubber, plastic and glass industries, and applies to the collection and treatment of sewage (90.01) as well. According to the CNEL¹⁹⁴ (National Archive of Collective Agreements), there are a further ten CCNLs¹⁹⁵ in the sector, so that the total number is thirteen. The sector federations of the three most representative trade unions, on the one hand, and several employers' associations, on the other, are always the signatory parties.

A move towards a simplification of collective agreements and bargaining can be seen within SMEs. In particular, Unionchimica, FILCEA-CGIL, FEMCA-CISL, and UILCEM-UIL reached an Agreement on the unification of four CCNLs (chemicals, rubber and plastic, ceramic, and glass industries) on 2001, September the 14th, and therefore assigned to a national joint commission the task of looking at the feasibility of a single industry-wide agreement. This should lead also to convergence on wages and employment conditions.

1.2. Socio-economic features of the sector

According to the most recent sector data provided by Istat, in 2004 the produced added value in the chemical industry was 18,213 million euro¹⁹⁶, so that the relative weight of the sector was estimated 1.44% of the whole economy, and 5.42% of industry. Taking as a reference the InfoCamere¹⁹⁷ database named Movimprese, providing data on birth/death rate of Italian companies, the number of registered companies active in the sector at 2004, December the 31st was 7,376 on a total number of 5,061,859 (only 0.15%)¹⁹⁸. In 2004 there were only 112 new registrations in the sector and 381 companies closed, showing the low dynamism of Italian chemicals industries. Referring to the 8th National Statistical Census on Industry and Service (available since 2004

¹⁹² Istituto Nazionale di Statistica – National Institute of Statistics.

¹⁹³ The European Employment and Industrial Relations Glossaries (EMIRE) define CCNLs as agreements which are "concluded at national level between employees' and employers' sector federations", and whose "sphere of application is the homogeneous product sector, which usually corresponds to an industrial category (such as, metalworking, textiles, construction, chemicals)". Under the Agreement of 23 July 1993, the industry-wide agreement constitutes the first of the two levels in the Italian bargaining structure. In this report, "industry-wide" and "sector" are used as synonyms, as the CCNL is known in English as "industry-wide agreement", but its sphere of application is normally the product sector.

¹⁹⁴ Consiglio Nazionale dell'Economia e del Lavoro – National Council of Economy and Labour.

¹⁹⁵ These are, specifically: 1. Ceramic goods (SMEs); 2. Ceramic goods (craft companies); 3. Tanning (industrial companies); 4. Energy and petrochemicals; 5. Rubber and plastic materials (industrial companies); 6. Rubber and plastic materials (SMEs); 7. Thermionic valves or tubes; 8. Mining, basic metals and fabricated metal products (industrial companies); 9. Ceramic tiles and refractory ceramic products (industrial companies); 10. Glass (industrial companies).

¹⁹⁶ Istat provides data disaggregated by sector on the added value, but not on GDP. Just in order to have an idea of the difference between these two aggregates, in 2004 the national added value amounted to 1,263,433 million euro, GDP to 1,351,328 million euro. The latter is the result of a sum of the former and VAT (Added Value Tax), minus the financial intermediation services.

¹⁹⁷ InfoCamere is the Italian private company which created and now administers the national information system linking up the 103 provincial Chambers of Commerce and their 300 branches.

¹⁹⁸ Data provided by InfoCamere are significantly overestimated as compared to Istat official statistics, due to the difficulty to distinguish between active and non-active companies.

and providing data updated to 2001), companies were 5,904, 0.14% and 0.46% of the total in the country and in industry respectively. Geographically, companies are mostly in the Northwest of Italy (43.1%), followed by Northeast (20.8%), Centre (16.7%), South (14.2%), and Islands (5.2%).

Companies

Sub-sectors (NACE code)	Number of companies	% companies without SWs	% companies with < 10 SWs	% companies 10-100 SWs	% companies with > 100 SWs
24.1	970 (100.00)	18.56	35.57	37.11	8.76
24.2	46 (100.00)	6.52	15.22	63.04	15.22
24.3	1,065 (100.00)	16.24	49.01	31.27	3.47
24.4	620 (100.00)	20.32	23.06	36.94	19.68
24.5	1,605 (100.00)	27.04	48.54	21.74	2.68
24.6	1,551 (100.00)	25.15	43.46	28.05	3.35
24.7	47 (100.00)	0.00	14.89	59.57	25.53
Total of the sector	5,904 (100.00)	22.12	41.95	29.86	6.06

Source: Istat, 8th National Statistical Census on Industry and Service, 2001

Istat Labour force survey shows a progressive decline in the total number of workers in the sector, from 302,100 in 1973 to 224,900 in 1996, then a small increase to 242,500 in 1999, followed by a further decrease to 235,800 in 2003. In the same period, the number of salaried workers (SWs) gradually declined from 299,300 to 225,200. According to the Census on Industry and Service, in 2001 regular workers in the sector were 215,909, 91.8% of which were SWs, 3.9% independent and 4.3% non-standard workers. In detail, workers with a non-standard contract were 9,190, amongst which 5,182 so-called "coordinated freelance workers" and 4,008 temporary workers. Most workers (68.4%) and especially SWs (about 72%) are in companies employing more than 100 SWs. The proportion of non-standard workers grows as the companies get larger. In particular, 48.2% of them are employed in companies with more than 100 SWs and 35.6% in companies employing from 10 to 100 SWs. As for independent workers, 48.1% of them are employed in companies with less than 10 SWs, 31.2% in companies with 10-100 SWs, 15.4% in individual companies, and only 5.3% in companies with over 100 SWs. The larger proportion of non-standard workers (7.2%) is to be found in the manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations. In this sub-sector, there is also a significant proportion of independent workers (8%).

Workers

Sub-sectors (NACE code)	Number of workers	Number of SWs	Number of SWs / number of SWs in the country (%)	Number of SWs in companies with <10 SW / number of SWs in the sector (%)	Number of SWs in companies with 10-100 SWs / number of SWs in the sector (%)	Number of SWs in companies with >100 SWs / number of SWs in the sector (%)
24.1	51,153	48,615	0.35	0.55	4.85	19.12
24.2	2,277	2,142	0.02	0.01	0.52	0.55
24.3	21,769	19,223	0.14	0.74	4.32	4.64
24.4	73,861	69,581	0.50	0.24	4.32	30.54
24.5	29,827	25,302	0.18	0.95	4.30	7.50
24.6	29,451	25,970	0.19	0.95	5.87	6.28
24.7	7,571	7,423	0.05	0.02	0.37	3.36
Total of the sector	215,909	198,256	1.42	3.47	24.54	71.99

Source: ISTAT, 8th National Statistical Census on Industry and Service, 2001

Number of workers: salaried, independent, coordinated freelance, temporary
SWs in the country: salaried workers employed in private companies amount to 13,924,734

As for the gender split, women employed in the sector represent only 28.6% of the total, whereas men account for 71.4%. A higher proportion of female workers is to be found in the manufacturing of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations (43.1%), and in the manufacture of pharmaceuticals, medicinal chemicals and botanical products (38.1%). It is, however, considerably lower in the manufacture of basic chemicals (15.4%), and above all in the manufacture of man-made fibres (13.8%).

Job losses and increasingly flexible contracts have reduced the number of non-regular workers since 1992. According to Istat, in 2002 they were about 12,600 (5.3%). There are no specific data on the estimated importance of the underground economy¹⁹⁹. A recent Federchimica (2004a) survey on wages in the chemical industry²⁰⁰ shows that 45.8% of employees are white-collars, 40.1% blue-collars, 12.4% managers, and 1.7% technical specialists²⁰¹. Monthly average income per person in the sector varies from 3,085 euro of managers to 1,494 euro of blue-collars²⁰², and from 2,193 euro in the pharmaceutical sector to 1,611 euro in the chemical fibres industry²⁰³. According to data on competitiveness provided by Istat, in 2002 the annual gross wage per person in the whole sector was 31,500 euro, which is 58.29% higher than the average at the national level (19,900 euro) and 52.17% higher than the average in industry (20,700 euro). No data are provided for qualifications level. Another recent Federchimica (2005b) survey on 275 chemical companies, employing a total number of 67,771 workers, shows that at 2003, December the 1st, 91.8% of workers had open-ended contracts, 2.6% fixed-term, 1.9% work/training²⁰⁴, 1.4% temporary work, and 0.2% apprenticeships²⁰⁵, while 2.1% were freelance workers. As for part-timers, they were only 3.1% of total employment in the sector. Women represented 92.3% of part-time employment, and only 25.2% of standard employment. The proportion of workers under open-ended contracts falls to 37.9% of total hirings in 2003, whereas fixed-term workers increase to 31.1%, temporary workers to 12.3%, workers under a CFL to 11.5%, and freelance workers to 6.1%. Only 1.5% of total hirings in 2003 were part-timers.

The Italian chemical industry is concentrated in several local clusters of large and medium-sized companies (so-called "chemical poles"), and of SMEs in some Northern areas. Companies of chemical poles are facing a crisis and undertaking a process of restructuring and downsizing, often with closures and staff redundancies²⁰⁶. On the other hand, SMEs show a fair degree of dynamism, despite persisting difficulties which are preventing them from growing and developing. At sub-sector level, according to Federchimica (2004b), the basic chemical industry has grown at a substantial rate during the last two years. In particular, organic basic chemicals showed good performance, as a direct effect of the upturn in international demand, due to a sudden increase of Asian (especially Chinese) industrial production. Also the fertiliser industry, boosted by a competing strategy based on the development of innovative products, displayed significant growth in production. Other agrochemical products registered an increase in the sales volume, accompanied by a decrease in production. As for the other sub-sectors, the weakness of internal demand led to a stagnation in the paints and varnishes industry, while the production of industrial gases has been curbed by the high costs of energy. Lastly, there are signs of stagnation also in the pharmaceuticals industry, while the production of textile synthetic fibres is facing a real structural crisis.

¹⁹⁹ Istat estimates the size of the underground economy on the basis of non-regular employment. Unfortunately, sector data on this topic are rarely available.

²⁰⁰ It includes the following sub-sectors: fibres; organic and inorganic basic chemicals; soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations; industrial gases; paints, varnishes and similar coatings, printing ink and mastics; pharmaceuticals, medicinal chemicals and botanical products.

²⁰¹ The system of job classification is characterised by the harmonisation of staff/white-collar workers and manual/blue-collar workers as well as professionals and managers into a single hierarchical scale.

²⁰² As for white-collar workers and technical specialists, it is 1,923 and 1,672 euro respectively.

²⁰³ As regards the other sub-sectors, it is: 1,810 euro in organic and inorganic basic chemicals; 1,842 euro in industrial gases; 1,889 euro in paints, varnishes and similar coatings, printing ink and mastics; 2,103 euro in soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations.

²⁰⁴ The so-called "*contratto di formazione e lavoro*" (CFL) was introduced by Law no. 863/84, modified by Laws no. 451/94 and 196/97. In the private sector, it has been recently transformed by Law Decree no. 276/03 into "*contratto d'inserimento*" (work-entry contract).

²⁰⁵ Introduced by Law no. 25/55, modified by Laws no. 56/87 and 196/97, apprenticeship has undergone a wide reform with Law Decree 276/03, modified by Law Decree 251/04.

²⁰⁶ The Italian chemical sector is running the highest commercial balance deficit among all developed countries, equal to over eight billion euro in 2002, 90% of which is attributable to basic chemicals (Osservatorio per il settore chimico, 2004). In a long period perspective, this would make it nearly impossible for smaller and less competitive chemical poles to survive.

2. REPRESENTATIVE ORGANISATIONS AT THE NATIONAL LEVEL

As far as negotiation and consultation are concerned, the lack of the ordinary law ex art. 39 of the Constitution makes the representation system highly informal and uncertain²⁰⁷ (also on the employers' side), based only on mutual recognition.

Trade union organisations are free associations. Membership fees are the main financial source, even if almost all the trade unions also receive public funds. As a consequence, trade union financial assets derive from both membership dues and State contributions. The former constitute the trade unions' patrimony, and are submitted to general financial laws. The latter are connected to their tax and patronage services, which require a consistent organisational structure, and therefore imply State evaluation of trade unions' consistency. Internal financial distribution may differ from one organisation to another. In any case, funds are granted to all structures.

Information on the number of employees working for the representative organisations is rarely available. In general, trade unions benefit from the services not only of their employees, but also of other human resources, such as volunteers and works councils' delegates. The latter are not trade unions' employees: they remain employed within their original firms, as they can have temporary or full leave. Sector organisations are often reluctant to give information on their staff. Therefore, there are no specific data on the organisations operating in the chemical sector.

2.1. Trade unions

Work representation in Italy is both horizontal and by sector: sector federations are, nevertheless, structures of general trade unions. Despite the fact that sector federations have autonomy in collective bipartite negotiations, they usually behave according to inter-federal strategies, especially in the field of social and industrial relations policies. Sector federations of the most representative trade unions (FILCEA-CGIL, FEMCA-CISL and UILCEM-UIL) are the dominant players within the sector. They have a sort of "oligopoly", as in most cases they are the only signatories of collective agreements. Moreover, they represent the only successful case of unions' unity. In fact, the Unitary Federation of Chemical Workers (FULC) has represented the three main sector federations since 1972. In fact, FULC shows more the unity of action than a real organisational unity as per the FLM²⁰⁸ model. As a matter of fact, the three sector federations continue to exist and sign collective agreements, even separately. In July 2004, an unexpected worsening of the relationships between FILCEA, on the one side, FEMCA and UILCEM, on the other side, led to the formal interruption of this unity of action. Since March 2005, the three organisations are working to resume it.

a) FILCEA-CGIL (Chemical and Allied Workers' Union, Federazione Italiana Lavoratori Chimici e Affini)

FILCEA is the most representative trade union in the sector. It recruits employees from all types of industrial company, SMEs, and craft companies of the following sub-sectors: chemicals; chemical fibres; pharmaceuticals; ceramic goods; rubber and plastic materials; glass; thermion valves or tubes; ceramic tiles; energy and petrochemicals; tanning. It represents also employees in R&D, as well as in service activities related to these sub-sectors. On 2004, January the 14th, FILCEA and FNLE, the Energy Workers' Federation of CGIL, merged into FILCEM, the newborn Federation of Italian Chemicals, Energy and Manufacturing Workers, representing about 170,000 employees and which is signatory to fifteen industry-wide agreements. The merger process is only at the national level, and thus FILCEA still exists. The CGIL Directive Committee Meeting of 2004, July the 17th decided to complete this merger process before the CGIL Congress of 2006.

b) FEMCA-CISL (Energy, Fashion, Chemicals and Allied Industries Federation, Federazione Energia, Moda, Chimica e Affini)

A merger strategy had previously been pursued by CISL, in 2001, with the creation of a wide federation, signatory of more than thirty industry-wide agreements: FEMCA. It is currently structured into six sector groups: Energy and Resources; Chemical/Pharmaceuticals; Chemical products; Textiles-Clothing; Tanning-Leather-Footwear; Small businesses-Handicrafts and allied sectors. FEMCA gathers together all types of employees, as well as professionals and managers, who are organized separately by *ad hoc* co-ordinating bodies (Coordinamenti). The merging process is still ongoing: at the 1st National Meeting (held in Bellaria on 2003, October the 29th) it was decided to include also FLAEI (the Electricity Workers' Union), even if this is not yet occurred.

²⁰⁷ Law Decree no. 396/1997 represents an exception only for the public sector.

²⁰⁸ The Unitary Federation of Metalworkers started in 1972 and finished in 1984.

c) UILCEM-UIL (Union of Italian Chemicals, Energy and Manufacturing Workers, Unione Italiana Lavoratori Chimica Energia Manifatturiero)

UILCEM, the sector union of UIL, was born on the 26th March 1999 out of the merger of UILCER (the Union of Italian Chemicals, Energy and Resources Workers) and UILSP (the Union of Italian Public Services Workers). It gathers together all types of employees in the following sub-sectors: chemicals, pharmaceuticals, insulating fittings, and mine; energy, petrochemicals, engineering, and services; manufacturing SMEs (rubber and plastic materials; glass; tanning; ceramic, ceramic tiles, and allied products); electricals; water and gas; handicrafts (rubber and plastic materials; glass; tanning; ceramic, ceramic tiles, and allied products). UILCEM signs fifteen CCNLs.

A few other less important trade unions take part actively in the sector social dialogue. On the one side, the sector federations of the centre-right-wing UGL (formerly CISNAL) and of the autonomous Confail (UGL Chimici and FAILC respectively) play an active (although marginal) role in collective bargaining within the sector. In such a sense, they are fully recognised by the dominant players, even though their influence on negotiations at sector level is actually slight. On the other side, FIALC-CISAL and Federmanager represent very singular cases.

d) UGL Chimici (UGL Federation of Italian Chemical Workers)

UGL Chimici is a sector federation of UGL, the centre-right-wing General Workers' Union. UGL was founded in 1950, originally as CISNAL (the Italian Association of National Workers' Unions). In 1996, CISNAL was definitively transformed into UGL. UGL is a minor confederation representing all types of employees in a variety of sectors, even though it is strongly representative only in the public sector and in some regions (for example, Latium). In the chemical industry, the representativeness of UGL is supposed to be of a slight significance. UGL is not affiliated to European or international associations.

e) FAILC-Confail (Autonomous Federation of Italian Chemicals Workers, Federazione Autonoma Italiana Lavoratori Chimici)

FAILC is a sector federation of the autonomous Confail. The role of FAILC is particularly important in some sub-sectors, such as pharmaceuticals, especially at company level. It appears that it is not very representative of the other sub-sectors. FAILC is not affiliated to European or international associations²⁰⁹.

f) FIALC-CISAL (Italian Autonomous Federation of Chemical Workers, Federazione Italiana Autonoma Lavoratori Chimici)

FIALC, the sector federation of the autonomous organisation, CISAL, is not recognised at national level by CGIL, CISL, and UIL, as being representative, at all, within the sector²¹⁰. For this reason, FIALC has signed the 2002 CCNL for chemical industrial companies separately with Federchimica and Farmindustria. CISAL, which was founded in 1957, is nowadays, active in several sectors and represents all types of workers, although its representativeness is often questioned by the experts. CISAL is affiliated to the European Confederation of Independent Trade Unions.

g) Federmanager (National Federation of Industrial Company Managers, Federazione Nazionale Dirigenti di Aziende Industriali)

Federmanager is a national association which represents about 80,000 managers employed in small, medium-sized and large companies operating in all economic sectors. It was founded in 1944 as National Association of Industrial Company Managers. In 1946, it was definitively transformed into the National Federation of Industrial Company Managers (FNDAL) and, together with three other sector associations of managers, formed CIDA, the Confederation of Managers. Since 2000, the acronym Federmanager is used in place of the traditional abbreviation FNDAL. Among other things, it promoted the transformation of INPDAL²¹¹ into a public law institution, and the creation of several funds, such as FASI²¹², Previndai, Previndapi²¹³, and Assidai²¹⁴.

²⁰⁹ FAILC representatives complain about the high cost of membership.

²¹⁰ Actually, FIALC representatives complain that CGIL, CISL, and UIL usually recognise CISAL at company, local, and even inter-sector level, but not at sector level. Furthermore, they declare themselves favourably disposed to take part in sector bargaining together with the three main confederations. After all, the relationships between the minor trade unions and the main confederations are quite good.

²¹¹ Istituto Nazionale di Previdenza per i Dirigenti di Aziende Industriali – National Institute of Social Insurance for Industrial Company Managers.

²¹² Fondo Assistenza Sanitaria Integrativa – Supplementary Health Insurance Fund.

²¹³ Fondo Pensione per i Dirigenti della Piccola e Media Industria – Supplementary Pension Fund for Small and Medium-sized Company Managers.

²¹⁴ Fondo di Assistenza per Dirigenti, Quadri e Consulenti – Supplementary Health Insurance Fund for Executives, Professionals and Managerial Staff.

Trade Unions

Organisation		Type of SWs	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Federazione Italiana Lavoratori Chimici e Affini (FILCEA)	Chemical and Allied Workers' Union	all	126,774*	ND*	ND*	yes	CGIL ^[1]	-	EMCEF	ETUC	ICEM	ICFTU
Federazione Energia, Moda, Chimica e Affini (FEMCA)	Energy, Fashion, Chemicals and Allied Industries Federation	all	136,098**	55,670	25.8	yes	CISL ^[2]	-	EMCEF ETUF EPSU	ETUC	ICEM ITGLWF ISP	ICFTU
Unione Italiana Lavoratori Chimica Energia Manifatturiero (UILCEM)	Union of Italian Chemicals, Energy and Manufacturing Workers	all	80,184	about 23,000	about 10.6	yes	UIL ^[3]	-	EMCEF	ETUC	ICEM	-
Federazione Nazionale Dirigenti di Aziende Industriali (Federmanager)	National Federation of Industrial Company Managers	managers	about 80,000	about 14,000***	ND***	yes	CIDA ^[4]	-	FECCIA	CEC	FICCIA	CIC
UGL Chimici	UGL Federation of Italian Chemical Workers	all	ND	ND	ND	yes	UGL ^[5]	-	-	-	-	-
Federazione Italiana Autonoma Lavoratori Chimici (FIALC)	Italian Autonomous Federation of Chemical Workers	all	about 10,000	about 6,000	about 2.8	yes	CISAL ^[6]	-	-	ETUC	-	-
Federazione Autonoma Italiana Lavoratori Chimici (FAILC)	Autonomous Federation of Italian Chemicals Workers	all	12,305****	ND****	ND****	yes	Confail ^[7]	-	-	-	-	-

Source: direct contacts with each organisation (data updated to 2004)

NB. Density is calculated on the basis of 2001 data on employment, and therefore might be under/overestimated, depending on the recent sector trends

* FILCEM (FILCEA added to FNLE) counts 167,585 members, and therefore is the most representative trade union in the sector. Disaggregated data are currently not available

** FEMCA counts a total number of 136,098 members (Basic chemicals: 26,214; Manufacture of chemical products: 29,456; Energy: 15,566; Others: 64,862)

*** Data updated to 2003. Statistics include: chemicals; petrochemicals; rubber and plastic. For this reason, density can not be calculated. Nevertheless, data provided by Federmanager have been questioned by some interviewees, since the proportion of managers to the total number of workers in the sector has been estimated at 4%, which is to say about 8,000 individuals, of whom only a part are supposed to be affiliated to Federmanager

**** Data updated to 2003. Statistics include: chemicals; ceramic; rubber and plastic; industrial gases; electric materials; and allied products. Membership data have been questioned by some interviewees. Disaggregated data are not available

[1] Confederazione Generale Italiana del Lavoro – General Confederation of Italian Workers

[2] Confederazione Italiana Sindacati Lavoratori – Italian Confederation of Workers' Unions

[3] Unione Italiana del Lavoro – Union of Italian Workers

[4] Confederazione Italiana dei Dirigenti di Azienda e delle Alte professionalità – Confederation of Managers

[5] Unione Generale del Lavoro – General Workers' Union

[6] Confederazione Italiana Sindacati Autonomi Lavoratori – Italian Confederation of Autonomous Workers' Unions

[7] Confederazione Autonoma Italiana del Lavoro – Autonomous Confederation of Italian Workers

2.2. Employers' associations at the national level

Employers' associations are usually inter-sector and have many vertical structures: employers usually join their local associations and, through them, the national one. The sector organisations sign the three wide-ranging CCNLs, according to the size of the firm.

a) Federchimica (Italian Federation of the Chemical Industry, Federazione Nazionale dell'Industria Chimica)

Founded in 1920 as Italian Federation of Chemical Industrials' Associations, in 1945 it became the Italian Association of the Chemical Industry, and in 1984 was definitively transformed into the Italian Federation of the Chemical Industry. It represents mainly industrial companies (such as MNCs and larger companies) as well as SMEs of the chemical sector, but also companies producing liquefied petroleum gases, plastic, and ceramics. It currently has about 1,350 member companies with about 103,000 employees. It has eighteen sub-sector associations, subdivided into forty-seven branches. Furthermore, it has eight controlled and joint-stock companies, a total amount of almost three million euro in share capital.

b) Farmindustria (Italian Association of the Pharmaceutical Industry, Associazione Nazionale dell'Industria Farmaceutica)

Founded in 1978, it organizes about 240 industrial companies (both large companies and SMEs, but not smaller companies) with about 73,000 employees.

c) Unionchimica (Italian Association of Small and Medium-sized Chemical Industries, Unione Nazionale della Piccola e Media Industria Chimica, Conciaria, Materie Plastiche, Gomma, Vetro, Ceramica e Prodotti Affini)

Founded in 1974, it represents SMEs affiliated to local Associations of Small and Medium-sized Industries (APIs). Unionchimica represents about 3,430 companies in the chemicals, rubber and plastic, glass, ceramic, and ceramic tiles industries; 1,300 of these are specifically chemical companies. It is structured into a national union, local sections set up within the APIs, and product groups. The activity of the current three product groups (Agrochimica, ISAV, and ATRIP), mainly aimed at studying and making proposals on sector issues, is financed by the members.

Craft associations Confartigianato, Assomeccanica-CNA, and the autonomous Casartigiani and CLAAI are the main organisations in collective bargaining within the chemical sector. Assomeccanica is the only sector association signing the CCNL for chemical craft companies. In actual fact, these associations do not appear to be very representative of the sector. In effect, smaller companies often tend to join the Federchimica and Farmindustria CCNL, and thus are not really motivated to join the craft associations.

d) Confartigianato (General Italian Confederation of Artisans, Confederazione Generale Italiana dell'Artigianato)

Founded in 1946, it was originally linked to the Christian Democracy (DC)²¹⁵. It is organized mainly "vertically", so that companies normally join the confederation at local level, directly.

e) Assomeccanica-CNA (National Mechanical Engineers' Association, Associazione Nazionale Meccanica di Produzione)

Assomeccanica, a sector federation of CNA, represents about 26,000 craft companies, mostly sub-contracting companies, in the mechanical engineering, chemicals, rubber, and plastics industries. CNA, the National Confederation of the Craft Sector and Small and Medium Enterprise, was founded in 1945 and was originally linked to the left-wing parties.

f) Casartigiani (Independent Confederation of Artisans' Organisations, Confederazione Autonoma Sindacati Artigiani)

Casartigiani was born in 1958 from the split from CNA of its republican and social-democratic components. It is an autonomous confederation which represents craft companies of several sectors organized into eleven sector federations at national level, amongst which there is the National Federation of Chemicals and Plastic. Casartigiani is, however, organised vertically.

g) CLAAI (Confederation of Italian Free Crafts Associations, Confederazione Libere Associazioni Artigiane Italiane)

It is the other autonomous confederation of crafts associations, particularly active in the South of Italy.

²¹⁵ After the dissolution of DC, in 1994, the links with political parties became weak.

Employers' organisations

Organisation		Companies	Density companies	SWs	Density SWs	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	number	%	number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Federazione Nazionale dell'Industria Chimica (Federchimica)	Italian Federation of the Chemical Industry	about 1,350*	about 25.5**	about 103,000*	about 72.5**	yes	Confindustria ^[1]	-	ECEG CEFIC	UNICE	-	-
Associazione Nazionale dell'Industria Farmaceutica (Farmindustria)	Italian Association of the Pharmaceutical Industry	240	38.7***	about 73,000	about 98.8***	yes	Confindustria	-	EFPIA	UNICE	IFPMA	-
Unione Nazionale della PMI Chimica, Conciaria, Materie Plastiche, Gomma, Vetro, Ceramica e Prodotti Affini (Unionchimica)	Italian Association of Small and Medium-sized Chemical companies	about 1,300****	about 22.0****	about 30,000****	about 13.9****	yes	Confapi ^[2]	-		UEAPME	-	-
Confederazione Generale Italiana dell'Artigianato (Confartigianato)	General Italian Confederation of Artisans	ND	ND	ND	ND	yes	intersector	-	UEAPME	-	-	-
Associazione Nazionale Meccanica di Produzione (Assomeccanica)	National Mechanical Engineers' Association	ND	ND	ND	ND	yes	CNA ^[3]	-	-	UEAPME	-	RIOST
Confederazione Autonoma Sindacati Artigiani (Casartigiani)	Independent Confederation of Artisans' Organisations	ND	ND	ND	ND	yes	autonomous, intersector	-	-	-	-	-
Confederazione Libere Associazioni Artigiane Italiane (CLAAI)	Confederation of Italian Free Crafts Associations	ND	ND	ND	ND	yes	autonomous, intersector	-	-	-	-	-

Source: direct contacts with each organisation (data updated to 2004)

NB. Densities are calculated on the basis of 2001 data on companies and employment, and therefore might be under/overestimated, depending on the recent sector trends

* Statistics exclude chemical/pharmaceutical industrial companies. On the other hand, companies producing liquefied petroleum gases, plastic, and ceramic are included.

** Densities are calculated as the proportion of companies/SWs affiliated in the sector to the total number of companies/SWs in the sector, but excluding the chemical/pharmaceutical sub-sector (NACE 24.4). These are very rough estimates and thus have to be taken only as an indication. In fact, companies producing liquefied petroleum gases, plastic, and ceramic, are included in the first term (companies/SWs affiliated in the sector) but not in the second one (companies/SWs in the sector), since it was not possible to quantify the exact number of such companies which are affiliated to Federchimica. For this reason, these data might be slightly overestimated

*** Densities are calculated only on the chemical/pharmaceutical sector (NACE 24.4). It is interesting to notice that the density of companies rises to 68.6% if we consider only companies which are properly pharmaceutical (350). Density of SWs is clearly overestimated, since it is calculated on the basis of 2001 data on employment. In any case, this should be over 90%. The gap between density companies and density SWs can be explained by the fact that Farmindustria represents mainly large companies and SMEs as well, but not smaller companies

**** Data provided by Unionchimica have been questioned by many interviewees. According to FILCEA, the Unionchimica CCNL covers only 5,000 workers. Unionchimica representatives replied that these are about 12,000. Most interviewees confirmed the data provided by FILCEA and stated that the actual representativeness of Unionchimica is supposed to be under 5%. In the end, there are no objective data to confirm/refute the data provided by Unionchimica, even though these seem to contrast with those on representativeness (see the table above)

[1] Confederazione Generale dell'Industria Italiana – General Confederation of Italian Industry

[2] Confederazione Italiana della Piccola e Media Industria – Italian Confederation of Small and Medium-sized Industry

[3] Confederazione Nazionale dell'Artigianato e della PMI – National Confederation of the Craft Sector and Small and Medium Enterprise

3. SOCIAL DIALOGUE IN THE SECTOR AT THE NATIONAL LEVEL

3.1. Tripartite concertation

In September 2002, the Ministry of Trade and Industry (MAP) and FULC, the federation of the most representative trade unions of the sector, jointly set up a special tripartite table for the chemical industry's recovery. The other players involved were: Federchimica, Unionchimica, ENI S.p.A. (the National Hydrocarbon Corporation), on the employers' side; Sviluppo Italia (the national agency for industrial investments' development); and the Joint Sector Observatory (Osservatorio per il settore chimico) set up in 1997. The social partners issued a first document, "Survey of the problems of the Italian chemical industry" (Ministero delle Attività Produttive, 2002), which focused on the main problems: R&D, environment, chemical poles development, infrastructures and transports, energy, and licences. As regards the development of chemical poles, in particular, the central government and local authorities adopted a joint strategy in order to promote local and environmental development through specific "economic planning agreements" (accordi di programma). The first one was set up on the 14th July 2003, for the development of chemical poles in Sardinia. The trade unions representatives interviewed complained of the lack of effectiveness of this joint body. There are no collective agreements which have been signed at this level.

3.2. Bipartite social dialogue

a) *Collective bargaining*

Italian collective bargaining is structured in a two-tier system: a "first level" national collective industry-wide agreement (CCNL), and a decentralised one (regional, provincial or company). The former provides minimum standards concerning pay, working time, working conditions and equal opportunities for women and men. The latter provides for the implementation of the CCNL and mainly addresses variable pay and incentives. As for other sector studies, there are no available data on decentralised bargaining, at the regional, local or company level²¹⁶. In general, there are no obligations to participate in collective bargaining. The first part of the CCNL is "normative", setting general rules in terms of personnel classification, contracts of employment and flexibility, working time and rest periods, and union rights, on the one hand, and the procedures and contents of second level bargaining, on the other. The second part is economic (wages). The normative part lasts four years, while the economic one only lasts for two years.

As pointed out previously, the chemical industry, *strictu sensu*, is currently covered by three wide-ranging CCNLs, whose application is dependent on the firms' size:

a) The CCNL for chemical industrial companies was signed on 2002 by two sector federations affiliated to Confindustria (Federchimica and Farmindustria), and FULC. It will last until the 31st December 2005. According to the FILCEA-CGIL, this CCNL covers about 180,000 employees, both blue and white collars, as well as professionals and managers employed in a wide range of manufacturing sectors. This makes it the main industry-wide agreement in the sector. In effect, its actual coverage goes beyond the original jurisdiction according to the size of firm, and it applies to a large number of SMEs and craft companies as well. The main features of the agreement include, among others: detailed provisions on sector social dialogue at company²¹⁷ and group²¹⁸ level; a further regulation of Fonchim, the Complementary Pension Fund for Chemical and Pharmaceutical Employees set up in 1995; the creation of the Supplementary Health Insurance Fund for Chemical Employees (set up on 2003, September the 30th and named Faschim); the creation of a national joint body for vocational training, and detailed provisions on vocational training (such as an obligation to sign a "training agreement" for employees who wish to participate in vocational training²¹⁹, and the possibility of participating in special training

²¹⁶ Company-level bargaining is mainly focused on performance-related pay. According to Federchimica (2005a), this represents about 3.8% of the salary.

²¹⁷ The CCNL refers specifically to companies with more than 100 employees.

²¹⁸ An "industrial group" is defined as "a particularly important industrial complex, which is organised in a number of production units located in several geographic areas of the country, and has a significant influence within the sector, as being strategically linked to the development of national economy" [own translation].

²¹⁹ The so-called "patto formativo" is an individual agreement whereby the employer allows an employee to take part in continuing vocational training and thereby he/she agrees to modify its contractual terms.

courses without signing an agreement); specific regulations on health, safety and environmental issues (concerning also the role of RSUs²²⁰ and company environmental committees)²²¹. Following the 2002 CCNL, the signatories reached five important agreements: the Agreement establishing Faschim (2003, July the 29th); the renewal of the economic part of the CCNL (2003, December the 17th); the Agreement on Responsible Care (2004, January the 29th); the Agreement on working time and labour market (2004, May the 28th); the Agreement on vocational training (2004, October the 13th).

The 2002 CCNL, as well as the Agreement establishing Faschim and the Agreement on working time and labour market, were signed by other less important trade unions. UGL Chimici and FAILC-CONFIAL are signatories together with the main players, since they are fully recognised and thus take part actively in sector social dialogue. FIALC-CISAL has only signed the CCNL and the Agreement establishing Faschim, but separately with Federchimica and Farmindustria, since it is not recognised by CGIL, CISL, and UIL.

b) The CCNL for chemical SMEs was signed by Unionchimica and FULC. Its validity, originally from the 22nd July 1998 to December 31st 2001 was extended until December 31st 2002 as a consequence of the 2001 Agreement on the unification of Unionchimica CCNLs. As a matter of fact, "political" divergences among trade unions did not allow the signature of a unified CCNL or even a procedural agreement. Therefore, the CCNL was renewed on March 2nd 2004 and will be in force until December 31st 2005 (covering the period from 2002, January the 1st to 2005, December the 31st). According to FILCEA, this CCNL covers about 5,000 employees²²² of Unionchimica's member companies. As regards the contents of the renewal agreement, they include: detailed provisions on sector social dialogue at the regional and local as well as company²²³ and group²²⁴ level; provisions on contract work and decentralisation of production, relating to information exchange between management and RSUs; a new regulation of working time for shift workers; basic pay increases; specific regulations relating to sickness absence due to occupational illness and accidents at work, and work environment (mainly concerning the role of the RLS²²⁵).

c) The CCNL for chemical craft companies, was signed on the 19th December 1994, by Confartigianato, Assomeccanica-CNA, Casartigiani, and CLAAI, on the employers' side, and FULC. It was renewed on the 11th July 2000, and expired on the 30th September 2004. According to FILCEA, this CCNL covers about 15,000 employees. The former agreement set general rules concerning: industrial relations and collective bargaining; vocational training; working time, over-time and rest periods; wages; fixed-term contracts and part-time work; occupational illness and accidents at work; sexual harassment and parental leave. In addition, it provided a unified personnel classification. The renewal agreement introduced further rules increasing working time flexibility, and the regulation of Artifond, the National Complementary Pension Fund for Artisans.

Actually, two other national collective agreements (not industry-wide, but inter-sector), applying specifically to executives and managerial staff, refer also to the chemical industry. Both agreements were promoted and signed by Federmanager, the National Federation of Industrial Company Managers, on the trade unions' side. First, an agreement for industrial managers was signed on the 23rd May 2000. On the employers' side, it was signed by Confindustria. The renewal agreement signed on the 24th November 2004, by the same organisations was considered a very innovative agreement by the parties. The most important provisions, newly introduced are: a reform of the pay system; increases in contributions to Previndai, the Supplementary Pension Fund for Industrial Managers; and greater financial assistance to redundant managers. Secondly, an agreement for small and medium-sized company managers was signed on the 25th July 2000, and renewed on the 21st December 2004. Confapi is the signatory employers' organisation. The number of companies and managers covered by each of these collective agreements is uncertain. Federchimica estimated that, in 2003, the total number of managers (including executives, professionals and managerial staff) in the chemical sector were about 35,900. Actually, the Federmanager collective agreements only refer to executives. According to Federchimica, these represent only about 4% of the whole workforce in the sector.

²²⁰ Rappresentanze Sindacali Unitarie – Unitary Workplace Representative Structures.

²²¹ With regard to health, safety and environmental problems, the employers agreed to get in line with international and EU standards, such as ISO 14000, EMAS (Eco-Management and Audit Scheme), and Responsible Care scheme.

²²² According to Unionchimica, these are about 12,000.

²²³ The agreement refers specifically to firms with more than 80 employees.

²²⁴ The agreement gives a different definition of "industrial group", that is "an industrial complex, which is organized in a number of production plants operating under a single management and employing a totality of over 160 employees" [own translation].

²²⁵ Rappresentante dei Lavoratori per la Sicurezza – Safety Representative.

b) Extension procedures

Article 39 of the Italian Constitution states that a collective agreement is automatically extended to all employees (*erga omnes*), whenever it is signed by representative bodies in which "registered" trade unions are represented in proportion to their numerical strength. If this Article 39 is not implemented, the extension *erga omnes* becomes impossible, even if, in practice, the courts often provide *erga omnes*, especially for pay issues.

4. COMMENT

The chemical industry is undergoing a long-term crisis. In the case of chemical textile fibres, it would even be accurate to talk about a "structural" crisis. Considering the weight of the sector within the national economy, social partners and the central government have enhanced the sector social dialogue by "institutionalising" tripartite concertation. The climate of industrial relations in the chemical sector is generally positive, even if in other sectors and/or at the inter-sector level there have been difficulties. In fact, the renewal of the CCNLs did not pose particular problems and led to very innovative solutions (for examples, Fonchim and Faschim). With regard to the structure of collective bargaining, three industry-wide agreements cover a variety of economic sectors, amongst which the chemical industry is the leading sector. In recent years, there is a clearly recognisable tendency towards the merging of CCNLs referring to all sectors related to chemicals. As a consequence, the CCNLs take the form of extensive agreements covering a wide economic area. Such a tendency is a mirror image of the situation in workers' interest representation in the sector, which is characterised by the presence of "encompassing" organisations resulting from mergers of the sector federations of chemical and energy workers. Another important peculiarity of workers' representation in the chemical industry is the experience of FULC, which represents the only successful case of union unity in Italy. Another singular feature is represented by the agreements for trans-national cooperation between Italian and foreign trade unions of the chemical sector: first, the agreement between FULC and the German IG-BCE, concluded in 2001; secondly, an agreement between FEMCA, the Spanish FIA-UGT, and the French FCE-CFDT, signed in 2003. However, both workers' and employers' associations take part "actively" in the sector social dialogue at the European level. In conclusion, with regard to the participants' positions with regard to future developments in the social dialogue in the sector, the three main trade unions recognise the key-role of ETUC and of the European sector federations. As regards the Italian situation, they seem to agree on the importance of resuming the unity of action, but having redefined the rules. They also stress the importance of the role of the Government in fostering and supporting *ad hoc* industrial policies for the chemical industry's recovery.

LATVIA

1) DESCRIPTION OF THE SECTOR'S CHARACTERISTICS

1.1. Delimitation and scope of activities in the sector

The definition of what makes up the chemical industry in Latvia differs from what it is in Europe. It is broader in Latvia includes not only the manufacture of the chemicals, but also the manufacture of coke, refined petroleum products, nuclear fuel and the manufacture of rubber and plastic products. Thus, in addition to the NACE sector 24, also included are the sectors 23 "Manufacture of coke, refined petroleum products and nuclear fuel" and 25 "Manufacture of rubber and plastic products"²²⁶. The expert does not believe there is any subdivision between activities and branches included in the sector from the point of view of the collective bargaining versus the statistical point of view.

1.2. Socio-economic features of the sector

Overall, the chemical industry is rather small in Latvia and only few large companies represent it internationally. The main factor has been the inability of domestic producers to increase their sales in developed countries. A major issue of concern in the chemical sector has been low levels of capacity utilisation. In 2003, capacity utilisation was only 62% of normal levels. However, producers expect an increase in the amount and volume of orders in the future that might bring capacity utilisation to its regular level. In a survey of the chemical industry undertaken in January 2003 by the Republic of Latvia Ministry of Economics 48% of the firms surveyed reported that they suffer from insufficient domestic demand. However, relatively few managers were concerned about a shortage of skilled labour (only 7%). As compared with other industry sectors, in Latvia chemical manufacturers are especially concerned about competitive imports from more developed and specialised chemical industries abroad. Indeed, Latvian firms in the industry face tough competition from foreign enterprises, which in many cases are more developed, equipped with the latest technologies and can afford research and innovations to enhance productivity. In addition, these enterprises usually have a long history, experience, scientific groundwork and their own niche in world market. The relatively cheap labour force in Latvia cannot fully compensate for the lack of these factors in Latvian chemical enterprises.

The chemical industry in Latvia has long standing and stable traditions, with a well-qualified workforce and a well developed research base. Growth of the industry has been variable and periods of slowdown can be observed. For example, after significant production growth in year 2002, in 2003 growth indicators have decreased. However, in the first three quarters of 2004 total volumes of manufacturing industry in Latvia have increased by 6.2% and the highest growth rates were observed in chemical industry- around 25%²²⁷. The share of the chemical sector within manufacturing industry in 2004 constituted 5.7%²²⁸. The value added per worker in 2002 in the chemical sector was 7.6 thousand Euros ²²⁹, which was the best indicator in all of manufacturing (on average it was 6.4 thousand Euros. This probably reflects the relative capital intensity of the sector.²³⁰ Non-financial investments in the chemical industry in 2003 was about 21.7 million Euros and or just over 2.9 thousand Euros for every person employed (in 2002 this indicator was only 1.9 thousand Euros. During the year 2002 the volumes of chemicals output increased by 15.5%, but in 2003 the output of the sector in Latvia decreased by 5.1%. Exports of the chemical sector are almost equally allocated between Latvia's main trading partners. The weight of exports in the output of the chemical industry was 63% in 2002 and nearly 61% in 2003.²³¹

The sector has broad spectrum of products for both final and intermediate consumption. The distribution of chemical industry turnover by sub-sector (2004²³²) shows that the highest activity is observed in the Rubber and Plastics sub-sector (48%), followed by the Pharmacy and Medicinal chemicals sub-sector (24%), other activities (13%), the paints, varnishes and similar coatings, printing ink and mastics (10%) and finally, basics chemicals (5%).

²²⁶ Republic of Latvia Ministry of Economics- www.em.gov.lv.

²²⁷ Republic of Latvia Ministry of Economics- www.em.gov.lv.

²²⁸ Association of Latvian Chemical and Pharmaceutical Industry Producers (ALCPIP) provided data.

²²⁹ For this calculation and others author we use the exchange rate of 0.7 LVL/EUR, at which Lat was fixed to the Euro on 31st December 2004;

²³⁰ Statistical Bureau of Latvia- www.csb.lv.

²³¹ Republic of Latvia Ministry of Economics- www.em.gov.lv;

²³² Based on Association of Latvian Chemical and Pharmaceutical Industry Producers (ALCPIP) provided data.

The number of enterprises, whose main field of activity was in chemicals was 306 in 2004. 59% of all firms employed less than 10 salaried workers, just over 35% of all firms employed 10-100 workers. And only just over 6% of enterprises had more than 100 staff. Only 3 of them had more than 250 employees.²³³ None of them is public and all are privately owned. These three are the internationally well known pharmaceutical companies "Olainfarm" and "Grindeks" and also the perfumery and cosmetics company "Dzintars", which are joint stock corporations. It is more characteristic of the Latvian chemical industry enterprises to specialise in a unique product and take their niche in the Latvian market. Thus, companies do not have direct competitors in domestic markets, but the hardest competition is faced in international markets.

Companies

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
Total of the sector	306	0	55.0	39.0	6.0

Source: ALCPIP, 2004

The number of workers employed in Chemical industry in 2004 was 8,522 or around 5% of the total employed in manufacturing industry or less than 1% of all salaried workers in Latvia. The biggest fraction of them (nearly 55%) was employed in enterprises with more than 100 employees; about 32% of all chemical industry workers were employed in firms with staff from 10 to 100 employees. And just over 9% of workers were employed in small enterprises, where the number of salaried workers was less than 10.²³⁴ According to representative from ALCPIP²³⁵, there are no sector specific characteristics relating to employment, except that, in some cases, workers are subject to higher risk at their work place because they deal with dangerous chemical substances. However, the wages in this sector do not differ much from the overall wage level in the country. The average net monthly salary in Latvia in 2004 was 214 Euros (Central Statistical Bureau of Latvia data).

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
Total of the sector	8,522	8,522	0.83	9.2	36.1	54.7

Source: ALCPIP, 2004 and Central Statistical Bureau of Latvia, 2004, author's calculations

Since chemicals production has to meet quality standards to come to market and to make consumers buy it, as well as the fact that production of chemicals requires heavy and expensive technical utilities, then the author can only intuitively anticipate that the share of the underground economy must be small. However, none of the organisations could provide their estimates of the importance of the underground economy.

The biggest evolution for producers in Latvian chemical industry lately was entering European market as fully fledged EU members, since Latvia joined the EU on 1st May, 2004. This led to quite substantial changes in the operation of the whole economy as well as in the chemical sector. Chemical producers have different evaluations of the first year as an EU member country. Some benefits as well as some disadvantages became apparent. The main benefits are: the EU market is open for Latvian chemical producers, there is a predictable legislative environment and it is a good basis for attracting foreign direct investment and there is the possibility of acquiring EU financial support for innovative ideas and for educational programs in modern chemistry. Chemical producers consider that some future drawbacks could include: import duties and tariffs for raw materials imported from third countries are forecast to rise in the future and some of the anti-dumping measures that the EU plans to initiate against third countries might negatively influence supplies of raw materials and thus production of chemicals and the competitiveness of Latvian

²³³ Association of Latvian Chemical and Pharmaceutical Industry Producers (ALCPIP) provided data.

²³⁴ Association of Latvian Chemical and Pharmaceutical Industry Producers (ALCPIP) provided data.

²³⁵ Actually three biggest companies in chemical sector in Latvia- "Grindeks", "Dzintars" and "Olainfarm" that were described previously are members of ALCPIP. In addition to domestic enterprises ALCPIP members are many international companies' representatives in Latvia, for example, Henkel, Loreal, Procter&Gamble, Vivacolor and others. However, data is available for the overall chemical sector only and was provided by ALCPIP, but data for these particular companies unfortunately is not available.

chemical producers. There are also substantial differences in average monthly salary between Latvia and old European countries, which might induce workers to emigrate to more developed EU countries. Some technical barriers still prevent enterprises from entering the European market, especially when it comes to small and medium size enterprises. Latvian government institutions lack experience and capacity to make realistic forecasts regarding the impact of future legislation on the business environment in Latvia and to protect Latvia's interests.²³⁶ An important development in the Latvian chemical sector was the introduction of a 5% ad valorem tax for medicine production and 18% ad valorem tax for imported medicine raw materials on 1st of May 2004. It has put Latvian medicine producers in an uncompetitive position and it increased prices for medicine production in the country by 20% during 2004. The executive director of ALCPIP is confident that the significance of chemical sector in Latvia will increase in the future, but it will be mainly determined by European legislation and requirements. According to her, Europe continues to tighten the environmental protection legislation which is putting domestic producers in a comparatively disadvantageous position compared with those operating in other regions (for example, the US).²³⁷

2. DESCRIPTION OF ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

2.1. Workers Organisation

At the sector level the chemical industry is represented by the Latvian Industrial Sectors Trade Union (LISTU) or in Latvian- Latvijas Industriālo Nozaru Arodbiedrība (LIA). It was established in 1999, uniting the chemical and petrochemical industries and light industry textiles. Today it is a voluntary, legally independent and democratic organisation, which consolidates 7,000 members in 74 Latvian enterprises.

According to representative from LISTU, 7 workers are employed in this trade union. The organisation is financed from membership fees, which is around 20 santims (less than 0.3 EUR) per month for each member. Every large enterprise elects its chairman to the LISTU Committee for 5 years. They represent the interests of workers employed in their companies. The representative from LISTU said that it is difficult to estimate density of the workers represented by the trade union in chemical industry, however, she estimates that in large enterprises such as "Olainfarm" and "Dzintars" almost 90% of employed workers work under CAs. The organisation does not divide its members into white or blue collar, nor into executive or skilled occupations. All members are equally important to the organisation and all have the same rights. Unfortunately, no data is available about the division of members according to the industry in which they work. Thus, it is difficult to estimate what proportion of them belongs to chemicals and petrochemicals and what proportion to light industry sectors.

The trade union participates in negotiations at enterprise level. It gives consultations to enterprises on compiling of CAs. Consultations include legislative and practical issues, which the trade union's members discuss with companies based on their knowledge and experience. According to data provided by the representative from LISTU, it has signed 29 CAs at company level with 29 enterprises in Latvian chemical sector²³⁸. Indeed, the company level is the only level at which LISTU signs CAs.

At present, one more CA project is under discussion. These agreements mainly discuss: general rules (work hours, additional holidays, work safety issues and health protection, hiring and lay-off conditions etc.); wage rates; social guarantees and social protection (health insurance etc.). However, according to representative from LISTU, there are no certain aspects that have to be included in CAs. These agreements are only at enterprises level and thus every enterprise is different and parties (employers and employees) can agree on whichever issues they find to be necessary in their particular case.

Usually, agreements are for a period of 1 year, after which they have to be reviewed and changed if necessary. At the annual conference, representatives from the trade unions and employers meet and submit any changes in the CA they consider to be necessary. A special committee reviews these proposals and gives its verdict as to whether the changes are necessary and should be implemented.

LISTU is a member of two international trade union organisations: on the one hand, it is a member of ICEM and the LISTU chair-person is a member of ICEM Executive committee, representing the northern region. On the other hand, it is a member of ITGLWF. The president of LISTU, Rita Pfeifere, is currently a member of the ITGLWF executive committee representing the Nordic region. The main collaboration partner countries of LISTU are the Baltic countries and Russia. There are also close connections with Swedish trade unions and also other countries' trade unions.

²³⁶ Kirsons M. "Pirmais gads ES ķīmijas nozares skatījumā", Dienas Bizness, 29.04.2005. published at: <http://www.db.lv/online/news.php?aid=45634>;

²³⁷ Kirsons M. "Eiropas likumdošanas cilpa apdraud konkurētspēju", Dienas Bizness, 10.03.2004. published at: <http://www.db.lv/online/news.php?aid=30248>

²³⁸ In fact, this organisation doesn't sign any CA with ALCPIP, but only with the manager of the enterprise, and this for each of the 29 enterprises with which it signed a CA.

They collaborate on common projects which aim to attract new members and involve existing members in training. New contacts with other East European and West European countries are being formed through the international organisations.

Trade Union

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Latvijas Industriālo Nozaru Arodbiedrība (LIA)	Latvian Industrial Sectors Trade Union (LISTU)	All types	7,000	ND ²³⁹	ND	yes	LBAS	-	-	-	ICEM	ITGLWF

*as an observer member.

Source: LISTU (2005)

There are no formal or reciprocal recognition systems on the part of the social partners. For example, ALCPIP representative could not even name the trade union that organises chemical industry workers. And LISTU also confirmed that they do not cooperate with ALCPIP on any social dialogue, or on any other issues.

2.2. Employers' organisation

The Latvian Medicine Producers Association was set up in 1995, uniting the biggest pharmaceutical producers in Latvia. In 2000 by attracting companies to join, which were involved in other chemical sectors, its sphere of activity was broadened. The name of the organisation was changed to the Association of Latvian Chemical and Pharmaceutical Industry Producers (ALCPIP) or in Latvian- Latvijas Ķīmijas un farmācijas uzņēmēju asociācija (LAKĪFA). It is the only employers' organisation in the chemical sector in Latvia.

ALCPIP is a non-profit association, which mainly represents the interests of its members in government, parliament and executive bodies. The experience and competence of the members of the association allows it to formulate common positions for manufacturers and to represent employers in those problem solving activities, which are the most relevant to their field. The main activities of the ALCPIP are: participation in sector business development and the development of its strategies and guidelines, involvement in organisation of professional training for employees, participation in the creation and improvement of legislation and the provision of evaluation of proposals developed by government institutions. It also represents the interests of association members and their protection in central and local government institutions, as well as in relations with trade unions and other organisations. It provides consultation on legislative matters and information about standards in professional, economic and social spheres. It organises protection from unfair competition and initiates industry market research. It organises practical training and experience sharing between its members, seminars, conferences, competitions, training programs to enhance qualification and to promote the Association and its members' work in Latvia and abroad.

ALCPIP members are companies, which function in pharmaceuticals, chemical materials and reagents, rubber and coating articles, detergents and purgation products, cosmetics and consumer goods production and distribution. The Association employs 3 experts and represents 27 enterprises in the Latvian chemical industry. The approximate number of salaried workers covered by the Association is 2,000. However, it is expected that soon, some more enterprises, especially from the pharmaceutical sector will join it. For example, in March the large pharmaceutical enterprise "Olainfarm" will become a fully-fledged member of ALCPIP. After the accession of "Olainfarm" the ALCPIP will represent all three of the biggest chemical companies in Latvia. Thus, it can be inferred that the Association is still growing and developing. The relatively long history of the Association shows its organisational culture and its recognition within the framework of enterprises and government organisations. The ALCPIP is financed partly from membership fees and partially from a European Commission project within the framework of the PHARE program.

ALCPIP does not have the power to participate actively in social dialogue in the chemical industry, in negotiations about collective agreements of its members, nor does it have the ability to sign CAs". However, it takes part in consultations (mainly at sector²⁴⁰ and enterprise levels), which concern mainly legislation issues necessary for entrepreneurs involved in the chemical industry.

²³⁹ Representative from LISTU refused to provide such data.

Social issues are more under authority of the Latvian Employers organisation. In addition, it has the power to participate in the legislation process and tries to use all the possibilities of influencing legislative outcomes as efficiently as possible. Indeed, ALCPIP collaborates with the government through the Latvian Employers Confederation (LEC), which aims to develop tripartite dialogue in the country. When the government is considering some changes in legislation with regard to the chemical sector, LEC usually invites experts from ALCPIP to form a working group to discuss and investigate draft laws. ALCPIP also represents the interests of employers in the Economy Board, which is led by the Ministry of Economics.

ALCPIP is a member of AISE at international level and of COLIPA and ECEG at European level. ALCPIP conducts joint project together with CEFIC financed by PHARE program. The association participates as an observer in CEFIC. Another partner of ALCPIP is ICCA.

Employers' organisation

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Latvian- Latvijas Kimijas un farmācijas uzņēmēju asociācija (LAKIFA)	Association of Latvian Chemical and Pharmaceutical Industry Producers (ALCPIP)	pharmaceutical products, chemical materials and reagents, rubber and coating articles, detergents and purgation means, cosmetics and consumer goods production and distribution	27	2,000	8.8	23.5	no	LEC	-	COLIPA CEFIC* ECEG	-	AISE	ICCA

*as an observer member.

Source: ALCPIP, 2004, author's calculations

3. DESCRIPTION OF SOCIAL DIALOGUE IN THE SECTOR

The social partners active in the chemical Industry sector in Latvia are ALCPIP, representing employers and LISTU, which represents workers.

3.1. Tripartite concentration

There is no sector-specific tripartite concertation for the chemical industry. However, representatives of the chemical industry organisations²⁴¹ participate as experts and consultants when the matters relevant to the chemical sector are considered in the National Tripartite Cooperation Council. Their representatives usually form working groups when relevant matters are considered and give their opinion on changes in legislation etc.

²⁴⁰ Bipartite social dialogue is defined as a process of cooperation and negotiation between employer and trade union representatives. The field of this "sector monograph" covers the CB at different levels of economic activities. However, in this case the employers' organisation, ALCPIP, gives consultations to its member companies. In addition there are no CAs at sector level. Therefore, there are no grounds to believe there is social dialogue at sector level.

²⁴¹ The interests of the employers' organisation ALCPIP are represented at the national level by the Latvian Employers' Confederation (LEC). The interests of the workers organisation LISTU interests are represented by Latvian Free Trade Union Confederation (LBAS). Furthermore, LISTU participates in tripartite negotiations on draft plans for the laws concerning their field of influence. Usually LISTU forms part of a work group that investigates all the aspects of the draft law considering also the standpoint of entrepreneurs and reports its conclusions to Free Trade Union Confederation (LBAS). However, the representative from LISTU mentioned the inability of each trade union to submit draft laws on their own behalf, as a big shortcoming of tripartite dialogue. The only way to do it is to entrust it to one of political parties. Thus, LISTU has to seek a party to represent their interests in government. The only party which collaborates with LISTU and supports all trade unions in Latvia is the Latvian Social Democratic Workers Party (LSDWP). Others simply ignore workers' interests. The representative from LISTU thinks that inability to submit draft law proposals directly for discussion by trade unions lengthens the whole process. In addition, since the LSDWP is not represented in the current Latvian parliament the process becomes even more complicated.

3.2. Bipartite Social Dialogue

Although LISTU and ALCPIP both participate in tripartite social dialogue through higher institutions, they do not cooperate with each other and do not have any bilateral agreements with each other. LISTU participates also in bipartite social dialogue and has ability to sign collective agreements between employers and employees, as it did with the manager of each of 29 companies with which it concludes a CA. However, according to the representative from LISTU, there are no CAs at the regional level because in Latvia they are considered to be inefficient and unnecessary.

a) At sector and "higher than enterprise" levels

In the chemical industry sector, there are no bipartite social dialogue ties, at sector level, nor at "higher than enterprise" level.

According to both the employers the trade union, the chemical sector in Latvia consists mainly of small and medium sized enterprises. Around 99% of all enterprises represented in the industry are SMEs and, according to the Latvia Ministry of Economics data, only 3 enterprises qualified for the status of large enterprises in 2003. They argue that such a big incidence of small enterprises is an obstacle to the development of social dialogue in the sector. Only the biggest enterprises can afford to sign agreements with employees and participate in negotiation at national level. Thus, social dialogue is mainly conducted by the Latvian Employers' Confederation at the national level, however, at the sector level social dialogue issues are not considered by the employers' organisation.

b) At enterprise level

There are no cartels for bargaining in this sector. Players at this level are the trade union LISTU, employees and employers. No conflicts between players regarding recognition issues are registered. According to data provided by to representative from LISTU, it has CAs with 29 enterprises in Latvian chemical sector. Each CA is reviewed and re-signed every year. At present, one more CA project is under discussion. All types of SWs are covered by these CAs and the trade union confirmed that they do not classify their affiliates as either white/blue collar, nor by educational or any other characteristics. There are no procedures for extending CAs to parties that are not signatories to the agreement. Unfortunately, there are no data on the coverage rate of the CAs in comparison with total number of enterprises and total number of SWs or the type of enterprises which signed CAs at enterprise level. However, the representative from LISTU said that at enterprise level, it is problematic to sign CAs in a small company that employs only 5 to 10 workers. This is partly for economic reasons and may also be due to educational reasons. From the employees' side, unemployment in Latvia is still high (in 2004 it was 8.5% according to official data, however, unofficial unemployment seems to be significantly higher) and many workers are afraid to lose their jobs. Employees are simply afraid to voice their wishes about possible CAs to the employer. And from the employers' side they are not educated enough to understand the meaning and the purpose of CAs and believe that such agreements will worsen their position. The representative from LISTU thinks it leads to some distortions and reduces efficiency in the dialogue between employees and employers. Unfortunately, the representative from LISTU refused to provide such data on the number of SWs covered by these CAs at enterprise level.

4. COMMENT

The number of workers employed in chemical sector is quite small. It constitutes less than 1% of all workers in Latvia. Two organisations, ALCPIP, which represents employers and LISTU-which represents employees are the main participants in social dialogue in the chemical sector in Latvia. These organisations participate in tripartite social dialogue in the country through the representation of higher institutions, LEC and LBAS. However, ALCPIP and LISTU do not work with each other on social dialogue issues. ALCPIP delegates social dialogue issues to LEC and only gives some legislative consultations to its affiliates. LISTU is more involved in bipartite social dialogue at enterprise level and has 29 CAs signed with companies. However, it does not sign any CAs at sector or higher than enterprise level. Both organisations link the relatively weak participation of chemical companies in social dialogue with the predominance of small companies in the sector. 99% of them are SMEs.

LITHUANIA

1. DESCRIPTION OF THE SECTOR

1.1. Delimitation and scope of activities in the sector

In Lithuania the sector is delimited as NACE 24 (or DG²⁴²) without divergences from the standard nomenclature by Statistics Lithuania. However, both the union federation and the business association include members from outside NACE 24. This mainly involves NACE 23.2 (production of refined oil products) and 50.5 (road vehicle fuel retail).

1.2. Socio-economic features of the sector

The chemical sector contributes 0.9%²⁴³ of Lithuania's GDP, but only 0.4%²⁴⁴ of employment. Hence, the average worker in the chemical sector is more than twice as productive as the average worker in the country as a whole. The underground economy is judged to be less significant in the chemical sector due to the dominance of larger firms.

There is a full range of sizes among firms in the sector; from sole traders with no employees to a couple of firms with more than 1,000 employees each. There were 122 enterprises in 2002, of which 32 were sole proprietorships²⁴⁵. There were no self-employed individuals working in the sector. 104 (79%) of the enterprises are classified as SMEs (less than 50 employees). However these SMEs employ only 18% of the sector workforce. However, the 4 largest firms, each with more than 250 employees, account for 58% of total employment in the sector. Most enterprises have been taken over by foreign companies since privatisation. As is usual in manufacturing, the largest companies are spread around smaller Lithuanian towns. However, there are a couple of notable firms located in the capital.

Companies

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
NACE 24.1	28	0	47	39	14
NACE 24.2	1	0	100	0	0
NACE 24.3	25	0	84	16	0
NACE 24.4	19	0	43	42	16
NACE 24.5	29	0	59	41	0
NACE 24.6	18	0	61	39	0
NACE 24.7	2	0	0	50	50
Total of the sector	122	0	58	35	7

Note: Some percentage totals do not equal 100 due to rounding.

The total number of salaried workers was 5,614. There is no data on non-salaried workers but this is not considered characteristic of this sector. There is a full range of employee categories (by which the expert refers to groups of all types of workers), but manual labour is a relatively small proportion of the chemical industry work force. The work is largely automated and hence requires at least some technical education. The industry employs people at all levels of education, and wages vary accordingly. To take the example of chemical engineers; employment agency data suggests that their average salary is €380 per month. However, labour leaders argued that it is closer to €600 per month.

²⁴² D for: manufacturing, and DG for: manufacture of chemicals.

²⁴³ Statistics Lithuania (2004). *National Accounts of Lithuania 2001* (Vilnius).

²⁴⁴ Statistics Lithuania (2004). *Main Indicators of Small, Medium and Large Enterprises 2002* (Vilnius), Statistics Lithuania (2004). *Statistical Yearbook of Lithuania 2004* (Vilnius) and own calculations.

²⁴⁵ These companies are legal entities with a single owner, which may employ people but they do not have unlimited liability protection.

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
NACE 24.1	NDND	2,787	0.2	1	10	88
NACE 24.2	NDND	2	0	100	0	0
NACE 24.3	NDND	110	0	36	64	0
NACE 24.4	NDND	1,215	0.1	2	36	61
NACE 24.5	NDND	523	0	10	90	0
NACE 24.6	NDND	259	0	17	83	0
NACE 24.7	NDND	718	0.1	0	2	99
Total of the sector	NDND	5,614	0.5	4	27	70

Note: Some percentage totals do not reach 100 due to rounding.

The firms compete on the world market and sell very little of their output in Lithuania. The industry has been in decline since 1997, with a fall in value added of just over 10%. There has been a 40% decline in employment in the chemical industry since 1995. The whole industry is now in the private sector. From 2001 to 2002 there was some downsizing with a reduction in the number of firms with more than 100 employees and an increase in the number with 0-9 employees. Prospects for future employment do not appear very bright due to competition from low cost countries such as China.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL (BRIEF REPORT FOR EACH ORGANISATION)

2.1. Description of the workers' organisation active in the sector

Lietuvos chemijos pramones darbuotoju profesiniu sajungu federacija (Lithuanian Chemical Industrial Workers' Union Federation)

The first union was established in 1926. The industry experienced fast growth in the 1960s. In the Soviet period there was the Committee of the Republic of Lithuania for the Chemical and Oil Chemistry Workers' Union. This formed into the union federation in 1992. Until 1992 there were still about 30,000 workers in the sector. Since then employment has fallen by around 80% to less than 6,000 (see table above), but production is at the same level. The Federation includes all sub-sectors but also unions from outside NACE 24 involved in refining and retail of oil products. Union members pay 1% of their salary to their firm union and firm unions pay 10% of their income to the Federation. There are 2 salaried workers working for the organisation. The affiliated workers belong to all types.

By Lithuanian law, only workers with current employment contracts can be members of a union. There are 3,000 members working in the sector, i.e. a density of 60%. There are no data on the different kinds of membership; the union federation does not keep these statistics. The Federation also has approx. 2,000 members outside NACE 24 (in the oil refining and oil product retail sectors).

There are no formal or reciprocal recognition systems on the part of the social partners. The organisations take part in consultations at sector level and can sign CAs at the sector level. For 2003 and 2004, no CAs have been signed by the organisation. The organisation takes part in tripartite cooperation, only through the Lithuanian Trade Union Confederation.

The Lithuanian Chemical Industrial Workers' Union Federation is affiliated to the Lithuanian Trade Union Confederation (LPSK). At European level, it is only indirectly involved in the EMCEF and is a full member of ICEM.

Trade Unions

Organisation		Type SW	of Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Lietuvos chemijos pramones darbuotoju profesiniu sajungu federacija	Lithuanian Chemical Industrial Workers' Union Federation	All	5,000	3,000	60	yes	Lithuanian Trace Union Confederation (LPSK)	-	-	EMCEF	ICEM	-

2.2. Description of the employers' organisation active in the sector

Lietuvos Chemijos Pramones Imonių Asociacija (The Association of Lithuanian Chemical Industry Enterprises)

The Association was established in 1997. It was comparatively late since the firms tend to be large and previously preferred to act independently. The impetus to form an association came largely due to the EU accession process. Two people are working for the organisation. Almost all members are private enterprises. However, the membership also includes the Chemistry Faculty of one university and the Lithuanian Association of Chemical Engineers. It also includes enterprises from the oil and plastics industries, as well as from the wholesale trade, transport and business consulting sectors.

There are 23 (12 of which are within NACE 24) enterprises represented by the organisation, and 7,000 salaried workers (of which 4,000 within NACE 24) represented, i.e. a density (companies) of 10% and (SW) of 70%. Most of the enterprises are large companies with foreign ownership.

The organisation takes part in consultations at sector level and negotiates and signs CAs at this level. However, no CAs have been signed by the organisation in 2003 and 2004. The association doesn't take part in tripartite cooperation.

It is a member of the Lithuanian Confederation of Industrialists, as well as a member of ECEG and an associate member of CEFIC. It cooperates with EMCEF through the REACH program. At international level, the Association is a member of the "Responsible Care" Core Group (RCCG).

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect	
Lietuvos Chemijos Pramones Imonių Asociacija	Association of Lithuanian Chemical Industry Enterprises	All	12	4,000	10	70	yes	Lithuanian Confederation of Industrialists (LPK)	-	CEFIC (associate member) ECEG	-	"Responsible Care" Core Group (RCCG).	-

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

3.1. Description of the tripartite concertation in the sector

There is no tripartite social concertation at the sector (branch) level. The union federation and business association are separately involved sometimes in discussions with the Economy Ministry or parliament on issues affecting the chemical industry. The results of these meetings are mainly policy formation with respect to regulation and privatisation.

3.2. Description of the bipartite social dialogue in the sector

CB takes place at sector level, as well as at enterprise level. There are no formal or informal reciprocal recognition systems on the part of social partners. There is no tendency for social dialogue to move from bipartite to tripartite.

There are no direct links between sector level and enterprise level negotiations. Firms keep strict control over negotiations within their enterprise, while the administration of the Association of Lithuanian Chemical Industry Enterprises has taken the initiative to negotiate a CA at the sector level. To some extent the Lithuanian Chemical Industrial Workers' Union Federation plays a role at both levels, since it is able to offer advice to enterprise unions, although it usually can play no direct role in the enterprise level negotiations. Enterprise level negotiations are more developed as these result in signed CAs, while the sector level agreement has still not been signed. The main reason is that, although the administration of the Association of Lithuanian Chemical Industry Enterprises can negotiate a CA it cannot sign it without the approval of its members. The member firms do not agree because they do not like the terms of the CA, but also more fundamentally because those firms that have no unions do not want to be constrained by a CA with the Lithuanian Chemical Industrial Workers' Union Federation. If the administration of the Association of Lithuanian Chemical Industry Enterprises tried to press more strongly for signing of the sector level agreement this would likely lead to some firms leaving the Association.

a) At sector level

The main business association and union federation are the two players. There is no obligation to participate in CB at sector level. However, there haven't been any conflicts between players regarding recognition issues. No CAs have been signed at the sector level yet. The Lithuanian Chemical Industrial Workers' Union Federation would like to sign the negotiated CA but the Association of Lithuanian Chemical Industry Enterprises feels that the environment is not yet ripe for this. However, extensive negotiations have taken place and the parties have written a draft CA.

There are some firm level unions that are members of the other two inter-sector union confederations in Lithuania and hence are not represented by the main chemical workers union federation. It is difficult for these workers to be represented in sector level negotiations, however, because they have no sector level organisation.

The main obstacle to development of bipartite social dialogue at sector level is the opposition of firms. This may be largely due to the inclusion of minimum pay rates in the negotiations. It is notable that at present every firm appears to have a veto since the association does not want to lose any members. Hence another obstacle may be the requirement for unanimity. No other agency promotes sector social dialogue.

b) At enterprise level

Each firm has a firm union. However some firms have two or even three unions due to the three separate union confederations in Lithuania. There are no real conflicts over recognition in the sense that it is very difficult for unions to get recognition if a firm's owners refuse.

12 firms have signed CAs with their respective union. They are the largest enterprises, almost all with more than 50 employees. Hence although only 10% of enterprises are covered by these agreements they account for 3/4 of the employment. These CAs cover standard issues; wages, working conditions, working time etc. Their duration is 1 or 2 years but they operate continuously during negotiations over amendments. 4,000 employees are covered by the CAs, through all levels of work and management, that means a density of 70%. Only the general directors of firms can not be union members by Lithuanian law. Also by law, all employees of the enterprise are automatically covered once a CA is signed.

There are some enterprise level unions that have not joined the Lithuanian Chemical Industrial Workers' Union Federation but instead have joined one of the other inter-sector union confederations that compete with the LPSK. These other inter-sector confederations are much smaller overall than the LPSK and have no sector level organisation. Hence they are too small and fragmented to be recognised by the parties to sector level negotiations and remain outside these.

The number of CAs seems destined to remain relatively stable. The most likely change in the medium term is negative as the Lithuanian chemical industry suffers increasing competition from countries with cheaper inputs, particularly labour. The content of CAs is quite comprehensively laid out in the national government regulations, hence this is unlikely to change over the next several years.

Once a CA is signed between an enterprise level union and the firm Lithuanian law stipulates that it automatically applies to all workers in the firm, whether they are members of the union or not. In this way the law increases the potency of union action, but at the same time weakens the individual worker's incentive to be a union member as it increases the ease of free-riding. This is especially the case since this law seems generally to be well implemented. Only union members have the benefits of union support in the case of infringements by the firm, but these do not appear to be systematically directed against non-union members.

4. COMMENT

Union membership is high at 60% of the workforce. The Association of Lithuanian Chemical Industry Enterprises has been perhaps the most actively engaged in CB of all businesses associations in Lithuania. It is interesting to note that the association includes the Lithuanian Association of Chemical Engineers as a member. However, employment in the Lithuanian chemical industry is falling fairly rapidly and we might expect it to continue its shift to smaller companies less likely to be unionised.

LUXEMBOURG

1. DELIMITATION OF THE SECTOR²⁴⁶

In Luxembourg, the chemical sector is not limited to activities as described by NACE code 24, but also covers those of the rubber and plastic industry, which are described by NACE code 25. From a statistical point of view, the activities defined correspond exactly to the activities covered by collective bargaining at company level in the sector.

The "rubber and plastic" branch of the sector is quite dynamic. Its contribution to the industry's added value evolved from 12.1% in 1985 to nearly 14% in 1995, slowing down subsequently (13.2% of the industry's added value in 2001). Tyre production by Goodyear is obviously one of the most important factors contributing to this result. Among other products manufactured by this branch are polyester films, the flagship products of Dupont de Nemours and Du Pont Teijin Films in Luxembourg. Alongside Goodyear and Dupont de Nemours, a few other big companies in the "rubber and plastic" branch operate in the country.

The chemical industry, like its rubber and plastic branch, also shows positive results. It accounted for 7.5% of the added value of industry as a whole in 2001, compared to 2.7% in 1985. TDK Recording Media Europe SA, which produces audio and video cassettes and records, set up operations in Luxembourg in 1991, giving a fillip to the branch. The second largest company in the branch is Chemolux, which manufactures cleaning products.

While growth in textiles, rubber and plastic, and chemicals, dominated by Goodyear, Dupont de Nemours and TDK, has not been able to offset entirely the decline of the iron and steel industry, it is nonetheless one of the important pillars of Luxembourg's industrial fabric, making up nearly 30% of the added value of industry as a whole and employing nearly 20% of the industrial workforce.

Though flourishing until recently, the sector nevertheless was experiencing serious tensions as this report was being written²⁴⁷.

2. SOCIO-ECONOMIC FEATURES OF THE SECTOR

Companies

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
NACE 24	15	0	0	70	30
NACE 25	25				
Total of the sector	40	0	0	70	30

Source: Annuaire statistique du Luxembourg 2003 (Luxembourg Statistics Yearbook), Statec, Luxembourg, 2004

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
NACE 24	1478	1476	ND	ND	ND	ND
NACE 25	3972	3970	ND	ND	ND	ND
Total of the sector	5450	5446	ND	ND	ND	ND

Source: Annuaire statistique du Luxembourg 2003 (Luxembourg Statistics Yearbook), Statec, Luxembourg, 2004

²⁴⁶ Portrait économique et social du Luxembourg, Statec, Luxembourg, March 2003, p. 144.

²⁴⁷ Le Quotidien indépendant luxembourgeois, 26 and 27 January 2005.

The chemical sector accounts for 0.02% of GDP and 0.18% of the total number of workers in manufacturing industries (calculations based on the figures presented in the Statec 2003 yearbook). For 2005²⁴⁸, it is estimated that the 40 companies coming under NACE codes 24 and 25 have a total of 8,978 workers. It is worth noting that the geographical distribution covers the entire country and not just a specific labour pool. There are no statistics on the characteristics of employment in the sector, such as categories of workers, gender, qualifications or wages. It is also worth noting that the different actors agree that there is no underground economy in the sector.

3. ORGANISATIONS²⁴⁹

We will now look at the three organisations involved in collective bargaining in the sector.

3.1. Fédération chimie, céramique, verre et industries diverses (LCGB) (Federation of the Chemicals, Ceramics, Glass and other industries)

Within LCGB, the Federation of the Chemicals, Ceramics, Glass and other industries is in charge of the sector that concerns us here. This organisation has been a member of LCGB since 1921. There is no data available on the staff of the federation. Its activities are as follows: health, treatment and social services; iron and steel industry; construction and crafts; chemicals, ceramics, glass and other industries; metals processing; trade and transport; banks and insurance; trade and other; economy of solidarity.

The federation has 28,000 members and estimates its rate of membership at 25% of workers in the sector. Not all these members are engaged in activities as described by NACE codes 24 and 25, which is why it is difficult to determine the exact number of members covered by these codes among the total 28,000 members. With respect to all members, 50% are salaried employees, 45% are manual workers and 5% are executive and management staff. There is no information on the history or the activities of the federation on its web site.

LCGB participates in collective bargaining pursuant to its being recognised as representative at national level by the law of 30 June 2004 on collective labour agreements. The organisation plays a role of coordination in collective bargaining if it is the strongest in terms of representatives in each company.

At national level, the federation is an integral part of LCGB. At European level, it is a member of EMCEF through LCGB. At international level, via LCGB, it is a member of the World Confederation of Labour (WCL)²⁵⁰.

3.2. Syndicat bois, caoutchouc, céramique, chimie, ciment, papier, plastiques, textile et verre (OGB-L) (Wood, rubber, ceramics, chemicals, paper, plastic, textiles and glass union)²⁵¹

OGB-L originated in various workers' associations of the mining and metalwork sector in the past century, and in the basic organisation of the trade union movement that preceded it, LAV, founded in 1944. This trade union covers the following activities: aviation; banks, insurance and trust companies; construction, construction crafts, metallic constructions; wood, rubber, ceramics, chemicals, cement, paper, plastic, textiles and glass; trade; education and science; printing works, media and artists; health, social and educational services; food and hotels; services and energy; private cleaning, hygiene and environmental services; public services; iron and steel industry and mines; metals processing and garages; road transport – ACAL (Association Professionnelle et de Secours Mutuals des Conducteurs d'Automobiles du Grand-Duché de Luxembourg – Mutual and Professional Association for Luxembourg Drivers). Within OGB-L, the "Wood, rubber, ceramics, chemicals, cement, paper, plastic, textiles and glass" union is in charge of the sector of interest to us here. This union has been an integral part of OGB-L since the confederation was founded. The present-day union nonetheless combined with the former OGB-L "Wood, ceramic and rubber" union. There is a staff of 80 for the entire confederation. This trade union has a number of members, but figures are not kept on them since agreements are signed by individual companies. The rate of membership is estimated at 50% of the sector as a whole. This includes 60% manual workers and 40% salaried employees.

²⁴⁸ Source : FEDIL (industry, construction, business services), www.fedil.lu, 10 February 2005.

²⁴⁹ It is worth noting that none of the organisations mentioned has an official name in English.

²⁵⁰ The European organisation EMCEF claims that this organisation is directly affiliated to EMCEF. Nevertheless, after consultation of the national expert, the latter confirmed that the Federation of the Chemicals, Ceramics, Glass and other industries is affiliated directly to LCGB and is, through this organisation, an indirect member of EMCEF.

²⁵¹ Same comment as above.

The union participates in collective bargaining. Its representative status is not called into doubt due to its representativeness at national level recognised by the law of 30 June 2004 on collective labour agreements. It also participates in consultations with the public powers. The organisation plays a coordination role in collective bargaining if it is the strongest in terms of representatives in each company.

At national level, the union is a direct member of OGB-L. It is also a member of CGT-L²⁵² through OGB-L. At European level, the union is a member EMCEF, also via OGB-L. At international level, it is a member of ICEM, through CGT-L.

3.3. Syndicat National des Employés Privés (SNEP) (National Private Sector Salaried Employees' Union)

This union was founded in 1990, breaking away from the former FEP-FIT et Cadres²⁵³. Before the social elections of 12 November 2003, it had concluded an alliance with two other unions, ALEBA-UEP²⁵⁴ and NGL²⁵⁵, with the aim of winning over a large number of voters. The three unions grouped under the name Fédération syndicale (Trade Union Federation). The union signs collective agreements in companies in the sector as "Trade Union Federation, SNEP group". The organisation covers the following sectors: iron and steel, industry, trade and services and other, health and social actions. There is no data available on the staff of the organisation. The Trade Union Federation has 20,000 members and the SNEP has 1,500. It covers only salaried employees, as does ALEBA-UEP, while NGL's membership is mainly manual workers.

The union participates in collective bargaining at Goodyear but does not have national or sector representative status as laid down by the law of 30 June 2004 on collective labour agreements.

The organisation plays a role of coordination in collective bargaining due to its strong presence in the above-mentioned companies.

At national level, the union is a direct member of the Trade Union Federation. It is not a member of any other organisations pertaining to the chemical sector.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Fédération chimie, céramique, verre et industries diverses (LCGB)	Federation of the Chemicals, Ceramics, Glass and other Industries	50% salaried employees, 45% manual workers, 5% executive and management staff	28,000	ND	25%	yes	LCGB	-	-	EMCEF	-	CMT
Syndicat bois, caoutchouc, céramique, chimie, ciment, papier, plastiques, textile et verre (OGB-L)	Wood, rubber, ceramic, cement, paper, plastic, textiles and glass union	60% manual workers, 40% salaried employees	ND	ND	50%	yes	OGB-L	CGT-L	-	EMCEF	-	ICEM
Syndicat National des Employés Privés (SNEP)	National Private Sector Salaried Employees' Union	100% salaried employees	1,500	ND	ND	yes	Trade Union Federation	-	-	-	-	-

Source: personal interviews with representatives (see "national validation" at end of report).

²⁵² Confédération Générale du Travail-Luxembourg (General Confederation of Labour-Luxembourg).

²⁵³ Fédération des Employés Privés – Fédération Indépendante des Travailleurs et Cadres (Federation of Private Sector Salaried Employees – International Federation of Workers).

²⁵⁴ Association Luxembourgeoise des Employés de Banque et d'Assurance – Union des Employés Privés (Luxembourg Association of Bank and Insurance Employees – Union of Private Sector Salaried Employees).

²⁵⁵ Neutral Gewerkschaftsbond Lëtzebuerg.

3.4. FEDIL (FEDIL industrie, bâtiment, service aux entreprises) (FEDIL industry, construction, business services)

Founded in 1918, FEDIL is the Luxembourg professional association representing the sectors of industry, construction and business services. With respect to the Luxembourg economy, the companies that are members of FEDIL account for 25% of added value, 30% of domestic employment and +/- 8 billion euros a year in exports. Nationally, FEDIL aims to defend its members' professional interests and to analyse all related economic, social and related issues. FEDIL also works to develop the spirit of real solidarity between Luxembourg employers. The sectors covered by FEDIL are iron and steel, metals processing, chemical and parchemical, non-metallic minerals, construction and finishing, quarries, agri-foods, beverages and tobacco, printing and paper, wood, electrical and electronic, energy, communication and telecommunication, information technology, transport and handling, waste transport and management, international trade, cleaning and maintenance, security guard services, consulting services, intellectual property consulting, pharmaceuticals, temporary work and miscellaneous business services²⁵⁶.

For our purposes here, FEDIL cannot be considered an employers' organisation. While FEDIL is indeed an employers' organisation –which is its reason for existing, moreover-, it cannot be considered as such for the chemical sector since collective agreements are signed individually by each company. Its members nevertheless include almost all companies coming under NACE codes 24 and 25. It is 100% representative. FEDIL's role is to centralise information on the sector. It is not a member of any other higher organisation. It is worth noting however that Goodyear is the only member of the Groupement des Industries du Caoutchouc du Grand-Duché de Luxembourg (GICL) (Grouping of Rubber Industries of Luxembourg). That grouping is a member of BLIC, the European Association of the Rubber Industry.

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
FEDIL (FEDIL industrie, bâtiment, service aux entreprises)	FEDIL industry, construction, business services)	iron and steel, metals processing, chemical and parchemical, non-metallic mineral products, construction and finishing, quarries, agri-foods, beverages and tobacco, printing and paper, wood, electrical and electronic, energy, communication and telecommunication, information technology, transport and handling, waste transport and management, international trade, cleaning and maintenance, security guard services, consulting services, intellectual property consulting, pharmaceuticals, temporary work and miscellaneous business services.	40	8,978	100	100	no	-	-	-	-	-	-

Source: www.fedil.lu, 12 April 2005.

4. COLLECTIVE BARGAINING

4.1. General context

Collective bargaining in the sector takes place at company level. There are no branch collective agreements nor is there a tripartite dialogue in the sector. Accordingly, there is no procedure for the extension of agreements in the sector. Negotiators and signatories are the companies themselves and two to three trade unions. Indeed, regular participants include the Federation of Chemicals, Ceramics, Glass and Other Industries, a member of the LCGB federation, and the Wood, rubber, chemicals, cement, paper, plastic, textiles and glass union, a member of the OGB-L

²⁵⁶ Source : www.fedil.lu, 12 avril 2005.

confederation. SNEP, one of the three components of the Trade Union Federation, is present in only one company in the sector. These organisations do not always sign together. Sometimes one signs, sometimes another, sometimes both and sometimes none, in companies lacking a collective agreement. The tacit rule is that a trade union signs the company-level collective agreement if it has workers' representatives in the company.

By virtue of legal provisions, only LCGB and OGB-L have the representative status at national level needed to validate the signature of a collective agreement. SNEP is not representative nationally nor at sector level.

The question of the criterion of representativeness long remained unclear, a situation that was not appreciated by the many sector trade unions in Luxembourg. The sector- or company-level unions thus based their actions on their representative nature in company workers' delegations through offices held therein, but this representativeness was insufficient for claiming the right to sign collective agreements. The International Labour Office therefore requested the Luxembourg government to "examine the situation anew and to take the necessary measures so that an organisation whose representativeness, in line with International Labour Organisation principles, has been objectively demonstrated and whose independence is established is able to sign, and where necessary to be the sole signatory to, collective agreements, in order to make Luxembourg practice fully compatible with freedom of association"²⁵⁷. The new law on industrial relations, the settlement of collective labour disputes and the National Conciliation Office, of 30 June 2004, responds to the recommendations of the International Labour Office, establishing very precise criteria of representativeness.

Thus, to be considered representative in a particularly important sector of the economy²⁵⁸ for private sector salaried employees or for manual workers, or for both categories, organisations must comply with the criteria established by law and must show that they have sufficient social leverage at sector level²⁵⁹ for the category(ies) of salaried workers for which they claim to be representative. The sector must include more than one company constituting an economic and social entity.

4.2. Developments in negotiations

LCGB finds negotiations in the sector increasingly difficult, due first and foremost to strong pressure by companies on beginning wages and on the highest wage levels. There is also a growing trend to try to do away with the concept of seniority in the company, replacing it with the notion of a worker's performance. Additional pressure is exercised in an effort to cut down the number of holidays. There appears to be a will to negotiate moderate linear wage increases and progressively the determination by salaried employees to claim supplemental pensions.

OGB-L points out the phenomenon of changes at company level through mergers and absorptions. The establishment of multinationals in the sector is leading to a lack of recognition of Luxembourg's model of social dialogue and industrial peace. The demands of these multinationals are becoming unacceptable.

SNEP confirms companies' determination to reduce staff and increase profits and denounces the underlying will to abolish the consumer price index and not to negotiate linear wage increases. It also denounces companies' drive to reduce bonuses and extra-legal holidays. Negotiations with companies are becoming harder and harder and often result in a conciliation procedure before the National Conciliation Office²⁶⁰.

²⁵⁷ Case No. 1980 (Luxembourg): 324th Report of the Committee on the Freedom of Association (par. 623-675), approved at the 280th session of the Governing Body in Geneva in March 2001. Document GB.280/9.

²⁵⁸ In assessing this importance, employment in the sector concerned will be particularly important; a sector must be declared "particularly important" if employment therein represents at least 10% of total private law salaried employment in Luxembourg.

²⁵⁹ A union is considered to have sufficient social leverage if it has the effectiveness and strength needed to be able to take on the responsibilities resulting from the representative status sought and to be able to stand up to a conflict of interests of an industrial nature at sectoral level involving the category(ies) of workers concerned.

²⁶⁰ Article 27 of the Act of 30 June 2004 makes provision for the creation within the Ministry with competence for labour issues a National Conciliation Office, charged with:

- preventing and resolving collective disputes resulting from collective industrial relations and related to the collective interests in matters of working conditions;
- settling collective labour disputes that have not been solved by means of collective bargaining or a collective agreement in accordance with legal provisions, and;
- declaring collective labour agreements and agreements in matters of national and/or interbranch social dialogue between the social partners to be a general obligation in accordance with the law.

4.3. Collective agreements

Collective agreements are thus signed at company level. The following table shows agreements covering the year 2003 partially or in full²⁶¹. The table gives the names of the signatory unions for each category of workers and the start and end dates of the agreement²⁶².

Company	Agreement for manual workers	Agreement for salaried employees
Accumalux SA	OGB-L, 01.03.02. – 28.02.05.	-
Belaton SA	LCGB, 01.01.02. – 31.12.04.	-
Catalyst Recovery SA	OGB-L, 01.04.03. – 31.03.05.	OGB-L, 01.01.04. – 31.03.05.
Chemolux Sàrl	OGB-L, 01.01.03. – 31.12.04.	-
Dupont de Nemours SA and Dupont Teijin Films Luxembourg SA	LCGB and OGB-L, 01.01.03. – 31.12.03 (agreement for all personnel)	
Duscholux SA	OGB-L, 01.01.03. – 31.12.04.	-
Euro-Composites SA	OGB-L, 01.04.03. – 31.03.05.	-
Euronimbus SA	OGB-L, 01.07.03. – 30.06.05.	
Goodyear (Luxembourg Tires) SA	LCGB and OGB-L, 01.01.04. – 31.12.04.	LCGB, OGB-L and SNEP, 01.01.04. – 31.12.04.
Mondo Luxembourg SA	LCGB et OGB-L, 01.09.01. – 31.08.04.	-
Procap Wiltz SA	LCGB, 01.01.03. – 31.12.05.	-
Rubbermaid Luxembourg Sàrl	OGB-L, 01.01.03. – 31.12.05.	-
Tarkett Luxembourg SA	LCGB and OGB-L, 01.01.02. – 31.12.04.	LCGB and OGB-L, 01.01.02. – 31.12.04.
TDK Recording Media Europe SA	LCGB and OGB-L, 01.10.02. – 30.09.04.	LCGB and OGB-L, 01.10.02. – 30.09.04.
Technofibres SA	LCGB and OGB-L, 01.01.03. – 31.12.04 (agreement for all personnel)	
Textilcord Steinfort SA	LCGB et OGB-L, 01.01.05. – 31.12.06 (agreement for all personnel)	

There are thus 16 companies with recent collective agreements. Other agreements may have been signed without having been brought to our attention. The fact that collective agreements are signed at company level presents tremendous difficulties for obtaining information. The main issues covered in such agreements are holidays, wages, safety, training possibilities and working hours.

4.4. Cover rate

The agreements signed in each company cover 100% of the salaried employees, of the manual workers, or of both categories.

5. COMMENT

The chemical sector in Luxembourg is not limited to activities as described by NACE code 24, but also covers those of the rubber and plastic industry, which come under NACE code 25. The chemical sector accounts for 0.02% of GDP and 0.18% of all workers of manufacturing industries, and is starting to experience serious difficulties.

²⁶¹ Source : FEDIL, January 2005 and OGB-L, March 2005.

²⁶² Of course, the above-mentioned trade union organisations sign other agreements related to their areas of competence, but such agreements concern companies not covered by NACE codes 24 and 25.

Three trade union organisations are involved in collective bargaining, but only two of the three have representative status at national level, a prerequisite for signing a collective labour agreement in the sector. A single organisation represents employers.

Collective bargaining in the sector takes place at company level and there is no tripartite dialogue. Recent agreements exist in 16 companies in the sector, dealing mainly with holidays, wages, safety, training possibilities and working hours.

MALTA

1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

1.1 Delimitation and scope of activities in the sector

The figures and estimates about the chemical sector in Malta given by the organisations do not tally with the official statistics. This is due to the fact that the chemical sector, as classified under the NACE Nomenclature, is not big enough to warrant an exclusive section by the trade union to cater for the workers in this sector. Firms whose operations are related to the products classified in NACE 24, but not strictly in line with it, are associated with this sector. Thus workers employed by two trans-national companies (TNC) which have plants in Malta – one producing plastic toys (Play Mobil) and another one producing rubber seals and washers (O Rings) are organised under the Chemical Section of the General Workers' Union (GWU). These firms do not fall within the NACE Nomenclature for chemicals, for they do not manufacture plastics (24.16) and rubber (24.17) in primary form. These two firms combined employ more than 1000 workers, and by Maltese standards, are considered to be large enterprises.

The National Statistics Office (NSO) generally follows the NACE standardized nomenclature. However in the latest statistics released by this office, the 'Chemicals and Chemical Products' sector comprised sections 23 and 24 from NACE nomenclature. Maybe section 23 (Manufacture of Coke, refined petroleum products and nuclear fuel) was deemed to be closely related to the chemical sector and for the purpose of statistical comparative analysis was included in this sector.

1.2 Socio-economic features of the sector

The Chemical Sector in Malta is a very small one, mainly due to the fact that Malta does not have natural chemical resources. The share of chemical products sector in total manufacturing stood²⁶³ at 3.7%, almost unchanged from the share recorded in September 2003 (Economic Survey, January-September 2004). This was equivalent to 0.75% of the total working population. The structural change that the manufacturing sector has been undergoing, which generally entails downsizing, has had its impact on the chemical sector. Indeed over recent years, a reduction in the number of employees in this sector has been registered. From 1,197 persons employed in September 2000, the number decreased to 1,022 in September 2004 (Economic Survey, January-September 2004). These represent about 0.69% of all the employees in Malta. The Maltese Chemical Sector consists of a number of firms that produce pharmaceuticals and toiletries mainly for the export market, and a number of other companies, mostly oriented to the local market, that produce products such as paints, detergents and insecticides. (Economic Survey, January-September 2004).

In 2004, Malta has registered higher exports to the EU and the American continent while exports to Asia have declined. The Chemical Sector exported over 70% of its output during the first nine months of 2004. During the period January-September 2004, the manufacturing industry registered a marginal decline of 0.2% when compared to the first nine months of 2003 (Economic Survey, January-September 2004). The decline in local sales outweighed the marginal increase in exports. The Chemical sector, like all other sub sectors within the manufacturing sector, also registered a decline in total turnover. The turnover of the Chemical sector in the first nine months of 2004 was 51.5 million euros, 15.4% less than the first nine months of 2003. The decrease in turnover was mostly due to a decline in exports reflecting the fact that a number of export-oriented firms which used to be incorporated within the chemical sector were included within the textiles sector. Local sales increased by 11.1% and reached 15.1 million euros (Economic Survey, January-September 2004). Overall statistics seem to indicate that during the year 2004 some positive developments occurred in the chemical sector in Malta. During the first nine months of this year there was an increase in investment in the Chemical sector. Net investment increased by 10.5 million euros and stood at 18.4 million euros reflecting higher capital outlays by the pharmaceutical sub-sector.

Average weekly sales per capita increased by 153.65 euros and reached 1632.08 euros. Per capita compensation levels followed an upward trend, increasing to 298.86 euros, being 27.18 euros more than the average for the total manufacturing industry²⁶⁴. Average weekly exports per employee also increased when compared to the level registered in the previous Survey period and stood at 1,149.59 euros (Economic Survey, January-September 2004). Moreover, while the weighted average wage of workers in the chemical sector is higher than the average of all direct

²⁶³ Unfortunately, data is not available for the average national.

²⁶⁴ Unfortunately, data is not available for the average national.

production firms, it is much lower than the average of firms in the services sector. Labourers in the chemical sector tend to earn average weekly wages, which are higher than those of labourers in other firms. However, the managerial jobs within the Chemical Sector tend to be paid considerably less than the average of their equivalents in all other firms. Value added at Factor Cost per capita increased from 23,177 euros to 25,448 euros between 2000 and 2003. This makes up 2.8% of all the value added at factor cost in the manufacturing industry^{265y}. Personnel costs per capita also increased from 11,957 euros in 2000 to 14,712 euros in 2003 (Economic Survey, January-September 2004).

Companies²⁶⁶

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
Total of the sector	ND	ND	ND	ND	ND

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
Total of the sector	1,022	ND	0.69	ND	ND	ND

Source: Economic Survey, January-September 2004

Relative weight of sector in terms of share in the GDP is unavailable. Underground economy in the chemical sector is estimated to be minimal. The categories of SW and the characteristics of the employment in the sector are not available.

2. DESCRIPTION OF THE ORGANIZATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

2.1 Description of the workers' organisations active in the sector

a) General Workers' Union (GWU)

Founded in 1943, the GWU is Malta's largest union. It comprises ten sections, eight of which are involved in CB, including the Chemical, Energy and Printing Section. The number of salaried workers working for the organisation is not available. The GWU boasts wide representation reaching 'all sectors' of the Maltese economy and is especially strong in the public sector and in state owned or state controlled enterprises and corporations. The GWU is funded through the members' subscription fees and through several subsidiary companies and publications. The GWU has a total of around 46,489 members (Registrar of Trade Unions, 2004), representing 54% of the total number of union members in Malta. The number of members working in the Chemical sector as defined in the NACE nomenclature is difficult to quantify as the GWU in its delineation of duties to different section secretaries does not follow the NACE Nomenclature classification. Data regarding different kinds of membership (e.g. staff/white collar workers, manual/blue-collar workers, managers, and particular professional categories) within the Chemical sector is also unavailable. The officials and members of the GWU's Executive Committee are elected by the section's delegates in a General Conference held every two years. The delegates in the conference represent all the groups of GWU members organised in the section. The conference also elects the section's representatives in the National Council - the governing body of the union. The shop steward is the workers' representative at plant level. The number of delegates depends on the size of the industry. The delegates of the section along with shop stewards and

²⁶⁵ Unfortunately, data is not available for the average national.

²⁶⁶ With regards to these two tables, we asked in writing and verbally several times for data from the National Statistics Office (NSO) but no cooperation was received. This data is not published and can only be computed by the NSO.

group committee members for each and every organised workers' group are elected through general meetings of organised groups every two years. There exist reciprocal recognition systems on the part of social partners. Recognition of a trade union at a particular enterprise is normally based on the membership exceeding fifty percent of the entire workforce.

The organisation takes part in consultations at enterprise level. It has the ability to sign CAs. All CAs are signed at the enterprise level. Unfortunately, no official number about CAs in the chemical sector could be given. But according to our estimates the number is about eleven. Most of these are signed by the GWU. The GWU members employed in the chemical sector are organised under two different sections: •The Manufacturing and SMEs Section embraces two companies which fall under the NACE nomenclature 24. These are a pharmaceutical company (about 270 employees) and a firm producing man-made fibres (about 280 employees); •The Chemical, Energy and Printing Section represents members who are employed in firms manufacturing gases, plastics, synthetic rubber, paints and toilet preparations. The union players involved in CB are the Section Secretary aided by shop stewards (the number of shop stewards involved depends on the size of the company and its structure). The active players on the side of management are generally the Managing Director, with whom most of negotiations are often held, and the Human Resource Manager.

The GWU is affiliated to various networks of other unions and confederations at European and International level. In the Chemical sector, at a European level the GWU is a direct member of the European Mine, Chemical and Energy Workers' Federation (EMCEF), while at an international level, GWU is a direct member of the International Federation of Chemical, Energy, Mining and General Workers' Unions (ICEM)²⁶⁷.

b) Union of United Workers (Union Haddiema Magħqudin, UHM)

The UHM was founded in 1966, under the name of Malta Government Clerical Union (MGCU) with membership restricted to clerical employees in the Public Service. In 1973 it changed its name to Malta Government Employees Union (MGEU) and membership was extended to all categories of workers in the Public Service, Parastatal Bodies and Public Corporations. Following industrial unrest in 1977, MGEU changed its name to Union Haddiema Magħqudin which actually meant assuming the role of a multi-sector union and becoming the counterpart of GWU. It was officially registered under its new name in 1978. A number of smaller unions merged with the UHM and a large number of workers, from all sectors, joined its ranks. Within a very short time the Union's membership shot up considerably, becoming Malta's second largest union. The UHM currently has seven sections, but no specific section deals with the chemical sector.

The UHM is mainly funded by members' subscriptions. It has a total of around 25,901 members (Registrar of Trade Unions, 2004) representing 30% of the trade union members in Malta. The UHM has 25 salaried workers. The type of affiliated workers is not available.

The UHM's structure is composed of four elements: the group committees, the sections, the general council and the general conference. The group committees are elected on a yearly basis by the rank and file members. They are composed of a chairman, a secretary and three or four members. A group committee is set up for every category of employee. The members also elect the group's representatives on both the section's executive committee and delegates to the section's annual and other meetings. Depending on the group's size, the chairman and/or secretary automatically become members of the section's executive committee. Sections consist of groups of categories of employees. Currently there are seven sections. Each section has an executive committee whose function is to govern the section in accordance with the general policy of the union. The general council is responsible for the administration and general control of the union. It is composed of four officers: the president, vice-president, general secretary and treasurer; and a number of representatives from each section together with a representative for Gozo (Malta's sister island). The general conference elects the officers. This meets annually and is responsible for adopting administrative and financial reports, considering new rules, amendments and motions. There exist reciprocal recognition systems on the part of social partners.

The UHM does not have a particular section for the chemical sector. The only members who, according to NACE Nomenclature, can be classified as workers who pertain to the chemical sector are employees in a Storage Refinery. This firm employs about 30 to 40 workers who are all members of UHM. The last CA signed by union for these employees was in January 2003.

The UHM has several foreign affiliations. It has been a full member of INFEDOP since 1971. The union is also directly affiliated (member) to EUROFEDOP. Moreover, through its affiliation with the CMTU, the Union has very good and close relations with the WCL, ETUC, the Commonwealth Trade Union Council, and the FERPA. However, it does not have specific affiliations to chemicals-related unions or organizations.

²⁶⁷ The experts chose to list only the organizations relating to chemicals to which the GWU is affiliated, as GWU is affiliated to too many other organizations.

c) Malta Chamber of Pharmacists (MCP)

The Malta Chamber of Pharmacists is open to all pharmacists practising in Malta linking all branches of the profession. There are about 800 pharmacists in Malta. In 2004, MCP had 110 members (37 males and 73 females) all of whom are university graduates. However, according to the Chamber's secretary, membership levels vary considerably and have in the past reached the 250 mark. MCP membership reflects the distribution of pharmacists in Malta. The largest group of members comprises community pharmacists working in pharmacies, medical representatives, and pharmacists in government departments (hospital and pharmaceutical services). Few work in academia and industry. There are about 24 pharmacists in Malta who work in the Chemicals sector, 6 of whom are members of MCP, representing 25% of the population.

MCP has a general council composed of nine persons elected in the Annual General Meeting. It does not employ any salaried workers and its work is performed on a voluntary basis by its members. MCP is the only pharmacists' professional body with a right to negotiate terms and conditions of service with government and others. MCP uses the secretarial facilities of the Malta Federation of Professional Associations. It signed the civil service CA together with other unions in 2001. The agreement is currently being renegotiated. MCP serves as a source of professional advice on problems regarding the pharmacy profession. There exist reciprocal recognition systems on the part of social partners.

On a national level, MCP is affiliated to the Confederation of Malta Trade Unions (CMTU) and the Malta Federation of Professional Associations (MFPA). On a European level, MCP is a member of EuroPharm (part of the World Health Organisation). MCP is an observer member of the PGEU and is in process of becoming a full member. On an international level, MCP is a founding member of the CPA, and a member of the FIP.

d) Union of Assistant Chemists

The union was set up in the mid-1960s in order to protect the interests of assistant chemists. It had 30 members (27 males and 3 females) in 2004, about five of which work in the chemical sector. Most of the union members work in private pharmacies. The union's members are usually persons with a post-secondary level of education. The union does not sign any CAs in the chemical sector and is not affiliated to any local or foreign associations. It is currently trying to join the Association of Pharmacy Technicians which caters for technicians in the public sector. The union does not employ any staff and work is done on a voluntary basis by the President and the Secretary of the Union. It is funded through its members' fees.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
General Workers' Union	General Workers' Union	All categories of workers	46,489	ND	ND	yes	Din L-art Helwa	-	EMCEF*	-	ICEM*	-
Union Haddiema Maghqudin	Union of United Worker	All categories of workers	25,901	About 25 ²⁶⁸	ND	yes	-	-	EUROFEDOP**	ETUC FERPA	INFEDOP**	WCL Commonwealth Trade Union Council
Malta Chamber of Pharmacists	Malta Chamber of Pharmacists	Professionals	110	6	25	no***	CMTU, MFPA	-	EuroPharm, PGEU****	-	CPA, FIP	-
Union of Assistant Chemists	Union of Assistant Chemists	Semi-professionals	30	5	ND	no	-	-	-	-	-	-

* Only the affiliations for the chemical industry sector are listed. GWU is a full member of both organisations.

²⁶⁸ The chemical sector is very small in Malta and this particular union represents only workers in one small factory.

** UHM is a full member of these organisations

*** CB is carried out but not in the sector.

**** as an observer member, in process of becoming a full member.

2.2 Description of the employers' organizations active in the sector

a) Malta Employers Association (MEA)

MEA was formed in 1965 through the merger of the Association of Employers and the Malta Employers' Confederation and is listed in the Register of Trade Unions at the Department of Industrial and Employment Relations (DIER). MEA brings together employers from all sectors of industry and commerce in Malta. It aims to regulate the relations between employers and workers and trade unions. MEA's objectives include that of standing for the members' rights in matters regarding the employment of workers. MEA also aims to influence national policy-making on terms and conditions of employment, industrial relations and social policy, while safeguarding the interests of employers. The official list of objectives of MEA includes "to co-ordinate through CB or consultation the policies and activities of members in the field of industrial relations and related areas". MEA is involved in various fora, such as the Malta Council for Economic and Social Development (MCESD) where it promotes its members interests. The association can, at the request of its members, "act on their behalf... in regulating the relations between employers and employees". The MEA does not sign any CAs but it takes part in consultation meetings at enterprise level. MEA has ten sector groups, including the Chemicals, Printing, Paper and Packaging group.

MEA is governed by a council composed of eight persons elected at an annual general meeting from and by its members, one representative of each constituted Sector Group elected by the members of the relative Group, the immediate Past President (ex-officio), an Honorary President, and persons nominated by Affiliated Members. The association employs three full-time workers. The MEA represents about 230 employers with over 36,000 workers. These include 30 enterprises within this sector. Overall the number of salaried workers employed in these enterprises is about 3000. These enterprises operate in the manufacture of industrial gas, dyes, pigments, inorganic basic chemicals, fertilisers, synthetic rubber, paints, pharmaceuticals, toilet preparations and man-made fibres. Density of representation as regards companies and salaried workers could not be given. According to the MEA's Director General, the firms represented by his organisation tend to be SMEs (25) whereas the other five are TNCs.

Membership of the MEA is open to any individual, commercial partnership registered in Malta, group of companies consisting of two or more commercial partnerships registered in Malta whose control and management is organised as a group, a branch of a company registered outside Malta, a statutory body constituted in terms of Maltese Law or a civil partnership constituted in terms of Maltese law, which is an employer and has accepted the principles, objects and rules of the association. The MEA is financed by the membership fees.

The MEA is a member of the IOE through which it earns its representation in ILO. MEA is affiliated with the Association of OPCE and the CEEP.

b) Malta Federation of Industry (FOI)

The FOI was founded in 1946 and serves as "the independent voice of the small, medium and large manufacturing and services enterprises which constitute industry in Malta". Membership of FOI is of a corporate nature. Membership is open to enterprises operating within manufacturing or related service sectors. Most FOI members are relatively large companies operating within the manufacturing sectors. The officials of FOI could not provide figures about number of enterprises which are members of the federation and about the density of representation as regards companies and salaried workers. However, data for 2002 indicates that the organization represented about 300 members with over 25,000 workers (EIRO website). The number of members represented in the sector is not available. The FOI is financed entirely by its membership. The FOI employs six salaried workers.

The FOI plays an active role in safeguarding the interests of industry and in cultivating mutual understanding between Government, industry, unions and other employer organisations. This is where collective representations by the FOI with Government can have greater and more effective impact than individual representations. An increasingly important aspect of the FOI's work is its consultative role vis-a-vis the Government and parastatal institutions where it is getting involved in considerable consultation especially over new EU policies and regulations. FOI like its counterpart MEA does not take part in CB.

Since 1984, the Malta Federation of Industry (FOI) has been a member of UNICE. It is the only Maltese organisation representative member in this principal organisation of employers and industry in Europe. The Federation is also a founder and active member of the UMCE, a network set up in March 2002.

Employers' organisations

Organisation		Sub-sectors covered	Companies within the sector	SW within the sector	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		Number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Malta Employers Association	Malta Employers Association	Multi-sector	30	About 3000	ND	ND*	no	-	-	CEEP, OPCE	-	IOE	ILO
Federation of Industry	Federation of Industry	Multi-sector	ND	ND	ND	ND	no	-	-	UNICE, UMCE	-	-	-

* density could not be given as official statistics are based on NACE Nomenclature while the MEA's data is not.

** Source: EIRO website.

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR

3.1 Description of the tripartite concertation in the sector

According to the trade union officials interviewed, there is no tripartite mechanism for social dialogue in the Chemical Sector. The state does not involve the unions and the employers' associations in policy debate and possible decision-making in this specific sector.

MEA however pointed out that other kinds of consultation or meetings between the government and social partners occur at this level. MEA may get involved when there is a trade dispute between one of its members and the trade union leading to conciliation meetings. These meetings are generally chaired by an official appointed by government, who very often is the Director of the Department of Industrial and Employment Relations (DIER). The General Secretary of MEA defines such meetings as a form of tripartite social dialogue.

On the other hand, the other major employers' association, the FOI is involved in a bi-partite consultation with government. At present the FOI is engaged in active consultation meetings with government officials about the proposed new EU chemical policy referred to as REACH (Registration, Evaluation and Authorisation of Chemicals).

3.2 Description of the bipartite social dialogue in the sector

CB in Malta is carried out at enterprise level. This is also the case for the Chemical Sector, where no CB exists at higher than enterprise level. Bipartite social dialogue at sector level has never formed part of the beliefs and culture of trade unions and employers.

As stated in the conclusion, all parties, including unions, employers and government seem satisfied with the current situation. No other particular reasons were found to explain the reasons why the enterprise level is the most developed and there are no particular obstacles for the development of bipartite social dialogue at sector level. There exist reciprocal recognition systems on the part of social partners in the chemical sector.

At enterprise level

For the chemical industry sector, social dialogue only takes place at enterprise level; at this level, the managers directly negotiate with the trade unions (GWU and UHM). As a result, no employers organizations (MEA or FOI) participate to social dialogue at any level, and so, don't sign any CAs (their contribution is exclusively consultation meetings at enterprise level). The Malta Chamber of Pharmacists (MCP) and the Union of Assistant Chemists do not sign any CA in the Chemical Sector as the number of workers they represent is minimal. Although employers' associations do not generally get directly involved in CB, on request by their members, they provide consultation services during CB.

Conflicts between players regarding recognition issues in the Chemical Sector are very rare. While there exist no official statistics about the number of CAs in the Chemical Sector, from the interviews we conducted, we estimate that there are about 11 agreements in the sector, all of which were signed at enterprise level. 10 of these have been signed by the GWU, through its two different sections:

•1 CA has been signed with the pharmaceutical firm covering the period 2001-2003. Negotiations are currently in progress for a new agreement. The CA covers practically all categories of workers, ranging from clerical/technical staff (laboratory analysts, supervisors, maintenance) to shop floor workers. Only management and senior research and development staff are not affected by the provisions of this CA. Another CA has been signed with the fibre producing firm and covers the period 2004-2006. The section secretary estimates that about 65% of the employees in both firms are members of the GWU.

•8 CAs have been signed by the Chemical, Energy and Printing Section which cover a three year period. The coverage rate in relation to the number of employees and enterprises could not be quantified. However the Section Secretary estimated that over 50% of employees in the chemical sector are covered by the CAs signed by his union. As has already been noted, two of the firms falling under the portfolio of the secretary of this union section are TNCs which by Maltese standards can be defined as large enterprises.

On the other hand, the last CA signed by the UHM for the employees in a Storage Refinery²⁶⁹ was in January 2003, covering the period from 1st November 2002 to 31st December 2005. This agreement was signed by the Secretary of the Manufacturing and Services Section, which represents these workers, the union shop steward in the company and the general manager of the firm. There has never been any problem about recognition. The section secretary stated that the union has members working in firms operating in the chemical sector, but these are few in numbers for the union to claim recognition to conduct CB on their behalf.

The content of the CAs signed by both GWU and UHM generally includes wage structures and allowances. Clauses that go beyond the minimum provisions laid down by law as regards reduced hours and parental leave are also included. The CAs generally cover three years. No statistics or estimates could be given by interviewees as regards the coverage rate of the CAs in comparison with the total number of enterprises and the total number of salaried workers could be given. There are no procedures for extending CAs to parties that are not signatories to the agreement. The agreements reached in one organization do not extend to employees in other organizations.

The type and size of these enterprises is unavailable. No other important players were found apart from those listed in section 2. The number of CAs is expected to increase if Malta manages to attract more foreign direct investment in this sector. The content of CAs will probably not change much apart from possible refinements with regards to health and safety issues due to high European standards.

4. COMMENT

In spite of its small size the chemical sector in Malta comprises firms within various NACE Nomenclature classifications. At present, the focus seems to be on the Pharmaceuticals Industry. Efforts are being made to attract foreign direct investment from this industry as it is widely believed that Malta has the personnel with the right type of skills and competencies demanded by this industry.

As regards trends in industrial relations, like in all other sectors, social dialogue is likely to remain locked at enterprise level via CB. There has never been a cry, neither from the employers nor from the trade unions, for any form of bi-partite or tripartite social dialogue at sector level. There seems to be consensus about this issue among all the actors involved in industrial relations, as they all strongly believe that CB at enterprise level is conducted on the premise that demands are made and met according to the requirements and competitiveness of the firm. In this way, CAs at enterprise level suit government, workers and their representatives and employers. Any form of bi-partite or tripartite social dialogue at sector level tends to be concerned either with technical issues or with attempts to solve trade disputes through conciliation meetings.

²⁶⁹ As explained above, the UHM does not have a particular section for the chemical sector. The only members who, according to NACE Nomenclature, can be classified as workers who pertain to the chemical sector are employees in a Storage Refinery. This firm employs about 30 to 40 workers who are all members of UHM.

THE NETHERLANDS

1) DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

1.1. Delimitation and scope of activities in the sector

In the Standaard Bedrijfsindeling 1993 (the Dutch equivalent of the NACE classification system) of the Centraal Bureau voor de Statistiek (SBI), Central Statistics Office (CBS), the following activities are classified as part of the chemical industry: manufacture of basic chemicals (SBI 24.1), manufacture of agro-chemical products (SBI 24.2), manufacture of paints, varnishes and similar coatings, printing ink and mastics (SBI 24.3), manufacture of pharmaceutical products (SBI 24.4), manufacture of soap and detergents, cleaning and polish preparations, perfumes and cosmetics (SBI 24.5), manufacture of other chemical products (SBI 24.6), manufacture of man-made fibres (SBI 24.7).

It must be noted that the interest organisations in the sector apply a different industry categorization, which is based on affinities in the production system and conditions of employment rather than on the fact whether or not a chemical process is at stake. For them, the manufacture of pharmaceuticals, for example, is left out, whereas the waste processing industry is included in the definition of the industry. The largest union federation, FNV, for reasons of comparison, has adapted its member administration system some years ago. It is now close to the SBI-classification, but still not entirely the same.

1.2. Socio-economic features of the sector

The Netherlands is an important chemicals producing country, due to both its role as transit port to other European countries and the availability of natural gas. With just 4% of the EU population, it produces 6% of European chemicals and 10% of European basic chemicals (Netherlands Foreign Investment Agency, NFIA, 2003). Most international concerns have production establishments in the Netherlands. The Netherlands is the fifth largest exporter of chemicals world-wide (NFIA, 2003). The sector is one of the main industries in the Dutch economy. After the food industry, it is the second largest industrial sector. The sector accounts for 15% of industrial production and chemicals make up 20% of the country's exports (www.VNCl.nl). Chemical exports account for 8% of Dutch GDP, whereas 80% of chemical production is exported (NFIA, 2003). Chemical industry in the Netherlands is for 60% basic chemical industry, and for 40% fine chemical industry (www.VNCl.nl). The chemical industry is a flourishing branch in the Netherlands. Next to the petroleum and rubber- and plastic manufacturing industry, it is the only sector in which, despite the economic recession, production has increased between 2000 and 2003. The sector's production value has increased with 45% between 1995 and 2002. Because of an increase in production costs, however, notably the energy prices, the produced added value as a percentage of total production is decreasing both in basic chemical industry (from 30% to 17% between 1995 and 2002) and in fine chemical industry (from 35% to 29% between 1995 and 2002) (CBS Industriemonitor juli 2004).

According to the CBS, there are about 900 companies in the chemical industry with one or more employee(s). The sector is dominated by large multinationals but in the fine chemical industry also several hundreds of smaller companies exist.

Companies

Sub-sectors (NACE-code)	Number of companies	Companies without SW (%)	Companies with < 10 SW (%)	Companies 10-100 SW (%)	Companies with > 100 SW (%)
NACE 24.1	290	65	75	95	60
NACE 24.2	20	10	5	5	5
NACE 24.3	125	15	40	50	15
NACE 24.4	155	50	45	45	20
NACE 24.5	160	50	50	40	15
NACE 24.6	125	30	35	40	25
NACE 24.7	25	10	10	5	5
Total of the sector	900-915	230 (25.1%)	260 (28.4%)	280 (30.6%)	145 (15.8%)

Source: CBS, 01/01/2004.

The chemical industry employs about 73,000 workers FTEs²⁷⁰ (CBS, 2002; VNCI/Capgemini, 2004). This is equivalent of 10% of employment in the overall Dutch industry. The number of salaried workers in the sector is 71,100 people, in Fte's: 67,800 (2002, source: CBS). Although most existing plants in the sector are not being transferred to the new industrial countries because of their capital-intensive and knowledge-based character, employment in the chemical sector has been slowly decreasing since the 1990s. The job losses are both a consequence of outsourcing processes, computerisation that is still going on to date, and stagnating growth, since new international markets are being supplied by local companies rather than by expanding old sites in the Netherlands or elsewhere in Europe. A recent study of VNCI shows a decrease in employment of 8% between 1998 and 2003 down to 73,000 FTEs, while turnover was rising with 29% (VNCI & CBS, cited in Capgemini/VNCI, 2004). There are no further data available on employment, nor of the (importance of the) underground economy, although it is believed to be very small. There are no data available on a categorisation of workers, in terms of the share of staff/ white-collar workers, manual/ blue-collar workers, etc). The wages in the chemical industry are relatively high compared with wages in other sectors in the economy, given the capital intensity of chemical production. There are no exact figures available on the comparison of wages in the chemical industry with those in other sectors. The sector is characterised as traditional. There is not a high incidence of atypical labour in the sector. Most workers are elderly males with longstanding employment contracts and part-time jobs are rare, because of the shift-work character of the sector. Temporary work is also rare because of the complexity of the production process and the caution and stability needed to work safely. There are no exact figures available on the incidence of atypical labour in the sector. The gender repartition for 2003 is as follows: 25,000 male workers were occupied within the basic chemical industry, while 7,000 women worked within this sub-sector. Within the fine chemical industry, 30,000 male workers and 14,000 female workers were represented (Source: CBS). In comparison with other industries, the level of education in the chemical sector is high, but in comparison with the overall economy, this level is below average. The most important remark about education is that the demand for qualifications is generally rising and professional profiles are changing. This means that there is, currently, a growing demand for people with Masters' degrees and also for process operators in the chemical sector.

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
NACE 24.1	ND	ND	ND	ND	ND	ND
NACE 24.2	ND	ND	ND	ND	ND	ND
NACE 24.3	ND	ND	ND	ND	ND	ND
NACE 24.4	ND	ND	ND	ND	ND	ND
NACE 24.5	ND	ND	ND	ND	ND	ND
NACE 24.6	ND	ND	ND	ND	ND	ND
NACE 24.7	ND	ND	ND	ND	ND	ND
Total of the sector * (73,000 FTE)	71,100 (67,800 FTE)	10		ND	ND	ND

* Data on the total number of workers (including the 73,000 FTE) are not available.

The developments in the sector have caused pressure on the production process of the chemical industry in the Netherlands. Korevaar has analysed this process in some detail (Korevaar, 2000) and their analysis was confirmed in the interviews held in the context of this project. The sector's position in the Netherlands, moreover, is not without danger. Whereas in Western Europe, high demands on the sector have a negative effect on the climate for investment, both from the point of view of environmental care and energy use, also the rise of new markets like China and India and the substantial differences in unit labour costs between Western Europe (and the USA and Japan) and the new industrial countries, make the latter all the more attractive for establishing new production plants. These political preconditions and socio-economic developments compel the sector to strict cost containment as well as to develop innovative strategies and the creation of market leadership by way of specialization. Computerisation and the control (and permanent development) of knowledge have become the basis of Dutch chemical industry.

²⁷⁰ FTE: full-time-equivalent.

Moreover, the industry is in a permanent process of reorganisation and specialization where market segments are being transferred from one (multinational) company to another (Korevaar, 2000; interviews AWVN, FNV Bondgenoten). The position of the sector in general and the developments within the production process in particular have substantial consequences for the position of individual employees. Firstly, the sector has to cope with the problems of an ageing workforce, whereas the developments sketched above do not leave much room for an age-conscious human resource management. It is impossible to transfer older workers to a day shift schedule, if the shifts are minimally complemented and if almost all workers are ageing. Secondly, in a sector that is almost exclusively knowledge-based, continuous vocational training and life-long learning are essential for its future prospects. But the minimal complement of the shifts does not leave much room for training of workers. Finally, the problem of ageing is also a problem of substitution. Young workers have hardly entered the workforce because of the decreasing employment figures. This leaves the sector with a huge substitution problem now that almost the entire workforce is reaching the age of (early) retirement. The character of the production process (shift work, high work pressure), however, does not make it attractive to young workers, who often have a working partner and therefore are not so much interested in the shift work bonuses, but rather see the disadvantages of shift work, like the health problems and the difficulties to combine shift work with family life and care duties. Moreover, here too, an education problem occurs. Young people tend to choose the ordinary technical professions rather than the profession of process operator in the chemical industry.

2) DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

2.1. Unions

There are four active unions in the chemical industry: FNV Bondgenoten (FNV Allied Unions); CNV Bedrijvenbond (CNV industrial, food production and transport sectors); De Unie: The Union; Vereniging van Hoger Personeel (Association of Higher Personnel). The unions are voluntary organisations that raise money from membership-dues and an employers' contribution based on a small percentage of the wage-bill, as is defined in each separate collective agreement. Each year about 100-120 CA's are signed in chemical industry at company level. The printing ink industry and the soap and detergents, cleaning and polishing preparations industry have a sector level collective agreement. FNV Bondgenoten and CNV Bedrijvenbond are signatory partners to all (or nearly all) CA's at enterprise level. There are no exact data available on the participation of De Unie and VHP as signatory partners to CA's at enterprise level. In addition to bipartite collective bargaining, there are no other kinds of tripartite consultation or meetings between the government and the social partners at the sector level. There are no rules for recognition. The recognition procedure is informal, organisations that sign agreements with other organisations, do recognize the other organisation as a bargaining and negotiating partner.

a) FNV Bondgenoten, Bedrijfsgroep Procesindustrie (FNV-Allies, Section Processing Industry) is the largest union in chemical industry. FNV-Bondgenoten originally is, a socio-democratic, blue-collar union, though it will also represent some white-collar employees. FNV-Bondgenoten is the result of a merger between the FNV-unions in industry, transport, food and services, all in the market sector. It is the most powerful trade union in the industry and with 450,000 members controls most resources. About 22,000 employees in chemical industry are members of FNV Bondgenoten according to their own classification, which is SBI 24 + a few other sub-sectors. The union has 4170 inactive members in the chemical sector. The union is signatory partner to practically all CA's at enterprise level in the sector. FNV members are largely represented in the companies' Works Councils. Around 14 fte staff members of FNV Bondgenoten work in the chemical industry. FNV Bondgenoten is affiliated to the confederation FNV, at the European level with EMCEF and at the international level with ICEM.

b) CNV Bedrijvenbond, Vakgroep Chemie en Industrie (CNV industrial, food production and transport sectors, sector chemistry and Industry) is also signatory partner to most CA's at enterprise level in the sector. CNV-bedrijvenbond originally is a christian, blue-collar union in the industrial sector, though it will also represent white-collar employees. This is a relatively small trade union, so staff members work for several industries. The CNV bedrijvenbond covers the entire industrial sector. CNV has about 5,700 active members in the sector (and 2,300 inactive members). It must be noted that CNV has a membership registration system that deviates from the SBI 24, so its figures are not exact. CNV members are largely represented in the companies' Works Councils. CNV Bedrijvenbond is affiliated with the confederation CNV, at the European level with EMCEF, and at the international level with WCL and ICFTU.

c) De Unie (The union) specifically represents medium and higher skilled personnel. It is also signatory party to most CA's at enterprise level in the sector. De Unie is a relatively small trade union, so staff members work for several branches in the industry. Because of the above-mentioned deviations from the SBI system of categorisation, the Unie has not been able to report an estimated number of members in the sector. De Unie's representation in the companies' Works Councils differs from company to company. In some companies, one or more Works Councils

consist of Unie members, in others not one Unie member is member of the Works Council. De Unie is affiliated to the Vakcentrale voor Middelbaar en Hoger Personeel, National Confederation for Staff and White-collar Employees (MHP), which was established in 1974. It is also member at the European level of EMCEF and at the international level with ICEM.

d) Vereniging voor Hoger Personeel (VHP, Association of higher personnel) is also an affiliate to MHP (see ad c.) and has to a large extent merged into De Unie, but in the negotiations of a number of large concerns (among others AkzoNobel) it is still an independent signatory party. This is a relatively small trade union, so staff members work for several industries. VHP organises higher personnel, notably higher intermediate level and university level employees. Consequently, in companies with a lot of higher personnel, the VHP is an important negotiating partner. At European level it is affiliated to the EMCEF and, internationally to ICEM.

It is impossible to give an exact figure on union density, because the classifications used by the unions to categorise the sector do not match with the SBI-classification, nor do they match with one another. Union density is estimated at 30% - a little above the national average of 27% - by the representatives of the three large unions and the AWVN representative that are interviewed in the context of this project. This figure matches with figures of the CBS presented by the government in the context of questions in the Lower House in 2001 about the representativeness of the unions: union density was 34% in 1995 and 31% in 1999. Both the union representative and the AWVN representative have the impression that union density in the chemical industry is fairly stable. The number of members has decreased, but this is in line with the decrease in employment.

Labour Unions

Organisation		Type of SW	Members belonging to the organisation (all sectors covered by the organisation)	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
FNV Bondgenoten, Bedrijfsgroep Procesindustrie	FNV allied unions	Blue collar more than white collar	450,000	22,000 active members and 4,170 inactive members	An estimation is: 22,000 / 73,000 = 30.1%	Yes	FNV	-	EMCEF	ETUC	ICEM	ND
CNV Bedrijvenbond, Vakgroep Chemie en Industrie	CNV industrial, food production and transport sectors	Blue collar more than white collar	8,000 members	5,700 and 2,300 inactive members	An estimation is: 5700/ 73000 = 7.8%	Yes	CNV	-	EMCEF	ETUC	WCL ICFTU	ND
De Unie	The union	White collar and staff people	ND	ND	ND	Yes	MHP	-	EMCEF	ETUC	ICEM	ND
Vereniging voor Hoger Personeel (VHP)	Association of higher personnel	White collar and staff people	ND	ND	ND	yes	MHP	-	EMCEF	ETUC	ICEM	ND

2.2. Employers' organisations

In the chemical industry, a division between industrial associations and employers' associations exists. Most employers (95%, more than 600 companies) in the chemical industry are affiliated with the Association of the Dutch Chemical Industry (Vereniging van de Nederlandse Chemische Industrie, VNCI) but the VNCI does not deliver labour relations services²⁷¹. Because of this, most employers are also member of the AWVN. VNCI and AWVN cover all sub-sectors in chemical industry. VNCI does not participate in collective bargaining. AWVN is involved in 95% of the collective agreements signed in the sector, but only as an advisor, not as a signatory partner. The signatory partners on the employers' side are the employers themselves.

²⁷¹ The VNCI is relevant in the context of this research in that it is active in the field of vocational training.

a) Association of Dutch Chemical Industry (Vereniging van de Nederlandse Chemische Industrie, VNCI)

The organisation was established in 1918. Affiliated enterprises contribute via membership fees. VNCI represents 600 chemical companies, directly and indirectly affiliated in eleven branch organisations. The overall coverage is 95%. The organisation has 30 staff people, who work on safety issues, research and development, energy, products, and interest representation. VNCI is a member of CEFIC and consults AWVN on matters discussed there.

b) General Employers' Association Netherlands (Algemene Werkgeversvereniging Nederland, AWVN)

The organisation, funded in 1919, originally covered only the industrial sector, but since 1995 it is also directed to the commercial services sector and the transport sector. AWVN has always specialised in services in the field of employment conditions and industrial relations. The organisation has 180 staff people. Information on funding methods for the organisation is not available. The organisation provides coaching and counselling services to their members for the negotiations with the unions. It does not itself act as negotiator. AWVN is not a branch organisation in the economic sense, but more than 70 branch organisations that do deliver economic services, are associated with AWVN. Besides, AWVN has 850 individual member enterprises, of which 200 work in the chemical industry sector. Overall, the representativeness of AWVN is estimated at 90%.²⁷² The 70 branches and 850 individual enterprises together employ more than one million employees. AWVN is not a direct member of any national or international organisation in chemical industry, but it is closely associated with the largest employers' organisation in the Netherlands, the confederation of Netherlands Industry and Employers (known as VNO-NCW²⁷³), that promotes businesses' interests in politics. AWVN also co-operates with VNCI.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Vereniging van de Nederlandse Chemische Industrie, VNCI*	Association of Dutch Chemical Industry	ND	600	ND	95%	ND	ND	VNO-NCW	-	CEFIC	-	ND	ND
Algemene Werkgeversvereniging Nederland, AWVN**	General Employers' Association Netherlands	ND	200	ND	90%	ND	yes	VNO-NCW	-	Close co-operation with VNCI on matters discussed in ECEG	UNICE	ND	ND

* Branch-organisation in the economic sense

** Service organisation in the field of employment conditions and industrial relations

Mutual recognition at the bargaining table of the organisations mentioned has been undisputed for many years. In the companies that have a CA (85% of the companies), the union is a recognised bargaining partner. In most CAs attention is paid to union activities.

3) DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT NATIONAL LEVEL

There are no bipartite or tripartite platforms in the sector. The only institutionalised form of co-operation is the Process Engineering Vocational Training Institute – Process Engineering Education Fund (Vakopleiding Procestechniek – Opleidingsfonds Procestechniek, VAPRO-OVP). VAPRO-OVP originated from the co-operation of AWVN, VNCI, FNV and CNV. VAPRO-OVP performs statutory duties in the field of vocational training and also executes, among other things, the ESF 3 regulation for vocational training for workers. Representatives of AWVN, VNCI, FNV and CNV

²⁷² This number may seem as illogically high compared to the total number of companies registered by CBS (700), but in the CBS number many shell companies and many companies with one or two employees are included. These companies do not count as far as CB is concerned.

²⁷³ Vereniging Nederlandse Ondernemingen – Nederlandse Christelijke Werkgeversorganisatie, Association of Dutch Companies – Dutch Christian Employers' Association.

are still on the board of VAPRO-OVP. Industrial relations in the sector, on the one hand, unarguably are traditional. Unions have a strong tradition of campaigning, they have many executive members and employees are closely associated with the unions' activities. On the other hand, the chemical industry is different from the other traditional sectors in that it has a reputation for willingness to cooperate. Employers have never been willing to deal with joint problems (labour market, education) collectively, let alone to consult the unions on a national or regional level. The international character of the chemical industry and the rather young age of most enterprises may explain for this attitude (Korevaar, 2000), but also the fact that actually the chemical industry is not a sector in the sense that it shares a certain market.

3.1. Description of the tripartite concertation in the sector

In the chemical sector there is no incidence of tripartite negotiations. Such information exchange does exist at national level, but not at sector level.

3.2. Description of the bipartite social dialogue in the sector

Unlike other branches of industry in the Netherlands, the interest representation and social dialogue in the chemical industry takes place almost exclusively at enterprise level and not at sector level. In the sector, no sector level negotiating platform exists (there is only a joint training institute as described in the text) and there are no sector collective agreement, so the knowledge and the influence of the trade unions is limited to the enterprise level. The unions have limited access to data on more general labour market developments, vocational training and education, and recruitment and selection of new employees. Unlike other industrial sectors, the chemical industry does not have a joint platform for these matters and does not wish to create one either. There are many labour market issues that currently need attention, including the need for an age-conscious personnel management, the crucial role of vocational training and life long learning for the sector's future prospects, and the substitution problem in the chemical industry's labour market.

There are three sectors which are close to the frontiers of the chemical sector (and the enterprises belonging to these sectors are not considered to be part of the chemical industry). The paints and printing ink industry; the soap and detergents, cleaning and polishing preparations industry, and the rubber and synthetic materials have a sector level CA, but these sectors cannot be considered to be an integral part of the chemical industry. The Paints and printing ink industry is negotiated between the trade unions FNV and CNV with the employers' association 'Vereniging van Verf- en Drukinktfabrikanten'. The Soap and detergents, cleaning and polishing preparations industry agreement is negotiated between the trade unions FNV, CNV, and the employers' association 'Nederlandse Vereniging van Zeepfabrikanten'. The rubber and synthetic materials is negotiated between FNV, CNV and De Unie, on the side of the trade unions, and the 'Rubber and Kunststofindustrie', on the side of the employers. All three sector agreements are generally extended by the government.

At enterprise level

The chemical industry consists of many market segments, often supplied by global players. Each company has its own market, and consequently, its own interests (source: FNV Bondgenoten). This corporate culture has its impact on the employees, the unions and the works councils²⁷⁴. They are oriented towards their own companies rather than towards the sector as a whole and almost all companies have their own CAs. Collective actions have not been undertaken by the unions since the implementation of the five-shift system in the 1970s and also labour conflicts at plant or enterprise level do not occur very frequently. Notwithstanding the individualism of the employees just outlined, the trade unions do realise that only strategic action will lead to any results in the chemical industry. Moreover, their executive members in the sector are well-educated and willing to deal with new issues. Generally, the same goes for the enterprises. They are powerful, well-equipped and usually socially engaged. Moreover, almost all enterprises in the chemical industry are members of the AWVN. AWVN has a professional attitude towards labour relations (doing research, signalling of trends, dissemination of information) rather than a conflictual mentality. The AWVN representatives usually act in the role of advisor or representative of the employer rather than doing the negotiations themselves. Their style of negotiating is accordingly of a moderate nature and respecting the interests of the different parties.

In the last number of years, the nature of CB is changing. The structure of the CA in many company changes in the direction of framework agreements in which more detailed elaboration of certain subjects is delegated to the Works Council. Some American employers, e.g. ESSO, Dow Chemical, do not wish to bargain with the unions. They create their own employment

²⁷⁴ Because of the fact that not the employers' organisation AWVN, but the enterprise itself is the real negotiating partner for the unions and for the workers' representative bodies at enterprise level, the process and outcome of the negotiations differ from one another. There is neither one typical style nor one typical outcome of negotiating in the chemical industry. In addition, some companies in the sector do not have a CA, including both small companies as well as multinationals like ESSO and Dow Chemical.

arrangements. According to AWVN and FNV Bondgenoten these arrangements tend to be better than the stipulations in the CAs in the sector, so also in non-unionised companies, there is an influence from the content of CAs.

With the help of our database on CB (possessed by AIAS and FNV) we have made a list of all CAs in the chemical industry (SBI 24) that have FNV as a signatory partner. We counted 121 CAs, of which 118 were signed at company level. Indeed, as noted above, the paints and printing ink industry; the soap and detergents, cleaning and polishing preparations industry, and the rubber and synthetic materials have a sector level CA; nevertheless, as these branches cannot be considered to be fully part of the chemical industry, we won't detail these CAs within this study.

The coverage rate of CB at enterprise level is estimated at 85% of all companies, where about a similar percentage of workers is employed. Collective agreements also cover most white collar staff. The Dutch procedures for general extension of CAs is not applied in the Dutch chemical sector. Information on possible developments relating to the number of the CAs at enterprise level is unknown, but there are no signs of further decentralisation.

The employment conditions are relatively good compared to the rest of Dutch industry. Pay is relatively high and with shift bonuses of 28 to 30% the operators earn more than workers in other industrial branches. Moreover, it is particularly the labour-intensive character of the negotiations (hundreds of CAs at enterprise level) that makes them fit for tailor-made solutions and introducing innovations. At the end of the 1990s many innovations have been achieved in CAs because the sector desperately needed qualified personnel. Moreover, labour-costs were not the issue in what is basically a capital-intensive industry. Korevaar (2000) characterises both the unions as well as the employers' organisation AWVN as pro-active and innovative. Also today, both the employers' and trade union' representatives are of the opinion that the social partners' take a pro-active attitude, but they also note that in the 21st century the sector has become more prudent with respect to innovative measures in CAs. Firstly, labour-costs increasingly matter in this era of opening markets. Secondly, the avalanche of new social security regulation enacted by the government as of 2003, has kept the negotiators busy and prevented them from major innovative measures. The rapid enactment of regulation by the government, is also the reason for short-term rather than long-term CAs, which normally have a duration of one year. The negotiations on government-measures has been time-consuming and tie up a large share of available resources. Finally, the AWVN-representative points to the complexity of the production process and the caution and stability needed to work safely, which makes the sector intrinsically conservative with respect to employment conditions. Nevertheless, both FNV, CNV, Unie as well as AWVN, all actors at enterprise level, point out that the wish to take innovative measures has not disappeared from their agenda.

The AWVN has initiated a debate to search for 'win-win' situations since labour-costs have gained relevance. In the project "working more cleverly" (Slimmer Werken), taken up by AWVN and supported by the unions, different elements of conditions of employment are treated in the context of raising labour productivity: improvement of working time management (better work schedules), health and safety policy / reduction of sickness absence, investment in vocational training and employability, more effective management and performance-related pay.

4) COMMENT

Interest representation in the chemical industry in the Netherlands is unlike other industrial sectors given the wide-spread use of enterprise agreements. These characteristics impede a full assessment of (the content of) CB and the representativeness of the social interest organisations in the chemical industry. In this research, we were compelled to make use of estimations by key informants within the interest organisations, completed with figures of the CBS.

We have seen that in the sector several market segments exist, which are often supplied by global players with their own specific interests and positions. Accordingly, the sector has developed a reputation for "wilfulness" and a rather stubborn attitude. Employers have never been willing to deal with joint problems, let alone to consult the unions on a national or regional level. Thus, most typical for the social dialogue in the sector is the fact that it is almost exclusively taking place at enterprise level. With the exception of the paints and printing ink industry and the detergents, cleaning and polishing preparations industry, every company has its own CA. In all agreements, different emphasis is put on the conditions of employment, although some enterprises compare and benchmark the conditions of employment with those of other companies in the (sub)sector for reasons of competitiveness. Even non-unionised companies that do not have a CA, do have conditions of employment that match to a large extent to those of the rest of the (sub)sector.

The existence of many market segments, also impedes the uniform categorisation of the sector within the SBI standard classification, and the trade union density as well as the employers' organisations density has to be estimated. The chemical industry has an estimated, stable union density of 30%, a little above the national average of 27%.

Most companies are member of VNCI (covering 95% of the workers in the sector), but VNCI does not supply services in the field of conditions of employment and industrial relations. Therefore most companies combine their membership of VNCI with a membership of AWVN. Member companies of AWVN employ about 90% of the workers in the sector. VNCI and AWVN work closely

together. Mutual recognition of the bargaining partners in the chemical industry is undisputed. An estimated 85% of the companies has a CA. Bipartite or tripartite negotiating platforms in the sector do not exist but VNCI, AWVN, FNV and CNV participate on the board of VAPRO-OVP, a combination of a vocational training institute and a vocational training fund.

POLAND

1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

1.1.- Delimitation and scope of activities

The Polish Classification of Activities (Polska Klasyfikacja Dzialalnosci, PKD) came into line with the European classification of activities on January 1st 1998²⁷⁵, and accordingly exactly matches the NACE nomenclature. As far as the Chemical Industry sector is concerned, the field of activities covers all of the nomenclature's Sub-section 24 based on activities in groups 24.1 until 24.7. However, the field of activities covered by the employers' and the trade-union organisations in this sector is varied. Some organisations cover a few groups of activities within sub-section 24, whereas some others are active far beyond sub-section 24, generally in sub-sections 25 (rubber and plastic) and/or 23 (petroleum products). It is also important to point out that precision of the statistical data, as far as the sole sub-section 24 is concerned, remains variable depending on the type of information sought.

1.2.- Socio-economic features

No accurate figures are available at the statistical office that could determine what the Chemical Industry sector represents as a percentage of the global national product in Poland. Some more general data grouping sub-sections NACE 24+25 (Production of chemical products + production of rubber and plastic) make it possible to assess the importance of those production sectors : in 2003, those two sectors together represented in the whole of the Polish manufacturing production : 7.9% of the jobs, 14.4% of the sold production and 15.7% of the investment costs.²⁷⁶

In the chemical industry sector itself (NACE 24), the number of economic entities is increasing slightly (3,823 companies in 2004 vs. 3,683 entities in 2003, i.e. an increase of 4%)²⁷⁷. There is a similar increase in each group of the sub-section : the number of companies with more than 50 workers remains stable, while the number of companies with less than 10 workers is increasing (there is an increase of 137 economic entities in one year, i.e. an increase of 5%). The number of public companies represents about 1% of the total number of companies in that sector (46 out of 3,823 companies in the public sector in 2004 and 48 out of 3683 in 2003) : this indicator is, however, relatively insignificant, since these public companies are generally the biggest in the sector; thus, they represent a larger part than 1% in the volume of the workers employed in the sector or in the volume of the turnover made in this sector.

Companies in 2004

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-49 SW	% Companies 50-249 SW	% companies with > 249 SW
Sub-sector 24.1	955 (25%)	ND	734 (19.2%)	145 (3.8%)	49 (1.3%)	27 (0.7%)
Sub-sector 24.2	74 (1.9%)	ND	63 (1.6%)	6 (0.2%)	4 (0.1%)	1 (0%)
Sub-sector 24.3	542 (14.2%)	ND	424 (11.1%)	93 (2.4%)	19 (0.5%)	6 (0.2%)
Sub-sector 24.4	317 (8.3%)	ND	177 (4.7%)	67 (1.8%)	50 (1.3%)	23 (0.6%)
Sub-sector 24.5	1,339 (35%)	ND	1,064 (27.8%)	191 (5%)	68 (1.8%)	16 (0.4%)

²⁷⁵ Decision of the Council of Ministers of 7/10/1998 published in the Official Journal on 22/10/1998.

²⁷⁶ « Chemical Industry in Poland – Annual Report 2003 » from the Polish Chamber of Chemical Industry.

²⁷⁷ Central Statistical Office : economic entities, quarterly statement 2003 and 2004. The Statistical Office lists all the economic units that have been registered to be allowed to conduct business. This number is therefore most probably overestimated, since it encompasses economic units that never get started, units that have ceased activity after a short period and very small units (without any salaried workers). This figure is therefore always higher than what the unions and management consider as being the number of companies active in that sector. The Polish Chamber of Chemical Industry considers that, in the sector of chemical production (NACE 24), there were 275 companies in 2003 and 273 companies in 2002, which represent a number comparable to the sole economic entities listed by the Central Statistical Office with more than 50 workers.

Sub-sector 24.6	578 (15.1%)	ND	463 (12.1%)	79 (2.1%)	29 (0.8%)	7 (0.2%)
Sub-sector 24.7	18 (0.5%)	ND	9 (0.2%)	5 (0.1%)	1 (0%)	3 (0.1%)
Total of the sector 24	3,823 (100%)	ND	2,934 (76.7%)	586 (15.3%)	220 (5.8%)	83 (2.2%)
Sub-sector 25.1	1,271 (8.7%)	ND	1,056 (7.2%)	146 (1.0%)	49 (0.3%)	20 (0.2%)
Sub-sector 25.2	13,335 (91.3%)	ND	11,074 (75.8%)	1,803 (12.3%)	426 (3.0%)	32 (0.2%)
Total of the sector 25	14,606 (100%)	ND	12,130 (83.0%)	1,949 (13.3%)	475 (3.3%)	52 (0.4%)

Source: Central Statistical Office : economic entities, quarterly statement 2004

On the other hand, the number of salaried workers in the sector is constantly falling : 98,600 in 2000, 91,900 in 2001, 86,000 in 2002, and 84,900 in 2003, i.e. a decrease of 14% in four years.²⁷⁸ During this period groups 24.1, 24.2, 24.6 and 24.7 are the groups that are losing the most jobs (a loss of more than a quarter of the jobs), while group 24.4 (pharmaceuticals) is keeping its employment rate steady and group 24.5 (cosmetic) is increasing its number of jobs by 5%.

Employment in 2003

Sub-sectors NACE 24 AND 25	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
Sub-sector 24.1	ND	27,700 (32.6%)	ND	ND	ND	ND
Sub-sector 24.2	ND	1,200 (1.4%)	ND	ND	ND	ND
Sub-sector 24.3	ND	4,600 (5.4%)	ND	ND	ND	ND
Sub-sector 24.4	ND	22,800 (26.9%)	ND	ND	ND	ND
Sub-sector 24.5	ND	20,000 (23.6%)	ND	ND	ND	ND
Sub-sector 24.6	ND	4,700 (5.5%)	ND	ND	ND	ND
Sub-sector 24.7	ND	3,900 (4.6%)	ND	ND	ND	ND
Total of the sector 24	ND	84,900 (100%)	ND	ND	ND	ND
Sub-sector 25.1	ND	19,800 (27.5%)	ND	ND	ND	ND
Sub-sector 25.2	ND	52,200 (72.5%)	ND	ND	ND	ND
Total of the sector 25	ND	72,000 (100%)	ND	ND	ND	ND

Source: Central Statistical Office : Employment, Wages and Salaries in the National Economy in 2003.

Moreover, it may be worth pointing out that a slightly higher number of women is entering the chemical industry production sector : among the salaried workers in the chemical production sector there were 41.5% of women in 2000; this ratio reached 42.3% in 2003.

The analysis of the number of jobs also shows a slow move towards privatisation in the sector : 71.6% of salaried workers were employed in the private sector in 2000, in 2003, the figure was 76.7%. Nevertheless, a large number of jobs in the chemical industry are still in the public sector (nearly 25%), mainly in big companies.

No information has been found about the informal economy. It would seem that this illegal type of work is relatively infrequent in this sector.

Furthermore, the recent developments in the chemical production sector illustrate the following trends : an increase of 32.4% in investment between 2002 and 2003 (328 million euros in 2002 and 435 in 2003), an increase of 12.4% in revenues between 2002 and 2003 (7,398 million euros in 2002 and 8,305 in 2003); a rate of increasing net profit (3.2% in 2002 for 4.3% in 2003); a

²⁷⁸ Central Statistical Office : Employment, Wages and Salaries in the National Economy in 2000, 2001, 2002 and 2003.

wage level that increased by nearly 20% between 2000 and 20035, a constantly rising productivity level also; despite this, a persistent and serious deficit of trade balance (7,376 million euros imports vs. 3,398 million euros exports)²⁷⁹. The issues at stake in the chemical production sector, thus remain significant :

-In spite of relatively large investments²⁸⁰, the balance of trade remains unbalanced, even if the average consumption of chemical products is still relatively low (300 euros on average per Pole per year vs. 1200 euros per average inhabitant of the European Union). It is generally assumed that this average Polish consumption is going to double in the coming years, which is likely to increase the deficit in the balance of trade.

-The integration into the European Union is another major challenge for the sector, especially for the pharmaceuticals sector (which mainly produces generic medicine). Indeed, the sector is confronted with restrictions imposed by the European Union in the field of marketing pharmaceutical products. Those restrictions have been all the more unwelcome since Poland produces high-quality medicine (this industry was entirely renovated in the 90s and is, therefore, one of the most modern in Europe) at a much cheaper price than in the fifteen countries of the European Union.

-The sector's reorganisation and privatisation constitute a third crucial issue at stake, especially for the employers, who see in it the opportunity to manage the sector better and to attract new investors. A few dozen companies (among the biggest) are nowadays still 100% public.

Unfortunately, there are no data available on categories of SW and on qualifications level of the workers.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT A NATIONAL LEVEL

The concertation is based on the law of July 6th, 2001, which defines the criterion of representativeness for the organisations. A workers' organisation is representative when it has 300,000 members (500,000 since the 1st of January, 2003) and if it is active in the national economic units whose main activity complies with the conditions set up by the law. An employers' organisation is representative when its members employ more than 300,000 workers, if its activities comply with the conditions set up by the law and if it is active in national economic units whose main activity comply with the conditions set up by the law.

2.1. Description of the workers' organisations active in the sector²⁸¹

In the chemical sector, the workers' organisations are grouped in a very structured way (an office with different sections) in two confederations: the Independent Self-Governed Trade Union "Solidarnosc" and the All-Poland Alliance of Trade Unions. Within the third confederation, the Forum of the Trade Unions, this structure is less present, the workers rather grouping together in labour unions (unions of continuous work or unions of engineers and technicians) or in « Solidarnosc-80 ».

²⁷⁹ Polish Chamber of Chemical Industry : Chemical Industry in Poland – Annual Report 2003.

²⁸⁰ For most groups of this sector, the investments come from Poland, except for the cosmetic and pharmaceutical productions (NACE 24.4 and 24.5) that mainly draw foreign investments.

²⁸¹ EMCEF notes that "the two trade unions in the Pharmaceutical Industry and the one of ISTU Solidarnosc are not affiliated to EMCEF". However, the national expert wishes to specify that Solidarnosc is organised under different secretariats, according to sector, amongst which is the one that we concerns us for the purposes of this study, the Chemical Industry Workers Secretariat of ISTU "Solidarnosc" - Sekretariat Przemyslu Chemicznego NSZZ "Solidarnosc". Each secretariat has a certain number of sections, which generally represent narrower professional groupings. With regard to the chemical industry workers secretariat, amongst others, it covers the two following sections, relevant to this study : the Pharmaceutical Industry Workers' National Section of ISTU "Solidarnosc" - Sekcja Krajowa Pracownikow Przemyslu Farmaceutycznego NSZZ "Solidarnosc" and the Chemical Industries' National Section of ISTU "Solidarnosc" - Sekcja Krajowa Przemyslu Chemicznego NSZZ "Solidarnosc". So it is this secretariat which is a member of EMCEF. Both sections are members of the secretariat and, as such, they consider themselves indirectly affiliated to, and the secretariat confirms this also. These confirmations were obtained from Mr Konecki, President of the secretariat. The sections certainly do not appear on EMCEF's list, which would account for the remark. However, EMCEF, by affiliating the secretariat, which is composed of these two sections in particular, covers the workers who are members of these two sections. It should be noted that, in general in Poland, workers have a greater feeling of belonging to the section than to the secretariat, which is more of a "super-structure".

2.1.1. The Chemical Industry Workers Secretariat of the Independent Self-Governed Trade Union "Solidarnosc" (Sekretariat Przemyslu Chemicznego NSZZ "Solidarnosc")²⁸²

The Independent Self-Governed Trade Union « Solidarnosc » was registered on the 10th November 1980. It, thus, got global and inter-sector recognition which reflects on the different offices and sections. In 1989, « Solidarnosc » went through an internal reorganisation in order to develop a more systematic structure around the different activities. This reorganisation has served as the basis for the creation of the Chemical Industry Workers Secretariat that held its first conference in 1991. This secretariat is organised around the different national sections (glass, ceramics, refinery, gas...), two of them falling directly within sub-section NACE 24 : the Pharmaceutical Industry Workers' National Section of ISTU 'Solidarnosc' and the Chemical Industries' National Section of ISTU 'Solidarnosc'. This secretariat is financed by its members' subscriptions, deducted directly by the employer. This subscription is shared out between three levels in the union structure : the company, the region and the national committee. The latter retro cedes part of what it gets (2%) to the sector secretariats. The secretariat employs the equivalents of two full-time employees: an accountant-secretary, a half-time corporate lawyer and a half-time sub-editor. The union authorities are elected every four years, during a congress. The last congress took place in 2002.

As a whole, the secretariat is made up of 37,552 members, all of them salaried workers. 15,403 members fall within subsection NACE 24. The other members fall within the other sub-sections (refinery, glass...). The members are from various categories: manual workers, employees and managers/executives²⁸³. This union representativeness may therefore be estimated at 18.1% (15,403/84,900)²⁸⁴. This trade union has the power to sign CAs at higher than enterprise level, but no real convention exists so far in the sector. A single general agreement on the autonomous dialogue has been signed at the sector level. At company level, the secretariat thinks that some CAs exist in 90% of the companies where there is a delegation.

The secretariat is a direct member of the Independent Self-governing Trade Union "Solidarnosc". On the international level, it is also a direct member of EMCEF, and a direct member of ICEM.

2.1.2. The Pharmaceutical Industry Workers' National Section of ISTU "Solidarnosc" (Sekcja Krajowa Pracownikow Przemyslu Farmaceutycznego NSZZ "Solidarnosc")²⁸⁵

The first meetings of the sector workers within Solidarnosc took place in 1980. But it was on June 27th 1994 that the Section was officially registered by the Solidarnosc National Committee. The legal inter-sector recognition is registered for the latter, but by delegation, this recognition also applies to the sector organisations that are members of Solidarnosc. At the same time, this union has led a campaign for the defence of workers' rights and for a better health policy (unauthorised exportation of medicine, policy for the registration of those medicines, trend towards the sector privatisation, and policy for the medicine price...). The national sector is a member of the Chemical Industry Workers Secretariat of ISTU 'Solidarnosc'.

This union is active in group NACE 24.4 and is present in the thirteen biggest pharmaceutical companies of the country. The union is financed by its members' subscriptions (deducted directly by the employer). The organisation does not employ any salaried workers: all the people active in the union work voluntarily. Yet, their companies often grant them hours in credit to carry out their union duties. The Pharmaceutical Industry Workers' National Section of ISTU "Solidarnosc" is made up of some 3,500 active members from different categories: manual workers, employees and managers/executives²⁸⁶. The union's density is therefore estimated at 15.4% (3,500/22,800). The union's management (7 members) is elected every four years by the 31 representatives from the 13 companies where the union is active. This union is allowed to take part in the negotiations at sector level and to reach CAs. However, no agreement has been reached so far. The union also takes part in the sub-committee for the pharmaceuticals sector (no convention has been signed). In the same way, it is allowed to take part in the negotiations at the enterprise level and to sign CAs, but there are no data on the number of CAs signed by the organisation in 2003 and 2004.

The national section is an indirect member (through the Chemical Industry Workers Secretariat) of the Independent Self-governing Trade Union "Solidarnosc". Through this affiliation it is also an indirect member of the EMCEF and the ICEM²⁸⁷.

²⁸² Source: Interview of Julian Andrzej KONECKI, President of the Secretariat.

²⁸³ The Union does not establish statistical data by these categories.

²⁸⁴ Throughout this survey, density or representativeness is estimated or calculated : the number of workers is related to the numbers of workers listed in the various groups NACE that the organisation says to cover (in 2003). When the organisation itself gives a density, the number is given as a comparison.

²⁸⁵ Source: Interview of Myroslaw MIARA, President of the section.

²⁸⁶ The Union does not establish statistical data by these categories.

²⁸⁷ Its member is the Chemical Industry Workers Secretariat of ISTU "Solidarnosc".

2.1.3. The Chemical Industries' National Section of ISTU "Solidarnosc" (Sekcja Krajowa Przemyslu Chemicznego NSZZ "Solidarnosc")²⁸⁸

The Independent Self-Governed Trade Union « Solidarnosc » was registered on 10th November 1980. It thus got a global and inter-sector recognition from which the different offices and sections can benefit. In 1989, « Solidarnosc » went through an internal reorganisation in order to develop a more systematic structure around the different activities. This reorganisation has served as the basis for the creation of the Chemical Industry Workers Secretariat that held its first conference in 1991. The Chemical Industries' National Section of ISTU 'Solidarnosc', registered in 1991, became member of this Chemical Industry Workers secretariat. The organisation does not employ any salaried workers. As in the previous section, this section is the nationally and inter-sector negotiator recognised by the Independent Union 'Solidarnosc'; it is also a member of the Chemical Industry Workers Secretariat of ISTU 'Solidarnosc'. The union is financed by its members' subscriptions and thanks to the unpaid work of the union representatives, who generally enjoy a temporary assignment in their companies to do the union work.

This section is active in all the groups of sub-section NACE 24, except in the pharmaceutical sector (group 24.4). There are 11,903 members and its representativeness is therefore calculated at 19.2% (11,903/62,100). Types of affiliated workers are unknown because the union doesn't establish statistical data by category. The section (like its secretariat) is allowed to reach agreements at a higher than enterprise level (sector level), but has never signed any, this type of agreement being mainly reached at company level. In the same way, it is allowed to take part in negotiations at enterprise level and to sign CAs, but there are no data on the number of CAs signed by the organisation in 2003 and 2004.

The national section is an indirect member (through the Chemical Industry Workers Secretariat) of the Independent Self-governing Trade Union "Solidarnosc". Through this affiliation it is also an indirect member of the EMCEF and the ICEM.

2.1.4. The Trade Union Federation of Chemical, Glass and Ceramic Industries in Poland (Federacja Związków Zawodowych Przemysłu Chemicznego, Szkłarskiego / Ceramicznego w Polsce)²⁸⁹

The first workers' organisations in the chemical sector were set up in 1918. But it is on the basis of legislation brought in at the end of the state of war in 1982, that the trade union was set up on 30th August 1983 in Katowice. It covers sub-section NACE 24 in chemistry, but also workers in the glass, ceramic and oil refinery fields. The federation is made up of 165 unions in companies grouped together in 16 section groups (the majority of them fall within the chemical sector). The federation includes 25,000 salaried employees and about 15,000 people who get a pension. Among the 25,000 salaried workers, about 20,000 come under section NACE 24, which means a density calculated at 23.6% (20,000/84,900)²⁹⁰. Types of affiliated workers are unknown because the union doesn't establish statistical data by categories. The federation employs 32 people and is financed by money directly deducted from the union subscriptions by the employer. The federation is a member of the Confederation of the "All-Poland Alliance of Trade Unions" which respects the criterion of representativeness; thus the trade union is recognised through its membership.

The federation has the power to sign CAs at higher than enterprise level (sector level). But no such convention has ever been signed in the chemical sector, even if some proposals have been put forward by the unions. On the other hand, this union has signed a general arrangement on the autonomous dialogue in the sector. At company level, CAs have been signed, but the federation cannot say exactly how many were signed. However, the federation does point out that the number of signed agreements is gradually falling. Indeed, the employers prefer reaching some agreements on particular topics than to sign global CAs with the unions.

The federation is at the national level a member of the All-Poland Alliance of Trade Unions and at the European level of the EMCEF. Through the EMCEF the federation is also an indirect member of ETUC.

2.1.5. The Chemical Industries' Secretariat of the Independent Self-Governed Trade Union "Solidarnosc -80" (Sekretariat Przedsiębiorstw Przemysłu Chemicznego NSZZ "Solidarnosc-80")²⁹¹

This trade union was set up in February 1996 within the Inter-sector Union 'Solidarnosc-80' that had been officially recognised on 12th September 1991. « Solidarnosc-80 » also received inter-sector general recognition and the different section organisations of this union are granted the recognition through affiliation. This organisation is active in part of the chemical sector, mainly in

²⁸⁸ Source: Interview of Krzysztof WITKOWSKI, President of the section.

²⁸⁹ Source: Interview of Jozef WOZNY, President of the Federation.

²⁹⁰ In a written note the federation gives a density of 7% for all the sectors it covers (in reference to a total number of 198,000 salaried workers)

²⁹¹ Source: Interview of Edmund JANKOWSKI, President of the Secretariat.

heavy chemicals, and covers the following groups: NACE 24.1, 24.3 and 24.6. 40% of the funding of this organisation come from member subscriptions (1% of the gross wage bill directly deducted by the employer) and by various contributions (support from the regional unions of Solidarnosc-80 for secretarial work and legal advice; credit hours are granted by the employer to the union officials to carry out their union duties...) The union does not have any permanent employees, all the members work voluntarily. The union election takes place every four years; the last one was on 17th December 2004. The union is made up of some 10,000 members, which means there is a density of 27% (10,000/37,000). Those members are drawn in an equal distribution from various categories: manual workers, employees and managers/executives (approximately 1/3 respectively). The union seems to be particularly representative in the North-west and in Silesia.

This union takes part in the tripartite dialogue and also has the power to negotiate at sector level, even if no agreement has been reached, so far, at this level. At the level of the Voivodships, the social dialogue has sometimes been centred on the management of environmental damage done by the sector companies: on such issues, the opinions of workers and employers are often the same. The only existing CAs have been signed at the company level (every delegation member of Solidarnosc—80— has signed such an agreement at company level). However, even though we know that the union is allowed to take part in the negotiations at enterprise level and to sign CAs, there are no data on the number of CAs signed by the organisation in 2003 and 2004.

This union is a member of the Forum of Trade Unions (FTU) at the national level, but is not part of any international organisation.

2.1.6. The National Alliance of Trade Unions for Continuous Work (Ogólnokrajowe Zrzeszenie Związków Zawodowych Pracowników Ruchu Ciągłego)²⁹²

This union brings together, essentially people working in continuous processes²⁹³ in different sectors: energy, mining, coking, steel and chemicals. The Alliance was created and registered in 1990. The organisation started out in the steel industry before spreading to other sectors that employ people in continuous work. The Alliance has 18,000 members who are employees working in continuous processes in different sectors. Among them, some 6,000 employees work in the Chemical Industry sector in the NACE groups 24.1 and 24.7 (a density of 19% or 6,000/31,600). There are no data on types of workers affiliated. This union is financed by its members' subscriptions. The Alliance's office employs two full-time people.

The Alliance is member of the Confederation "Forum of Trade Unions" which respects the criterion of representativeness; thus the trade union is recognised through its membership. The Alliance participates in the tripartite dialogue at the level of the working group for the Chemical Industry. The Alliance has the power to sign CAs at sector level but has not signed any agreement so far. This Alliance's member organisations are authorised to sign collective company agreements. According to the Alliance, such an agreement exists in every company. Data on the number of CAs signed by the organisation in 2003 and 2004 at enterprise level are unavailable.

The Alliance is a member of the Forum of Trade Unions (FTU) at national level. Through this affiliation it is also an indirect member of the ECITU²⁹⁴.

2.1.7. The Engineers and Technicians Trade Union (Związek Zawodowy Inżynierów i Techników)²⁹⁵

This union was legally registered before in 1989. It is meant to be the representative of a special category of workers (the engineers and technicians executives –statistical data are unavailable– in the different sectors. In the chemical sector, the union is present in groups 24.1 and 24.4. It is financed by members' subscriptions and donations. The organisation does not employ any salaried workers. It is said to have 20,500 members; all of them are executives (engineers or technicians), but they do not say how many of them work in the chemical sector. It is therefore impossible to know what this union's density is.

Since this union has a nationally recognised representativeness, it can take part in negotiations at sector level. But it has not reached any agreement so far. The union claims however that it helps to set up CAs in companies where it is represented. Data on number of CAs signed by the organisation in 2003 and 2004 at enterprise level are unavailable.

It also takes part in negotiations in the tripartite committee, among others in the chemical sector committee.

The Engineers and Technicians' Trade Union is at the national level a member of the Forum of Trade Unions (FTU). Through this affiliation it is also an indirect member of the ECITU²⁹⁶.

²⁹² Interview of Krzysztof KALAMAT, President of the Inter-company Committee in the sector of the Coke of The National Alliance of Trade Unions for Continuous Work

²⁹³ This Union is organised around the specificity of continuous work in periods of eight hours per day, for all professions that use this way of organising working time, independently of the sector.

²⁹⁴ It is the Forum of Trade Unions that is the member.

²⁹⁵ Interview of Lechosław CZYZ, President of the Union.

²⁹⁶ It is the Forum of Trade Unions that is the member.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Sekretariat Przemyslu Chemicznego NSZZ "Solidarnosc"	Chemical Industry Workers Secretariat of ISTU "Solidarnosc"	NACE 24	37,552	15,403	18.1	Yes	ISTU Solidarnosc	-	EMCEF	-	ICEM	-
Sekcja Krajowa Pracownikow Przemyslu Farmaceutycznego NSZZ "Solidarnosc"	Pharmaceutical Industry Workers' National Section of ISTU "Solidarnosc"	NACE 24.4	3,500	3,500	15.4	Yes	-	ISTU Solidarnosc	-	EMCEF	-	ICEM
Sekcja Krajowa Przemyslu Chemicznego NSZZ "Solidarnosc"	Chemical Industries' National Section of ISTU "Solidarnosc"	NACE 24, except NACE 24.4	11,903	11,903	19.2	Yes	-	ISTU Solidarnosc	-	EMCEF	-	ICEM
Federacja Związków Zawodowych Przemyslu Chemicznego, Szklarskiego i Ceramicznego w Polsce	Trade Union Federation of Chemical, Glass and Ceramic Industries in Poland	NACE 24, NACE 25	40,000 (of which 15,000 pensioners)	20,000	23.6	Yes	All-Poland Alliance of Trade Unions	-	EMCEF	ETUC	-	-
Sekretariat Przedsjebiorstw Przemyslu Chemicznego NSZZ "Solidarnosc-80"	Chemical Industries' Secretariat of the Independent Self-Governed Trade Union "Solidarnosc -80"	NACE 24.1, 24.3 and 24.6	10,000	10,000	27.0	Yes	-	FTU	-	-	-	-
Ogólnokrajowe Zrzeszenie Związków Zawodowych Pracowników Ruchu Ciągłego	National Alliance of Trade Unions for Continuous Work	NACE 24.1 and 24.7	18,000	6,000	19	Yes	FTU	-	-	ECITU	-	-
Związek Zawodowy Inżynierów i Techników	Engineers and Technicians Trade Union	NACE 24.1 and 24.4	20,500	ND	ND	Yes	FTU	-	-	ECITU	-	-

Source: interviews of the organisations, march 2005

2.2. Description of the employers' organisations active in the sector

The employers' organisations in the chemical sector are unevenly structured, depending on the confederations. As far as the Confederation of Polish Employers is concerned, a single organisation (Polish Chamber for the Chemical Industry) represents all the employers in this sector (however, it does not cover the pharmaceutical and cosmetic sub-sections). As for the Polish Confederation of Private Employers, two organisations are involved in the sector; one is for the pharmaceutical sub-section (The Polish Union of Employers of the Pharmaceutical Industries) and the other is more of the horizontal management structure type. The latter is, however, little represented in the chemical sector and comes originally from a more regional organisation (Wielkopolski Union of Private Employers). Finally, the Business Centre Club, an employers' federation (which is above all an organisation operating at the level of the tripartite dialogue) also sits at the level of the chemical committee. The Polish Oil company, Orlen, is sometimes cited on the employers' side also. This is not an organisation of employers as such, but rather the biggest employer in the oil refinery sector. As such they can take part in the dialogue, while they are, at the same time, members of the Confederation of Polish Employers, of the Polish Chamber of Chemical Industry, of the Polish Confederation of Private Employers and of the Business Centre Club - Employers' Union. This makes the employers' representativeness relatively unclear in this sector. Moreover, in this sector more than in others, the most important trend is to have the employers' organisations invested with a function of lobbying and of economic defence

of the employers/companies, to the detriment of their function of dialogue with the employees. This can be partly explained by the fact that several organisations derive from chambers of commerce. Moreover, the Law of 1991, that was intended to create employers' organisations, has recently been altered to add some new objectives, *notably the economic defence of their members*²⁹⁷. This legal change adds to the confusion. That is what a chamber like POLFARMED, who would like a clearer distinction between the functions of employers and of economic chambers, denounces. This confusion is well demonstrated by the fact that POLFARMED was recently invited to take part in the sub-committee of the tripartite dialogue, even if this organisation is not directly concerned by the dialogue with the employees.

2.2.1. Polish Chamber of Chemical Industry – Employers' Organisations (Polska Izba Przemysłu Chemicznego – Związek Pracodawców)²⁹⁸

The Polish Chamber of Chemical Industry was set up as an employers' organisation on the basis of the law of 23rd May 1991. This status enables it to take part in the social dialogue. The organisation does not meet the formal requirements for chambers of commerce, which requires at least 100 members. The organisation represents companies from all the groups in the chemical sector, except from pharmaceutical and detergent manufacturers; therefore, it is active in groups NACE 24.1; 24.2; 24.3; 24.6 (partly) and 24.7. The organisation is financed by its members' subscriptions and by European financing. It employs 7 salaried employees within its permanent secretarial staff. The Polish Chamber of Chemical Industry is made up of 62 companies, which means a density of 3.6%. ²⁹⁹ The organisation, however, thinks its representativeness is higher: according to it, only the companies with more than 50 employees (i.e. 275 companies) should be taken into account. Thus, it considers that its representativeness rate is about 22.5%. However, for the organisation, this density criterion (according to the number of companies) still seems a bit too artificial, since it does not represent economic reality (i.e. the size of companies has a deep effect on the density). According to the organisation, it would be better to take into account the volume of activities of the member companies. The organisation, thus, claims that it represents nearly 90% of the turnover of companies working in basic chemicals (NACE 24.1) and about 50% of the turnover of all chemical companies (NACE 24).³⁰⁰ It should be noted that the members of this organisation are mainly public enterprises and, overall, large companies. They include the 7 largest companies in refining and petrochemicals, 21 of the largest companies in organic chemicals and fertilisers, synthetic fibres, paints, and fine chemicals, 17 large companies in related sectors (e.g. tanker transport, textiles, transport of chemicals etc.) and 10 institutes, consulting engineers, project offices linked to the sector.

The organisation is member of the Confederation "Confederation of Polish Employers" which respects the criterion of representativeness; thus the organisation is recognised through its membership. It takes part in the tripartite committee on behalf of the Confederation of Polish Employers (CPE). The bilateral dialogue in this sector has so far been limited to a few informal exchanges between employers and employees. At sector level, the organisation has the power to sign CAs, but has not so far signed any at this level. On the other hand, each company member of The Polish Chamber of Chemical Industry has signed a CA with its employees at company level. However, data on number of CAs signed by the organisation in 2003 and 2004 from its members at enterprise level are unavailable.

The organisation is directly affiliated to the CPE at the national level and to the ECEG at the European level. Besides, it is a member of the European Association of Fertiliser Producers (EAFF).

2.2.2. Polish Union of Employers of the Pharmaceutical Industries (Polski Związek Pracodawców Przemysłu Farmaceutycznego)³⁰¹

This union was created in 2002 on the basis of the law of 23rd May 1991. A group of employers set up this employers' organisation following a split in the Polish Chamber of Pharmaceutical Industry and Medical Devices. This organisation became affiliated to the Polish Confederation of Private Employers (PCPE). The employers in the pharmaceutical industry wanted, because of their specificity, to create their own employers' organisation. The organisation is financed by the companies' membership subscriptions (0.15% of the wage bill) and employs two people full-time. This organisation groups together companies that are active in group NACE 24.4. It includes 20 member companies with more than 50 employees. There are some 10,000 employees working in these companies. The organisation's density calculated according to the number of companies is therefore 6.3% (20/317) and according to the number of employees it is 43.9% (10,000/22,800).

²⁹⁷ Law of 23rd November 2004 that has altered the law of the 23rd May 1991 on the creation of employers' organisations, article 5.

²⁹⁸ Interview of Wojciech LUBIEWA-WIELEZYNSKI, General Manager.

²⁹⁹ calculated density = number of member companies in relation to the number of economic entities listed by the Central Statistical Office in the sub-sectors covered by the organisation. It is therefore a minimum density. Here : 62/1706 = 3.6%.

³⁰⁰ Source : interview of Wojciech LUBIEWA-WIELEZYNSKI, General Manager.

³⁰¹ Interview of Cezary SLEDZIEWSKI, President.

The organisation is member of the Confederation "Polish Confederation of Private Employers" which respects the criterion of representativeness; thus the organisation is recognised through its membership. It has the power to sign CAs at national level, but does not see the point in doing so. It prefers to keep the social dialogue with the employees at company level (each member company has established a CA) and focusing its action on the economic defence of its members: the organisation has above all a lobby role against the state and against the other employers rather than against workers. Its main issue is the accessibility of the Polish medicine production on the European market. However, data on number of CAs signed by the organisation in 2003 and 2004 at enterprise level are unavailable.

The organisation is not a member of any international employers' organisations at the European or world level. However, it is a member of a European pharmaceutical lobby association, the EGA, and through this organisation, a member of the IGMA.

2.2.3. Wielkopolski Union of Private Employers (Wielkopolski Związek Pracodawców Prywatnych)

This Union was set up on 8th March 1994 following the initiative of some fifteen companies. In March 2002, this employers' organisation, along with the representatives of the Union of Polish Craftsmen's Trade and of the ISTU Solidarnosc unions and of the All-Poland Alliance of Trade Unions, were at the root of the creation of the first regional committee (voivodie) of the social dialogue (in the area of Poznan). This organisation is made up of 46 companies working in different sectors originally in the area of Poznan. It is financed by the companies' membership subscriptions in proportion to the number of employees. The secretariat employs two people and about fifteen experts are constantly there to give support and advice in different fields (i.e. law). This organisation mainly groups together small and medium companies (only five members have more than 250 salaried workers and the biggest company employs 650 salaried workers). Among those members, two only companies fall within the chemical sector. They employ 293 salaried workers³⁰². One of them sits on the chemical committee for the tripartite dialogue on behalf of the Polish Confederation of Private Employers.

The Wielkopolski Union of Private Employers has been a member of the Polish Confederation of Private Employers since its creation in 1999. As such, it has been taking part in the tripartite committee on behalf of the Confederation since 2001. The Confederation does not take part in negotiations of a CA at sector level³⁰³. At enterprise level, the organisation does negotiate and sign CAs, but data on number of CAs signed by the organisation in 2003 and 2004 at this level are unavailable.

Through the Polish Confederation of Private Employers the organisation is an indirect member of the UNICE and of the Business and Industry Advisory Committee from the OECD.

2.2.4. Business Centre Club - Employers' Union (Business Centre Club – Związek Pracodawców)

This Employers' organisation respects the criterion of representativeness; thus, it is directly recognised as a national organisation. It takes part in the tripartite dialogue at the general level (as a confederation) and in the tripartite committee for chemical industry. After several approaches, the organisation refused to answer the experts' questions.

2.2.5. Polish Oil Concern Orlen s.a. (Polski Koncern Naftowy Orlen s.a.)³⁰⁴

The Polish Oil company Orlen s.a³⁰⁵ is the biggest Polish oil holding company. It groups together thirteen decentralised units and dozens of subsidiaries. This holding company was created by the merger of two state oil groups, CPN and Petrochemia Plock. The restructuring of the company resulted in 75% of the workers leaving the parent company. Several dozen subsidiaries were also created from this holding company. The whole holding company employs some 14,000 people. 5,700 of them work in the Polish Oil company, Orlen. Most of those employees fall within sub-section NACE 23. Within this holding company, the social dialogue is relatively difficult to establish (a CA has been under negotiation for nearly 5 years, with no result yet) because the

³⁰² The Polish Confederation of Private Employers is not really well-structured at the section level. Therefore, its representation in sector NACE 24 is relatively uncertain, except in group 24.4 (pharmaceutical products), where its representation is clearer.

³⁰³ The WUPE is a regional employers' organisation (in the province of Poznan), which, above all, is involved in the regional tripartite commission. We mention it in this report because it has a seat on the national tripartite commission, in the name of the Private Polish Employers' Confederation and so has national scope. However, at bilateral level, it does not take part in the conclusion of national sector collective agreements since it does not have the legal competence for this.

³⁰⁴Source: Interview of Michal MARCINKOWSKI, Manager in charge of the social issues.

³⁰⁵ Because the Polish Oil Concern Orlen s.a is not an organisation of employers as such, but rather the biggest employer in the sector of oil refinery, this organisation does not appear in the table for "employers' organisations".

company head has often been changing in recent years. This does not help social dialogue (the company management has often been changed according to the changes in the political coalition. Indeed, the company shareholding is almost completely under control of the state, which owns 37% of the capital, with the remainder being owned by the state). Moreover, this holding company is at the moment involved in several financial scandals under parliamentary inquiry. According to us, it is awkward to consider this holding company as an employers' organisation in the strict sense. Polish Oil Concern Orlen s.a is nevertheless cited in this report, in so far as it sits on at the sector chemical committee of the tripartite committee³⁰⁶, but does not appear within the table below.

2.2.6. The Polish Chamber of Pharmaceutical Industry and Medical Devices – POLFARMED (Polska Izba Przemysłu Farmaceutycznego i Wyrobów Medycznych – POLFARMED)³⁰⁷

POLFARMED³⁰⁸ is a voluntary and self-governing organisation of companies operating in the fields of production of medical products, medical devices as well as in introducing medicines in the Republic of Poland. The objectives of the Chamber are first of all focused on the protection and defence of the economic interests of its members (amending laws in the field of economic policy, evaluating this law's implementation, establishing favourable conditions for the development of business activities, promoting the implementation of modern economic and technical forms...). The chamber brings together some 150 companies. POLFARMED was established in June 1993 as a chamber of commerce but it has never been an employers' organisation. Thus, POLFARMED does not take part in consultation or social dialogue at any level. It does not have the ability to sign CAs. At the end 2004, POLFARMED was invited to the Pharmaceutical sub-committee of the tripartite commission. Up to now, this has been the only link between POLFARMED and the Polish social dialogue.

As this organisation does not negotiate in the collective bargaining and/or is not a member of the European organisations taking part in a sector dialogue committee, it does not appear within the table below.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European Affiliations		International Affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Polska Izba Przemysłu Chemicznego – Związek Pracodawców	Polish Chamber of Chemical Industry – Employers' Organisation	NACE 24.1, 24.2, 24.3, 24.61, 24.62 and 24.7	62	ND	3.6 or 22.5	ND	No*	CPE	-	ECEG EAFP	-	-	-
- Polski Związek Pracodawców Przemysłu Farmaceutycznego	Polish Union of Employers of the Pharmaceutical Industries	NACE 24.4	20	10,000	6.3	43.9	no	PCPE	-	EGA	-	-	IGMA
Wielkopolski Związek Pracodawców Prywatnych	Wielkopolski Union of Private Employers	NACE 24	2	293	0.05	0.3	no	PCPE	-	-	UNICE	-	BIAC
Business Centre Club – Związek Pracodawców	Business Centre Club-Employers' Union	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND

Source: interviews of the organisations, march 2005.

*The organisation does have the ability to take part to the CB, but does not negotiate.

³⁰⁶ Polish Oil Company, Orlen s.a is therefore not included in the table of the employers' organisation.

³⁰⁷ Source: Interview of Adam RUDZKI, Director et Andrzej MROZ, Legal Adviser.

³⁰⁸ POLFARMED is mentioned here because it takes part in a sub-committee of the tripartite dialogue. However, it is not included in the table, since it is not (and does not consider itself to be) an employers' organisation.

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR AT THE NATIONAL LEVEL

3.1. Description of the tripartite concertation

The law of July 6th 2001 enables the Tripartite Commission³⁰⁹ to create, at national level, a social dialogue whose aim is to defend the interests of workers and employers as well as the public welfare.

Article 11 of this law foresees that the Tripartite Commission can create several permanent or temporary committees that are structured around specific themes³¹⁰ or particular sectors of activity. The current permanent committees deal with eight sectors that are going through a restructuring process.³¹¹ Issues related to the chemical industry sector are dealt with by the sector committee on the Chemical industry. This commission, created at the joint initiative of the government and the social partners (unions and management) in the sector, was operational on March 10th 2003. Its members have met eight times since it was set up. The government is represented by: The Ministry for the Economy, Employment and Social Policy; The Ministry of Finance; The Ministry of Public Treasury. The workers are represented by the following sector organisations, on behalf of the three unions confederations recognised as partners in the tripartite inter-sector dialogue: All-Poland Alliance of Trade Unions : The Federation of Trade Unions of Chemical, Glass and Ceramic Industry in Poland (3 representatives); Independent and Self-governing Trade Union Solidarnosc : The Chemical Industry Workers Secretariat (1 representative), The Chemical Industries' National Section (2 representatives); Forum of Trade Unions :The Chemical Industries' Secretariat of the Independent Self-Governed Trade Union "Solidarnosc -80" (1 representative); The National Alliance of Trade Unions for Continuous Work (1 representative), The Engineers and Technicians Trade Union (1representative). As far as the employers are concerned, they are represented by the following sector organisations (the first five organisations are active in the electricity sector): Confederation of Polish Employers : The Polish Chamber of Chemical Industry (3 representatives); Polish Confederation of Private Employers (2 representatives) : Polish Oil Company Orlen s.a. (individual company) and LUBON Sp.z.o.o (a company member of the Wielkopolski Union of Private Employers); Business Centre Club - Employers' Union : (2 representatives); Nafta s.a.³¹² (2 representatives). This sector committee raises some issues, such as the government's point of view on the sector's restructuring. No protests have been reported about the representativeness of the organisations taking part in this committee.

Within this sector committee, a sub-committee for the pharmaceutical sector was set up on August 6th 2004. This subcommittee is meant to work, more specifically, on ways of integrating into a single pharmaceutical Polish holding the three biggest pharmaceutical companies that are currently still owned by the state.³¹³ This sub-committee, which, so far, has had three meetings, is made up of as follows: The government is represented by: the Minister of Finances, of Public Treasury, of Health and of Employment; the Registration of Medicine Department, the pharmaceutical inspectorate; The workers are represented by : ISTU Solidarnosc (Chemical Industry Workers Secretariat and the representatives of the companies' delegations); the All-Poland Alliance of Trade Unions (Federation of Trade Unions for the Chemical, Glass and Ceramic Industry in Poland and the representatives of the companies' delegations); Forum of Trade Unions (Engineers and Technicians Trade Union and the representatives of the companies' delegations); The employers are represented by the Polish Union of Employers of the Pharmaceutical Industries (on behalf of the Polish Confederation of Private Employers) but also the Polish Chamber of Pharmaceutical Industry and Medical Devices – POLFARMED, the holding and the companies of this holding.

At this tripartite level, no general CAs have been signed in the Chemical Industries sector. During the restructuring process, these sector committees generally negotiate the so-called "paquets sociaux" (social packages) : they refer to those conditions that go with the selling or restructuring of a state company (generally speaking the aim is to guarantee during a period the maintenance of jobs, of the union representation within a company, the upholding of the whole or of a part of the CA,...). Such an agreement or "social package" has been signed by the

³⁰⁹ the Tripartite Commission for socio-economic affairs and to social dialogue commissions at voivod (provincial) level.

³¹⁰ The committees deal with the following issues: employment laws and CAs, social security, economic policy and labour market, national budget, development of social dialogue, public services and cooperation with the International Labour Organisation.

³¹¹ 1) Mines 2) steel industry 3) companies in the military and industrial field 4) sulphur mines and concerns 5) chemical sector 6) medical sector 7) energy 8) sea fishing. Source : Minister of the Economy, Labour and Social Policy—Social Dialogue Department.

³¹² Nafta is a public investment fund i.e. that represents the public capital participation in the oil company.

³¹³ These three big companies are « Polfa Varsovie », « Polfa Pabianice » and « Polfa Tarchomin ».

pharmaceutical sub-committee to supervise the setting up of the Polish Pharmaceutical Holding. Generally speaking, the tripartite dialogue is largely criticised by the unions and management : the State is either accused of taking no decision or of allowing disagreements to develop between the unions and management, so that the state can unilaterally make any decision it wants. The tripartite consultation is seen more as a place for discussion than for real negotiation. Finally, the unions' representatives consider that the employers are little or badly represented in the sector and that they take part in the dialogue more to listen and to gather information than to really negotiate. According to some unions, those tripartite dialogues have enabled the employers to simplify the labour regulations they considered as being too strict, under the pretext that relaxing these labour regulations would help create new jobs. The unemployment rate has however soared in Poland. This criticism is so important that some union representatives have begun to think that they should leave the tripartite dialogue. To summarise, we observe that a tripartite structure does exist in theory, where general sector issues could be discussed (by discussion, consultation). However, in practice, there is no CB within the sector and no CA has been signed.

3.2. Description of the bipartite social dialogue

The Polish Labour Code³¹⁴ provides for the possibility of negotiating CAs at a level «higher than the company» (a term that mainly covers sectors and branches), at the company level, and at a regional level. However, in practice, CAs have really been concluded only at the company level (in all sectors) and at the level «higher than the company» (in a few sectors, but not in the chemical industry sector). By contrast, no CAs have been signed at voivod (regional) level in any sector³¹⁵. There is no obligation for organisations to take part in collective discussions. Nevertheless, all accredited organisations must be invited, and at least one supra-enterprise trade union organisation (one for the workers and one for the employers) must take part for the negotiations to take place. The representativeness of national organisations (confederations and federations) induces the representativeness of the companies' unions and associations of which they are made up. Trade unions' representativeness³¹⁶ is determined by an attestation issued by the department tribunal.

3.2.1. At the sector level

At the sector or higher than company level, no CA is currently being applied in the Chemical sector.³¹⁷ In 2001, the Chemical Industry Workers' Secretariat of the Independent Self-Governed Trade Union "Solidarnosc" and the Trade Union Federation for Chemical, Glass and Ceramic Industries in Poland took the initiative in suggesting a proposal for a CA. But this proposal was refused outright by the employers. The dialogue between employers and trade unions is therefore almost non-existent, since each party has a different view on what the sector should be. For the employers, it is preferable that agreements should be reached within the company and it would be abnormal to impose on some companies, without union representation, some decisions taken at a sector level. Some employers' representatives however consider that topics such as the sector's impact on the environment or security measures could be discussed at sector level. Finally, for the employers, restructuring and privatising issues have priority over the negotiation of CAs. On the other hand, for the trade unions, there are other reasons: the employers are badly structured and poorly representative. Moreover, the dialogue is more difficult than what it used to be, in so far as the employers show no more interest in people's problems. The social dialogue's practice is furthermore upset by the quick and numerous alterations in the management of companies in the sector. On the European programmes' initiative (Phare), some round tables have been set up to create a bipartite dialogue (notably with the integration into the European Union in view). This initiative is too recent to be assessed.

3.2.2. At the enterprise level

Formal CAs in the Chemical Industry sector have been concluded only at company level. They usually cover classic elements of labour relations such as conditions of employment, wages, working hours and overtime work. Once they have been concluded, most of them are regularly renewed or amended, usually every year. Companies' union delegations negotiate these agreements with their employers. At sector level, within national organisations, both on the trade union side and on the employers' side, there is little reliable information on the number or quality of the CAs concluded at the company level. The only accurate figures are those given by the Labour Inspectorate of the Ministry of Labour, which is the office in charge of registering

³¹⁴ Law of June 26th 1974, published in the official journal on 5th July 1974.

³¹⁵ At a regional level (voivodie), no agreement has been signed in the sector and the few consultations that have taken place are often criticised for lack of effectiveness.

³¹⁶ Membership of at least 500,000 workers, i.e. 10% of the total number of workers (but no less than 10,000 workers), or recruitment of a larger number of workers covered by the CA in question.

³¹⁷ Only one convention was signed in this sector on November 15th 1995. It was meant for workers working with gas and petroleum products. This law is no more enforced (since October 17th 1997).

agreements. It says that 8 CAs were signed and officially registered by the Inspectorate in 2004; they concern 6,707 workers, i.e. 838 workers per agreement on average. The difference between the figures provided by employers' organisations and trade unions on the one hand and those calculated by the Labour Inspectorate on the other hand partly results from the fact that some agreements signed by the social partners (unions and management) have probably not been registered. It is, therefore, impossible to be more precise at this level. Nevertheless, it is important to point out that the number of agreements concluded in the Chemicals' Industry sector in 2004 is relatively low : registered agreements only cover 7.9% of the workers in the sector, all in medium or big companies (more than 50 salaried workers). Unfortunately, there are no data on the number of enterprises which have signed CAs at enterprise level. There is no specific procedure for extending CAs to parties that are not signatories to the agreement. The parties that are not signatories are allowed to sign the existing CA at anytime, without modification. If there is need for a modification, that becomes a new negotiation.

At the company level, the Confederation of Polish Employers globally questions the representativeness of the unions, considering that the representativeness criteria are too weak or that they provoke an increase in the number of representative organisations. The trade unions point out some employers' devious practices, in that they use the legislation to encourage the emergence of pro-employers unions (unions in favour of the employers) within their companies. Moreover, unions consider that they are assuming their role in a more responsible way than in the past : when the trade unions used to regularly take a radical stand, they are now generally more sensible and tempered when the economic situation requires it or is clearly explained by the employer. Yet, mismanagement problems, in some companies, often lead to distrust. Moreover, the rare negotiations that have proposed new favourable conditions for the workers have been strongly attacked by the employers. Finally, at the level of smaller companies, a real policy aiming at eliminating any union delegation is being set up.

4. COMMENT

Issues related to the chemical industry sector are dealt with by the sector committee on the chemical industry. This commission, created at the joint initiative of the government and the social partners (unions and management) in the sector, has been operational since March 10th 2003. This sector committee raises some issues, such as the government's point of view on the sector's restructuring. At this tripartite level, no general CAs have been signed in the Chemical Industries sector. During the restructuring process, those sector committees generally negotiate the so-called 'paquets sociaux' (social packages). Generally speaking, the tripartite dialogue is largely criticised by the unions and management : the State is either accused of taking no decisions or of letting disagreement prevail between the unions and management, so that the state can unilaterally make any decision it wants to. This criticism is so important that some union representatives have begun to think that they should leave the tripartite dialogue. At the sector or higher than company level, no CA is currently being applied in the Chemical sector.³¹⁸ In 2001, the Chemical Industry Workers' Secretariat of the Independent Self-Governed Trade Union "Solidarnosc" and the Trade Union Federation for Chemical, Glass and Ceramic Industries in Poland took the initiative of suggesting a proposal for a CA. But this proposal was refused outright by the employers. The dialogue between employers and trade unions is therefore almost non-existent, since each party has a different view on what it should be. Formal CAs in the Chemical Industry sector have been concluded only at company level. They usually cover the classic elements of labour relations such as conditions of employment, wages, working hours and overtime work. Once they have been concluded, most of them are regularly renewed or amended, usually every year. Companies' union delegations negotiate these agreements with their employers.

³¹⁸ Only one convention was signed in this sector on November 15th 1995. It was meant for workers working with gas and petroleum products. This law is no more enforced (since October 17th 1997).

PORUGAL³¹⁹

1. DESCRIPTION OF THE SECTOR AT NATIONAL LEVEL

1.1. Delimitation and scope of activities in the sector

From a statistical point of view, the delimitation of the chemical industry sector follows the NACE 24 classification. From the point of view of the collective bargaining there is a difference between Chemical Industry and Pharmaceutical Industry and Commerce, both object of CCT. And there are still some Enterprise Agreements (EA).

1.2. Socio-economic features of the sector

Below, we present some data on the sector for the years 2002 and 2001, based on statistics from the Instituto Nacional de Estatística (National Statistics Institute) (INE) – Economy and Finance, Enterprise Statistics and Enterprise and Establishment Statistics – and from the Labour, Employment and Professional Training Statistic Department (DETEFP) of MSST (Ministry of Labour and Social Solidarity – Personnel Tables, respectively³²⁰.

24 – MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS				
CAE-REV. 2	INE (data 2002)		DETEFP (data 2001)	
	Enterprises	People employed	Enterprises	People employed
24	847	22,001	671	21,683
24.1	176	5,210	184	4,364
24.2	4	154	6	196
24.3	148	4,572	115	3,665
24.4	104	6,753	74	6,256
24.5	193	2,713	117	2,842
24.6	205	1,947	163	2,800
24.7	17	652	12	1,560

Source: INE and DETEFP

According to INE, the Sector for the Manufacturing of Chemical Products consisted of 847 enterprises in 2002. This corresponds to roughly 1.1% of the total number of enterprises in Manufacturing Industry. There were 22,001 workers in enterprises in this sector in the same year, which corresponds to approximately 2.4% of those employed in the Manufacturing Industry which employed 911,635 people. There was a slight increase in the number of enterprises in Portugal compared with the previous year (822 in 2001) but the number of workers employed by these companies declined (22,476 in 2001). The DETEFP data for this sector of activity is slightly different, notably for the number of enterprises and their development. In 2001 there were 671 enterprises in Portugal which was down on the previous year (676 in 2000). There were 21,683 workers employed in these enterprises in 2001 which is 2,475 fewer than in the previous year

³¹⁹ We must make reference to the total lack of response from the employers' associations and unions from the sector of activity under study when asked to answer the questions in our inquiry, above all those describing the sector and social dialogue; this was due to the fact that they stated that they did not have concrete and up-to-date statistics and they claim they had a complex and extensive questionnaire to complete and insufficient human resources for this and for the organisation and presentation of the information requested. In addition, mention should be made of the serious lack of statistics in Portugal; these are not only rare but also unreliable and not presented in a timely fashion.

³²⁰ Please note the difference in the amounts presented which is due to the different time periods and the definition of concepts and methodology used by each of the organisations referred.

(24,158 workers). Small and micro enterprises predominate in the sector, most having a maximum of 9 employees which reflects the characteristics of the Portuguese business fabric. Enterprises of NACE 24.1 represent 27.4% of the total number of enterprises in the manufacture of chemicals and chemical products, followed by enterprises of NACE 24.6 (24.3%) and from 24.5 and 24.3 (around 17% each one)³²¹.

Companies

Sub-sectors		Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-19 SW	% Companies 20-49 SW	% Companies 50-199 SW	% Companies 200-499 SW	% Companies > 500 SW
NACE 24	INE (2002)	847	0	63.5% (538)	12.8% (108)	% companies with > 20 SW: 23.7% (201)			
	DETEFP (2001)	671	0	51.6% (346)	18% (121)	15.9% (107)	11.5% (77)	2.4% (16)	0.6% (4)

Source: INE and DETEFP

Workers

Sub-sectors		Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
NACE 24	INE (2002)	22,001	0.7%	9.8% (2,163)	90.2% (19,838) of which 83.5% are SW in companies with > 20 SW		
	DETEFP (2001)	21,683	0.76%	6.8% (1,478)	38% (8,240)	55.2% (11,965)	

Source: INE and DETEFP

In the same way, 28.9% workers form part of enterprises from NACE 24.4, 20.1% from 24.1, 16.9% from 24.3 and around 13% for workers from NACE 24.5 and 24.6.

Also, in line with the general distribution of enterprises in Portugal, most enterprises in the sector are located in the North, Lisbon and Tagus Valley (the capital of Portugal) and in the Central Region, all along the coast. Significantly more workers are employed in the Lisbon region than in the North and Centre.

24 – MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS			
	INE (data 2002)		
CAE-REV. 2	Turnover (€)	Gross Added Value (market prices) (€)	Productivity (€)
24	3,919,327,833	1,003,279,701	45,602
24.1	1,473,637,421	288,531,296	55,380
24.2	38,722,801	8,609,733	55,907
24.3	511,790,504	159,132,293	34,806
24.4	1,171,994,435	367,614,356	54,437
24.5	362,491,232	88,524,493	32,630
24.6	215,531,993	56,335,088	28,934
24.7	145,159,447	34,532,442	52,964

Source: INE.

With regard to the legal structure of enterprises, the large majority are limited partnerships (76%). Joint-stock companies (13.9%) and sole traders (7.7%) are not so representative³²².

³²¹ Source: DETEFP

Moving on to the gender split, we find that there are more male employees in this sector than female (64.7%). Most of the female employees are to be found in the sub-sectors of Manufacturing Pharmaceutical Products and Manufacturing of Soap and Detergent, whereas most men are employed in the sub-sector for the Manufacturing of Basic Products of the Chemicals Industry. By and large, the age structure of the employed workers is as follows: most employees are in the 40-44 year, 45-49 year and 50-54 year age groups which in total account for 42.5% of employees. The 25-29 year, 30-34 year and 35-39 year age groups represent 37.3% of the total. The Pesticide and Agricultural Product activity and the Synthetic and Artificial Fibre activity hardly employ any young workers under the age of 20 or any workers over the age of 65. On the other hand, the Manufacturing of Paint and Varnish sub-sector as well as those of Soap and Detergent and Basic Products of the Chemical Industry are the largest employers of workers under 20 years of age. Employment in this sector of activity is mainly full time, with an open contract; the number of employees doing temporary work, part time work or on "green receipts" is insignificant.

The Chemical Industry is very capital intensive with a high level of technological development and innovation. In Portugal, investment in R&D in this sector of activity is systematically one of the highest in manufacturing industry (albeit at relatively low levels when compared with other countries with the same territorial and population profile in the European Union). The most recent data available from the Observatory of Science and Further Education (OCES) indicates that enterprises in the chemical sector spent roughly 6.5 thousand million escudos on R&D in 2001 which is about 20% of the total spent on R&D in the manufacturing Industry (Valente, 2004). Unfortunately, data on the relative weight of the sector compared to the whole economy in terms of share in the GDP, estimated importance of the underground economy, categories of SW and their qualifications level and evolutions and trends of the sector (expansion or decline, level of privatisation, change in the size of enterprises, etc.) are not available.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR

2.1. Description of the workers' organisations active in the sector³²²

a) SINDEQ – *Sindicato Democrático da Energia, Química, Têxtil e Indústrias Diversas (Democratic Trade Union of Energy, Chemical, Textile and other Industries)*

Founded in 1978, the trade union covers the following areas: fat substances; fertilisers; margarine and suet; oils; paint and varnishes; glue; alcohol and distilled products; rubber; dynamite and explosives; electro-chemical and the metal plating industry; cellulose and paper pulp; resin and synthetic and artificial fibres; insecticides; perfumes and cleaning products; disinfectants; insulating products, chemical treatment for wood and dye; adhesive strips and insulators; ceramics and glass; cement; combs, buttons, brooms, and brushes; drinks and sugar refinery; pharmaceutical specialities; milled products; prepared cereal; compound feed for animals; biscuits, crackers and chocolates; yeast and raising agents; pastas and foodstuffs; tobacco; petrol refinery; starches; combustible bricks and agglomerates; dairy products; plastic materials; textiles, clothing and knitwear; shoes; rope and nets. 8 people work for the staff of the organisation. 9,500 active employees are affiliated to the trade union –of which 1,500 are working in the sector of the chemical industry- as well as 500 retired employees. Thus, the density of salaried workers affiliated in comparison with the total number of salaried workers in the sector is 6.7%. In general, the affiliated are : White collar: 3,000; Blue collar: 7,000 (5,000 skilled and 2,000 unskilled). More specifically within the sector, there are 300 white collars and 1,200 blue collars.

There are formal or reciprocal recognition systems on the part of the social partners. SINDEQ participates in sector level consultations but can also negotiate at company level. On the other hand, the trade union does not participate in tripartite concertation. It negotiates the Chemical Industry CLT, the Pharmaceutical Industry and Commerce CLT; the Adubos de Portugal Enterprise agreement (EA) and the Borealis EA (now dominated by Repsol). For the years 2003 and 2004, the revision of the Pharmaceutical Industry and Commerce CLT, the Adubos de Portugal EA and the Borealis EA (now dominated by Repsol) have been signed. The Chemical Industry CLT was revised in 2003 to update salaries. Although this agreement is still in force, in 2004 the parties

³²² In accordance with DETEFP data.

³²³ Data provided by the organisations themselves unless otherwise indicated. In spite of the effort made by the research team to obtain information from the directors of the unions associations listed below with regard the sector under study, we did not receive a reply in time to prepare this report: *Federação dos Trabalhadores das Indústrias Cerâmica Vidreira, Extractiva, Energia e Química* – Federation of the Ceramic, Extracts, Glass, Energy and Chemical Industry Workers (FETICEQ). However, we must stress that the associations contacted by us specifically in relation to this sector of activity showed a great lack of availability in spite of insistence to contact them by every possible means (repeated letters, telephone calls, fax and e-mails) and the credentials of the European Commission and IST.

have not reached an agreement on its revision.

At national level, the trade union is member of UGT; at European level, it is member of EMCEF; at international level, SINDEQ is not affiliated to any organisation.

b) SINORQUIFA – Sindicato dos Trabalhadores da Química, Farmacêutica, Petróleo e Gás do Norte (Trade Union for Chemical, Pharmaceutical, Petrol and Gas Worker of the North)

SINORQUIFA is the successor of National Trade Unions prior to 25 April 1974, some with horizontal scope. After that date, it changed to become trade unions for field of activity, with vertical scope. The trade union culminated in the merger of Sindicato dos Trabalhadores da Indústria Química do Norte (Trade Union for the Chemical Industry Workers of the North) and the Sindicato dos Trabalhadores da Indústria e Comércio Farmacêuticos (Trade Union of Pharmaceutical Industry and Commerce Workers) in 1996. Currently, 8 people are part of the staff. It has 5,184 active employees affiliated and 32 retired employees. The density is 43.2% (based on the estimate from the actual union with 12,000 workers from the sector). There are 936 skilled workers and 4,248 unskilled workers.

There are no data on the existence of formal or reciprocal recognition systems on the part of the social partners. FEQUIMETAL (Federação Intersindical da Metalurgia, Metalomecânica, Minas, Química, Farmacêutica, Petróleo e Gás - Inter-union Federation of Metallurgy, Mines, Chemicals, Pharmaceutical, Petrol and gas Industry) represents this trade union in negotiating the CLT for the Chemical Industry nationally. This Contract was revised by agreement in 2003. An overall revision is being negotiated. SINORQUIFA does not participate in tripartite concertation and tripartite negotiation is done by CGTP-IN.

At national level, the organisation is member of CGTP-IN and FEQUIMETAL. It is not a member of any organisations at European and international levels.

c) SINQUIFA – Sindicato dos Trabalhadores da Química, Farmacêutica, Petróleo e Gás do Centro, Sul e Ilhas (Trade Union of Chemical, Pharmaceutical, Petrol and Gas Worker from the Centre, South and Islands)

SINQUIFA is the result of a merger in 1996, which involved 3 Trade Unions whose history goes back far beyond 25 April 1974: Sindicato dos Trabalhadores das Indústrias Químicas do Centro e Ilhas (Trade Union of Chemical Industry Workers from the Centre and Islands), Sindicato dos Trabalhadores das Indústrias Químicas do Sul (Trade Union of Chemical Industry Workers from the South) and Sindicato dos Trabalhadores da Indústria e Comércio Farmacêuticos (Trade Union of Pharmaceutical Industry and Commerce Workers). It covers the Leiria, Santarém, Lisbon, Portalegre, Évora, Beja, Faro, and Setúbal Districts and the Autonomouus Regions, and represents workers from various Chemical and Pharmaceutical sub sectors, namely: Manufacture and commercialisation of pharmaceutical products; Manufacture of chemical products; Manufacture and distribution of petrol and gas products; Manufacture of paint and varnish; Manufacture of tyres and rubber goods; Manufacture of soaps and detergents; Manufacture of resin and glue products; Manufacture of plastic materials; Retreading of tyres; Production of vegetable oils. There are 14 administrative and 6 lawyers in the staff – the latter receiving an agreed monthly amount). Among the 7,200 salaried workers affiliated to SINQUIFA, 3,500 are working in the sector of chemical industry. As the total number of workers in the sector – all Classification of Economic Activities (CAE's) – from SINQUIFA is 37,000 and the number of workers members of SINQUIFA is 7,200, the density is 19.5%. Members come from the widest range of professions and professional categories, from machine operators, administrative staff to qualified senior staff. It is estimated that 70% of members are blue-collar workers and 30% are white-collar workers; 95% are skilled.

There are formal or reciprocal recognition systems on the part of the social partners, namely through meetings with company management and employers' associations. FEQUIMETAL represents this trade union in negotiations for the Chemical Industry CLT nationally. This Contract was revised by agreement in 2003. An overall revision is being negotiated. 4 EA have been signed in 2003 and 4 EA have been signed in 2004. As far as the participation in formal consultations at national, sector or company levels is concerned, SINQUIFA has the right, in accordance with the Law on Collective Agreements and their statutes, to be consulted on various matters, namely on the drawing up of the labour legislation, on company divisions, mergers and acquisitions, on restructuring and lay off processes, on the writing of regulations, on setting out working hours and the signing of collective agreements and other accords.

At national level, the organisation is member of CGTP-IN and FEQUIMETAL. It is no member of any organisations at European and international levels.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Ind.	Direct	Ind.	Direct	Ind.
SINDEQ – Sindicato Democrático da Energia, Química, Têxtil e Indústrias Diversas	Democratic Trade Union of Energy, Chemical, Textile and other Industries	In general: White collar: 3,000; Blue collar: 7,000 (5,000 qualified and 2,000 not qualified) In the sector: White collar: 300; Blue collar: 1,200	9,500 active employees 500 retired employees	1,500	6.7%	Yes	UGT	-	EMCEF	-	-	-
SINORQUIFA – Sindicato dos Trabalhadores da Química, Farmacêutica, Petróleo e Gás do Norte	Trade Union for Chemical, Pharmaceutical, Petrol and Gas Worker of the North	Qualified workers: 936 Not qualified workers: 4,248	5,184 active employees 32 retired employees	ND	43.2%*	Yes	CGTP FEQUIMETAL	-	-	-	-	-
SINQUIFA – Sindicato dos Trabalhadores da Química, Farmacêutica, Petróleo e Gás do Centro, Sul e Ilhas	Trade Union of Chemical, Pharmaceutical, Petrol and Gas Worker from the Centre, South and Islands	Trade Union with vertical characteristics; members from the widest range of professions and professional categories, from machine operators, administrative staff to qualified senior staff. It is estimated that 70% of members are workers and 95% are skilled.	7,200	3,500	Total workers in the sector – all CAE's – from SINQUIFA: 37,000 / workers members of SINQUIFA: 7,200 = 19.5%.	Yes	CGTP FEQUIMETAL	-	-	-	-	-

* based on the estimate from the actual union with 12,000 workers from the sector

Source: SINDEQ, SINORQUIFA, SINQUIFA, FEQUIMETAL (2005).

2.2. Description of the employers' organisations active in the sector³²⁴

a) APEQ – Associação Portuguesa das Empresas Químicas (Portuguese Association of Chemical Enterprises)³²⁵

55³²⁶ companies are affiliated to this association. At national level, this association is a member of the Confederação da Indústria Portuguesa - Portuguese Confederation of Industry (CIP). At European level, it is a member of Board of Directors of ECEG. Unfortunately, no more data have been provided for this organisation.

b) APIFARMA – Associação Portuguesa da Indústria Farmacêutica (Portuguese Association of the Pharmaceutical Industry)

Successor of the former Guild of Pharmaceutical Products and made into an employers' association on 30 April 1975, this association represents enterprises which produce and commercialise pharmaceutical specialities. It covers medication for human use, generic medication, in vitro diagnostic means and animal health. The Association is financed by membership subscriptions. Types of members are all kinds of enterprises: multinational and national, large, small and medium enterprises. 94 of the member enterprises are limited partnership, 41 are joint-stock companies and 4 have another legal basis. 16 salaried workers are working for the organisation (staff). 139 companies are affiliated to it, which assemble 10,200 workers in the member enterprises. The association does not have the total number of companies and workers in the sector.

There are formal or reciprocal recognition systems on the part of the social partners in the sector. The organisation negotiates 2 collective work agreements at sector level, which cover production, commerce and distribution of pharmaceutical products. One, from 1978 (which is still in application), with the Confederação Geral dos Trabalhadores Portugueses (General Confederation of Portuguese Workers) - CGTP-IN -, through the Federação Intersindical da Metalurgia, Metalomecânica, Minas, Química, Farmacêutica, Petróleo e Gás (Interunion Federation of Metallurgy, Metalmechanics, Chemistry, Pharmaceutics, Petrol and Gás) – FEQUIMETAL -; and the other from 1981 (which is still in application), with the União Geral de Trabalhadores (General Workers' Trade Union) – UGT -, through the Federação dos Sindicatos dos Trabalhadores de Serviços (Federation of Service Workers Unions) – FETESE - and the Federação dos Trabalhadores das Indústrias Cerâmica, Vidreira, Extractiva, Energia e Química (Federation of Ceramic, Glass, Extract, Energy and Chemical Industry Workers) - FETICEQ. As far as participation in formal consultations at national, sector or company levels is concerned, the association is a social partner, representing the member associations with the governmental entities and participate as well at the level 'over the enterprises'³²⁷. As a result, this organisation does not participate in enterprise level negotiations nor does it participate either in tripartite concertation. At national level, the organisation is a member of the CIP, of the Associação Industrial Portuguesa - Portuguese Industrial Association (AIP), as well as of the Fórum da Competitividade - Competitiveness Forum. At European level, the organisation is a member of EFPIA, of AESGP, with representation on the Board, as well as of EDMA. At international level, the organisation is member of IFMA, with representation on the Board, and of IFAH.

³²⁴ Data provided by the organisations themselves unless otherwise indicated. In spite of the effort made by the research team to obtain information from the directors of the employer associations listed below with regard the sector under study, we did not receive a reply in time to prepare this report: Federação das Indústrias de Óleos Vegetais, Derivados e Equiparados – Federation of Vegetable Oils, Derivatives and Equivalent Industries (FIOVDE), Associação dos Industriais de Cosmética, Perfumaria e Higiene Corporal Association of Cosmetic, Perfume and Body Hygiene Industries (AIC), Associação dos Industriais de Sabões, Detergentes e Produtos de Conservação e Limpeza – Association of Soap, Detergent, Preservatives and Cleaning Product Industries. However, we must stress that the associations contacted by us specifically in relation to this sector of activity showed a great lack of availability in spite of insistence to contact them by every possible means (repeated letters, telephone calls, fax and e-mails) and the credentials of the European Commission and IST.

³²⁵ We quote the response from the General Director of this association to our inquiry: "At the moment, I cannot answer the enquiry you sent me but I would like to stress that the Chemical Industry will be one of the first big traditional European industrial sectors to start a formalised Social Partner Dialogue at European level acknowledged by the European Commission. The following topics are included in the extensive Agenda of the next Plenary Session: Education, Training and Lifelong Learning, as well as Chemicals Management – REACH, and are being handled by leading figures from the Employers' Associations, European Trade Unions, by members of the Commission and by the European MP, Bruno Saconi. So, the "promotion of social dialogue at Community level" and "more involvement by these organisations in sector policies", as your letter says, are already completely implemented in the Chemical Sector, and therefore any exploratory study completely wasted the opportunity.

³²⁶ Data provided by the Portuguese Confederation of Industry.

³²⁷ I.e. the sectoral negotiation.

c) APFTV – Associação Portuguesa dos Fabricantes de Tintas e Vernizes (Portuguese Association of Paint and Varnish Manufacturers)

Set up in 1975, resulting from the National Guild of Paint and Varnish Industries which was founded in 1970, it has been a member of CEPE since 1972, which has enabled it to keep its members up to date on the development and implementation of Community Directives and Regulations applicable to the industrial sector it represents. The APFTV's financial resources are based entirely on membership subscriptions. 3 salaried workers are part of the staff: 1 general secretary and 2 administrative staff. The association consists of sole proprietorships or incorporated entities working in the following sectors of activity: a) manufacture of undifferentiated prepared dyestuffs, undifferentiated varnish, driers, thinners and similar products; b) manufacture of paint, varnish, driers and thinners for use in graphics and similar products. Sole proprietorships or incorporated entities which work as suppliers of raw materials for the paint industry may also be members and are known as extraordinary members. Most of the member associations are SMEs. Of the 54 member associations in 2003, 5.6% had up to 9 workers, 33.3% between 10 and 24, 37% between 25 and 49, 9.2% between 50 and 99, 11.1% between 100 and 249, 1.9% between 250 and 499 and 1.9% between 500 and 1000 workers. Out of all the members, 3 enterprises are multinationals. 73 companies are affiliated to the association, of which 54 manufacture paint and varnish (full members) and 19 are suppliers of raw materials to the paint industry (extraordinary members). There are estimated to be 150 enterprises manufacturing paint in Portugal, which is the equivalent of an enterprise density of 36%. Despite this, it is estimated that 54 paint and varnish manufacturing companies represent about 85% of total Sales in the market, in volume of invoicing. There were 3,512 workers in the 54 paint and varnish manufacturers in 2003³²⁸. The association does not have the total number of workers in the sector.

Unfortunately, there are no data on formal or reciprocal recognition systems on the part of the social partners in the sector, on the number of collective agreements signed by the organisation per sector or per company for the years 2002 and 2003, on participation in formal consultations at national, sector or company levels, and on participation in tripartite concertation.

The organisation signs the Chemical Industry CLT (Collective Labour Contract).

At national level, the association is member of CIP, of the Associação Portuguesa para a Qualidade – Portuguese Quality Association (APQ) and is still a shareholder of EMBOPAR. At European level, it is full member of CEPE since 1972. At international level, it is not affiliated to any organisation.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Ind.	Direct	Ind.	Direct	Ind.
APEQ – Associação Portuguesa das Empresas Químicas	Portuguese Association of Chemical Enterprises	ND	55	ND	ND	ND	Yes	CIP	-	Board of Directors of ECEG	-	ND	-
APIFARMA – Associação Portuguesa da Indústria Farmacêutica	Portuguese Association of the Pharmaceutical Industry	Represents enterprise which produces and commercialise pharmaceutical specialities. It covers medication for human use, generic medication, in vitro diagnostic means and animal health	139	10,200	ND	ND	Yes	CIP AIP Competitiveness Forum	-	EFPIA AESGP (with representation on the Board Member of the EDMA)	-	IFMA (with representation on the Board Member of the IFAH)	-
APFTV –	Portuguese	a) manufacture of undifferentiated	73, of which 54	There	36% (paint)	ND	Yes	Member of CIP.	-	CEPE	-	-	-

³²⁸ Unfortunately, data for the whole number of members (i.e. for the activities: a) manufacture of undifferentiated prepared dye, undifferentiated varnish, driers, thinners and similar products; b) manufacture of paint, varnish, driers and thinners for graphic use and similar products; c) natural or legal persons who work as suppliers of raw materials for the paint industry may also be members) are unavailable.

Associação Portuguesa dos Fabricantes de Tintas e Vernizes	Association of Paint and Varnish Manufacturers	<p>prepared dyestuffs, undifferentiated varnish, driers, thinners and similar products;</p> <p>b) manufacture of paint, varnish, driers and thinners for graphic use and similar products;</p> <p>c) sole proprietorships or incorporated entities who work as suppliers of raw materials for the paint industry may also be members.</p>	<p>manufacture paint and varnish (full members) and 19 are suppliers of raw materials to the paint industry (extraordinary members)</p>	<p>were 3,512 workers in the 54 paint and varnish manufacturers in 2003</p>	<p>and varnish manufacturing companies)</p>			<p>Member of the APQ</p> <p>Is still a shareholder of EMBOPAR</p>				
--	--	---	---	---	---	--	--	---	--	--	--	--

Source: APEQ, APIFARMA, APFTV (2005).

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR

3.1. Description of the tripartite concertation in the sector

There is no tripartite concertation in the sector. Unfortunately, data on possible other kinds of consultation or meetings between the government and the social partners at the sector level are not available.

3.2. Description of the bipartite social dialogue in the sector

Social dialogue in the Manufacturing of Chemical Products sector has been essentially bipartite, negotiating the various existing regulatory instruments; this is structured in Collective Labour Contracts (CLT) and Enterprise Agreements (EA). There is a CLT for the Chemical Industry, for the Pharmaceutical Industry and Commerce and an EA for Borealis Polímeros, S.A. (now dominated by Repsol) and an EA for Adubos de Portugal, S.A. Concerning the links between the sector and enterprise levels, the enterprise concertation usually leads to higher wages when compared to the wage reference of the sector. However, there are no matters which are specific to sector or enterprise level CB. The reason why the sector level is the most developed comes from tradition in Portugal.

a) At sector level

The sector's social partners are: APEQ; APIFARMA; FEQUIMETAL representing their associated trade unions SINORQUIFA and SINQUIFA; SINDEQ; FETICEQ (the Federação dos Trabalhadores das Indústrias Cerâmica, Vidreira, Extractiva, Energia e Química – Federation of Workers of the Ceramics, Glass, Extracting, Energy and Chemical Industries). The negotiation is carried out by APEQ. Negotiations focus mainly on wages and salaries, other clauses relate to financial remuneration, working timetables, safety, hygiene and health at work, job descriptions (creation and elimination of work posts) as well as workers' rights and guarantees. Procedures for extending CAs to parties that are not signatories to the agreement do exist, and there have been extensions for the CAs (in other words, these procedures are used effectively). There is no obligation to participate in CB at sector level, and there are no conflicts between players regarding recognition issues. In 2004, the social partners signed the revision of the CLT for the Pharmaceutical Industry and Commerce, and the A.E. for Borealis Polímeros, S.A. and for Adubos de Portugal, S.A. The Chemical Industry CLT was revised in 2003 to update salaries. Although this agreement remained in force in 2004, the parties did not reach agreement on its revision. Unfortunately, there are no data on possible evolutions relating to the number and the content of the CAs, coverage rate of the CAs in comparison with total number of enterprises and total number of SW, number and type of SW covered by these CAs, players' positions with regard to future developments in the social dialogue in the sector and players who, although not recognised (or only partially recognised) by the dominant players or by public authorities, must be regarded as playing a role in industrial relations in the sector.

b) At enterprise level

FETESE, SINDEQ, Borealis (now dominated by Repsol), Adubos de Portugal, SINQUIFA, Lacticínios Vigor, Parmalat, CPB, Gesqua, Resioeste, Amarsul, Ferro, Cuf-Têxteis, Best Foods are the players at this level. There are no players not recognised who must be regarded as playing a role in industrial relations at this level. There are no conflicts between players regarding recognition issues. 11 EAs have been signed and remain in force for the moment at this level in the sector. The signatory parties are: FETESE, SINDEQ, Adubos de Portugal and Borealis (now dominated by Repsol), SINQUIFA, Lacticínios Vigor, Parmalat, CPB, Gesqua, Resioeste, Amarsul, Ferro, Cuf-Têxteis, Best Foods. The content of these CAs is the following: Wage, Working time, Working conditions, Workers' right and guarantees. Duration of these EAs is unknown. 11 enterprises signed these agreements, which are overall big enterprises. There are procedures for extending agreements to parties that are not signatories to the agreement and there have been extensions for the CAs (these procedures are, as a result, used effectively). Unfortunately, there are no data on the number and type of SW covered by these agreements, possible evolutions relating to the number and the content of them and on their coverage rate in comparison with total number of enterprises and total number of SW.

4) COMMENT

Social dialogue in the Manufacturing of Chemical Products sector has been essentially bipartite, negotiating the various existing regulatory instruments; this is structured in Collective Labour Contracts (CLT) and Enterprise Agreements (EA). There is a CLT for the Chemical Industry, for the Pharmaceutical Industry and Commerce and several Enterprise Agreements.

SLOVAK REPUBLIC

1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS

1.1. Delimitation and scope of activities in the sector

From the perspective of the national economy, the Chemicals sector of the Slovak Republic partially matches the NACE categories identified for the purposes of the report, while 24.5 NACE category is included in the Food Industry and 24.64 NACE category is not manufactured in Slovakia at all. In the Slovak Republic, in addition to the NACE 24 categories, NACE 25 categories (rubber and plastics) are included in the Chemicals Industry as well. The production of chemicals and chemical products is recorded in the Slovak Republic's statistics under the NACE category DG. CB corresponds with NACE division of economic activities.

1.2. Socio-economic features of the sector

NACE Subsection DG + DH (Manufacture of chemicals, chemical products and man-made fibres + manufacture of rubber and plastic products)

	1999	2000	2001	2002
Number of enterprises with more than 20 employees	145	143	144	145*

Source: The Statistical Yearbook of the Slovak Republic 2003, VEDA Publishing House 2004

*Out of the 145 enterprises in 2002, 41 were unionised enterprises.

Companies³²⁹

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
NACE 24.1	ND	ND	ND	ND	ND
NACE 24.2	ND	ND	ND	ND	ND
NACE 24.3	ND	ND	ND	ND	ND
NACE 24.4	ND	ND	ND	ND	ND
NACE 24.6*	ND	ND	ND	ND	ND
NACE 24.7	ND	ND	ND	ND	ND
NACE 25.1	ND	ND	ND	ND	ND
NACE 25.2	ND	ND	ND	ND	ND
Total	ND	ND	ND	ND	ND

*Except NACE 24.64

NACE Subsection DG + DH (Manufacture of chemicals, chemical products and man-made fibres + manufacture of rubber and plastic products)

	1999	2000	2001	2002
Averaged registered number of employees	34,486	31,938	32,201	31,645

Source: The Statistical Yearbook of the Slovak Republic 2003, VEDA Publishing House 2004

³²⁹ Unfortunately, such an overview is not available.

The statistical data provided by the Association of Chemical and Pharmaceutical Industry of the Slovak Republic (Zvaz chemickeho a farmaceutickeho priemyslu Slovenskej republiky – ZCHFP SR), however, differ even if not significantly.

NACE 24 + 25 (Chemicals and Chemical Products + Rubber and plastic products)

	1999	2000	2001	2002	2003	2004
Average number of registered employees	35,517	32,499	32,599	31,672	30,779	28,887

Source: the Association of Chemical and Pharmaceutical Industry of the Slovak Republic (Zvaz chemickeho a farmaceutickeho priemyslu Slovenskej republiky – ZCHFP SR), January 2005

Workers³³⁰

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
NACE 24.1	ND	ND	ND	ND	ND	ND
NACE 24.2	ND	ND	ND	ND	ND	ND
NACE 24.3	ND	ND	ND	ND	ND	ND
NACE 24.4	ND	ND	ND	ND	ND	ND
NACE 24.6*	ND	ND	ND	ND	ND	ND
NACE 24.7	ND	ND	ND	ND	ND	ND
NACE 25.1	ND	ND	ND	ND	ND	ND
NACE 25.2	ND	ND	ND	ND	ND	ND
Total	28,887	ND	1.15	ND	ND	ND

*Except NACE 24.64

The number of employees represents 1.15% of the total number of employees in the country. In the delimited subsidiaries the average wage levels are lower than those in the parent companies. There is no grey economy in the chemical sector in the Slovak Republic due to its strict legislation in the fields of environment protection, recording of chemicals as well as permits issued for any activities in chemicals manufacturing. Privatisation in the Chemical Industry has reached 100%. Unfortunately, there are no data on categories of SW or on the characteristics of employment in the sector (e.g.: qualifications level, atypical work, gender repartition).

From the sector point of view its weight in the national economy, in 2002, represented SKK 84,556 mill. out of SKK 995,720 mill³³¹ for all of industry, i.e. it accounted for 8.5 per cent of GDP.

The Association of the Chemical and Pharmaceutical Industry of the Slovak Republic (Zvaz chemickeho a farmaceutickeho priemyslu Slovenskej republiky – ZCHFP SR) confirms that the chemical industry of the Slovak Republic is in decline. Its share in the national economy has decreased, which is largely due to industry restructuring. However, the Chemistry Trade Union assesses the situation as being one of stagnation. The trade unionists stress that restructuring leads to hidden lay-offs and, simultaneously, to deterioration of working conditions. The competitive strategy adopted by most firms is both through cost and specialisation.

³³⁰ Unfortunately, such an overview is not available.

³³¹ Source: The Statistical Yearbook of the Slovak Republic 2003, VEDA Publishing House 2004.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR

2.1. Description of the workers' organisation active in the sector

The employees within the Chemicals Sector are represented by the Chemistry Trade Union of the Slovak Republic (Odborovy zvaz Chemia SR). Its establishment is linked to the origin of the Slovak Republic in January 1993. Recognition systems on the part of the social partners are supported by legislation.

It represents 41 enterprise trade union units in the fields of crude oil processing, chemicals, pharmaceutical products, rubber and plastic manufacturing, man-made fibres, explosives, oils, glues, paints, agro chemistry, pesticides and fertilisers. Out of 37,000 employees working in the enterprises (unionised + not unionised), 18,000 are members of the Chemistry Trade Union. In addition there are approximately 2,000 to 3,000 pensioners who are members of the Chemistry Trade Union³³². They are registered at enterprise level and therefore there are no accurate data available at the Chemistry Trade Union level inasmuch as the membership of the pensioners fluctuates to a great degree. Identification of the types of workers affiliated is not available as the membership is individual and members are not recorded by categories.

The Chemistry Trade Union employs 10 permanent employees. The information dissemination is provided primarily via e-mail and post. The Chemistry Trade Union publishes a bi-monthly Informacny spravodaj OZ Chemia (if necessary, special issues are published). The activities of the Chemistry Trade Union are financed from membership fees. The activities of the Chemistry Trade Union focus primarily on bargaining for higher pay and higher income for its members; fighting back the insecurity in employment linked to restructuring in the relevant enterprises; bargaining for the level of working conditions comparable to those in the single European market; bargaining for the support of life-long education; campaigning for the support of CB and meetings of collective bargainers; coordinating CB at enterprise and sector levels with the aim to conclude enterprise and sector CAs; contributing to solutions of the problems linked to cheap labour imports from countries outside the EU; negotiating with free employers to get them to join the employers' association; supporting tripartite and bipartite social dialogue.

In the national context, the Chemistry Trade Union is a member of the Confederation of Trade Unions of the Slovak Republic (Konfederacia odborovych zvazov Slovenskej republiky – KOZ SR). In the international context, the Chemistry Trade Union is a member of ICEM and, in European context, EMCEF.

Trade Union

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	number	number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Odborovy zvaz Chemia Slovenskej republiky	Chemistry Trade Union of the Slovak Republic	ND	20,000*	18,000	62.31	yes	KOZ SR	ND	EMCEF	ND	ICEM	ND

*Included the 2,000 to 3,000 pensioners who are also members of this organisation.

Source: THE CHEMISTRY TRADE UNION OF THE SLOVAK REPUBLIC, 2005

2.2. Description of the employers' organisations active in the sector

The Association of Chemical and Pharmaceutical Industry of the Slovak Republic (Zvaz chemickeho a farmaceutickeho priemyslu SR – ZCHFP SR) was established as a voluntary association of entrepreneurial entities active in the field of the Slovak chemicals and pharmaceutical products, on 30 November 1991. Today it associates 35 companies with approx. 17,300 employees³³³. Identification of the types of workers affiliated is not available.

The structure of the Association of the Chemical and Pharmaceutical Industry of the Slovak Republic (Zvaz chemickeho a farmaceutickeho priemyslu SR – ZCHFP SR) is as follows: The highest body of the Association is its General Assembly. The Association's office is represented by the President. The President's office employs 4 permanent employees. The Association's activities are divided among focus teams representing the individual companies designated to bargain with the trade unions. To inform member enterprises, e-mail is mostly used as the

³³² The data provided by the President of the CHEMISTRY Trade Union, Mr. Blahak (2005).

³³³ No companies with 30 employees and less are associated. The data provided by the President of the Association, Mr. Glasa.

information channel. The Association's activities are financed by membership subscriptions, which are paid as a percentage of wages (0.5% and 0.2% for non-manufacturing and manufacturing enterprises respectively). The activities, other than CB with trade unions as well as the Government, are focused primarily on: the defence of business and entrepreneurial interests of the chemical and pharmaceutical industries in the dialogue with the Parliament and the Government trade unions HQs, interest groups, national and international governmental and non-governmental organisations. They are also committed to support of business of its members, particularly through providing specialised information services; co-ordination of activities and procedures when solving common problems; submitting of standpoints and proposals aimed at shaping and influencing intents and development of the policies of the Slovak economy; development of business policy so as to minimise and remove technical obstacles as well as continuous improvement and extension of foreign co-operation with partner associations and as a full member within the framework of CEFIC. They influence legislation processes and they are involved in the deepening of social dialogue with the sector CHEMISTRY Trade Union of the Slovak Republic (Odborovy zvaz Chemia SR) relating to working conditions, pay and other issues of employee welfare, mainly within the framework of sector CAs. They engage in the continuous intensification and extension of environmental protection and care, mainly via the Responsible Care Project, DINS Project and a whole number of other specific activities as well as continuous deepening of co-operation with all types of media aimed at gaining the general public's interest for support of the further development of the Slovak chemical and pharmaceutical industries. The association is directly involved in drawing up bills and commenting on draft bills. The member enterprises see the benefits of their membership in the association primarily in: lobbying for the beneficial legislation at the EU level, lowering the level of emissions leading to improvement of the environment where the Chemicals Sector undertakes "responsible care", which exceeds the requirements of ISO standards and the provision of consultancy services.

At national level, the Association is a member of the Federation of the Employers' Associations of the Slovak Republic (Asociacia zamestnavatelskych zvazov a zdruzeni Slovenskej republiky – AZZaZ SR). At the EU level, the Association is a member of CEFIC (primarily focused on training, legislation in the Chemicals Sector and consultancy), ECEG and EMCF.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Zvaz chemickeho a farmaceutickeho priemyslu	Association of Chemical and Pharmaceutical Industry of the Slovak Republic	ND	35	17,300	85.36	55.88	yes	AZZaZ SR	"ND"	CEFIC ECEG	ND	ND	ND

Source: THE ASSOCIATION OF CHEMICAL AND PHARMACEUTICAL INDUSTRY OF THE SLOVAK REPUBLIC, MR. GLASA, 2005

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR

3.1. Description of the tripartite concertation in the sector

National Tripartite Level

On national level, the employees are represented by the Confederation of Trade Unions of the Slovak Republic (Konfederacia odborovych zvazov Slovenskej republiky – KOZ SR) associating most of the trade unions in the country, the employers are associated either in the Federation of the Employers' Associations of the Slovak Republic (Asociacia zamestnavatelskych zvazov a zdruzeni Slovenskej republiky – AZZaZ SR) and the Republic Union of Employers (Republikova unia zamestnavatelov – RUZ). Under the Act on Tripartite No. 106/1999 Coll. of Laws they concluded General Agreements (Generalna dohoda). In the last five years of "general" tripartite bargaining there were negotiated social laws, economic developments, Estimates, reforms, sector developments and the like. The decisions had an impact on the entire population of the Slovak Republic if, in the end, they were translated into acts of parliament. The last General Agreement was signed in 2000, since 2001 none has been signed because neither of the parties has expressed an interest in doing so. Decisions and agreements (General Agreement – Generalna dohoda) were concluded for a year's period or attained the form of recommendations to be processed in the further legislation procedures that also establish their effectiveness.

However, in May 2004 the Government suggested to revoke the Act on Tripartite No. 106/1999 Coll. of Laws and prepared a new one (amendment of the Act on Organisation of Central Public Administration No. 575/2001 Coll. of Laws), in which the position of trade unions and employers' representatives changed from that of social partners to that of consultants to the Government. Since November 2004, the 'general' tripartite has worked on the principle of voluntary participation of the social partners, i.e. the Government, employers and employees' representatives. The newly organised body of the tripartite concertation is called the Council of Economic and Social Partnership of the Slovak Republic (Rada hospodarskeho a socialneho partnerstva Slovenskej republiky – RHSP SR).

Sector Tripartite Level

There is no sector tripartite concertation in the Chemicals Industry in the Slovak Republic. However, a "general tripartite concertation" does exist, which cover all the sectors.

3.2. Description of the bipartite social dialogue in the sector

Historically, there is no link between bipartite and tripartite levels. There is a reciprocal recognition system on the part of social partners, according the act on tripartite No. 106/1999 coll. of laws. There are no obstacles to development of bipartite social dialogue at sector level and this dialogue's level is promoted by the social partners.

a) At sector level

At sector level, the employees are represented by the Chemistry Trade Union of the Slovak Republic. The employers are represented by the Association of Chemical and Pharmaceutical Industry of the Slovak Republic. It is estimated that there exist between 200 and 250 small companies outside the Association, however, their turnover is insignificant and the membership subscription to the Association is too high for them to afford.

Both organisations conclude sector CAs. The number of SW covered by these CAs is 20,000 employees, but their type is unavailable. The coverage rate of the CAs, in comparison with the total number of enterprises and the total number of SWs is unfortunately not available. These are binding for 21 companies, which are both the Association's members as well as having the trade union present in them. Since 1992, sector CAs have been signed for 3 year periods. The recent sector CA concluded for the years 2002 – 2004 is being substituted by the sector CA prepared for the years 2005 – 2007, which has just being signed. Only the issue of salaries has been stipulated by the yearly supplement to the sector CA. The supplements are also drawn up in the case of significant changes in national legislation having the impact on the issues covered by CAs. The bipartite/sector CA stipulates the terms and conditions for the employees in the sector and, simultaneously, establishes the relationships between the partners. The sector agreements (so-called Higher-level CA – Koletivna zmluva vysieho stupna - KZVS) have the powers of law and are published by the Ministry of Labour, Social Affairs and Family of the Slovak Republic (Ministerstvo prace, socialnych veci a rodiny Slovenskej republiky – MPSVaR SR) in the Collection of Laws of the Slovak Republic. The terms and conditions agreed upon in the sector CA can be extended under paragraph 7 of the Act on CB No. 2/1991 Coll. of Laws in its amendments, by the Ministry of Labour, Social Affairs and Family of the Slovak Republic (Ministerstvo prace, socialnych veci a rodiny Slovenskej republiky – MPSVaR SR) to the employers who are not members of the employers' representation which concluded the agreement in question, but who "operate in the similar field of business under similar economic and social conditions, whose headquarters are located on the territory of the Slovak Republic, and when no sector CA has been covering them", of course, with the employer's consent. The motion to extend the coverage of a CAs can be submitted to the Ministry of Labour, Social Affairs and Family of the Slovak Republic (MPSVaR SR) for a minimum of six months before the effectiveness of the current CA terminates. However, recently, there has not been any effort on the part of the Ministry to do so. There is an obligation to participate at CB at sector level, based on the Act on Tripartite No. 106/1999 Coll. of Laws. There do not seem to be conflicts between the participants regarding recognition issues nor are there situations where participants who, although not recognised (or only partially recognised) by the dominant players or by public authorities, must be regarded as playing a role in industrial relations in the sector.

Concerning future developments in the social dialogue in the sector, participants foresaw positive cooperation between them.

b) At enterprise level

In addition to sector CAs, there are currently 41 enterprise CAs, which have been concluded in the chemical sector, i.e. in each enterprise where the Chemistry Trade Union is present. The number and type of SW covered by these CAs and the coverage rate of the CAs in comparison with total number of enterprises and total number of SW are data not available. These extend or (what is mostly the case) add more detail to the clauses of the sector CAs to cover the specific conditions of individual enterprises better. The enterprise CAs are concluded by the Trade Union and the management of the enterprise. They are binding for both the signatories – social partners and have a duration of 3 years. The extension of CAs to parties that are not signatories to the

agreement is not used anymore, primarily because of Ministry of Labour, Social Affairs and Family of the Slovak Republic being reluctant to do so³³⁴. There do not seem to be conflicts between participants regarding recognition issues nor are there situations where participants who, although not recognised (or only partially recognised) by the dominant players or by public authorities, must be regarded as playing a role in industrial relations in the sector.

The number and the content of the CAs seem to be stable.

4. COMMENT: CHARACTERISTICS OF THE SECTOR SOCIAL DIALOGUE

The social partnership in the Slovak Republic is highly centralised and institutionalised on the part of employers and employees' representations. On the one hand, the employees' representation is presided over by the Confederation of Trade Unions of the Slovak Republic (Konfederacia odborovych zvazov Slovenskej republiky – KOZ SR), which associates most of the trade unions in the country, on the other hand, the employers are associated either in the Federation of the Employers' Associations of the Slovak Republic (Asociacia zamestnavatelskych zvazov a zdruzeni Slovenskej republiky – AZZaZ SR) established in 1990 and the Republic Union of Employers (Republikova unia zamestnavatelov – Ruz) established on 30 March 2004. The above mentioned institutions act as the main actors in the social dialogue on the national level and, in reality, are the only partners of the Government to consult in economic and social matters within the so-called "general" tripartite partnership. Since the partnership was established, both partners have managed to conclude a sector CA and have agreed upon the principles of the social partnership. In general, the sector CAs signed by both the social partners include:

- pay levels of the employees
- working conditions comparable with those on the single European market
- employee welfare issues
- health and safety issues and the like.

Both the social partners claim that their mutual relationship is good and functional and both enjoy good communication and efficient co-operation.

³³⁴ There is no official statement regarding this policy, however, social partnership as such does not seem to be the priority of the Ministry.

SLOVENIA

1) DESCRIPTION OF THE SECTOR'S CHARACTERISTICS

1.1. Delimitation and scope of activities in the sector

The classification concerning the sector of chemical industry in Slovenia is congruent with the NACE nomenclature. In this respect, the sector includes activities under NACE 24. Currently in Slovenia the CA for the chemical and rubber industries is in force. For this reason the Chemical Industries Association as well as the employers' organisation include, as members, enterprises from activities under the numbers 25.1 and 25.2. In the interviews conducted, the representative of the workers' organisation also emphasised that the chemical industry trade union 'covers' activities in the rubber and non-metallic industries.

1.2. Socio-economic features of the sector

According to data from a representative of the employers' organisation, the chemical industry's added value represented 3.3% of the Slovenian GDP, in 2003. The added value of the chemical industry as a proportion of the added value of all manufacturing industry is 15.4%, while it represents 6.5% of the added value of all enterprises.

According to the data of employers' organisation, the chemical industry represents a good 3% of workers all enterprises (the data is calculated in accordance with working hours in 2003; Source: Annual reports of companies, 2003 and statistical data, 2003). On the other hand, according to data on the actual number of workers in an occupation (data from Statistical office of Slovenia, 2003), the chemical industry employs 1.5% of the Slovenian active working population. Altogether, the number of workers in the chemical industry in Slovenia in 2003 was 13,733, where the calculation was based on the number of hours worked. The majority of workers are in category 24.4 (6,026), followed by category 24.1 with 2,811 employees. We were unable to get the data from sub-sector 24.7, since this data is labelled as classified data. Altogether the number of enterprises, which have registered their main activity as one of activities from categories 24.1 to 24.7 is 144 (statistical data from 2003). Among them, 66% are small, 13% are middle-sized, and 24% are large enterprises. This classification is made according to the criterion laid down by Company Law (according to the law, small enterprises have less than 50 workers, medium sized enterprises have more than 50 and less than 250 workers and large companies have more than 250 workers). Most enterprises belong to the sub-sector 24.6 (57 enterprises), followed by the sub-sector 24.1 with 37 enterprises.

The representative of the trade union estimates that enterprises in the chemical sector in Slovenia are geographically equally dispersed, while the representative of the employers' organisation estimated that most of the companies in the sector in question (a bit less than half of them) are in the Central Slovenian region, followed by the Štajerska and Gorenjska regions with approximately one tenth of companies, Savinjska (Celje) region with approximate one twelfth and Dolenjska region with one fifteenth of enterprises.

According to both, representatives of workers' and employers' organisations, in the chemical sector, all levels of education are represented. Both representatives emphasised that the exception is the sub-sector of pharmacy, where the educational structure is relatively high. A feature of the chemical sector is the high average specialisation of occupations in comparison to the average in manufacturing activities in Slovenia³³⁵.

The average wages in the chemical sector are also well above the average wages in manufacturing industry. The representative of the workers' organisation gave information that average wages in the chemical sector in the period from January to December 2004 were 50% above average wages in manufacturing industry. At the same time, within the chemical industry there are relatively large discrepancies in average wages between individual sub-sectors; within the chemical sector the pharmacy sub-sector stands out as an exception.

In the chemical sector, there are some large multinational companies. The representative of the trade union spoke of the following multinationals Johnson Controls, Henkel, Novoterm, BayerPharmo and two Slovenian multinationals (i.e. pharmacy enterprises) Lek and Krka. The representative of the employers' organisation told us that large foreign companies and multinationals acquired minority or majority shareholdings in existing chemical enterprises, during the "economy transition" period in Slovenia. According to him, 100% of the enterprises in chemical sector are privatised, although, according to the representative of employers' organisation, the state still maintains shareholdings in some enterprises through its funding. If we are talking about changes in the size of enterprises, in the opinion of representative of employers' organisation, the size of enterprises changed considerably during period of the 80s and 90s of the

³³⁵ Source: employers' organization.

20th century, when a larger number of small and medium sized enterprises emerged, which led to an increase in the number of enterprises in the chemical sector. This actually led to the emergence of some new small enterprises and the splitting of previously large enterprises into smaller ones, whereas there was practically no emergence of completely new enterprises (so-called green field investments) in this industry. According to the trade union representative, in the future, we may see mergers of certain companies and the splitting of certain other companies within the chemical industry, although he expects to see mainly mergers among firms (in the form of acquisition of certain interests or on the basis of mutual interest for strategic reasons). In this respect the trade union representative warned that the future of the chemical sector could also be very unpredictable. At this point he referred to the idea of "REACH" and the attempt to enforce standards at the EU level, while this idea, at the same time, could represent a 'threat' of closing-down enterprises and loss of employment. The representative of the employers' organisation estimates that, with regard to operations, the sector is, in fact, still expanding.

There is no data on the grey economy. The trade union representative estimates that in this sector, the grey economy is not even possible.

Companies³³⁶

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with >100 SW	Total of the sub-sector (in%)
NACE 24.1	37	40	20	20	20	100
NACE 24.2	4	0	0	75	25	100
NACE 24.3	9	17	25	25	33	100
NACE 24.4	12	42	25	8	25	100
NACE 24.5	24	40	31	19	10	100
NACE 24.6	57	28	30	31	11	100
NACE 24.7	1	0	0	0	100	100
Total of the sector	144					

Source: Annual reports of companies, 2003 and statistical data, 2003

Workers³³⁷

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)	Total of the sub-sector (%)
NACE 24.1	2,811	2,811	0.6	1	10	89	100
NACE 24.2	257	257	0.1	0	40	60	100
NACE 24.3	1,303	1,303	0.3	0	8	92	100
NACE 24.4	6,026	6,026	1.3	0	1	99	100
NACE 24.5	1,363	1,363	0.3	2	25	73	100
NACE 24.6	1,973	1,973	0.4	2	37	61	100
NACE 24.7	confidential	confidential	0.1	0	0	100	100
Total of the sector	13,733*	13,733*	3.1				

Source: Annual reports of companies, 2003 and statistical data, 2003

³³⁶ Data on number of workers are calculated on a basis of working hours.

³³⁷ Data on number of workers are calculated on a basis of working hours.

*without figures for NACE 24.7

2) DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

2.1. Description of the workers' organisation active in the sector

The name of the workers' organisation is Trade Union of Chemical, Non-Metallic and Rubber Industry of Slovenia (Sindikat kemične, nekovinske in gumarske industrije v Sloveniji). This trade union and its activities cover the chemical sector (24.1 to 24.7) and non-metallic and rubber sectors. The trade union was established in the middle of the 50s. The union, in the form that exists today, dates back to the early 90s.

The sole source of funding for the union is the affiliation fee. The trade union has two employees, a secretary of the trade union and secretary (for administrative tasks).

Membership of the trade union is composed mainly of manual workers in manufacturing (these workers are usually known as blue collars, but the representative of the workers' organisation believes that today this notion is not appropriate). The trade union has 11,530 members. 8,000 members work in chemical sector. Approximately 57% of all workers in chemical sector are members of this trade union. However, it should be emphasised that some workers are not members of any trade union, while some workers are members only of those trade unions that organise workers in small companies.

The trade union cooperates in social dialogue at the sector level. At that level it also signs CAs. In this respect, the trade union signed a sector CA in 1998, as well as its amendments in 2004. In 2003 and 2004 the organisation signed 1 CA at the sector level (at the same time this was the only CA signed in the period in the sector in question). The trade union, as the need arises, also cooperates in negotiations at enterprise level. In tripartite concertation at national level, the trade union cooperates only indirectly. The parent organisation, of which the trade union in question belongs, is involved in the tripartite concertation.

The trade union is a member of Association of Free Trade Unions of Slovenia. At the EU level the trade union is a full member of EMCEF, indirectly is also a member of ETUC. At international level, the trade union is a full member of ICEM and General Worker's Union.

Trade Union³³⁸

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations*		International affiliations*	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Sindikat kemične, nekovinske in gumarske industrije Slovenije	Trade Union of Chemical, Non-Metallic and Rubbers Industry of Slovenia	mainly blue collars	11,530	8,000	57	yes	Zveza svobodnih sindikatov Slovenije (Association of Free Trade Unions of Slovenia)	-	EMCEF (full membership)	ETUC	ICEM (full membership)	-

Source: representative of trade union, 2005

2.2. Description of the employers' organisation active in the sector

The name of the employers' organisation is the Chemical Industries Association (Združenje kemijske industrije). This association covers activities in the chemical sector (24.1 to 24.7) and activities under 25.1 and 25.2. The joint organisation, which represents the interests of the chemical industry was established in the 1950s. Since 1979, it has functioned as an association for

³³⁸ Calculated on the basis of data on SW in 2003.

the chemical industry in the framework of the Chamber of Commerce and Industry of Slovenia. The forerunner of the Slovenian Chamber of Commerce and Industry was the Trade and Tradesman Chamber of Kranjska, established in 1851.

The association is financed through funds from its parent organisation. For individual activities (especially activities in international organisations) the association also collects funds from its members, individual enterprises, involved in this kind of activity. The association employs 3 and 1/2 full-time workers. It also uses some of the joint technical and expert services of its umbrella organisation.

Membership of the association or of the Chamber of Commerce and Industry of Slovenia is obligatory for all enterprises in Slovenia. According to the association's data it has 163 member enterprises in 2005. Here, some differences in the use of different data about the number of enterprises are to be found. According to data from the association, its membership includes 98% of all enterprises working in the industry sector. The remaining 2% of enterprises are also members of the association but, given their main activities, they are actually members of some other association within the Chamber of Commerce and Industry of Slovenia. However, this, in fact, just reflects the different statistics within the umbrella organisation. With regard to the membership structure, from the viewpoint of the ownership of enterprises 78% of enterprises are in completely private ownership, 1% is in state ownership, while the remaining 21% are in mixed ownership. 81% of enterprises have domestic capital, 7% have foreign capital, while 12% of enterprises have mixed capital.

The association co-operates in social dialogue at sector level and also signs the sector CA. In this way the association signed the sector CA in 1998 and its modifications in 2004. So, in 2003 and 2004 the organisation signed 1 CA at sector level, which was the only CA signed in the sector during the period. The association only co-operates indirectly in the tripartite concertation process at national level. The Chamber of Commerce and Industry of Slovenia is included in this tripartite concertation, and the association in question is a member of the chamber.

At EU level the association is a full member of the CEFIC (European Chemical Industry Council). In 2005, the association became an associate member of the ECEG (European Chemical Employers' Group). Indirectly, via the Chamber of Commerce and Industry of Slovenia, it is also a member of Eurochambers. At international level, the association is not a member of any organisation directly, but indirectly, through the Chamber of Commerce and Industry of Slovenia, it is a member of the national committee of the International Chamber of Commerce (ICC).

Employers' organisation

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		Number	Number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Združenje kemijske industrije	Chemical Industries Association	24 + 25.1 and 25.2	163	11,856	100 (according to main activity) or 98 (according to main interest)	100 ³³⁹	yes	Gospodarska zbornica Slovenije (Chamber of Commerce and Industry of Slovenia)	-	CEFIC (full membership); ECEG (associated membership)	Eurochambers	-	ICC

Source: representative of the employers' organisation, 2005

3) DESCRIPTION OF SOCIAL DIALOGUE IN THE SECTOR AT THE NATIONAL LEVEL

3.1 Description of the tripartite concertation in the sector

Both interviewees estimated that at the sector level of the chemical industry in Slovenia there is no tripartite social concertation, and there are also no tripartite meetings, consultations or debates.

³³⁹ Formally, all companies from the sector in question are, according to their main activity, necessarily members of the correspondent association, but companies can, if they want to, be members of another association within the Chamber of Commerce and Industry of Slovenia. Nevertheless, even if a company is a member of another association it has to respect the CAs for the chemical industry, since it is, according to its main activity, a formal member of the association of the chemical industry.

3.2. Description of bipartite social dialogue in the sector

Bipartite social dialogue in Slovenia is to be found at sector and enterprise levels. However, among dialogues a hierarchy is present at different levels in Slovenia. At the general-national level, some minimal standards are agreed. Usually, it is at sector level that the specific issues of individual sectors are dealt with, and, as a rule, workers' rights are generally improved compared to the general CA. In this respect, the trade union representative emphasised that negotiators in the process of shaping the sector CA should take into consideration the economic conditions of all enterprises, both good and bad ones. The CA should not be set up for the best companies, since this would mean that the worst ones would be forced out of business. As a consequence, the Slovenian system allows the setting up of CAs at enterprise level, which allows good companies to further upgrade wages, workers' rights etc. The CA at sector level ensures minimum pay and conditions of work for all companies in the sector, which all CAs at the enterprise level have to respect. The CA at the enterprise level can only upgrade the rights of workers in terms of wages and working conditions.

Concerning the future development of social dialogue at different levels, representatives of employers' organisations referred to the growing importance of the general CA. On the other hand, the trade union representative noted the ever greater importance of sector CAs in the future. The representative of the employers' organisation, in this respect, emphasised her hope that the general CA would manage all contents necessary in all sectors, while sector CAs would merely manage some specific aspects relating to individual sectors. In this way, sector CAs would not be 'obliged', as they currently are, to upgrade the level of rights determined in the general CA. This would also mean shorter sector CAs. However, many questions would also be managed by the law on CAs, which has still not been adopted.

The most important CA is that of the sector while at the enterprise level some companies have developed a CA while others have not.

As far as reciprocal recognition systems are concerned, trade unions have to acquire the position of a representative trade union but, informally, the system is usually not so strict. The Chamber of Commerce and Industry and its associations hold the position of a partner, since membership in it is obligatory for all companies.

3.2.1 Bipartite dialogue at the sector level

According to the representative of the workers' organisation, negotiations on the CA in the chemical sector, including the rubber and plastics industry, usually include just one trade union. However, it should be pointed out that there is another trade union which is a member of the Confederation of Independent Trade Unions of Slovenia, as well as a trade union which is a member of Confederation '90. This latter only signs CAs but does not take part in negotiations. The representatives of the employers' organisations and the trade unions have different opinions on the number of parties involved in negotiations. The trade union representative believes that only the Association of the Chemical Industry is included in the negotiations, which take place within the framework of the Chamber of Commerce and Industry of Slovenia. All companies are obliged to be members of this chamber. On the other hand, the representative of the employers' organisation believes that the chemical industry section of the Association of Employers of Slovenia, membership of which is voluntary, also takes part in the negotiations. However, it was revealed that there is a close link between both employers' associations³⁴⁰, since all companies which are members of the section for the chemical industry of the Association of Employers of Slovenia are simultaneously members of the Association of the Chemical Industry. Besides, members of both of these associations share the same interests and, in fact, in the current negotiating team the very same people are involved. However, it has to be emphasised that the social partners are by no means forced into mutual negotiations, but there is the self-evident interest of workers' and employers' sides in negotiations. During the interview, both interviewees estimated that all players mutually recognise each other as negotiating partners. The trade union representative also thought that relationships between the negotiating partners in the chemical sector are much better than in other sectors. The trade union representative just wanted to support his statement that the participants recognise each other as partners.

Sector CAs include norms, which are the conditions for signing and suspending the labour relationship or labour conditions, as well as a tariff part, which deals with wages and the different supplements and amendments. The representative of the workers' organisation stated that, in the past, discussion took place mainly on questions linked to the tariff part of a CA, whereas today both parts of the CA are negotiated on. The reason for this is the Law on Labour Relations which has been in force since 2003 and which introduced some innovations that should also be included in a sector CA. The only CA currently in force (signed in 1998) at this level was amended in 2004, especially due to adoption of the abovementioned law. The current CA is valid for one year. Here, the rule of allowing the automatic extension of its validity is enforced in the event no party renounces any proposed changes or completion within a particular time. According to the

³⁴⁰ We did not detail this organisation in section 2.2 of this report because of the personal links between the organisations mentioned above. Thus, we consider only one employers' organisation as taking part in the negotiations.

representative of the workers' organisation they made an agreement with representatives of the employers' organisation about negotiations on the renewal of the CA. In this way, both parties prepared their own proposals to renew the CA. At the moment, both negotiating sides are split on the question of which proposal they should take as the starting point for negotiations. The CA system in Slovenia is inclusive. This means that a signed sector CA is valid for all companies and all workers in the respective sector. We can conclude that the coverage of companies by a sector CA is 100%, as is the coverage of all workers in a sector.

They also both stated that in bipartite social dialogue in the chemical sector, there were no serious conflicts regarding important questions. There is no special institution or party which encourages social dialogue at sector level. The representative of the trade union states that his organisation is particularly active in suggesting items for negotiation. Neither interviewee sees any serious obstacles to the future development of social dialogue. At this point, the representative of the workers' organisation was critical of the interference of a higher level in the negotiations, i.e. the Chamber of Commerce and Industry of Slovenia. In this respect, he mentioned an example where the social partners had agreed to sign a particular agreement but later the Chamber of Commerce and Industry interfered by establishing a special commission. In his opinion the umbrella organisation should not take part in social dialogue at sector level.

3.2.2 Bipartite dialogue at enterprise level

Social dialogue in Slovenia also exists at enterprise level. Since there is a hierarchy between the CAs of different levels, the enterprise agreements should, as a rule, 'give' workers more rights than sector and general CAs. In any case, they should be enforced for the purpose of reflecting the special features of particular enterprises.

Representatives of company boards and representatives of respective trade unions in companies are included in negotiations at enterprise level. Usually, there are several trade unions operating in a particular company. According to the representative of the workers' organisation, the fact that of having a large number of unions in a company can sometimes diminish the trade union's negotiating power. Some conflicts may also emerge between different trade unions, which results in varying demands being made by different trade unions. This fact could also make it harder to formulate common trade union standpoints, which might also weaken their power relative to enterprise leaderships.

None of the interviewees could provide exact data about the number of enterprises in which collective enterprise agreements are signed. According to one estimate by the representative of the employers' organisation, collective enterprise agreements are signed in the majority of enterprises (at least in bigger enterprises). On the other hand, the representative of the workers' organisation thought that collective enterprise agreements were signed in approximately one-half of all companies. But he also added that collective enterprise agreements are signed in all multinationals. Both interviewees agreed that the majority of employees in the chemical sector are 'covered' by collective enterprise agreements. The same principle at the enterprise level applies to the sector level: the collective enterprise agreement is automatically valid for all workers within an enterprise for which it is signed. At enterprise level, the duration of the CA's follows the same system: one year with automatic extension for another year if no party renounced it or proposes changes.

4) COMMENT

The classification concerning the chemical industry sector in Slovenia is congruent with the NACE nomenclature. Currently the *Collective agreement for the chemicals and rubber industry* is in force in Slovenia.

There is no tripartite social concertation in the sector, and there are no tripartite meetings, consultations or debates. Bipartite social dialogue in Slovenia is found at sector and enterprise levels. A hierarchy is present among the bipartite dialogues seen at different levels in Slovenia. At the level of the general collective agreement, at national not at sector level, some minimal standards are agreed which either upgrade legal provisions or introduce specific contents that have to be managed. The specific issues of individual sectors are usually dealt with at sector level, which generally means that workers' rights in these sectors are improved compared to the general collective agreement. Both interviewees estimated that all parties mutually recognise each other as negotiating partners. They also both felt that in bipartite social dialogue in the chemical sector no serious conflict regarding important questions were present. According to both, there are of course, some differing views on content and possible solutions but all such issues are resolved during the negotiations. They indicated that they see no serious obstacles to the future development of social dialogue. Sector collective agreements include a normative part with conditions for signing and suspending the labour relationship and labour conditions as well as a tariff part in which wages and different supplements and amendments are included. The collective agreement is valid for one year. Here, the rule of allowing an automatic extension of its validity is enforced where no party renounces either any proposed changes or completion within a particular time. The collective agreement system in Slovenia is inclusive. This means that a signed sector collective agreement is valid for all companies and all employees in that sector. We may conclude that the coverage of companies by a sector collective agreement is 100 percent, as is the coverage of all employees in a sector. Social dialogue in Slovenia also exists at the enterprise level. None of the interviewees could confirm the data about the number of enterprises in

which collective enterprise agreements are signed. According to one estimate of the representative of the employers' organisation, collective enterprise agreements are signed in the majority of enterprises (at least in bigger enterprises). On the other hand, the representative of the workers' organisation estimated that collective enterprise agreements are signed in approximately one-half of enterprises. Yet he also added that collective enterprise agreements are signed in all multinationals. Both interviewees agreed that the majority of employees in the chemical sector are 'covered' by collective enterprise agreements.

SPAIN

1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS

1.1. Delimitation and scope of activities in the sector

The chemical sector in Spain is not easy to delimitate. Although official statistics tend to adapt to the NACE, identifying the chemical industry with group 24, CB usually includes other activities in the chemical sector such as manufacturing of rubber and plastic products (NACE 25). On the other hand, factories manufacturing synthetic rubber in primary forms (NACE 24.7) are not always included in the chemicals industries.

1.2. Socio-economic features of the sector

Turnover value of the chemical industry in Spain (NACE 24) was over 32,000 million Euros in 2003 that means 10% of the Gross Industrial Product of the country³⁴¹. According to the Instituto Nacional de Estadística (INE), 'Contabilidad Nacional de España', in 2004 the GDP of the chemical industry (NACE 24) was 11,900 million €. That means, according the same source, 14.2% of national GDP, and 9.9% of Gross Industrial Product. The Chemical industry has undergone high growth in the last 25 years, around 4% on average, with a tendency towards more added value production. Thus, if in 1997 the basic chemical industry was 61% of the value of the Spanish chemical production, in 2003 it had fallen to 38%. In the same period, production placed within chemicals for human, animal and vegetable health products went from 19% to 28%; and industrial and chemicals for consumer end-users went from 20% to 34%³⁴². According to FEIQUE, practically half of the production of the chemical industry is exported and their products are mostly exported within the European Union. At the same time, imports of chemical products into Spain are also high. If we add the important presence of foreign investment in the sector and the internationalisation processes carried out by the companies of the country, we may conclude that the chemical sector is highly internationalised.

The company structure in the sector shows a high number of small-sized companies, together with bigger companies; and with a high presence of multinational corporations. According to the Instituto Nacional de Estadística, National Statistics Institute³⁴³, 65% of the companies in the sector have less than 10 workers in their staff, though as far as employment is concerned, these companies represent only 5% of employment in the sector. Despite the significant presence of companies with no employees or very small companies in the sector, the hidden economy is not usually relevant in the chemical industry. This indicates that hidden employment in the sector is not important enough to be noteworthy. As for the geographical distribution, according to FEIQUE, the chemical industry is highly concentrated in Catalonia and half of the production in the sector is generated in this community. Together with Madrid and Valencia, these three communities represent 80% of the total Spanish chemical production.

157,600 workers were employed in the chemical industry in Spain in 2004³⁴⁴; which means that employment in the sector is scarcely 1% of total employment in Spain. This means that it is a capital intensive activity. However, it generates a large number of indirect jobs in other activities, which FEIQUE estimates at above 350,000 jobs. 96% of people working in the sector are salaried workers 60% are men and 40% are women. The sector has hardly any employment in the public sector. The Instituto Nacional de Estadística does not provide data about the occupational categories of the workers in the sector. However, it points out that 43% of workers have higher education (university) whereas 41% have secondary studies and 16% primary studies. According to FEIQUE, most contracts in the sector are open-ended contracts and flexibility and mobility are regulated by CA. In 2004, the average monthly wage, including all the associated costs, such as social security contributions, were 3,250.6€ in the chemical industry, while the national average for all sectors was 2,051.6€. This means that the national average in the chemical sector was 58% above the national average wage, according to the Instituto Nacional de Estadística (INE), 'Encuesta trimestral de Coste Laboral'.

³⁴¹ Data from FEIQUE (2004) Radiografía del sector químico. Madrid.

³⁴² Data from FEIQUE (2004) Radiografía del sector químico. Madrid.

³⁴³ Instituto Nacional de Estadística, National Statistics Institute, (2004): Directorio central de empresas (DIRCE) año 2004. INE: Madrid.

³⁴⁴ Data extracted from the Instituto Nacional de Estadística (2005): Encuesta de Población Activa. (Active Population Survey). INE: Madrid.

As tendencies in the sector we should also consider a policy in technological investment and also an increasing introduction of ways of work organisation aimed at the efficiency such as working shifts. The general CA of the chemical industry itself issues guidelines on the convenience of reaching agreement in the establishment of flexible ways of work organisation. On the other hand, as a result of the industry characteristics, the aspects regarding safety and health as well as environmental aspects are key points.

Companies (2004)

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
Manufacture of basic chemicals	1,066	16,6	43.4	33.2	6.8
Manufacture of pesticides and other agro-chemical products	109	14.7	44.0	38.5	2.8
Manufacture of paints, varnishes and similar coatings, printing ink and mastics	658	10.3	47.0	37.7	5.0
Manufacture of pharmaceuticals, medicinal chemicals and botanical products	447	13.0	32.2	32.4	22.4
Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	1,334	25.0	49.6	22.1	3.3
Manufacture of other chemical products	940	23.2	49.0	24.9	2.9
Manufacture of man-made fibres	63	4.8	39.7	36.5	19.0
Total of the sector	4,617	18.9	45.8	29.0	6.3

Source: Instituto Nacional de Estadística (2004): Directorio central de empresas (DIRCE) año 2004. INE: Madrid.

Workers (2004)

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
Total of the sector	157,600 (1)	151,700 (1)	1.1 (2)	5 (2)	30 (2)	65 (2)

Source: (1) Instituto Nacional de Estadística (2004): Encuesta de Población Activa. INE: Madrid.

(2) Our estimation, according to the data of the Instituto Nacional de Estadística (2004): Encuesta de Población Activa.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

2.1. Description of the workers' organisations active in the sector

Most representative unions taking part in the process of social concertation and in CB for the whole sector are FITEQA-CCOO and FIA-UGT. The Ministry of Labour has provided the data of representativeness according to the number of workers' delegates each unions has in different activity sub-sectors. These data appear in the following table:

Chemical industry in Spain: number of workers' delegates and their distribution

	Number of workers' delegates	Distribution
FITEQA-CCOO	2,626	44.1%
FIA-UGT	2,339	39.3%

ELA-HAINBAT	123	2.1%
Others	866	14.5%
TOTAL	5,954	100%

Source: Ministry of Labour.

FITEQA-CCOO (Federación de Industrias Textil-Piel, Químicas y Afines de Comisiones Obreras, Federation of Textile-Leather Industries, Chemicals and Related Industries of Workers' Commissions)

CCOO was legalised in 1977, but Fiteqa-CCOO was found in 1996, after a merger between two Federations: Textile and leather, and Chemicals industry. There are 60 union members and 35 clerical workers, working as SW for the organisation. This federation has a whole 67,000 affiliated workers and 35,000 out of them belong to the chemical sector including plastics and rubber in it, this is NACE 24 and 25. Most of the affiliation occurs among professional workers in the trade and in medium and large sized companies. Although the trade union has no concrete information about affiliated workers belonging exclusively to the scope of NACE 24, it may be estimated that their affiliated workers are about 20% of the salaried workers in the sector.

The trade union takes part in all relevant bargaining in the sector, particularly in the bargaining of the general CA for the chemical industry, the CA for the perfumery industry and union-managers joint committees for training in the chemical industry and in the perfumery industry. It also takes part in the bargaining of the five existing CAs for multi-plant companies, in the CA for chemicals of Cantabria and in the pyrotechnics CA for the Autonomous Community of Valencia and also in company agreements. Finally, the trade union also takes part in the Chemical Sector Industrial Observatory. FITEQA-CCOO has signed two CA at state level, two at regional level and the majority of the CA at company level.

FITEQA-CCOO is a member of EMCEF, ICEM and it indirectly is a member of ETUC and of ICFTU.

FIA-UGT (Federación de Industrias Afines de Unión General de Trabajadores, Federation of Related Industries of Workers' General Union)

Although UGT is a union with more than a hundred years of history, after the dictatorship of Franco it was legalized in 1977. FIA-UGT was founded in 1992 after an important merger process in UGT. The federation covers all chemical industry. FIA-UGT has 75,000 affiliated workers, 22,500 out of them belonging to the chemical industry, between them more men than women. The trade union takes part in the bargaining of the CAs in the sector as well as in the tripartite bargaining and union-managers joint committees for professional training as it has already been mentioned for FITEQA-CCOO. FIA-UGT has signed two CA at state level, two at regional level and the majority of the CA at company level.

FIA-UGT is a member of EMCEF, ICEM, and it indirectly is a member of ETUC and ICFTU.

Unfortunately, FIA-UGT has not given information on the number of SW working for the organisation (staff), nor on ways of funding of the organisation

ELA-HAINBAT (Euzko Langileen Alkartasuna – Hainbat / Solidaridad de Trabajadores Vascos - Diversidad / Basque Workers' Solidarity – Diversity of sectors)

ELA-HAINBAT is a federation of the trade union ELA that encompasses affiliated workers belonging to a diversity of sectors, basically industrial sectors, between them the chemical industry. As ELA organisations it limits the intervention to the autonomous communities of the Basque Country and Navarre. ELA-HAINBAT has a whole 22,550 affiliated workers, 2,250 of them belong to the chemical sector. This trade union does not take part in the bargaining of the most important CAs in the sector.

ELA-HAINBAT is a member of EMCEF and ICEM. It indirectly takes part, through ELA, in ETUC and in ICFTU.

Unfortunately, ELA-HAINBAT has not given data on the historic of the organisation, its way of funding and the number of SW working for the organisation (staff).

FEQUICC (Federación Química de la Confederación de Cuadros / Chemical Federation of Managers Confederation)

This is a union for technical workers and management staff of the chemical industry, which was founded 15 years ago. It is funded from membership subscriptions. The organisation does not have any SW for the organisation (staff). According to its representatives, this federation has a total of 90 affiliated workers, and 10 workers' delegates. FEQUICC is only present in three large companies in the sector, Repsol YPF, Repsol Química and Solvay, in which it has a small participation in its respective workers' committees.

Since the organisation has 10 workers' delegates, it could participate in CAs at enterprise level. The organisation has signed two CAs (in Repsol YPF and Repsol Química) and a pact at enterprise level, at Solvay.

FEQUICC belongs to the Spanish 'Confederación Española de Cuadros' (CEC, Spanish Federation of Managers), the 'Confederación de Cuadros y Profesionales' (CCP, Managers and Technicals Confederation), and to FECCIA.

Trade Unions

Organisation			Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations*		International affiliations*	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect	
Federación de Industrias Textil-Piel, Químicas y Afines de Comisiones Obreras (FITEQA-CCOO)	Federation of Textile-Leather, Chemicals and Related Industries of Workers' Commissions	All	67,000	35,000	20	Yes	CCOO	No	EMCEF	ETUC	ICEM	ICFTU	
Federación de Industrias Afines de Unión General de Trabajadores (FIA-UGT)	Federation of Related Industries of Workers' General Union	All	75,000	22,500	15	Yes	UGT	No	EMCEF	ETUC	ICEM	ICFTU	
Solidaridad de Trabajadores Vascos / Euzko Langileen Alkartasuna (ELA-HAINBAT)	Basque Workers' Solidarity – Diversity of sectors	All, in Basque Country and Navarre	22,550	2,250	1.5	No	ELA	No	EMCEF	ETUC	ICEM	ICFTU	
Federación Química de la Confederación de Cuadros (FEQUICC)	Chemical Federation of Managers	technical workers and management staff	90 affiliated workers	90 affiliated workers	-	Yes, in 3 companies	CEC CCP	No	FECCIA	No	No	No	

2.2. Description of the employers' organisations active in the sector

The social partners have a system of recognition. As far as the negotiation of collective agreements is concerned, recognition of employers' organisations is regulated by article 87 of the *Texto Refundido del Estatuto de los Trabajadores*, Amended Text of the Workers' Statute, (Royal Law Decree 1/95). For CAs with scope above company level, the employers authorised to participate in the bargaining are organisations which, within the geographical and functional scope of the CA, have at least 10% of employers in the sector, provided that they apply the same rates to the workers involved.

FEIQUE (Federación Empresarial de la Industrial Química Española, Spanish Chemical Industry Employers' Federation)

FEIQUE, which was founded in 1978, is the main employers' organisation in the chemical industry sector. However, it does not include companies in the perfumery and cosmetic toiletry sub-sectors nor companies which manufacture man-made fibres. It has 17 chemical associations representing different sub-sectors and areas where the chemical industry is mainly located and it also includes 24 multi-sector companies which are direct members. FEIQUE groups together about 1,200 companies which represent 26% of the total or 36% of companies with employees. Companies affiliated to FEIQUE employ 109,000 workers, 72% of the whole employment in the sector (FEIQUE estimates that it is 84% if sub-sectors in which it does not operate are excluded). Affiliated companies are of all kinds but there is bigger number of medium-sized and large companies. According to FEIQUE the funds of the organisation stem from the dues paid by its member companies and sub-sector national organisation members. There are 15 SW working for the organisation.

The FEIQUE takes part in the bargaining of the general CA for the chemical industry, in the joint committee for training in the chemical sector, in the Chemical Sector Industrial Observatory, in the Agreement for a commitment for progress and in the agreement reached regarding the REACH program. FEIQUE has signed one CA at national level.

FEIQUE is a member of the Spanish Confederation of Employers' Organisations, Federación Española de Organizaciones Empresariales (CEOE), of the European Chemical Industry Council (CEFIC) and of ECEG. It indirectly takes part in UNICE and in ICCA.

STANPA (Asociación Nacional de Perfumería y Cosmética - Spanish Cosmetic Toiletry and Perfumery Association)

STANPA was created in 1977 and it includes 250 companies in the whole country belonging to the sub-sectors of perfumes and cosmetic and toiletry products (NACE 2452), manufacturing of essential oils (NACE 2463) and wholesale trade of perfumery and beauty products (NACE 5145). According to STANPA the organisation is funded through the contributions by its associate members. There are 11 SW working for the organisation. STANPA also claims that 80% of the companies are affiliated to this association in the perfumery and cosmetic products, while in the whole chemical industry sector, 5.5% of the companies are affiliated to STANPA. In the perfumery and cosmetic products, the market share of its associated companies working in this sub-sector is 98% and 18,000 people are working for the associated companies of STANPA in this sub-sector (i.e. 90% of the employment in the perfumery and cosmetic products). In the whole chemical industry sector, 12% of the workers are employed by associated companies of STANPA. This could be explained by the fact that companies belonging to STANPA are mainly small companies.

STANPA is the only employers' organisation to take part in working out the CA for companies and workers in the perfumery and related industries which affect all the companies in the sector. It also takes part in the tripartite foundation (together with unions and government) for in-job training and in the Foundation SIMA (Multi-industry Service for Mediation and Arbitration). STANPA has signed one CA at national level.

STANPA is a member of the Spanish Confederation of Employers' Organisations (CEO), Promotion of National Labour, Fomento del Trabajo Nacional (FTN), and COLIPA. It indirectly takes part through the CEO in UNICE.

PIROVAL (Asociación de Fabricantes Pirotécnicos de la Comunidad Valenciana, Pyrotechnics Manufacturers' Association of the Community of Valencia)

PIROVAL was created in 1979. It is an employers' organisation, which includes a total of 17 companies belonging to the sub-sector of manufacturing of pyrotechnic products (NACE 24612) in the autonomous community of Valencia, an area where there is a concentration of most of the companies in this product area. Companies associated to PIROVAL represent 49% of the sub-sector in the Community of Valencia and 12% of the sub-sector in the whole of Spain. All associated companies have less than 50 workers on the staff. They employ about 500 workers as a whole, which represents 45% of the sub-sector in the Community of Valencia but it hardly reaches 0.3%, if one considers the total workforce in the chemical industry. PIROVAL's funds come from dues paid by its associate members. According to the organisation, PIROVAL does not have any SW.

PIROVAL takes part in the bargaining of the CA of pyrotechnics in the Community of Valencia. PIROVAL has signed one CA at regional level.

90% of the companies associated to PIROVAL belong to the Asociación Española de Fabricantes de Fuegos Artificiales, Spanish Association of Fireworks Manufacturers (AFAPE) which is delegated with the representativeness at national and international levels.

AEQ (Asociación de Empresarios de Química, Chemical Employers Association)

The AEQ was founded nearly 30 years ago and covers all the chemical industry. It is an employers' organisation which groups together 80 companies belonging to chemical industry in the autonomous community of Cantabria. The organisation estimates that the companies associated represent 75-80% of chemical companies in Cantabria. Most of them are small and medium-sized companies. Member companies of AEQ have 4,500 jobs, a figure that represents, according to the organisation, 80% of the employment in the region. This percentage is reduced to 3% when one considers total employment in the chemical industry in Spain.

AEQ does not take part in tripartite concertation. It is involved in the bargaining of the CA for the chemical industry of Cantabria. It negotiates and signs CA, but only one for chemical companies in Cantabria.

AEQ belongs to CEOE indirectly.

Unfortunately, the AEQ did not answer the question relative to its means of funding and the number of SW working for it (staff).

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Federación Empresarial de la Industria Química Española (FEIQUE)	Spanish Chemical Industry Employers' Federation	All	1,200	109,000	26	72	Yes	CEOE	-	CEFIC, ECEG	UNICE	-	ICCA
Asociación Nacional de Perfumería y Cosmética (STANPA)	Spanish Cosmetic Toiletry and Perfumery Association	Cosmetic Toiletry and Perfumery	250	18,000	5.5 (80 in the subsector)	12 (90 in the subsector)	Yes	CEOE, FTN	-	COLIPA	UNICE	-	-
Asociación de Fabricantes Pirotécnicos de la comunidad valenciana (PIROVAL)	Pyrotechnics Manufacturers' Association of the Community of Valencia	Pyrotechnic sub-sector in Valencia	17	500	0.4 (49 in the subsector)	0.3 (45 in the subsector)	Yes	-	AFAPE	-	-	-	-
Asociación de Empresarios de Química (AEQ)	Chemical Employers Association	All, in Cantabria	80	4,500	1.7 (80% in Cantabria)	2.9 (80% in Cantabria)	Yes	-	CEOE	-	-	-	-

3. DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR

3.1. Description of the tripartite concertation in the sector

According to the unions and employers' organisations that were consulted, tripartite social concertation only happens occasionally and without a regular pattern. Considering these characteristics, social concertation between employers' organisations, trade unions and government basically takes places on issues related to the environment, health and safety and in relation to the 'Chemical Sector Industrial Observatory', Observatorio Industrial del Sector Químico, which was constituted by FIA-UGT, FITEQA-CCOO and FEIQUE in the early 2002. The Ministries of Industry, of Labour and of Environment occasionally take part in this Observatory.

As far as employers' organisations are concerned, Spanish legislation establishes that in order to have institutional representativeness to defend general interests of sector employers before public Administrations and other entities or bodies, employers' organisation must have 10% or more of the companies and workers of the sector at state level as members. A union which has obtained 10% or more of the staff delegates or members in workers' committees is recognised as a representative trade union. All of them could take part in tripartite concertation.

Concerning the number of signed agreements, their name, the signatory parties, as well as their content, see the point 2.1 of this report.

3.2. Description of the bipartite social dialogue in the sector

The Spanish chemical sector had, for many years, a well established model for social dialogue, which has been used as a reference for industrial relations in Spain.

Note that in Spain, extension of CAs to parties that are not signatories to the agreement is automatic providing the CA is signed by a majority of the representatives of each party to the agreement. Indeed, Spanish legislation establishes the criteria to be followed to constitute the negotiating commission in collective agreements: all organisations (union and employers') authorised to take part in the bargaining committee will take part according to their percentage of representativeness and the committee will be validly constituted when unions, federations or confederations and employers' organisations respectively represent at least the absolute majority of the members of the workers' committees and staff delegates, on their part, and employers employing the majority of workers affected by the agreement. For CA at company level or below the parts authorised to bargain are the workers' committee or staff delegates or union representatives if existing, and the employer or the representative. So, in Spain, extension of CA is automatic providing the CA is signed by a majority of the representatives of each party to the agreement.

At sector / national level

CB basically takes place at sector level. At this level and despite the diversity of sub-sectors and enterprises making it up, the sector has two CAs: the 'CA of companies and workers of perfumery and related industries' (signed by STANPA, FITEQA-CCOO and FIA-UGT) and the 'General CA for the chemical industry' (signed by FEIQUE, FITEQA-CCOO and FIA-UGT) which has included most of the companies already since 1978, when the union and employers' organisations were legalised in Spain. The only exceptions for this CA are:

- Companies and workers in perfumery and related industries. This is an agreement affecting all the companies in this sub-sector;
- Companies manufacturing man-made fibres (NACE 247) are not included in the general CA for the chemical industry. Each company has got its own CA;
- Pyrotechnics CA in the Community of Valencia;
- Chemical industry CA of Autonomous Community of Cantabria;
- Only a few companies in the sector have their own CA.

A general CA for the chemical industry is a remarkable achievement in the Spanish context, since it establishes criteria on working conditions on a centralised basis, but, at the same time, it establishes a flexibility range and the processes for its implementation within the workplace. It is organised in the following parts according to the content: work organisation, employment policy, occupational categories, functional and geographical mobility, wage policy, working hours and their organisation, transport, allowances, general leave and leave of absence, disciplinary regime, labour safety and health, environment, welfare regime, union rights, training, joint committee for interpretation, conciliation and monitoring of the fulfilment of the agreement, volunteering proceeds for the disputes procedure and sector plan for the promotion of equal opportunities. FITEQA-CCOO, FIA-UGT and FEIQUE are the main partners taking part in bargaining and social dialogue in the sector as a whole (there are not other players playing a role in industrial relations in the sector). The duration of these CAs is 3 years. Coverage of CA at this level could be 85% approximately. Due to the legal characteristics of CB in Spain and due to the representativeness recognised by the signatories of the CAs, these issues are to be compulsorily applied by all companies and workers in the sector concerned, with the important exception of synthetic fibres manufacturers, which have their own CA. It is important to mention that only directors, high executives and senior managers in the company are excluded from the application of the CAs. However, in practice CAs have limited application amongst technical workers and senior management, at least with regard to some issues relating to working conditions. On the other hand, it is worth noting that there are few strikes that occur in the chemical sector. This may be more an indication that social dialogue has become well accepted in the sector in order to solve labour disputes rather than an indication that labour disputes do not exist. We have also to mention that there are no serious recognition disputes in the chemical industry as a whole.

CAs at sector level are also made specific in further agreements. Agreements regarding training are excluded from these other agreements. The organisations taking part in these agreements are FEIQUE and STANPA on the employers' side, and FITEQA-CCOO and FIA-UGT on the unions' side.

It must also be mentioned the agreement reached by FEIQUE and FITEQA-CCOO and FIA-UGT in which they hold a common joint action within the framework of the European program for a New Policy for Chemical Products (REACH).

There is no obligation for the partners to negotiate at sector (or other) levels. But when a CA has been established at sector level, according to Spanish legislation, a CA does not expire since another CA is signed. So, representative social partners are 'forced' (not legally) to negotiate and reach a new agreement. But if a partner does not want to negotiate, there is any obligation to do it, as has happened in a few cases.

As far as possible developments relating to the number and content of the CAs are concerned, there is a trend towards maintaining the two sector/national CAs, and possibly to reduce those CAs at enterprise level, where they can be integrated into the sector CA. Concerning the players' positions with regard to future developments in the social dialogue in the sector, FITEQA-CCOO, FIA-UGT and FEIQUE have acquired important commitments on the development of the social dialogue in the sector, and they have the intention of making the 'General CA for the chemical industry' the reference for the whole industry.

The importance of CB at sector level does not exclude social dialogue processes and CB at other levels, especially at company and autonomous community levels, but quite the opposite. As it has been mentioned, the own configuration of the general CA for the chemical industry results in the fact that different kinds of clauses in the agreement must be agreed at company level in order to be applied.

In provincial or autonomous community level

The players at this level are PIROVAL, AEQ and regional FITEQA-CCOO and FIA-UGT. There are no conflicts between them regarding recognition issues. There are only two CAs at this level, and it seems there will be no changes in the near future: 'Pyrotechnics in the autonomous community of Valencia' (signed by PIROVAL and regional FITEQA-CCOO and FIA-UGT), and the 'Chemical industry of Cantabria' (signed by AEQ, and regional FITEQA-CCOO and FIA-UGT). No companies have signed CAs at this level. The content of these agreements is very similar to sector CAs. The coverage rate of the CAs in comparison with the total number of enterprises and total number of SW is approximately 5%. All types of SW apart from managers are covered by these CAs.

At enterprise level

The players at this level are the employers, and on the other hand, the workers' committee or staff delegates or union representatives. Conflicts between players regarding recognition issues take place only very rarely. At company level, the Ministry of Labour has recorded a total number of 79 CAs in the sector affecting about 15,000 workers, approximately 10% of total employment. The companies manufacturing man-made fibres are among these companies. However, we have to mention that an important part of these company agreements are joining agreements or agreements to be applied after the general CA for the chemical industry. As far as the signatory parties of the CAs, the content and the duration of these CAs are concerned, the data are very similar to those for the CA at other levels. The tendency in past years has been to reduce the number of CAs at enterprise level. So we could expect that this trend will continue.

Despite the existence of different CAs, the tendency in the sector is to use the general CA for the chemical industry as a reference for the whole industry. The agreement for the chemical industry itself establishes that some fundamental parts of it are compulsorily to be applied to CAs in higher than enterprise contexts, either sub-sector or provincial contexts. Likewise, it is remarkable how a historical process of joining the general CA for the chemical industry takes place, in which companies with their own CA join it. This is the case of companies such as Bayer or Ercros which have recently joined the general CA for the chemical industry.

4. COMMENT

CB in the chemical sector in Spain is adapted, to a great extent, to what is known as coordinated decentralisation in the specialised literature. Indeed, on the one hand, general patterns regarding working conditions in the sector are increasingly being regulated according to agreements between the large employers' associations and trade unions in a centralised way, thus limiting the spreading of CAs. But at the same time, the organisations themselves enable processes of social dialogue in their agreements at lower levels, especially at the company level, in which the centralised agreements must be agreed and applied. The general CA for the chemical industry is a good example of this.

On the other hand, due to the characteristics of the chemical industry, it is also important to remark how issues such as safety, health and environment are increasingly becoming more important in the agendas of the main organisations in the sector. In this sense, dialogue processes which have been started by the union and employers' organisations together with the administration are also an example.

SWEDEN

1) DESCRIPTION OF THE SECTOR

1.1. Delimitation and scope of activities in the sector

The chemical sector comprises a variety of activities, from the manufacture of industrial gases and fertilizers to pharmaceuticals. Statistically, it includes the activities described by NACE DG, section 24, sub-sections 24.1- 24.7. In addition to the activities described by NACE code 24, the chemical sector includes the following activities: the plastics, ceramics, glass and rubber industries and oil refineries. To harmonise quantitative data and to calculate trade union and employers' density as precisely as possible, we have included those activities in the quantitative part of this report³⁴⁵.

1.2. Socio-economic features of the sector

a) *Brief background of the sector, its structure and main developments*

Active internationally for over a century, the Swedish chemical industry has been important in the country's economy since World War II. In the course of the last 50 years, it has carried in its wake many other branches of activity. Compared to other sectors of the Swedish economy, the chemical sector has been the most dynamic over the last decade, with the pharmaceuticals branch driving its growth. In 2004, the chemical sector accounted for 2.4% of GDP. Between 1993 and 2004 the sector's added value rose more than 50% in volume. During the past decade, salaried employment in the sector also registered sustained growth of 13%. The number of companies in the chemical sector has also risen appreciably (more than 30% over the same period).

b) *Number of companies*

According to the national statistics institute (Statistic Sweden, SCB), in 2004 Sweden had around 3,450 companies in the chemical sector as defined above. Around 53% of the companies had no employees (i.e. 1,853 companies). The breakdown of companies by size in the sector contrasts with that of the economy as a whole, in particular concerning the proportion of companies with no employees, which is markedly lower in the chemical sector (53% compared to 75% for the economy as a whole). There are no public or nationalised chemical companies in Sweden and the sector is thus 100% privatised.

Companies

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
Total of the sector*	3,457	53.7	26.9	15.4	4.0

*NACE 24000 and part of NACE 23000, NACE 25 000 and 26 000, mainly the paint industry, the rubber industry, the glass industry, the chemical industry, the ceramic industries and oil refineries

Source: Företagsdatabasen, Statistic Sweden (SCB, 2005)

c) *Data on employment in the sector*

In 2004, the chemical sector accounted for around 1.7% of Sweden's employed workforce and 1.9% of paid employment, or around 71,000 paid jobs³⁴⁶. For the period 1993-2004 as a whole, paid employment increased by around 13% (28% for NACE 24000 alone). Companies with fewer than 50 employees account for around 18% of paid employment. Big companies (more than

³⁴⁵ I.e. NACE 23 200 (Refineries), NACE 25110-25240 (rubber and plastics), NACE 26 110 to 26 300 (Industrial glass and ceramics/porcelain).

³⁴⁶ Average for the year 2004 as a whole. Trade union sources report that the number of white collar jobs in the sector is around 30,500.

100 employees) represent 73% of total employment in the sector (of which 37% for companies with more than 500 employees). In 2004, some 9% of employees in the sector had fixed-term contracts, a figure well below that for the economy as a whole (18% in 2004). Women account for around 40% of total employment in the sector. Part-time work (fewer than 35 hours a week) is not well developed (5% compared to 19% for the economy as a whole). In 2004 the average hourly wage of manual labourers in the chemical sector was SEK 137³⁴⁷ (SEK 126 for industry as a whole). The average monthly salary for all categories of white collar workers was SEK 32,000 in 2003 (around SEK 27,000 for industry as a whole). Skilled and unskilled labourers (blue collar workers) accounted for around 40% of total employment in the sector in 2004. Top managers and technicians, as well as employees accounted for 37% and 23% respectively for the same period. (Source Statistics Sweden, 2005).

Unfortunately, no data is available on the informal economy in the sector, but it is highly unlikely that it is very developed.

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
Total of the sector*	72,681	70,824	1.9%	4.0%	23.0%	73.0%

*NACE 24000 and part of NACE 23000, NACE 25 000 and 26 000, mainly the paint industry, the rubber industry, the glass industry, the chemical industry, the ceramic industries and oil refineries

Source: Företagsdatabasen, Statistic Sweden (SCB, 2005)

2) DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR

The organisations that take part in collective bargaining in the sector are the following.

a) The workers' organisations active in the sector

The chemical sector has four trade union organisations, as follows:

a.1.) Industrifacket (Industrial Workers' Union)

The sixth largest federation in the Swedish Trade Union Confederation (Landsorganisation Sverige, LO) in terms of number of members, Industrifacket had membership of some 87,500 (71,040 employed) in 2004. The activity of 28,500 members was directly related to the chemical sector (i.e. around 16% of the federation's members). According to the trade union source, the rate of union membership in chemicals is over 80%. In 2004 Industrifacket signed three³⁴⁸ branch agreements with the employers' association Industri- och KemiGruppen, one for chemicals, one for explosives and one for chemical by-products (allochemical industry). The organisation has 49 employees.

a.2.) Civilingenjörer Förbund CF (Swedish Association of Graduate Engineers)

With around 75,900 employed members in 2004, CF, the association of graduate engineers, is the second largest federation in the Confederation of Professional Associations (SACO) in terms of number of members. CF recruits its members among graduate engineers. CF had around 5,000 working members in 2004 whose activity was directly related to the branch (i.e. around 7% of the federation's members). According to the trade union source, the rate of union membership is some 80%. CF has concluded³⁴⁹, jointly with two other federations, SIF and Ledarna, a branch

³⁴⁷ 1SEK=0.1099 EUR

³⁴⁸ These three agreements, concluded for a three-year period (2004-2007), make provision for a pay increase of 7.3% for the period as a whole and a 0.5% reduction in working hours.

³⁴⁹ CF also negotiates on behalf of two other federations that are members of SACO, namely, Natuvetareförbund (Swedish Association of Scientists) and Civilekonomerna (Swedish Association of Economists).

collective agreement with the employers' association Industri- och KemiGruppen covering the three sectors (chemicals, chemical by-products (allochemical industry) and explosives). The organisation has 100 employees.

a.3.) SIF³⁵⁰ (Swedish Federation of Industrial Employees)

SIF is the biggest member federation of the Swedish Confederation of Professional Employees (Tjänstemännens Centralorganisation, TCO) in terms of number of members (301,100 employed members in 2004). Its membership comes mainly from industrial employees and technicians (employees and managers for the most part). For the chemical sector, SIF recruits its members primarily from middle management and white collar workers. The activity of around 25,000 of the federation's members in 2004 was directly related to the chemical sector (i.e. around 8% of SIF members). According to the trade union source, the rate of union membership is around 80%. SIF, acting jointly with CF and Ledarna, signs a branch agreement in the sector with the employers' association Industri- och KemiGruppen for the three areas of activity (chemicals, chemical by-products and explosives). The organisation has 200 employees.

a.4.) LEDARNA (Swedish Association for Managerial and Professional Staff)

Following a conflict between TCO and the Swedish Association for Managerial and Professional Staff (LEDARNA), the latter was expelled from TCO in 1997. LEDARNA recruits its members mainly from executives and management staff (middle management, foremen, executives) and primarily in the private sector (the public sector accounting for only around 9% of its members) and among the self-employed. In 2004 it had 65,000 employed members, of whom around 500 work in the chemical sector (or around 0.8% of LEDARNA members). LEDARNA, together with SIF and CF, concludes a collective agreement with the employers' association Industri- och KemiGruppen for chemicals, chemical by-products and explosives. The organisation has 120 employees.

Workers' organisations are financed mainly from members' dues. The different trade union federations in the chemical sector cover a total of around 59,000 wage earners, from all categories taken together. With a total of around 71,000 workers, the overall rate of union membership in 2004 was some 83%. The rate of cover of collective agreements is very high, close to 95%. This results in part from the fact that all the big companies in the sector are members of the employers' association Industri- och KemiGruppen. The rate of cover is generally higher than the overall rate of union membership due to procedures for the extension (hängavtal) of collective agreements to companies that are not members of Industri- och KemiGruppen. The representative nature of the different organisations is not under challenge.

Organisation		Type of SW	Members	Members working in the sector	Density ³⁵¹	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number*	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Industrifacket	The Industrial Workers' Union	Blue collar workers (process operator workers)	71,040	28,490	40.2%	Yes	Landsorganisation Sverige LO (Swedish Trade Union Confederation)	-	EMCEF	ETUC via LO	ICEM NIF	International Confederation of Free Trade Union via LO ILO via LO

³⁵⁰ For various reasons we have kept the old name of the federation, SIF. As from 2004, however, "SIF" is no longer a meaningful acronym.

³⁵¹ Density was calculated on the basis of annual data provided by Statistic Sweden (70,864 employees).

SIF	The Swedish Federation of Industrial Employees	White collar workers and middle management	301,100	25,000	35.3%	Yes	Tjänstemän Centralorganisation (Confederation of Professional Employees, TCO)	-	EMCEF	ETUC via TCO Eurocadres via TCO	ICEM NIF	International Confederation of Free Trade Union via TCO ILO via TCO
Civilingenjörförbundet, CF	The Swedish Association of Graduate Engineers	Graduate engineers	75,900	5,000	7.1%	Yes	Sverige Akademiker Centralorganisation (Swedish Confederation of Professional Associations, SACO)	-	EMCEF	ETUC via SACO-Eurocadres via SACO	ICEM NIF	International Confederation of Free Trade Union via SACO ILO via SACO
LEDARNA	The Swedish Association for Managerial and Professional Staff	White collar workers, middle management, executives and managerial staff	65,000	500	0.7%	Yes	-	-	CEC	-	-	-

*Number of working members.

Source: trade union federations, 2005; Industrifacket, SIF, CF and Ledarna (2005) and SCB (2005)

Number of members

➤ Trade union federations	Number of members* (Number of members in the sector)
➤ Industrifacket (Industrial Workers' Union)	71,040 (28,490)
➤ SIF (Swedish Federation of Industrial Employees)	301,100 (25,000)
➤ Civilingenjörförbundet, CF, Swedish Association of Graduate Engineers)	75,900 (5,000)
➤ LEDARNA (Swedish Association for Managerial and Professional Staff)	65,000 (500)

*Number of employed members.

Source: trade union federations, 2005

b) The employers' organisation active in the sector

Industri- och KemiGruppen (Swedish Industrial and Chemical Employers' Association)

Created in 1921 under the name Industri och KemiFörbundet, the employers' association, renamed Industri- och KemiGruppen in 2003, is a member of the Swedish employers' confederation Svenskt Näringsliv. Industri- och KemiGruppen has around 1,200 member companies with a total of 90,000 employees. The organisation is funded mainly from dues paid by member companies and has 17 permanent employees. The number of member companies in the chemical sector amount to around 710, with a total of some 71,000 workers³⁵². The Swedish statistics institute SCB reports that the chemical sector strictly speaking comprised in 2004 around 1,600 companies with employees. With 714 companies belonging to the employers' association Industri- och KemiGruppen in 2004, density was 45%, but the member companies are also those with the highest number of workers: the ratio of wage earners in member companies to total wage earners in the sector is thus higher, over 95%.

The representative nature of the organisation is not under challenge. For blue collar workers, three collective agreements have been concluded between Industri- och KemiGruppen and Industrifacket, a workers' federation (one for chemicals, one for chemical by-products (allochemical industry) and one for explosives). For white collar workers, the association has concluded a joint collective agreement for chemicals, explosives and chemical by-products (allochemical industry) with three federations: SIF, CF and Ledarna.

³⁵² These figures correspond to the period February-March 2004.

The employers' association is a member of the Confederation of Swedish Enterprise (Svenskt Näringsliv) and via the latter is a member of UNICE and ILO. The association is also a member of ECEG³⁵³.

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Industri- och KemiGruppen	Swedish Industrial and Chemical Employers' Association	Chemical, plastics, pharmaceuticals, biotechnology, paint, rubber, ceramics, glass, oil refineries and explosives industries	714*	71,323 or 70,864**	44.5%*** 20.7%****	>90%	Yes	Confederation of Swedish Enterprise (Svenskt Näringsliv)	-	ECEG	UNICE via Svenskt Näringsliv	-	ILO via Svenskt näringliv

*56 firms in the chemical industry (NACE 24000 explosives), 11 firms in the explosives industry and 647 firms in the other industries (the paint, rubber, glass and chemicals industries and oil refineries, part of NACE 23000, NACE 25 000 and 26 000); ** 70,864 corresponds to the Statistics Sweden figure, the average for 2004; the figure of 71,323 was provided by employers for the period February-March 2004; ***taking into account only companies in the sector with employees; **** taking into account all companies in the sector

Source: Industri och KemiGruppen (2005) and Statistic Sweden (2005)

3) DESCRIPTION OF SOCIAL DIALOGUE IN THE SECTOR

The context of collective bargaining: sector level

The chemical sector has a branch-level employers' organisation: Industri- och KemiGruppen (Swedish Industrial and Chemical Employers Association).

On the workers' side, four trade union organisations participate in collective bargaining in the sector. For blue collar workers: the Industrifacket (Industrial Workers' Union), a member of the Swedish Trade Union Confederation, LO (Landsorganisation i Sverige); for white collar workers: SIF (Swedish Federation of Industrial Employees), a member of the Confederation of Professional Employees, TCO (Tjänstemanna Central Organisation); CF (Swedish Association of Graduate Engineers, Civilingenjörs förbund), a member of the Swedish Confederation of Professional Associations, SACO (Sveriges akademikernas centralorganisation); and LEDARNA (Swedish Association for Managerial and Professional Staff), an independent trade union organisation.

The chemical sector is comprised of three different areas of activity, chemicals in the strict sense, chemical by-products (plastics, rubber, refineries, ceramics/porcelain and industrial glass, i.e.; the allochemical industries), and explosives. For the three fields, four collective agreements are concluded between the Swedish Industrial and Chemical Employers' Association, on the one hand, and the trade union parties mentioned above (three between the employers' association and Industrifacket and a joint agreement for the three areas concluded by CF, SIF and Ledarna). The most recent collective agreements concluded in the chemical sector in spring 2004 are valid for three years. These agreements, like those in other fields, include general provisions on working conditions and pay (dismissal notice, working hours, paid holidays, level of pay for overtime, training, legal absences). The main subjects of negotiation during the latest round, in addition to pay rates and wage evolution, were issues related to working hours (number of hours and scheduling). The collective bargaining resulted in an agreement for a pay increase of 7.3% over a three-year period. The wage budget decided at branch level is broken down at company level on the basis of individualised criteria. For blue collar workers, a minimum increase is guaranteed for all but part of the overall budget is subject to a negotiated individualised wage structure process. For white collar workers, the entire budget decided at branch level is subject to an individualised breakdown at company level. In addition, for blue collar workers, the collective agreement of 2004 includes a new heading ("lifelong working hours"), which stipulates that (blue collar) workers have the possibility of saving six working days a year in a time credit account that can be used with a high degree of flexibility (extra holidays, sabbatical/thematic leave and the possibility of early retirement (1 year)). According to the social partners questioned, the rate of cover of collective agreements in the chemical sector is very high, capping 90%. Also according to

³⁵³ Source: Industri- och KemiGruppen (2004).

the same trade union sources, the rate of union membership is high, at over 80%. There is something of an obligation to participate in collective bargaining at sector level for the companies concerned.

While it cannot be described as consensual, the bargaining climate is not marked by conflict either and the social partners try to reach constructive compromises. According to the social partners in the sector, the chemical sector has not seen any labour conflicts (strikes or lock-outs) in the past decade.

The translation of branch agreements gives rise to negotiations at company level (particularly concerning the breakdown of the individualised wage structure budget). While some companies do sign their own agreements, not all coming under the scope of the branch agreements necessarily do so. Some simply apply the provisions of the branch agreement. Precise data on that level of negotiation and on the signature of collective labour agreements are not available.

4) COMMENT

The chemical sector comprises companies involved in a wide range of activities, from chemicals strictly speaking to oil refineries, pharmaceuticals, glass, detergents and synthetic fibres to name but a few.

Over the past decade, the particularly dynamic branch of chemicals has experienced sustained growth in terms of both added value and employment, due above all to pharmaceuticals activities. In general, while future prospects for certain branches of the sector, such as pharmaceuticals, are relatively sound, the social partners as a whole are concerned over the consequences of globalisation in their sector.

The chemical sector comprises three areas of activity, namely the chemical industry, chemical by-products (allochemical industries) and explosives. The rate of union membership in chemicals is high, with 85% of wage earners belonging to one of the four trade union federations (Industrifacket, SIF, CF or Ledarna) that sign collective agreements in the sector. The rate of cover of collective agreements is also particularly high (> 95%) due especially to the fact that big companies in the sector are members of the employers' association Industri- och Kemigruppen. During the most recent negotiations (March 2004), four collective agreements covering the three fields of activity were signed by the social partners and will remain in force for three years. During the past decade, there have been no labour conflicts in the sector and the social partners describe the climate of collective bargaining as constructive. The social partners participate actively in social dialogue at national and European level, in particular through their membership of EMCEF (trade union federations) and ECEG (employers).

THE UNITED KINGDOM

1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS

1.1. Delimitation and scope of activities in the sector

From a statistical point of view, the chemical industry sector includes the activities of NACE 24 nomenclature. As there is no industry agreement, the only activities and branches taken into account are those considered from a statistical point of view.

1.2. Socio-economic features of the sector

In 2003, the Chemical sector represented about 1% of total employment, as shown in the Annual Business Inquiry, and about 2.3% of total industrial turnover. Between 1995 and 2003, the number of enterprises in the chemical sector declined from 4.5 to 3.7 thousand. Total turnover grew by 14% in current prices, but by just 1% in constant 1995 prices. From 1998 to 2003, employment fell by 14% implying marked productivity gains. There is an important share of small and medium-sized firms in the industry. The GDP of the sector represents 2.3%.

Employment and output in the chemical sector: Subsection dg - manufacture of chemicals, chemical products and man-made fibres

Year	Number of enterprises	Total turnover	Approximate gross value added at basic prices	Total employment – point in time	Total employment: average during the year	Total employment costs
	Number	£ million	£ million	Thousand	Thousand	£ million
1995	4,591	43,846	15,471	ND	ND	6,618
1996	4,199	44,988	15,392	ND	ND	6,589
1997	4,159	47,984	14,818	ND	ND	6,861
1998	4,065	44,825	14,341	273	274	7,374
1999	4,029	46,282	14,939	261	268	7,710
2000	3,952	47,544	15,069	247	249	7,549
2001	3,865	48,915	15,821	247	251	7,959
2002	3,817	48,675	16,401	249	253	8,305
2003	3,743	49,770	15,375	231	235	7,957

Source: Annual Business Inquiry, Office for National Statistics, December 2004.

Companies NACE subsection dg Manufacture of chemicals, chemical products and man-made fibres

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
Total of the sector	3,743	ND	ND	ND	ND

Source: Annual Business Inquiry, Office for National Statistics, December 2004.

Workers

Sub-sectors	Number of workers	Number of SW	Number of SW /number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
Total of the sector	235,000	235,000	1%	ND	ND	ND

Source: Annual Business Inquiry, Office for National Statistics, December 2004.

The type of competing strategy mainly adopted by the firms is more to specialty chemicals. There are no state-owned companies within this sector.

Unfortunately, there are no data on the estimated importance of the underground economy, the categories of SW or on the characteristics of the employment in the sector. No regional breakdown in source exists to evaluate the economic structuring of the sector in terms of geographical spreading.

2. DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR AT NATIONAL LEVEL

2.1. Description of the workers' organisations active in the sector

Four major unions, Amicus, GMB, the T&G and Usdaw negotiate on behalf of employees in the industry, and are signatories of the Charter with the CIA (see below). In addition, BACM and Prospect have a small number of members in firms in the industry.

a) Amicus

Amicus has 1.2m members across a wide range of economic sectors, and about 12,000 members in the chemical industry, and about 28,000 including pharmaceuticals³⁵⁴. It was formed as a result of a merger between the AEEU (Amalgamated Engineering and Electricians' Union) and MSF (Manufacturing, Science and Finance) to create Amicus. More recently, it has merged with Unifi (from the finance sector) and the GPMU (Graphical Paper & Media Union). They are employed across a wide range of occupations from process operators to administration, management and scientific staff. It is funded by members' subscriptions. There are no data on the number of SW working for the organisation (staff). The major organised employers in the chemical industry are: INEOS, ICI, Rhodia, Syngenta, Avecia and Sanofi-Aventis. In the pharmaceutical industry it is AstraZeneca, Glaxosmithkline and Pfizer. Data on the number of CAs signed by the organisation in 2003 and 2004 are unavailable.

b) GMB

The GMB has about 600,000 members, nationally, across a wide range of occupations and sectors. It has been formed by the merger of a number of unions in the public services and utilities and skilled trades, and on its website now presents itself as 'Britain's general union'. It is funded by members' subscriptions. There are no data on the number of SW working for the organisation (staff). Its 'Process Section' represents about 10,000 members in the chemical industry³⁵⁵. The GMB is predominant in companies such as Air Products and Rhodia and in the pharmaceutical sector in AstraZeneca. The agreements signed within the several major companies are often at site level. Data on the number of CAs signed by the organisation in 2003 and 2004 are unavailable.

³⁵⁴ It has about 28,000 members in the industry more broadly understood, chemicals and pharmaceuticals, employed mainly as process workers, technicians, engineers, administrators, scientists and lab workers. (Amicus Chemical Industry Factsheet March 2005) (www.amicustheunion.org).

³⁵⁵ The GMB's Process section also includes Paper & Board, Packaging and Glass Containers.

c) Transport and General Workers' Union (TGWU)

The TGWU has 835,000 members across all sectors. Its roots lie in the transport sector, but it has grown considerably by merger with other unions into one of Britain's largest trade unions covering a wide range of occupations and economic sectors. It has about 40,000 members in its Chemicals, oil and rubber (COR) trade group, which encompasses the chemical, pharmaceutical, oil refining, rubber and plastic, and gases industries. It represents workers in a range of blue and white-collar occupations. It is funded by members' subscriptions. There are no data on the number of SW working for the organisation (staff). The TGWU has agreements with companies such as Michelin, Innovene (USA – formerly known as BP Petrochemicals), BOC (UK – gases industry), AstraZeneca (UK/Sweden – pharmaceuticals), Syngenta (Switzerland - agricultural chemicals). Data on the number of CAs signed by the organisation in 2003 and 2004 are unavailable.

d) Union of Shop, Distributive and Allied Workers (USDAW)

Funded by members' subscriptions, Usdaw has about 340,000 members nationally, mainly in the distribution sector. Like the preceding unions, it has a long history, starting in the distribution sector, but spreading by merger to cover a range of different sectors and occupations. It is the fourth union to be a signatory of the industry's consultative forum and disputes resolution procedure. Its members are mostly blue collar and junior white collar. In the chemical sector it represents only a small number of members, and after the closures at GlaxoSmithKline, its main membership lies in Boots and one or two small food related chemical companies, where it negotiates and signs CAs. The organisation takes part in consultations at company or site level. Data on the number of CAs signed by the organisation in 2003 and 2004 are unavailable. There are no data on the number of SW working for the organisation (staff).

Other unions with a small number of members in the sector, which are not party to the chemical industry charter, but which are affiliated to EMCEF, include, BACM, and NACODS, which have their roots in the coal mining industry, and Prospect.

e) Prospect

Formed by merger from many smaller unions, Prospect has more than 104,000 members in the public and private sectors at national level. It is funded by members' subscriptions. Its members are engineers, scientists, managers and specialists in areas as diverse as agriculture, defence, energy, environment, heritage, shipbuilding and transport. There are no data on the number of SW working for the organisation (staff). It is the largest union in the UK representing professional engineers, but has only a small presence in the chemical sector. No major agreements has been signed by the organisation in 2003 and 2004. It is affiliated to EMCEF.

f) BACM

The British Association of Colliery Management has a small number of members who might be classified as coming within the chemical industry. It is not one of the unions party to the industry's Charter. Historically, it has represented management staff in coal mining and associated industries, some of which fall within the chemical sector. These were formerly owned by British Coal before privatisation. It is funded by members' subscriptions. There are no data on the number of SW working for the organisation (staff). Data on the number of CAs signed by the organisation in 2003 and 2004 are unavailable, but this organisation has no major company presence. BACM is affiliated to the TUC, the ETUC, EMCEF, and through the TUC to ICFTU. It is also affiliated to CEC and FECER.

g) NACODS

NACODS, the National Association of Colliery Overmen, Deputies and Shotfirers, has its roots in coal mining, and with the rapid decline of the industry, has now 610 members, down from nearly 20,000 in 1979³⁵⁶. It is funded by members' subscriptions. There are no data on the number of SW working for the organisation (staff). This organisation does not take part in consultations at company or site level and does not have agreements at major companies. Data on the number of CAs signed by the organisation in 2003 and 2004 are unavailable. It is affiliated to EMCEF.

³⁵⁶ ACAS Industrial Relations Handbook, 1980, London HMSO..

Trade Unions

Organisation	Type of SW	Members*	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Amicus	all occupational groups	1.2m	12,000	ND	Yes	TUC	-	EMCEF	ETUC	ICEM	-
GMB	Skilled blue collar (craft) and technical	600,000	10,000	ND	Yes	TUC	-	EMCEF	ETUC	ICEM	-
TGWU	Process workers and white collar	835,000	40,000 (in Chemicals, Oil and Rubber trade group)	ND	yes	TUC	-	EMCEF	ETUC	ICEM	-
USDAW	All occupational groups	340,000	ND (Very few members now)	ND	yes	TUC	-	EMCEF	ETUC	-	-
Prospect	Engineers, managers	104,000	ND	ND	No major company agreements in sector**	TUC	-	EMCEF	ETUC	-	-
BACM	Managers	3,500	ND	ND	**	TUC	-	EMCEF, CEC, FECER	ETUC	-	ICFTU
NACODS	Managers in coal mining	610	ND	ND	**	TUC	-	EMCEF	-	-	-

Source: union websites and communications with the unions concerned, TUC website.

* Source: union websites

** Not a party to Chemical industry charter

2.2. Description of the employers' organisation active in the sector

Chemical Industries Association (CIA)

CIA is the chemical industry's leading, and long-established, trade and employer organisation and embraces all the industry's trade sectors, product types and business activities. It is funded primarily by member organisation subscriptions³⁵⁷. There are no data on the number of SW working for the organisation (staff). It has a membership of 150 companies operating from some 200 sites throughout the UK (all types of members). Together they account for 75% of capital employed in chemical manufacturing and 60% of the industry's workforce. About 80% of CIA member companies have a relationship with trade unions over a range of issues such as collective bargaining over pay, health and safety, training, pensions and issues of general concern to the industry. The main non-union companies are US-owned. Union representation has tended to remain stronger where the share of blue-collar employment is higher. The CIA does not undertake collective bargaining on behalf of its members, except for the Charter, but gives advice and conciliation. Pay bargaining is dealt with at company level. The Association's main activities concern: representation to government; for example in consultation over employment law; advice to members, including employment issues, especially for small and medium-sized company members; industry-wide relationship with the unions, including the Dispute Resolution Service; Consultative Forum; European level representation. No CAs have been signed by the organisation in 2003 and 2004, except the Charter.

³⁵⁷ CIA Annual Report, 2004.

Employers' organisation

Organisation	Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Chemical Industries Association (CIA)	Chemical industries	150	ND	75% (by capitalisation)*	60%	no	Confederation of British Industry (CBI)	UNICE (through CBI)	ECEG CEFIC	-	-	-

Source :Chemical Industries Association, 2005.

*i.e. equity value of the companies.

3. DESCRIPTION OF THE BIPARTITE SOCIAL DIALOGUE IN THE SECTOR

3.1. Description of the tripartite activities and concertation in the sector

Tripartite concertation does not exist specifically for the chemical sector. However, there is a Chemicals Stakeholder Forum, there is joint work undertaken such as that carried out in the Chemicals Innovation and Growth Team, and a chemical industry skills council, Cogent. These forums involve unions, employers and government, but differ from the tripartite forums of the 1960s, which had a broader agenda, and they differ from those in several continental EU countries.

- The Chemicals Innovation and Growth Team (CIGT): One element of joint work involving the stakeholders, including the unions, within the industry has been the study of the economic situation and competitiveness of the industry: Enhancing the competitiveness and sustainability of the UK chemical industry, (Dept of Trade and Industry, December 2002, London).
- Cogent: Sector Skills Council for the chemical sector: An important area of social dialogue in the industry concerns training, and the running of the Sector Skills Council, Cogent. The council's remit is wider than the chemical industry, and includes also nuclear, oil and gas, petroleum and polymer industries. The council is one of a system of 22 such councils in the UK with responsibility for training. They are employer-led and actively involve trade unions, professional bodies and other stakeholders in the sector. They are licensed by the Secretary of State for Education and Skills, in consultation with Ministers in Scotland, Wales and Northern Ireland, to tackle the skills and productivity needs of their sector throughout the UK. SSCs give responsibility to employers to provide leadership for strategic action to meet their sector's skills and business needs. In return they receive substantial public investment and greater dialogue with government departments across the UK. This will enable sector employers to have a far greater impact on policies affecting skills and productivity, and increased influence with education and training partners.

Finally, at the Chemical and Downstream Oil Industries Federation, employers, Trade Unions (T&G) and the Government under the aegis of the Health & Safety Executive meet 4 times per year for very detailed discussions such as emergency procedures, COMAH implications, occupational hygiene, safety of workers during fuel protests etc.

The result of these meetings is consultative and consensus based, aimed at reaching a shared understanding of the issues.

3.2. Description of the social dialogue in the sector at national level

Collective bargaining over pay takes place at company and site level, and there are currently no industry-wide arrangements for collective bargaining on these issues. Collective bargaining at a company level has remained in Avezia, Syngenta, Kodak and ICI but the norm is site level bargaining for blue collar employees, for example, Ciba, Millennium Chemicals, Rohm & Haas and Shell Chemicals. However, there is a well-developed social dialogue over other issues, based on consultation and joint initiatives, and there is an industry disputes resolution procedure. These latter items were formalised in the Charter for Industry-wide relationship between Chemical Employers and the Trade Unions, agreed in July 2004. It was signed by the Chemical Industries Association, and by the unions Amicus, the GMB, the T&G, and Usdaw.

• *Consultative forum*

The consultative forum enshrined by the Charter has the aim of bringing together representatives of the employers and the trade unions to meet in consultative mode to exchange information and views on matters of mutual interest. The parties issue joint advice from discussions to member companies and workforces on appropriate issues. This will include government-supported projects aimed at enhancing partnership in companies. The meetings also provide regular feedback to members of the CIA and their workforces, which will take the form of a short meeting note issued within one week of the meeting. In addition to this there will be an 'annual statement' of progress. The employers and trade unions agreed to work jointly to represent the best interests of the chemical industry to key stakeholders through presentations, joint statements and other mechanisms. The unions are represented by their national secretaries responsible for the chemical sector, and may invite specialist advisors to attend as appropriate. The employers are represented by up to six members, senior executives from member companies of the CIA. Consultative meetings take place every three months, and have a formal agenda and papers, and may provide the basis for presenting joint positions in terms of advice to employers and their workforces and representations to other stakeholders.

• *Dispute resolution procedure*

In addition to a consultative forum, the Charter establishes a framework for dispute resolution within the chemical industry. This procedure is available for use by member companies of the CIA and the trade unions. Non-member companies may also use the procedure, provided there is agreement at the local level, and provided they become permanent members. The agreement replaces the former industrial framework wound up in 1998. In essence, the procedure enables disputes that emerge at company level to be dealt with by the representative organisations within the industry. This complements the services of ACAS, the government's Advisory, Conciliation and Arbitration Service.

Note: the quality of information the expert has from the social partners does not permit to say much more about the differences between company and site level, except that most pay agreements relate to the site level, whereas the procedural agreement enshrined in the Charter is obviously industry-wide.

a) At company level

The union's signatory to the Charter are the key players along with the companies and the CIA. The content of the CAs is generally in relation with pay and conditions of work. Unfortunately, there are no data on the number of enterprises which signed CAs at this level, or on the number and type of SW covered by these CAs. There are no procedures for extending CAs to parties that are not signatories to the agreement. The conflicts among unions regarding recognition issues are resolved when they occur by TUC procedures.

b) At site level

There are no data on CAs signed at this level. There are no procedures for extending CAs to parties that are not signatories to the agreement. When conflicts between players regarding recognition issues occur, they are resolved by the unions or through the TUC procedures.

4. COMMENT

The chemical industry is a major component of the British economy, representing about 1% of total employment, and about 2.3% of total industrial output. In recent years, the industry in Britain has moved out of such activities as bulk chemicals into more specialist activities. Concerns of both employers, unions and government about the future of the industry were addressed in the Chemicals Innovation and Growth Team (CIGT) report: Enhancing the competitiveness and sustainability of the UK chemical industry. (Dept of Trade and Industry, December 2002, London). This report underlined the importance of this economic transition for the industry, the need for clearer leadership, for investment in R&D, workers' skills, for attracting bright school leavers into the industry, and for dealing with environmental concerns. Employers and unions share a joint concern about skills and industrial sustainability of the sector given the pressures of international competition. They also share many concerns on EU Legislation on chemical testing (REACH), and contribute to the social dialogue at European level. Clearly in an industry dealing with dangerous substances, health and safety and training occupy a high profile in joint discussions, as do environmental issues, and government regulation. As reported on the CIA website, the employers and the Trade Union counterparts have manifestly succeeded in making the chemical industry less unsafe, less unhealthy and less damaging to the environment through a long-term partnership programme entitled 'Responsible Care'. Regular meetings of employers and the Trade Unions take place nationally in the regions in England and in Scotland under the auspices of the CIA. Many of the companies operating in these sectors are trans-national and have head offices located in countries other than the UK. These companies are characterised by being capital

intensive with relatively small workforces. A concern of the unions has been to ensure the protection of workers' rights during the many mergers and takeovers, which have dominated the industry in recent years. Other concerns relate to contracting out and to pensions.

ANNEXE

A. REFERENCES*

*Besides the interview of organisations' representatives (see B. Validation).

Austria

- Guger, A., Runggaldier, U., and Traxler, F. (2000) European Employment and Industrial Relations Glossary: Austria. London – Luxembourg. Sweet and Maxwell and Office for Official Publications of the European Communities.
- ÖGB (1999) ÖGB Nachrichtendienst Nr. 3002, November 1999.
- Rechnungshof (2000) „Bericht gemäß Art § 8 Bezügebegrenzungsgesetz“. Wien: Rechnungshof.
- Statistik Austria (2002) Leistungs- und Strukturerhebung 2000. Wien: Statistik Austria.
- Traxler, F. (1998) "Austria: Still the Country of Corporatism" in A. Ferner and R. Hyman (eds.) Changing Industrial Relations in Europe. Oxford: Blackwell.
- Wirtschaftskammer Österreich (1997) Die unselbständig Beschäftigten in der gewerblichen Wirtschaft Österreich 1996. Wien: Wirtschaftskammer Österreich.
- Wirtschaftskammer Österreich (n.d.) Sonderauswertung der LSE nach der Kammersystematik.

Belgium

- Krezlo E., 1996, « Les relations collectives du travail en Belgique. Acteurs et institutions », Dossier du TEF, n° 16.

Cyprus

- " Statistical Service, Government of Cyprus " Industrial Statistics, 2003" Nicosia, 2004
- ----- " Census of Establishments 2000, Volume 1, Number of Establishments & Employment by Branch of Economic Activity", Nicosia, 2003.
- ----- " Census of Establishments 2000, Volume 111, Occupational Structure of Employment ", Nicosia, 2003.
- ----- " National Accounts 1995-2003 ", Nicosia, 2003.
- ----- " Statistical Abstract 2002 ", Nicosia, 2003
- Planning Bureau, Government of Cyprus, " Strategic Development Plan 2004-2006" (in Greek), Nicosia, 2004
- Ministry of Labour and Social Insurance, Government of Cyprus " Industrial Relations Code ", Nicosia 1977.
- ----- " Annual Report 2003 ', Nicosia. 2004

Czech Republic

- A. Kroupa, Energy and Chemicals Unions Merge, EIRO on-line, 2004
- Employment and Unemployment in the CR as Measured by the Labour Force Sample Survey - Annual Averages 2004, CZSO 2005
- J. Hála, A. Kroupa, Extension of Collective Agreements under Debate, EIRO on-line, 2004
- J. Hála, A. Kroupa, Factors Constraining Social Dialogue and Social Partners' Influence Examined, EIRO on-line, 2004
- Register of Economic Subjects CZSO 2004
- Registration number of employees and their wages in the Czech Republic 1 – 4 Q. 2001, 2002, 2003, 2004, CZSO 2002, 2003, 2004, 2005
- Report on the Outcomes of Collective Bargaining at Company Level in 2001, 2002, 2003, 2004, CMKOS, 2001, 2002, 2003, 2004
- Report on the Outcomes of Higher-level Collective Bargaining in 2001, 2002, 2003, 2004, CMKOS, 2001, 2002, 2003, 2004
- rosa.web.wo.cz
- <http://www.mpo.cz/eng/>
- <http://www.os-echo.cz/>
- <http://www.schp.cz/schp/index1.html>.
- www.cmkos.cz
- www.cnb.cz
- www.spcr.cz

Denmark

- CO-industri, 1998: Brancheanalyse for den kemiske industri i Danmark
- Association of Danish Pharmacists: www.farmaceutforeningen.dk
- CO-industri: www.co-industri.dk
- Danish Engineers: www.ida.dk
- Dansk El-Forbund (electricians): www.def.dk
- Dansk Industri – www.di.dk
- Dansk Laborantforening (laboratory technicians): www.dl-f.dk
- Dansk Magisterforening (masters, PhDs): www.magister.dk
- Dansk Metal: www.danskmetal.dk
- Fagligt Fælles Forbund (general workers): www.3f.dk
- HK/privat (clerks): www.hk.dk
- Ledernes Hovedorganisation (managers): www.lederne.dk
- Statistics Denmark. www.statistikbanken.dk
- Teknisk Landsforbund: www.tl.dk

Estonia

Finland

- WWW.CHEMIND.FI
- WWW.TOIMIHENKILOUNIONI.FI
- WWW.KEMIANLIITTO.FI
- WWW.EK.FI
- WWW.SAK.FI
- WWW.STAT.FI
- WWW.FINLEX.FI
- Statistics Finland/ Labour Market Statistics

France

- UIC, Bulletin économique, mars 2004.
- « L'industrie chimique en France. Diagnostic global », Note du groupe de réflexion stratégique sur l'avenir de l'industrie chimique à l'horizon 2015, septembre 2004.
- UIC, Rapport de branche, décembre 2004.
- Etudes de la DARES, premières synthèses, octobre 2003 & janvier 2005.
- « La chimie de base française à l'heure de l'internationalisation », Le 4 pages des statistiques industrielles, SESSI, Ministère de l'Economie, des Finances et de l'Industrie, octobre 2004.
- Annette Jobert, « Quelle dynamique pour la négociation collective de branche », Travail et Emploi, n°95, juillet 2003, pp. 5-26.

Germany

- Statistisches Bundesamt (2005): Volkswirtschaftliche Gesamtrechnungen. Internet (February 2005): http://www.destatis.de/themen/d/thm_volksw.php
- Statistisches Bundesamt (2004): Produzierendes Gewerbe. Beschäftigung und Umsatz der Betriebe des Verarbeitenden Gewerbes sowie des Bergbaus und der Gewinnung von Steinen und Erden. Fachserie 4 / Reihe 4.1.1 – 2003. Wiesbaden.
- VCI – Verband der chemischen Industrie (2004a): Chemiewirtschaft in Zahlen 2004. Frankfurt.
- VCI – Verband der chemischen Industrie (2004b): The German Chemical Industry (December 2004). Internet (February 2005): http://www.vci.de/template_downloads/tmp_0/Branche_EN.pdf?DokNr=66209&p=101.

Greece

- IOVE (Foundation for Economic & Industrial Research), 2003, "The pharmaceutical market in Greece in 2003", Athens
- Ministry of Development, Press Release, April 20th 2005, "New pricing policy for medicinal products", Athens
- SEV, 2004, *The Greek industry in 2003*, Athens (in Greek)
- SFEE (Hellenic Association of Pharmaceutical Companies), 2003, "The pharmaceutical market in Greece: facts and figures", Athens

- www.eex.gr
- www.pef.gr
- www.pfs.gr
- www.eof.gr
- www.fsa.gr
- www.haci.gr
- www.psxm.gr
- www.sfee.gr
- www.psvak.gr
- www.pepharm.gr
- www.fgi.org.gr
- www.hva.gr

Hungary

- Bérces Kamilla (2004): Az ágazati párbeszéd jogi keretei. (Legal frameworks of the sector dialogue.) In: Berki Erzsébet (szerk.) Ágazati párbeszéd bizottságok Magyarországon., Budapest: Foglalkoztatáspolitikai és Munkaügyi Minisztérium
- Héthy Lajos (2000): Az érdekegyeztetés és a táguló világ. (The reconciliation of interests in the distended world, Budapest: Friedrich Ebert Stiftung
- International Center for Economic Growth – European Center (ICEG EC) (2003): Az EU csatlakozás várható hatásai a vegyiparra a Visegrádi országokban. (The expected effects of the EU-enlargement on the chemical industry in the Visegrád countries), Budapest
- KSH (2004a) Ipari és Építőipari Statisztikai Évkönyv – 2003 (Yearbook of Industrial and Construction Statistics – 2003), Budapest: Központi Statisztikai Hivatal, (Central Statistical Office, CSO)
- KSH (2004b) Magyar Statisztikai Évkönyv – 2003 (Statistical Yearbook of Hungary – 2003), Budapest: Központi Statisztikai Hivatal (Central Statistical Office – CSO)
- KSH (2004c) Műszakrend, munkarend, szervezettség (Working Time Arrangement and Unionisation Rate); Budapest: Központi Statisztikai Hivatal (Central Statistical Office, CSO)
- Magyar Vegyipari Szövetség (2004): A magyar vegyiparról. (About the Hungarian Chemical Industry) Budapest.
- Magyarországi Gyógyszergyártók Országos Szövetsége (2004): A magyar gyógyszeripar teljesítménye. (Economic Performance of the Hungarian Pharmaceutical Industry) Budapest
- Makó Csaba (2001): A magyar munkaügyi kapcsolatok duális karaktere. (The Dual Character of the Hungarian Labour Relations) Társadalomkutatás, 19. kötet, No. 3-4.
- Meyer Róbertné – Tóth Mihály (2002): Vegyipar – Ágazati Tanulmány. (Chemical Industry – Sector Study) MAVESZ, Budapest
- Neumann László – Tóth András (2002): National-level tripartism and EMU in the new EU Member States and candidate countries. PHARE-project
- Várkonyi Júlia (2004): Szabályozás megállapodásos és jogi alapokon. (Regulation based on bargaining and law) In: Berki Erzsébet (szerk.) Ágazati párbeszéd bizottságok Magyarországon, Budapest: Foglalkoztatáspolitikai és Munkaügyi Minisztérium, (Ministry of Employment Policy and Labour)

Ireland

- Addison-Smyth, D. (2005) 'Ireland's revealed comparative advantage', in Central Bank Quarterly Bulletin, no. I, Dublin. p. 101-114.
- Central Statistics Office (2004) Statistical Yearbook, Ireland and the EU 1973-2003.
- Central Statistics Office (23 December 2004) Industrial Employment.
- Central Statistics Office (2003) Census of Industrial Production 2002.
- Enterprise Ireland (September 2004) Ireland: Economic Profile, Dublin.
- Forfas (no date available) 'Report of the chemical and pharmaceutical panel', in Technology foresight Ireland: An ICSTI overview, Ireland. Available from: <http://www.forfas.ie/icsti/statements/tforesight/chem/sector.htm>.
- O'Malley, E. (Winter 2004) 'Competitive performance in Irish industry,' in Quarterly Economic Commentary, ESRI, Dublin.
- Pharmaceutical Ireland (2004) Pharmaceutical Ireland: Focused on a Healthy Future, Dublin.
- <http://www.icda.ie/about/about.htm>.
- <http://www.siptu.ie/news/pr.php?id=1355>.

Italy

- Federchimica (2000), Indagine su orario di lavoro e contratti speciali, on line, January.

- Federchimica (2004a), Indagine retributiva al gennaio 2004. Sintesi, on line, January.
- Federchimica (2004b), Panel Congiunturale Federchimica, on line, December.
- Federchimica, Farmindustria, FULC (2003), Il contratto collettivo nazionale di lavoro. Industria chimica, chimico-farmaceutica, delle fibre chimiche e dei settori ceramica, abrasivi, lubrificanti e GPL, Bollate (MI), Signum Edizioni.
- Federmanager (2003), La chimica in Italia: analisi, valutazioni e proposte della dirigenza, Commissione nazionale settore chimico.
- Ministero delle Attività Produttive (2002), Ricognizione dei problemi dell'industria chimica italiana, Roma.
- Osservatorio per il settore chimico (2004), La 'ricognizione dei problemi dell'industria chimica italiana' e le politiche di intervento, Roma, Ministero delle Attività Produttive.
- Federchimica (2005a), Indagine 2004 sul premio di partecipazione, on line.
- Federchimica (2005b), Indagine su occupazione e tipologie contrattuali, on line.
- Artifond – <http://www.artifond.it/>
- Assidai – <http://www.assidai.it/>
- Assomeccanica – <http://www.cna.it/assomeccanica/>
- Casartigiani – <http://www.casartigiani.org/>
- CGIL – <http://www.cgil.it/>
- CIDA – <http://www.cida.it/>
- CISAL – <http://www.cisal.org/>
- CISL – <http://www.cisl.it/>
- CLAAI – <http://www.claai.it/>
- CNA – <http://www.cna.it/>
- Confail – <http://www.confail.org/>
- Confapi – <http://www.confapi.it/>
- Confartigianato – <http://www.confartigianato.it/>
- Confindustria – <http://www.confindustria.it/>
- FAILC – <http://www.confail.org/>
- Farmindustria – <http://www.farmindustria.it/>
- Faschim – <http://www.faschim.it/>
- FASI – <http://www.fasi.it/>
- Federchimica – <http://www.federchimica.it/>
- Federmanager – <http://www.federmanager.it/>
- FEMCA – <http://www.femcacisl.it/>
- FIALC – http://www.cisal.org/Settori_Cisal/Industria/F.I.A.L.C.html
- FILCEA – <http://www.filceacgil.it/>
- FILCEM – <http://www.filcemcgil.it/>
- FNLE – <http://www.cgil.it/fnle/>
- Fonchim – <http://www.fonchim.it/>
- Osservatorio per il settore chimico – <http://www.osservatoriochimico.it/>
- Previndai – <http://www.previndai.it/>
- Previndapi – <http://www.previndapi.it/>
- UGL – <http://www.ugl.it/>
- UGL Chimici – <http://www.ugl.it/>
- UIL – <http://www UIL.it/>
- UILCEM – <http://www.uilcem.it/>
- Unionchimica – <http://confapi.org/uchimica.htm>

Latvia

- Kirsons M. "Eiropas likumdošanas cilpa apdraud konkurētspēju", Dienas Bizness, 10.03.2004. published at: <http://www.db.lv/online/news.php?aid=30248>
- Kirsons M. "Pirmais gads ES ķīmijas nozares skatījumā", Dienas Bizness, 29.04.2005. published at: <http://www.db.lv/online/news.php?aid=45634>;
- Association of Latvian Chemical and Pharmaceutical Industry Producers (ALCPIP) website- www.lakifa.lv;
- Republic of Latvia Ministry of Economics- www.em.gov.lv;
- Statistical Bureau of Latvia- www.csb.lv;

Lithuania

- Association of Lithuanian Chemical Industry Enterprises website: <http://www.chemija.lt>

- Statistics Lithuania (2004). Main Indicators of Small, Medium and Large Enterprises 2002 (Vilnius).
- Statistics Lithuania (2004). National Accounts of Lithuania 2001 (Vilnius).
- Statistics Lithuania (2004). Statistical Yearbook of Lithuania 2004 (Vilnius).

Luxembourg

- Portrait économique et social du Luxembourg, Statec, Luxembourg, mars 2003, p. 144.
- Le Quotidien indépendant luxembourgeois, 26 et 27 janvier 2005.
- F. CLEMENT, Le dialogue social au Luxembourg. Les libertés d'association et d'action des organisations professionnelles, EURES, Differdange, novembre 2004.
- Loi du 12 juin 1965 concernant les conventions collectives de travail, Mémorial A, numéro 35, 2 juillet 1965.
- Doc. Parl. n°48 (919).
- Cas n°1980 (Luxembourg) : 324^e Rapport du Comité de la liberté syndicale (paragr. 623-675), approuvé lors de la 280^e session du Conseil d'administration à Genève en mars 2001. Document GB.280/9.
- www.fedil.lu, 10 février 2005.

Malta

- Central Bank of Malta - Annual Report 2004
- Chamber of Pharmacists Website: <http://www.synapse.net.mt/mcp/>
- Economic Policy Division (Malta) - Economic Survey January -September 2004
- Employment and Industrial Relations Observatory Website: <http://www.eiro.eurofound.eu.int>
- Federation of Industry Website: <http://www.foi.org.mt/>
- General Workers' Union Website: <http://www.gwu.org.mt/>
- Malta Employers Association Website: <http://sites.maltanet.net/websites/mea/>
- National Statistics Office Website: <http://www.nso.gov.mt/>
- Union of United Workers Website: <http://www.uhm.org.mt/>

The Netherlands

- Centraal Bureau voor de Statistiek (CBS), 'Kerncijfers bedrijfsleven, 2002, DG Vervaardiging van chemische producten', www.statline.cbs.nl
- Creusen, H, In focus: the Chemical and plastic industry in the Netherlands 2002-2004. CPB Memorandum 67. The Hague: Centraal Planbureau, 2003.
- Korevaar, Kees, Strategische arbeidsvooraardenvorming. Vernieuwing van vakbondswerk en CAO (Strategic bargaining on employment conditions. Innovation of trade union activities and collective agreements) (diss.), Amsterdam: Mets en Schilt, 2000.
- Langen, P.W. de, D. van Enthoven, M.H. Nijdam, Einde van een eiland. Een onderzoek naar ontwikkelingen in de overslag- en chemiesector in Rotterdam en overwegingen voor de opstelling van de CNV Bedrijvenbond ('The end of an island. Research of developments in the transfer- and chemical sector in Rotterdam and considerations for the position of CNV Bedrijvenbond'). Rotterdam: Erasmus Universiteit, 2002.
- Maas, C.F., 'Branche uitgebreid: de aardolie- chemische, rubber- en kunststofverwerkende industrie' (Branch in detail: the petroleum, chemical, rubber and man-made fibres processing industry), CBS Industriemonitor juni 2004.
- Schreuder, K. and K. Tijdens, Codeboek DUDACAM dataset. AIAS Working Paper 2003-24. Amsterdam: Amsterdam Institute for Labour Studies, AIAS, 2003.
- VNCI/Capgemini, Goed, Beter, Best. Een studie naar de concurrentiepositie van de Nederlandse chemische industrie. (Good, Better, Best. A study for the competitive position of Dutch chemical industry), VNCI/Capgemini: 2004.
- www.awvn.nl
- www.cnv.net
- www.fnv.bongenoten.nl
- www.nfia.com
- www.unie.nl
- www.vnci.nl

Poland

- Polish Chamber of Chemical Industry : Chemical Industry in Poland – Annual Report 2003
- www.bcc.org.pl
- www.kpp.org.pl
- www.mpips.gov.pl

- www.opzz.org.pl
- www.orlen.pl
- www.pipc.org.pl
- www.polfarmed.pl
- www.prywatni.pl
- www.solidarnosc.org.pl
- www.spch.prv.pl
- www.stat.gov.pl
- www.wzpp.org.pl

Portugal

- MSST-DETEFP (2000, 2001), Personnel Tables, Lisbon.
- INE (2001, 2002), Economic and Financial Statistics, Lisbon.
- INE (2001, 2002), Enterprise Statistics, Lisbon.
- INE (2001 and 2002), Enterprise and Establishment Statistics, Lisbon.
- Valente, Ana Cláudia (Coord.) (2004), O Sector Química e Plásticos em Portugal, Lisbon, Institute for Innovation in Training.

Slovak Republic

- Act on Collective Agreement No. 2/1991 Coll. of Laws in its amendments
- Labour Code No. 311/2001 Coll. of Laws
- Statistical Yearbook of the Slovak Republic 2003, VEDA Publishing House 2004
- Statistical Yearbook of the Slovak Republic 2003, VEDA Publishing House 2004
- The Sector Collective Agreement for 2002 – 2004 between the CHEMISTRY Trade Union of the Slovak Republic (Odborovy zvaz Chemia SR) and the Association of Chemical and Pharmaceutical Industry of the Slovak Republic (Zvaz chemickeho a farmaceutickeho priemyslu SR – ZCHFP SR)
- Yearbook of Industry of the Slovak Republic 2004, Statistical Office of the Slovak Republic 2004

Slovenia

- Gospodarska zbornica Slovenije; <http://www.gzs.si>
- Poročila družba za leto 2003
- Statistični urad Republike Slovenije; <http://www.stat.si>

Sweden

- Industri och Kemigruppen (2005);, various documents from <http://www.industriochkemigruppen.se>
- LO (2005): Medlemsstatistik, Landsorganisation Sverige, <http://www.lo.se/>
- SACO (2005): Medlemsstatistik, 2004, <http://www.saco.se/templates/saco/>
- SCB (2005) : Företagsdatabasen, Statistic Sweden, various years, Stockholm
- SCB (2005) : Statistiska Meddelanden, AM 63 SM 0404, Statistic Sweden, various years, Stockholm
- SCB (2005) : Lonestatistik, privata sektor Statistic Sweden, various years, Stockholm
- Ledarna (2004): <http://www.ledarna.se/>
- TCO(2005): Medlemsstatistik 2004, www.tco.se

The United Kingdom

- Chemicals Innovation and Growth Team (CIGT) report: Enhancing the competitiveness and sustainability of the UK chemical industry. (Dept of Trade and Industry, December 2002, London).
- <http://www.amicustheunion.org.uk>
- <http://www.gmb.org.uk>
- <http://www.tgwu.org.uk>
- <http://www.usdaw.org.uk>
- www.cia.org.uk

B. VALIDATION

B.1. NATIONAL VALIDATION

Austria

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
GPA	Peter Schleinbach	secretary
GdC	Wilhelm Beck	secretary
FCIO	Wolfgang Eickhoff	general secretary
BIC	Mag. Erwin Czesany	general secretary

Belgium

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
CSC	Mr De Potter	Secrétaire national de la CSC Energie-Chimie
CNE	Mr Boudson	Secrétaire national de la CNE
LBC-NVK	Mr Van Heddegem	adjunct-algemeen secretaris LBC-NVK
FGTB	Mr Baele	Secrétaire federal de la CG
FGTB	Mme Galliaert	Sécrétaire fédérale
CGSLB	Mr De Coo	Responsable chimie
Fedichem	Mr Mascart	Responsable des affaires sociales

Cyprus

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Cyprus Industrial Workers' Federation, SEK	Mr Panayiotis Frangou	Secretary
Cyprus Industrial, Commercial and General Workers, PEO,	Mr Panicos Theodorou	General Secretary
Cyprus Association of Pharmaceutical Manufacturers	Mr Charalambos Pattichis	President
Cyprus Association of Paints, Varnishes and Adhesives Manufacturers	Mr Andreas Hadjipanayis	President
Statistical Service	Mr Angelos Agathangelou	Principal Statistical Assistant

Czech Republic

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Trade Union ECHO (Odborový svaz ECHO)	Pavel Skulina	Vice-president of chemical section
Association of Chemical Industry of the Czech Republic (Svaz chemického průmyslu České republiky)	Ing. Ladislav Novák	Director

Denmark

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Dansk Industri	Erik Kjærgaard	Head of Social Affairs
Fagligt Fælles Forbund, 3F	Per Sørensen	Bargaining Secretary, Industry Group
HK/ Laborantforeningen	Jens Klingenberg	Organisation Consultant

Estonia

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Estonian Employers' Confederation	Monika Grigor	Office Assistant
Confederation of Estonian Trade Unions	Sander Vaikmaa	Secretary in the issues of organisation and youth
Federation of Estonian Chemical Industry	Hallar Meybaum	Chair of EKTL

Finland

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Chemical Industry Federation of Finland	Martti Niskanen	Deputy Director General, Labour market policy, social and labour legislation
Union of Salaried Employees TU	Ilkka Joenpalo	Chairman
Union of Salaried Employees TU	Annamarje Salonen	Employment Attorney, chemical industry
Chemical Workers' Union	Timo Valittu	Chairman
Chemical Workers' Union	Seppo Wikström	Secretary General of Union

France

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Fédération Chimie et Energie CFDT	Mme Pinchaut	Déléguée fédérale
Fédéchimie CGT-FO	M. Decayeux	Secrétaire général
Fédération Chimie Mineurs Textile Energie CFTC, Union nationale des syndicats des industries chimiques (UNSC)	M. Fauvier	Secrétaire Général de l'UNSC
Fédération du personnel d'encadrement des industries chimiques, parachimiques et connexes-CFE-CGC	M. Lecuelle	Responsable de branche chimie
Fédération nationale des industries chimiques-CGT	M. Colas	Secrétaire fédéral
Union des Industries Chimiques	Mme Beudon	Responsable Social, Emploi, Formation

Germany

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
BAVC	Wolfgang Goos	Managing Director, Labour Law, collective bargaining policy, and Social Dialogue (Geschäftsführer Arbeitsrecht, Tarifpolitik und Sozialer Dialog)
IGBCE	Michael Denecke	Associate editor of the public relation department (Stellvertretender Chefredakteur der Abteilung Kommunikation)
VAA	Stefan Ladeburg	Managing Director (Geschäftsführer)
CGBCE	Adalbert Ewen	Managing Director (Geschäftsführer)
BAVC	Lutz Mühl	Director Europe and international social policy (Direktor Europa und internationale Sozialpolitik)
IGBCE	Gottlieb Förster	
VAA	Stefan Ladeburg	Managing Director (Geschäftsführer)
CGBCE	Adalbert Ewen	Managing Director (Geschäftsführer)

Greece

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
SFEE	Ph. Malagoussis	Director General, SFEE
PEF (employers)	Th. Tryfon	President, PEF
SAFEE	Theodoropoulos	General Secretary, SAFEE
PSF	E. Adamou	President, PSF
PSVAK	Giarmenitis	President, PSVAK
PEVVEKKP	Th. Tsiatas	President, PEVVEKKP
SAEPKF (HAVEPHARM)	St. Barbatiotis	President, HAVEPHARM
SEHV (HACI)	P. Skarlatos	Director, SEHV (HACI)
SEV	I. Drapaniotis	Director General, SEV
SEVAS	Th. Michailides	Director, SEVAS
PEF (trade union)	A. Avgerinos	President, PEF
OEFSEE	Z. Sokou	President, OEFSEE
POIE	Konidaris	President, POIE

OEHVE	E. Theoharis	President, OEHVE
PSHV	C. Papachristou	President, PSHV

Hungary

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Federation of Trade Unions of the Chemical, Energy and Allied Workers	G. P., male	President
Federation of Trade Unions of the Chemical, Energy and Allied Workers	M. T., male	National Secretary
Hungarian Chemical Industry Association	I. B., male	Director Generale
Hungarian Chemical Industry Association	R. M., female	Advisor
Hungarian Pharmaceutical Manufacturers' Association	L. B., male	Director
Hungarian Pharmaceutical Manufacturers' Association	M. M., female	Deputy Director
Labour Arbitration and Mediation Service	K. G., male	Director
Ministry of Employment and Labour, Department for Industrial Relations	B. E., female	Head of Department
Ministry of Employment and Labour, Department for Industrial Relations	V. J., female	Advisor

Ireland

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Pharmaceutical Ireland (IBEC)	Matt Moran	Director
SIPTU	Ken Fleming	Branch Secretary

Italy

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Federchimica	Gianluca Ostini	Officer, Industrial Relations Department
FEMCA-CISL	Stefano Galante	Directive, Industrial Policy Department
Unionchimica	Cecilia Imperatori	Officer, National Secretariat
	Mario Chiacchiararelli	National Secretary
FAILC-Confail	Evangelista Zaccaria	President of Confail
FIALC-CISAL	Giuseppe Graniti	General Secretary
UGL Chimici	Roberto Diana	Officer, UGL - Workplace Union Representation Department
	Domenico Scopelliti	UGL Chimici - National Secretary
UILCEM-UIL	Augusto Pascucci	National Secretary
FILCEM-CGIL	Gino Garzino	National Secretary
Assomeccanica-CNA	-	National Secretariat
	Franco Giuliani	President
Confartigianato	Raffaele Cerminara	National Secretary, Confartigianato Metalmeccanica
Casartigiani	Danilo Barduzzi	Officer
CLAAI	-	General Secretariat
Federmanager	Paolo Cucinotta	Directive, Employment and Welfare Division
Farmindustria	Andrea Moretti	General Director
	Stefano Svetoni	Manager of the Bureau in charge of Labour Relations, Social Insurance, and Taxes

Latvia

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
ALCPIP	Raina Dureja	Executive director
LISTU	Silvija Bogdanova	Trade Union specialist in Riga region

Lithuania

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Lithuanian Chemical Industrial Workers' Union Federation	Feliksas Buckus-Butkevicius	Chairman
Association of Lithuanian Chemical Industry Enterprises	Giedrius Mazunaitis	Executive Director

Luxembourg

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
FEDIL	Marc KIEFFER	Conseiller juridique
LCGB	Marcel GOEREND	Secrétaire syndical
OGB-L	Jean-Claude BERNARDINI	Secrétaire central
SNEP	Jos LUTGEN; Ally DOERFEL; Armand WILDANGER.	Président; Vice-Président; Secrétaire général

Malta

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Union of United Workers (Union Haddiema Maghqudin)	Nicholas Baldacchino	Secretary of Manufacturing and Services Section
Chamber of Pharmacists	Max Borg Millo	Secretary
General Workers' Union	Roberto Cristiano	Secretary of the Manufacturing and SME's Section
Malta Employers Association	Joe Farrugia	Director General
General Workers' Union	Gejtu Mercieca	Secretary of the Chemical, Energy and Printing Section
Union of Assistant Chemists	Reginald Schembri	Secretary
Malta Federation of Industry	Cecilia Vella	Executive

The Netherlands

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
FNV Bondgenoten	Hermen Pol	Bestuurder chemische industrie
CNV Bedrijvenbond	Jelle Loosman	Coördinerend beleidsadviseur procesindustrie
De Unie	Theo Willms	Bestuurder chemische industrie
AWVN	Huub in het Panhuis	Beleidsadviseur chemische industrie

Poland

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Polish Chamber of Chemical Industry – Employers' Organisations	Wojciech LUBIEWA-WIELEZYNSKI	General Director
Polish Union of Employers of the Pharmaceutical Industries	Cezary SLEDZIEWSKI	President
Business Centre Club - Employers' Union	Renata KIESZEK	Advisor
Polish Chamber of Pharmaceutical Industry and Medical Devices – POLFARMED	Adam RUDZKI, Andrzej MROZ	Director, Advisor
Pharmaceutical Industry Workers' National Section of ISTU "Solidarnosc"	Miroslaw MIARA	President
Chemical Industries' Secretariat of the Independent Self-Governed Trade Union "Solidarnosc -80"	Edmund JANKOWSKI	President
Confederation of Polish Employers	Witold POLKOWSKI	Advisor
Polish Oil Concern Orlen s.a.	Michał MARCZINKOWSKI	Advisor
Wielkopolski Union of Private Employers(*)	Piotr Karol POTECKI	President
Chemical Industry Workers Secretariat of the Independent Self-Governed Trade Union "Solidarnosc"	Julian Andrzej KONECKI	President
Chemical Industries' National Section of ISTU "Solidarnosc"	Krzysztof WITKOWSKI	President
National Alliance of Trade Unions for Continuous Work	Krzysztof KALAMAT	President
Trade Union Federation of Chemical, Glass and Ceramic Industries in Poland	Józef WOZNY	President
Engineers and Technicians Trade Union	Lechosław CZYZ	President
Polish Confederation of Private Employers	Jan MENCINA	Advisor
High Inspection of Labour	Zbigniew KOWALCZYK	Director

Portugal

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
APEQ	Lubélia Nogueira Penedo	General Director
APIFARMA	Pedro Caridade de Freitas	Legal Department
APFTV	Manuela Cavaco	General Secretary
SINDEQ	Francisco Afonso Negrões	General Secretary
SINORQUIFA	João Teixeira Lopes	Director
SINQUIFA	Delfim Mendes	General Secretary
FEQUIMETAL	João Silva	General Secretary

Slovak Republic

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Trade Union of Chemistry SR	Juraj Blahak	chairman
Association of Chemical and Pharmaceutical Industry of the Slovak Republic	Rudolf Glasa	General secretary

Slovenia

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Sindikat kemične, nekovinske in gumarske industrije Slovenije (Trade Union of Chemical, Non-Metalic and Rubbers Industry of Slovenia)	Marjan Barl	secretary of trade union
Združenje kemijске industrije (Chemical Industries Association)	Helena Gombač- Rožanec	counsellor

Spain

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
FITEQA-CCOO	Isidor Boix	Manager for social action
FIA-UGT	Rosa Garrido	Secretary of the Chemical sector
ELA	Iñaki Hervías	Manager of the Federation
FEIQUE	Antonio Bravo Herrero	Manager for labor department
STANPA	Fernando Magariños	Legal advisor
PIROVAL	Guillermo Rodríguez Bronchú	General Secretary
AEQ	Alfredo Salcines	President of the organization
FEQUICC	Rafael Salazar and Eusebio Fontan	President and manager of the organisation

Sweden

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Industri och kemigruppen	Inger Carlsson, Anders Hjertman	Délégués aux négociations
CF-	Orvar Turegård	Délégué aux négociations
Industrifacket	Pentti Niemi	Délégué aux négociations
SIF	Ulla-Maria Jonsson	Délégué aux négociations
LEDARNA	Antonio Ropero	Délégué aux négociations

The United Kingdom

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
CIA	Simon Marsh	Employee Relations
Amicus	Steve Martin	Research Officer
GMB	Rehana Azam	National Officer
T&G	Jim Mowatt	National Officer
USDAW		
BACM/Team	PM Carragher	General Manager

B.2. EUROPEAN VALIDATION

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
EMCEF	Reinhard Reibsch	General Secretary
ECEG	Lutz Mühl	Secretary
FECCIA	François Vincent	President