

CHEMICAL INDUSTRY

Workers' representatives	European Mine, Chemical and Energy Workers' Federation (EMCEF) (1996) http://www.emcef.org
Employers' representatives	European Chemical Employers Group (ECEG) (2002) http://www.eceg.org/

Sectoral Social Dialogue Committee (SSDC)

Informal working group:	
SSDC:	2004
Internal Rules:	14 December 2004
Work Programme:	2005 – 2006 – 2007 - 2008

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GENERAL OVERVIEW OF SECTOR

The European chemical industry is the second largest industrial sector in the EU (after the automotive sector) and the world's number-one market. It employs two million workers directly and generates a huge number of subcontractors and indirect jobs.

The chemical industry features prominently among Europe's exports: its 28% share of global production makes the EU the world's biggest chemical-producing area. The sector encompasses various types of activity, which can be distinguished as follows:

- heavy chemicals, which include inorganic chemicals (production of chlorine, sodium, fertilisers, sulphuric acid, etc.) and organic chemicals (petrochemicals, plastics, synthetic rubber, etc.);
- fine chemicals, where more complex molecules are manufactured from heavy chemicals; this requires more intensive research and development (including the active ingredients of medicines);
- speciality chemicals: detergents, soaps, paints, varnishes, cosmetics, cleaning products, glues, etc.;
- pharmaceuticals: the use of active ingredients manufactured from fine chemicals.

These different business areas are confronted by a variety of challenges, especially in terms of research and development, innovation (e.g. bio- and nano-technologies) and markets. From a socio-economic perspective, the sector faces a slowdown in the growth of demand in the EU, increasing demand in Asia (with some relocation of firms), burgeoning production costs and an ever tighter regulatory environment.

The chemical sector is composed of both large multinational conglomerates (Bayer, BASF, L'Oréal, etc.) and small and medium-sized businesses. According to CEFIC statistics, the EU chemical industry comprises about 27,000 firms, 96% of which have fewer than 250 employees and may thus be regarded as small and medium-sized enterprises (SMEs). Just 4% of European firms employ more than 250 employees, but they generate 70% of total sales.

Europe's chemical and pharmaceutical companies employ about 1.9 million workers in total (1.2 million for chemicals; 700,000 for pharmaceuticals). Most of these jobs are highly skilled, and the workers are, on average, better paid than those in other industrial sectors. Nevertheless, the overall trend for the past ten or so years has been for employment in Europe to decline.

PARTICIPANTS AND CHALLENGES

Unlike the metalworking industry, the chemical sector does not really have a “national” tradition of sectoral social dialogue. The diversity of companies in the sector - petrochemicals, plastics, pharmaceuticals, fertilisers, paints, etc. - tends in fact to mean that social dialogue focuses on the company level rather than that of the sector as a whole.

European-level social dialogue came about belatedly, mainly owing to the fact that the European employers' industrial organisations and CEFIC, the European Chemical Industry Council, (deliberately) refrained from adopting a mandate to discuss social issues with the trade union organisation EMCEF. The union side, for its part, became aware of European social challenges at a very early stage and began calling for the establishment of European social dialogue in the late 1980s. But it took a long time to persuade the employers to engage in negotiations.

Having learnt its lessons from an initial dialogue with the PVC industry (a social dialogue forum was set up in 2000), EMCEF devised a strategy for gradually guiding the employers' organisations towards social dialogue. Under pressure from various factors, CEFIC decided in January 2002 to set up the European Chemical Employers Group (ECEG), which can be regarded as the "social arm" of CEFIC. It is responsible for social matters and for relations with the sector's trade unions.

The first joint declaration between EMCEF and the ECEG was concluded in December of that same year. Given that European Commission initiatives concerning the chemical industry have a social impact, these bodies became keen to expand their lobbying activities. That is what happened in 2003, when some major European industrial initiatives were unveiled. The [REACH](#) legislative proposal in particular, which has a social dimension, made the employers realise how useful it could be to embark on sectoral social dialogue, geared primarily towards lobbying. In addition to REACH, health and safety matters already featured on the agenda, for example through the [Responsible Care](#) programme. This was a voluntary initiative, coordinated by CEFIC, aimed at improving the industry's performance in the fields of safety at work and environmental safety, thereby protecting employees, nearby homes and businesses, consumers and the environment. It was the subject of a memorandum of understanding between the social partners in February 2003.

The Sectoral Social Dialogue Committee for the chemical industry was at last formally established in 2004. Seven new joint texts have been adopted since then, relating chiefly to issues such as social dialogue, health and safety, training and skills and, more recently, the EU Greenhouse Gas Emission Trading Scheme (since the chemical industry is very energy-intensive), as well as restructuring (in the light of the economic crisis that erupted in 2008).

Some trade union organisations affiliated to EMCEF have been attempting since 2006 to add to this agenda the topics of occupational diseases in the sector (and other sectors downstream of the chemical industry, such as hairdressing and beauty care) and accidents at work. The SSDC work programme for the period 2007-2008

emphasised three main areas: industrial policy, competitiveness and jobs; education, training and lifelong learning; health and safety (the Responsible Care programme).

It should also be pointed out that EMCEF has set up its own collective bargaining committee in order to have a means of comparing the provisions of national collective agreements. Nevertheless, it would seem that the establishment of this committee has not so far been a key factor in the development of social dialogue in the sector.

OUTCOMES

Under the SSDC rules of procedure adopted in 2004, social dialogue in this sector remains subject to considerable restrictions: it must not interfere in national industrial relations, it must not generate an additional level in the negotiation of collective agreements, and nor must it serve as an appeal body for the national social partners.

Sectoral social dialogue in the chemical industry explicitly rules out all mechanisms that would place companies or employees under any direct obligations. It is regarded by the employers more as a tool for lobbying the European institutions on sectoral policy matters (e.g. REACH; the Emission Trading System), whereas some of the trade unions affiliated to EMCEF would also like it to develop into a forum for issuing reciprocal commitments (on occupational diseases, social responsibility, etc.).

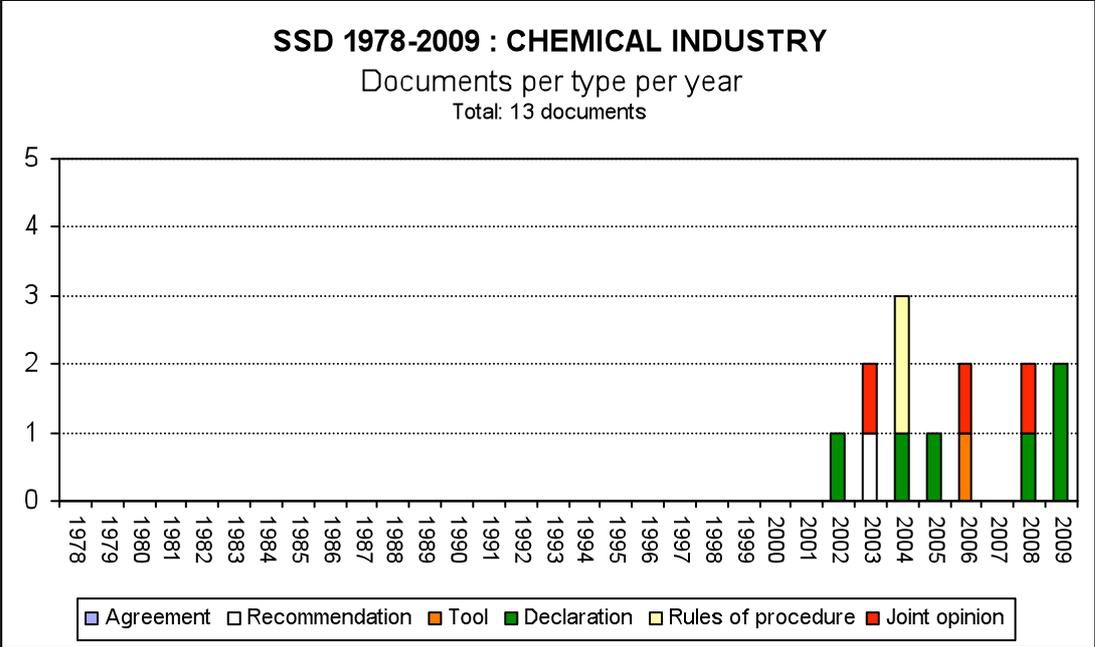
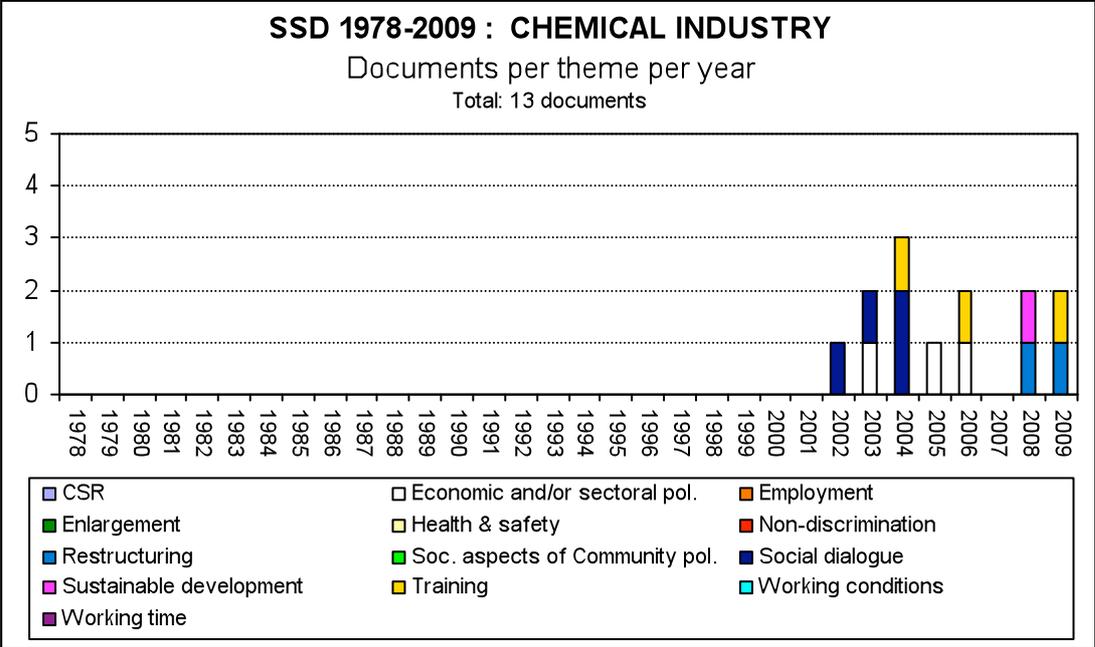
Under these circumstances, deemed by some to be too restrictive, certain players on the union side - both European and national - are trying to launch initiatives and proposals addressed directly to the European institutions (e.g. on the "cosmetics" directive) and to the major industrial conglomerates in the sector (e.g. the "Wittenberg" process in Germany, the attempt to negotiate a framework agreement on European social responsibility with the French conglomerate L'Oréal).

One might wonder, moreover, whether the strategy of the major chemical giants is geared more to the possibility of signing international framework agreements than towards overall sectoral social dialogue. Indeed, of the 60 or so international framework agreements [logged by the ETUI](#), 12 were in the chemical sector (ICEM) and 8 of those involved European multinationals in the sector.

It has to be admitted that, despite the major developments that have occurred since the turn of the millennium, genuine European sectoral social dialogue based on reciprocal commitments is still a long way off in the European chemical sector owing to reservations on the part of the employers.

JOINT TEXTS

The “chemical industry” sectoral social dialogue has resulted, since 2002, in the adoption of 13 joint texts.



Date	Title	Theme	Type	Addressee
13/05/2009	Joint Declaration on the Global Economic Crisis	Restructuring	Declaration	European institutions
02/03/2009	Working Group - Education, Training and Lifelong Learning - Joint Declaration	Training	Declaration	Enterprises
29/09/2008	Joint statement by the Social Partners of the Chemical Industry on the European Union Emission Trading Scheme (EU-ETS)	Sustainable development	Joint opinion	European institutions
21/05/2008	Joint Lessons Learned on Restructuring, Managing Change, Competitiveness and Employment	Restructuring	Declaration	National organisations
26/10/2006	Skills for Chemical Businesses - Understanding Society Needs	Training	Tool	National organisations
26/10/2006	Joint Position of the Social Partners of the European Chemical Industry REACH: Safety and Workability	Economic and/or sectoral policies	Joint opinion	European institutions
01/06/2005	Joint position of the Social Partners of the European Chemical Industry on REACH	Economic and/or sectoral policies	Declaration	European social partners
14/12/2004	Rules of Procedure for the European Social Partner Sector Dialogue Committee of the Chemical Industry	Social dialogue	Rules of procedure	European social partners
27/09/2004	Joint Declaration on the establishment of a formalised Sector Dialogue Committee for the European Chemical Industry	Social dialogue	Rules of procedure	European social partners
10/09/2004	Joint position paper on education, vocational training and lifelong learning in the European chemical industry	Training	Declaration	European social partners
27/11/2003	Joint statement of ECEG, CEFIC and EMCEF on the New European Chemicals Policy (REACH)	Economic and/or sectoral policies	Joint opinion	European institutions
21/05/2003	ECEG, EMCEF and CEFIC Memorandum of understanding on Responsible Care	Social dialogue	Recommendation	European social partners
04/12/2002	ECEG/EMCEF joint declaration	Social dialogue	Declaration	European social partners