



SOCIAL DIALOGUE AND THE SUSTAINABLE POST-COVID-19 RECOVERY STRATEGY IN THE FOOD AND DRINK INDUSTRY

June 2024

STUDY



EFFAT



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Overview

The start of the lockdown in March 2020 marked the beginning of an unprecedented period of instability for the EU food supply chain, characterised by demand and supply side shocks, economic policy uncertainty and social consequences for the sector.

According to preliminary research for the Agri committee of the European Parliament¹, while the EU agri-food supply chain has demonstrated a high degree of resilience as a whole, the impact of the pandemic has been multi-fold and significant. Farm incomes declined in 2020 compared to 2019 (-7,1 billion EUR), while food and drink production and the food service sector suffered (60-90% of estimated losses between 2019 and 2020 for the latter). Conversely, retail sales increased with online food sales registering the highest growth during the first months of the pandemic.

The supply chain suffered significant disruptions leading to production surplus which had to be disposed of. For food and drink manufacturers, logistical disruptions, in addition to outbreaks in processing establishments resulted in significant delays in production processes. Although some restaurants and bars resorted to alternative commercial solutions during the pandemic (e.g. take-away, home delivery etc.), this did not compensate for the economic losses suffered in the sector.

Looking closely at the sub-sectors of the food and drink industry, some were more severely affected than others. For instance, the value of EU production in the EU wine sector dropped by 5% in 2020 compared to the 2015-2019 average and 2% in extra-EU exports (-2%). Highly dependent on the food service for the sale of high-quality wines, this sector faced considerable challenges during the pandemic due to the combined effects of COVID-19, specific trade irritants and lack of additional financial support. Similarly, the beef and veal sector were severely impacted by the closure of restaurants: EU production and intra-EU trade for these products registered a significant decrease in value in 2020 compared to the 2015-2019 average (-6% and -7%, respectively). However, the profit margins in many of the major food and drink transnational companies increased significantly during the pandemic (Eikon, 2023).

Moreover, free movement restrictions imposed by member states following the first outbreak of the virus resulted in severe shortages of seasonal workers putting harvests at risk. The lack of workforce due to people's reduced mobility between MS, or within, was underlined by FoodDrinkEurope in 2021². Staff availability was directly impacted by the spreading of the virus with COVID-19 outbreaks reported in processing plants (e.g. slaughterhouses), leading in some cases to the temporary shutdown of operations. This significantly impacted the working conditions and brought new health and safety concerns. Meeting the challenges in the area of health and safety, which were compounded by the pressures of delivering personal protective equipment and the huge task of maintaining food production as an "essential service", required a massive response from everyone engaged in the sector.

In the aftermath of the pandemic, the food and drink sector had to confront another series of challenges in its path to recovery, particularly regarding external demand, availability of skilled labour, as well as energy prices. The subsequent energy price shocks and raw materials scarcity entailed by the war in Ukraine added to the multi-dimensional challenges faced by the overall EU food sector. While energy prices peaked in the second semester of 2022, and have been down since then, they still stay structurally higher than in the pre-covid period. Energy is an important input in any processing industry, without taking into account the downstream of the value chain which can be strongly energy intensive.

In the longer term, the food and drink sector will increasingly face two challenges: digitalisation and environmental sustainability. Both of those challenges impact business models, employment, and skills. The EU has committed to reaching net zero emissions by 2050. As part of this target, it aims to achieve a 55% reduction in emissions by 2030. The food and drink industry sector is expected to fully contribute to the achievement of this target at an EU level, as set out for instance in the "Farm 2 Fork strategy".

As an example, decarbonisation roadmaps to 2050 for the European food and beverage sector (for instance

the one proposed by FoodDrinkEurope³) recognised the need for companies to implement multiple measures including: electrification, heat recovery, high efficiency boilers and the use of renewable gaseous fuels. Adaptation to climate change, water scarcity, and extreme weather events will challenge the food system, which is already under pressure from a growing global population. Such changes will not only trigger technical responses, they will require new skills and change the structure of employment in the sector. The European Commission's transition pathways for the agri-food industrial ecosystem⁴ are an attempt to address those challenges.

Thus, as multiple crises have hit the sector over the last 3 years, the pathways to a sustainable recovery in the next decade remain blurred. It has become more and more urgent to identify the structural strengths and weaknesses of the sector as it responds to adverse external shocks, and consider the future of the industry in economic, social and environmental terms.

The production of food and drink in Europe was maintained and in some cases increased in the EU during the pandemic, despite enormous challenges. Social dialogue played a role in this achievement and was also a tool used by social partners to advance their interests in circumstances that no one could have predicted. Those who represented the interests of employers and employees during the pandemic had a very clear understanding of the concept in practice. Social Dialogue during the pandemic might be understood as all discussions, negotiations, deliberations between the social partners on dealing with the functioning of the sector and the varying interests identified by the participating partners. Some of these interests were different, but the pandemic provided partners with a common interest, maintaining production. It is this common interest that led to an intensity of social dialogue within the structures where it was already practised.

This report aims to examine the role of social dialogue in the sustainable post-Covid-19 recovery strategy in the food and drink industry.

This report has been compiled on the basis of the input of the practitioners in the project, who participated enthusiastically in 2 workshops, case study interviews and a survey. The report was documented by the project steering committee and through desk research. We are grateful for the high level of cooperation we received during this project's development, and we would also like to acknowledge the contribution of WMP Consult.

The aim of this report is to learn from the Covid-19 pandemic and draw general lessons from it, in order for the food and drink sector to be prepared to face possible future crises and shocks.

1 Montanari, F., Ferreira, I., Lofstrom, F., Varallo, C., Volpe, S., Smith, E., Kirova, M., Wion, A., Kubota, U., Albuquerque, J.D., 2021, Research for Agri Committee – Preliminary impacts of the COVID-19 pandemic on European agriculture: a sector-based analysis of food systems and market resilience, European Parliament, Policy Department for Structural and Cohesion Policies, Brussels

2 FoodDrinkEurope (2021) FoodDrinkEurope response to European Commission roadmap 'EU food supply and food security – contingency plan', 13 January 2021

3 Ricardo Energy & Environment, Decarbonisation roadmap for the European food and drink manufacturing sector, A report for FoodDrinkEurope, 7 July 2021.

4 European Commission (2024), Transition pathways for the agri-food industrial ecosystem, 11 March 2024

Introduction

Social Dialogue generally plays a crucial role during times of crises, at both national and EU level, and this proved true in relation to the issues unleashed by the COVID-19 pandemic. In 2020 alone, European social partners across all sectors endorsed 43 joint statements concerning the COVID-19 pandemic.¹ This uptick in such statements² is in line with a practical trend very clearly identified during this project: where social dialogue existed prior to the pandemic and worked well, it became far more intense when the pandemic broke out. But where social dialogue was not strong prior to the pandemic, new patterns of social dialogue practice were not established when the pandemic broke out.

Some scholars have suggested that the pandemic seems to have reinforced some of the main patterns and modes of conduct of social dialogue. Meardi (2022)⁵ observed that social partners were generally increasingly involved and more frequently and more substantively so, in the dialogue in certain sectors and workplaces. The food and drink sectors, where production had to proceed often by necessity, can clearly be identified as having been involved in such dialogue. Meardi (2022) also pointed that the pandemic did not represent a turning point in industrial relations in Europe. This observation is entirely consistent with evidence from workshops conducted during the project, which found that new patterns of social dialogue were not established as a consequence of the pandemic.

Eurofound (2022) reported on the importance of institutions in supporting the social dialogue process, and noted how in countries where social partners agreed joint initiatives, these were generally supported by governments. These findings were in line with the workshop feedback from practitioners who had taken part in social dialogue at the time of the pandemic's outbreak and during the crisis. Participants generally agreed that institutions shaped social dialogue processes they participated in and that the attitude of governments was crucial in shaping the context. There is some evidence however, to indicate that employer organisations were more likely to agree that they were satisfied with the appropriateness of institutional settings for social dialogue during the pandemic than trade unions.

A small body of literature has developed around how

social dialogue was conducted. The ILO (2021⁶) noted that the pandemic introduced an extraordinary change in how social dialogue was conducted, with the introduction of video meetings and video conferences for the first time. In some European countries, social dialogue was conducted in person in certain food sectors where social dialogue continued face-to-face because of such sectors being designated as essential. However, this was not the norm, and online meetings and video conferences have of course become part of the everyday picture of social dialogue today in a way that they were not before the pandemic.

The evidence from the project workshops is that online tools may have led to an increase in the intensity of social dialogue during the pandemic. While the number of meetings may have increased, it should be noted that the number of agreements generated during the pandemic period fell sharply⁷. Participants in project workshops expressed a preference for face-to-face meetings to sign online agreements, a finding in common with ILO reports.

A final point that must be observed is that the literature is absolutely clear in relation to one thing: Social Dialogue in Europe remains far stronger than in other parts of the world.⁵ The high number of emergency and adjustment measures shows how social dialogue in Europe responded quickly to the pandemic outbreak. However, there is little evidence, if any, in the literature of any particular legacy from social dialogue in the food and drink sectors. The consensus among workshop participants was of a return to pre pandemic norms in terms of the conduct of social dialogue, with most participants reporting that the quality of social dialogue was broadly equal to what it had been prior to the pandemic. There is little evidence of social dialogue being prepared for future pandemics, or similar shocks. This report forms part of an effort to remedy this.

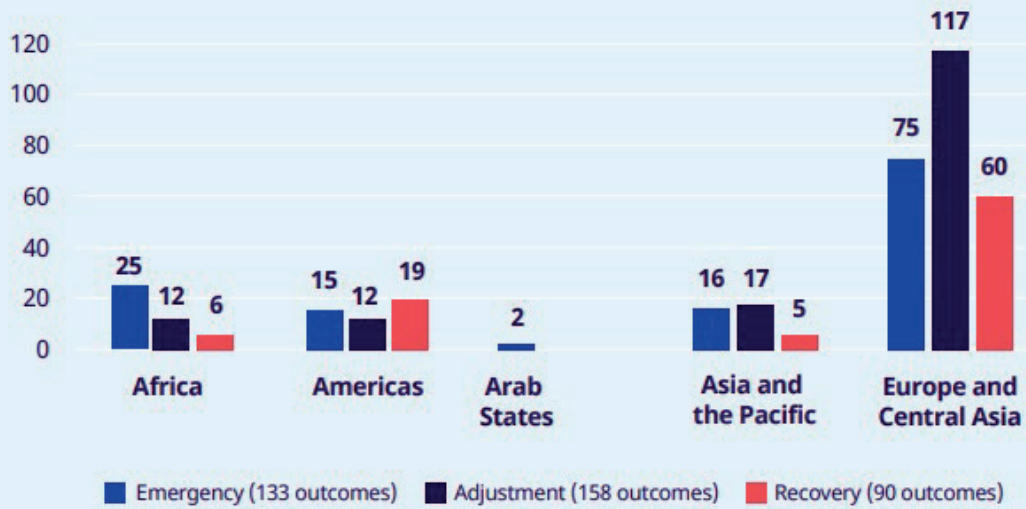
5 Meardi, G., & Tassinari, A. (2022). Crisis corporatism 2.0? The role of social dialogue in the pandemic crisis in Europe. *Transfer: European Review of Labour and Research*, 28(1), 83-100. <https://doi.org/10.1177/10242589221089785>

6 Social dialogue one year after the outbreak of the Covid-19 pandemic: Spotlight on outcomes. ILO: 2021

7 Mixed impacts of Covid-19 on social dialogue and collective bargaining in 2020. Eurofound, 2020.

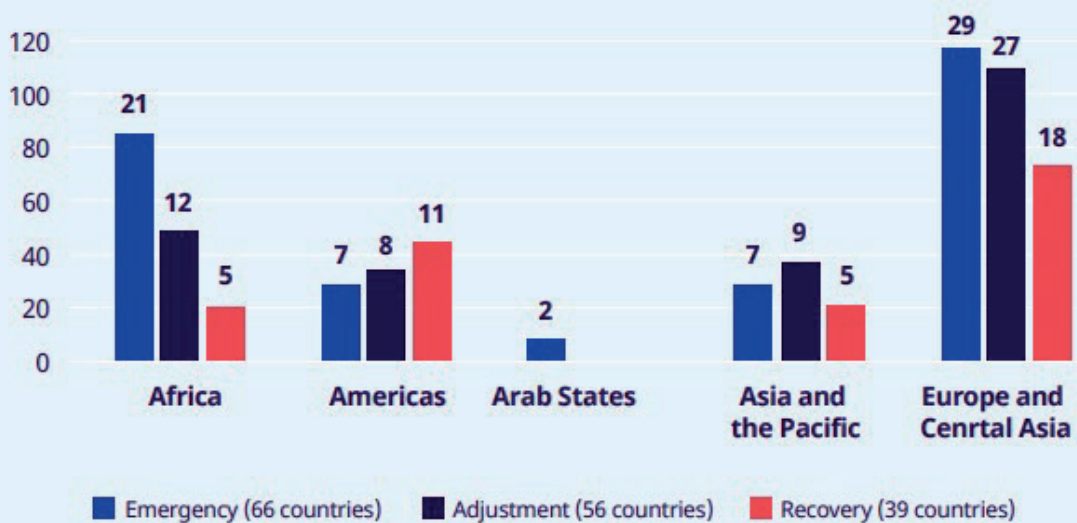
Figures cover the first wave of pandemic. (March 2020 Onwards), ILO

► **Figure 1. Number of outcomes of social dialogue, by region and type of measures**



Figures cover second wave of the pandemic (October 2020 onwards), ILO

Figure 3. Number of countries reaching social dialogue outcomes, by region and by type of measures





PART 1

Social dialogue and the Covid crisis in the food and drink industry

1. The socio-economic situation of the eu food and drink industry

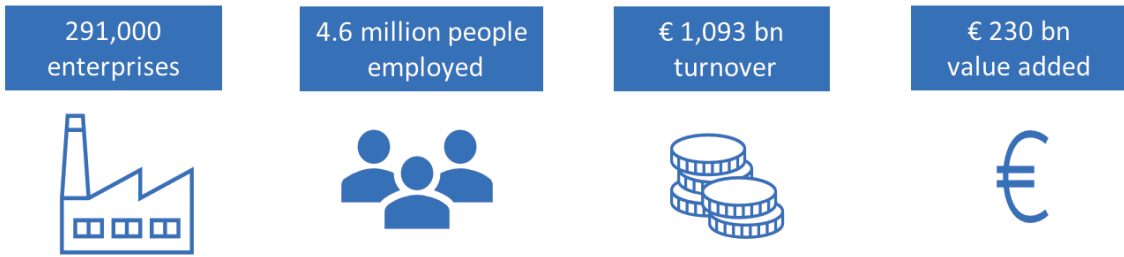
1.1. State of play

The EU Food and Drink Industry¹ comprises more than 291,000 enterprises. About 90% (260,000) of them are producers of food products, of which 150,000 are producers of bakery and farinaceous products. Close to 10% of enterprises are active in the manufacture of beverages. The entire sector is employing around 4.6 million people – without considering indirect employment from suppliers and clients. The workforce in the food industry (4.1 million) is about 10 times the workforce in the drink industry. In terms of turnover, the EU food and drink industry is generating a turnover of around € 1.1 trillion (14.2% of EU manufacturing turnover) – comparable to the EU manufacture of motor vehicles. Finally, it generates around € 230 bn of value added. Therefore, the food and drink industry is the EU's biggest manufacturing sector in terms of jobs and value added².

The size, structure, and economic performance of the industry's sub-sectors vary widely. For example, the highest share of the industry's value added is generated by the bakery sector and the manufacture of beverages (17.5% each), followed by the meat (processing) industry (17.2%). While the bakery and farinaceous products sector employs almost one third of the sectors' workforce, the meat processing industry employs around 20%. The share of the drink industry in terms of employment (10%) is much lower than in terms of value added (17%), whereas in the bakery sector it is the opposite. The apparent labour productivity (gross value added per person employed) has the highest value in the manufacture of beverages followed by the manufacture of prepared animal feeds.³

The food and drink industry is a key industry in several EU member states. About one fifth (€ 42 bn) of the EU food industry's value added is generated in Germany, followed by France, Italy, Spain, and the Netherlands. Germany, France, Spain, Poland, and Italy have the largest workforces in the sector. Almost 70% of the per-

The EU Food and Drink Industry – Key figures (EU-27, 2020)

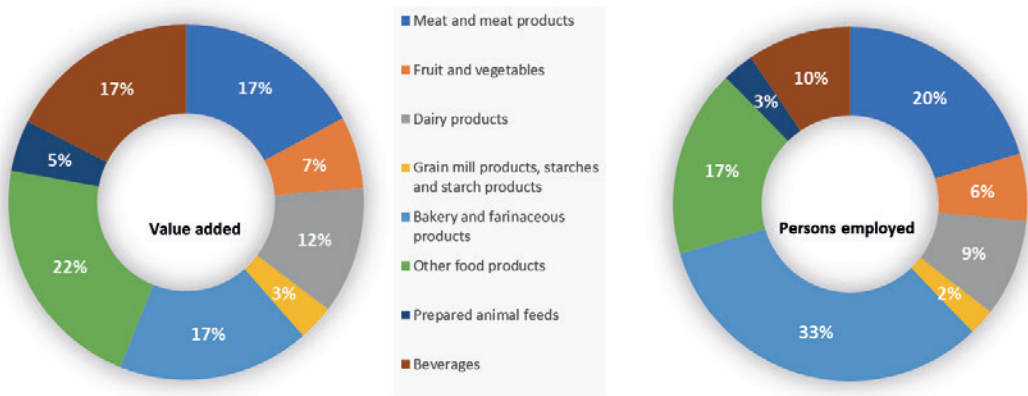


Share of EU manufacturing



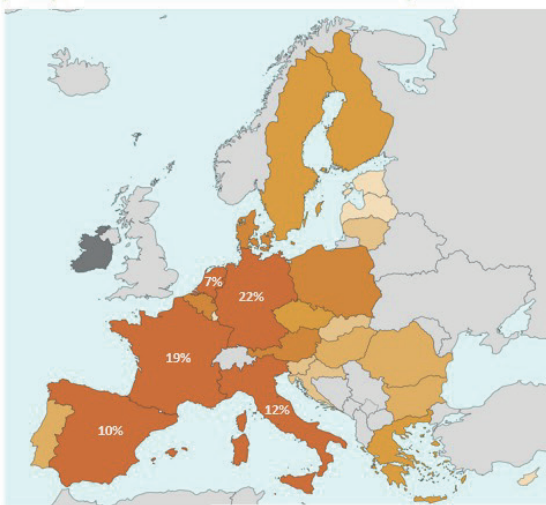
Source: Eurostat 2023; Turnover data refers to 2018, data for Value added at factor costs refers to 2019

Manufacture of food products and Manufacture of beverages (EU-27, 2020)



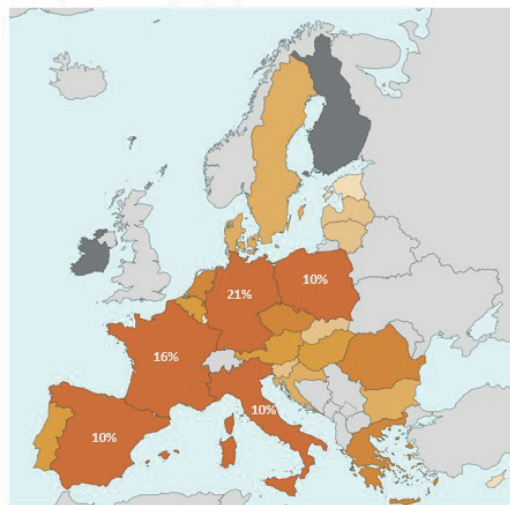
Source: Eurostat 2023, Value added at factor costs in million €, data for beverages 2019

Share of EU Manufacture of Food products (2020, Value added at factor costs in million €)



Source: Eurostat 2023, Data for Ireland 2020 not available, includes estimates

Share of EU Manufacture of Food products (2020, Persons employed)



Source: Eurostat 2023, Data for Finland & Ireland 2020 not available, includes estimates

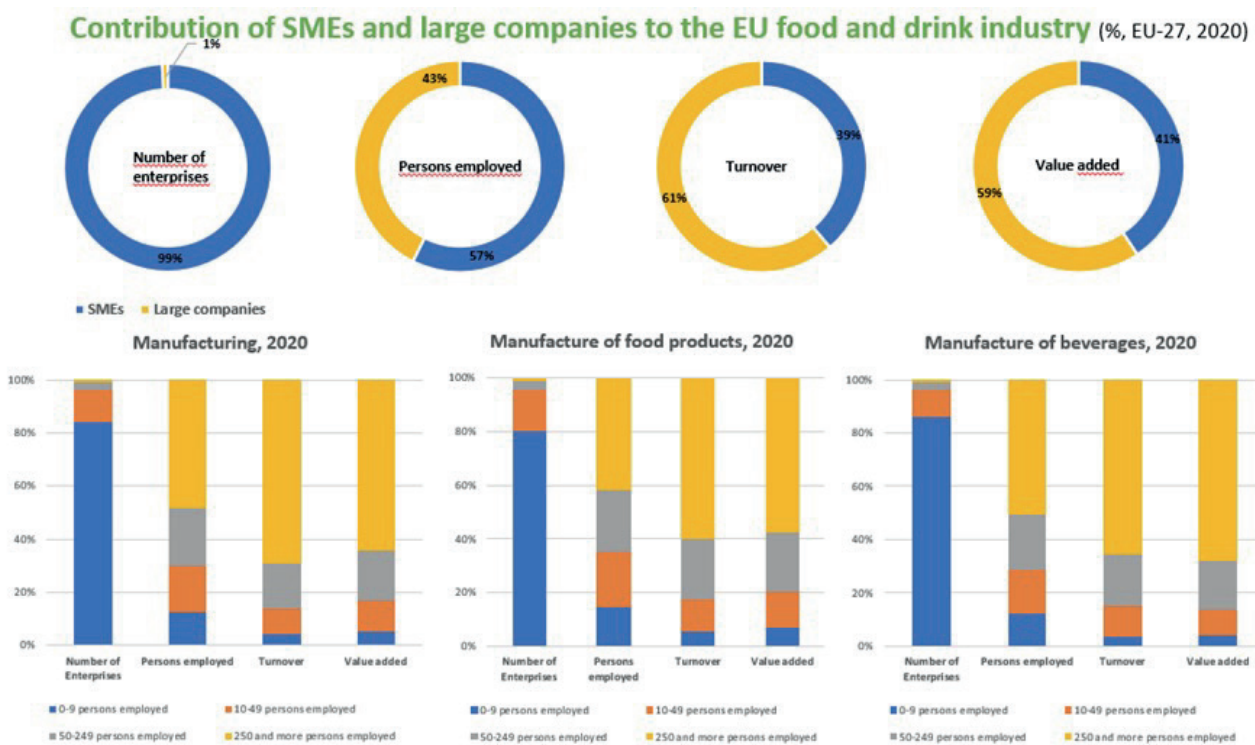
sons employed in the sector work in these countries. The leading European agri-food company in terms of sales is Nestlé (CH). Key players with headquarters in the EU are, for example, Danone (FR), Lactalis (FR), Unilever (NL/UK), Friesland Campina (NL), Ferrero (IT), or Arla Foods (DK). In beverage production, the German and the French beverage manufacturers generate about 20% of the sector's value added each. Germany has the largest workforce in the sector with big brewing companies and Coca Cola (CEP) being the largest employers. Key players of the drink industry headquartered in the EU are, in terms of sales, the three large multinational brewing companies AB InBev (BE), Heineken (NL), and Carlsberg (DK), or Pernod Ricard (FR).⁴

Although, the food and drink industry is often associated with the names of the industry's big players, more than 99% of the 291,000 food and drink companies are SMEs: they are employing around 57% of the sectors' workforce, generating around 39% of food and drink turnover and 41% of value added. Around 235,000 companies (more than 80%) are micro-companies, employing only up to 9 persons. The number of enterprises is the highest in France and in Italy (more than 50,000 each), with a high share of enterprises in the bakery sub-sector (75% in France, 60% in Italy).⁵

1.2. Trends, developments, challenges, and opportunities

Today's economic situation is tense for many food and drink producers and competitive pressure is high. Companies' success in the sector highly depends on innovation and the ability to adapt to constantly changing consumer trends and demands. Overarching global developments and challenges like climate change, population growth, or water and resource scarcity particularly affect the food and drink industry with its close linkages to agriculture on the one hand and its relevance to global food security on the other hand.

The entire agri-food system is undergoing a transformation. Further challenges and investment needs – but also opportunities - arise from the "green transition". Sustainability, decarbonisation, and climate neutrality objectives (e.g. increased energy efficiency, reduced emissions, waste reduction etc.) have gained enormous importance – not just for marketing and image reasons, but also due to legislative requirements and consumer expectations. The European Green Deal and the Farm to Fork Strategy (aiming to make food systems fair, healthy, and environmentally friendly) clearly outline the European Union's legislative ambitions in this field.⁶



Source: Eurostat 2023, includes estimates

Another important issue is the “digital transition”. Increasing automation and digitalisation of production and logistics processes (“Manufacturing 4.0”, “Smart Factory”, etc.) require not just financial investments, but also investments in human resource development.

The report from the joint Effat and FoodDrinkEurope project “New professions and career paths in the food and drink industry”⁷ cover extensively this issue.

The demands on employees are becoming more and more complex, new skill requirements are emerging and, also due to demographic developments and restructuring, the employee structure is changing. A shortage of staff and skilled workers has been one of the biggest challenges for the food and drink industry for a long time already and it will remain so for the time being. On the workers side this increases the pressure and stress on the remaining workforce.

Finally, increasing prices (of raw materials, intermediate products, energy etc.) are weighing on the industry. Due to the immense market power of retailers, the costs can only be partially passed on to food retailers and restaurants through price increases. Political instabilities and major market disruptions or crises like the Covid-19 pandemic and the war in Ukraine add to the already existing challenges. Companies should invest continuously in new products, processes, and technologies to stay competitive. Furthermore, the industry needs to invest in upgrading the skills of its workforce and, at the same time, recruit qualified personnel.

2. The economic and social impact of a crisis on the sector

Crises can partly accelerate existing developments as well as exacerbate already existing problems of economies, sectors, and companies.⁸ The Covid-19 outbreak in 2020, as well as the Russian invasion of Ukraine in 2022 can be taken as examples for two major crises in recent years, comparable to the global financial crisis in 2008/2009. Still, each of these crises was very different, not least with regard to the economic and social impact it had.

The Covid-19 outbreak in early 2020 resulted almost immediately in shifts in consumer demand. Political decisions such as the introduction of lockdown measures to protect public health, among others, led to major supply chain disruptions and disruptions in international trade. GDP per capita went down in 2020 in all EU Member States. The sectors most affected by the pandemic and the lockdown measures were leisure, travel and tourism as well as certain services that require physical proximity. As the food and beverage industry is closely linked to the hospitality industry, the slump in demand and sales affected the sector. On the other hand, retail demand for food (certain groceries) increased significantly. As a result, food supply chains had to adjust. Despite the improved sales figures after two years of crisis, the consequences of the Russian invasion of Ukraine in 2022 exacerbated existing tensions in commodity markets. Energy and food prices escalated, and inflation rates rose. Supply and cost of materials and energy weigh on companies. Overall, food systems still have shown remarkable resilience and the industry has adapted to the changing business environment.

2.1. Household consumption expenditure

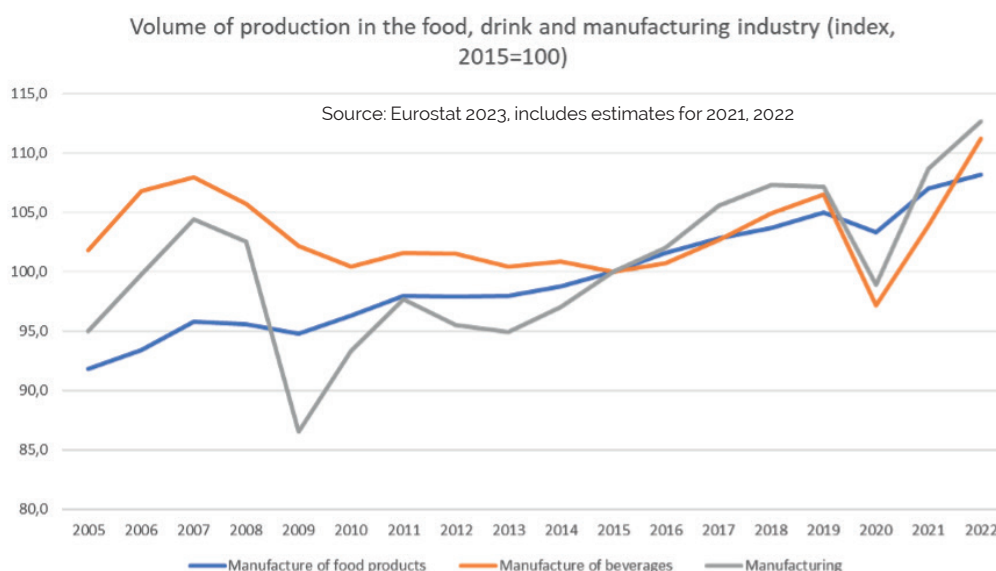
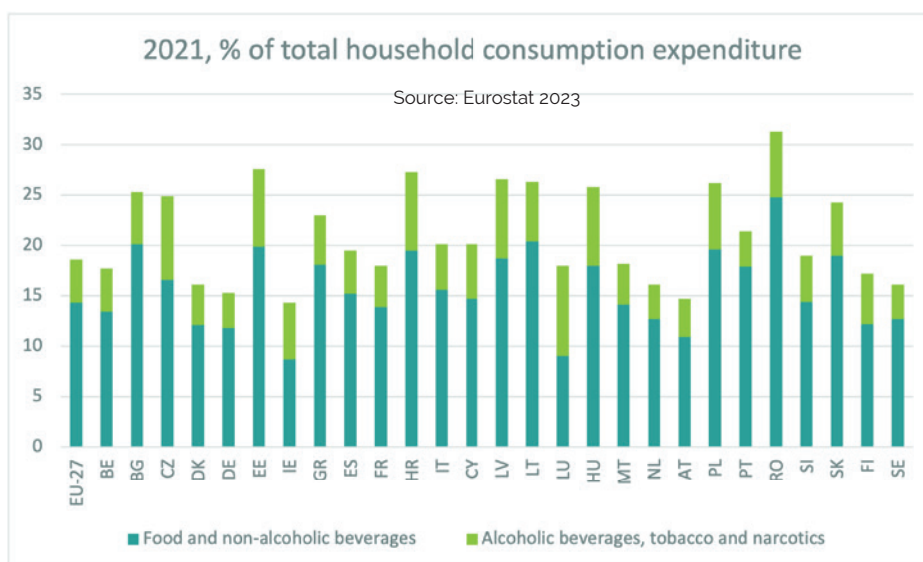
Household consumption expenditure on food and drink is the second largest expenditure of EU households behind housing, water, electricity, gas, and other fuels. In general, total household consumption expenditure (in million €) in the EU-27 decreased in 2020 compared to 2019 and rose again in 2021 and 2022. As a consequence of the Covid-19 outbreak in 2020, the share of consumption expenditure on hotels and restaurants, transport, and recreation and culture decreased. Household consumption expenditure on food and drink products did not decline (neither in million €, nor in share of total expenditure) but it shifted. While out-of-home consumption went down, private consumption rose.

In 2021, EU households spent almost 15% of their consumption expenditure on food and non-alcoholic beverages and 4% on alcoholic beverages, tobacco, and narcotics. The share of household consumption expenditure on food and non-alcoholic beverages ranges between more than 20% in Romania, Latvia, and Bulgaria and less than 10% in Luxemburg and Ireland.⁹ Rising prices and high inflation recently affected consumer and shopping behaviour, resulting in an increased price consciousness.

2.2. Production

Food and drink production (volume of production) appears to be relatively stable compared to manufacturing production in general. Production clearly decreased following the financial crisis (2007-2008) and

the Covid-outbreak (March 2020) – but the decline was only temporary. The sharp decrease in spring 2020 was mainly due to a fall in demand and changing consumer behaviour, related to government restrictions, curfews as well as the closure of hotels, restaurants, and bars. Overall, food producers were less impacted by the crisis than the manufacturers of beverages. In other words, companies depending on contracts with the HoReCa sector were more affected than suppliers to the retail distribution channels for which sales increased. Other reasons for a decline in production were declining exports, supply chain disruptions and, to a small extent, temporary closures of production sites, e.g. due to Covid outbreaks. Of course, some sub-sectors were affected more than others. For example, meat manufacturing and processing suffered more and had not recovered back to pre-pandemic levels up to 2022 while other sub-sectors quickly recovered, performing even above



pre-pandemic levels in 2022. The overall picture is pointing to a relatively high resilience of the industry and a positive outlook¹⁰.

2.3. International trade

The EU food and drink industry is the largest food and drink exporter in the world and a major importer.

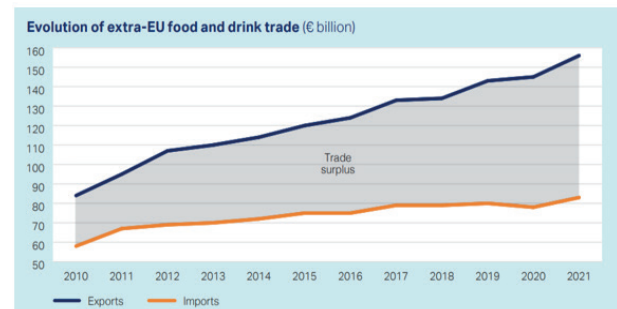
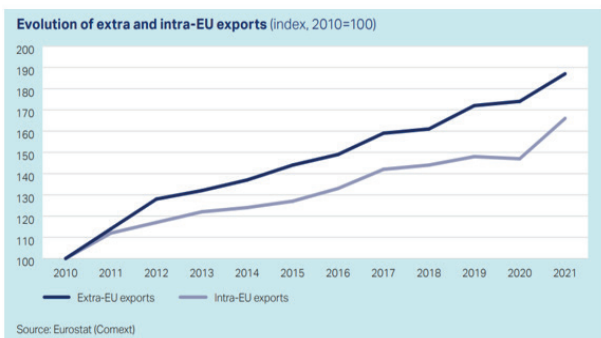
International trade is key to the industry's competitiveness. EU food and drink exports have increased steadily for more than a decade. More than 60% of EU food and drink exports go to the Single Market. The German food and drink industry is the No 1 exporter in intra-EU-trade in terms of value. Other leading export countries are the Netherlands (with a higher share of extra-EU trade) and France. Exports to third countries (extra-EU) are generally higher than intra-EU-exports in the drink industry – unlike the food sector. While the Covid-19 pandemic led to major supply chain disruptions and disturbances in international trade, with the war in Ukraine, among others, the Russian market broke away. Still, internatio-

nal trade proved to be relatively stable. In terms of value, exports in the years 2021 and 2022 clearly increased compared to former years¹¹.

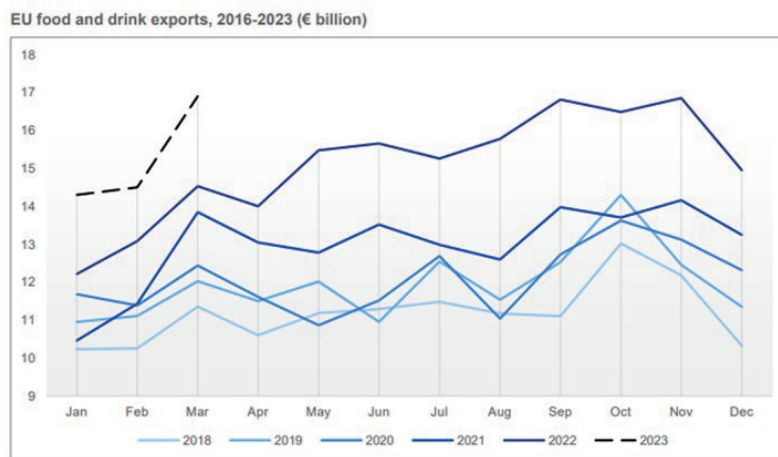
2.4. Price developments and developments of input costs

In the course of 2021, pandemic-related bottlenecks and supply chain disruptions increased the inflation rate. Since February 2022, the war in Ukraine has exacerbated the situation and inflation has risen to historic heights. Russia and Ukraine both are key exporters of energy and agricultural products. Food prices reached levels not seen for almost 15 years, strengthened by speculation movement on commodities market¹². Increasing prices and inflation affect the whole food supply chain and have a strong impact on consumer behaviour. Over 2023, prices and inflation gradually moderated again¹³.

The business success of companies in the food and drink industry is significantly determined by the level

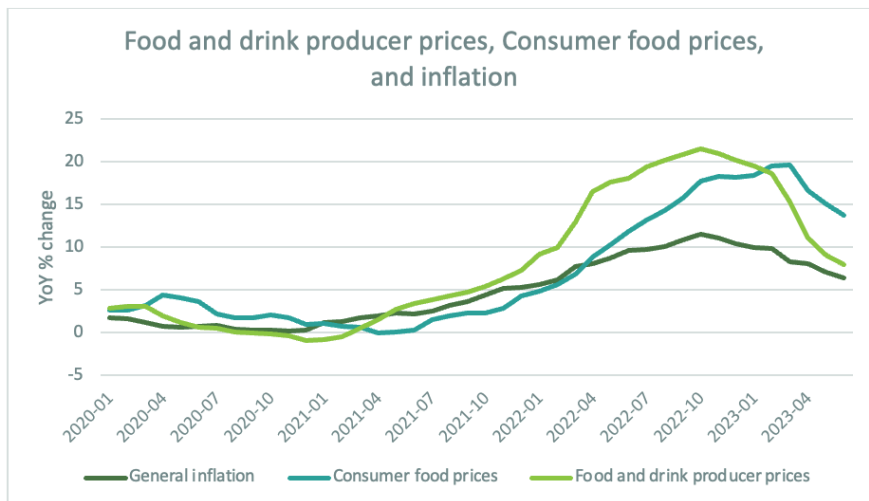


Source: FoodDrinkEurope Data and Trends Report (2022)

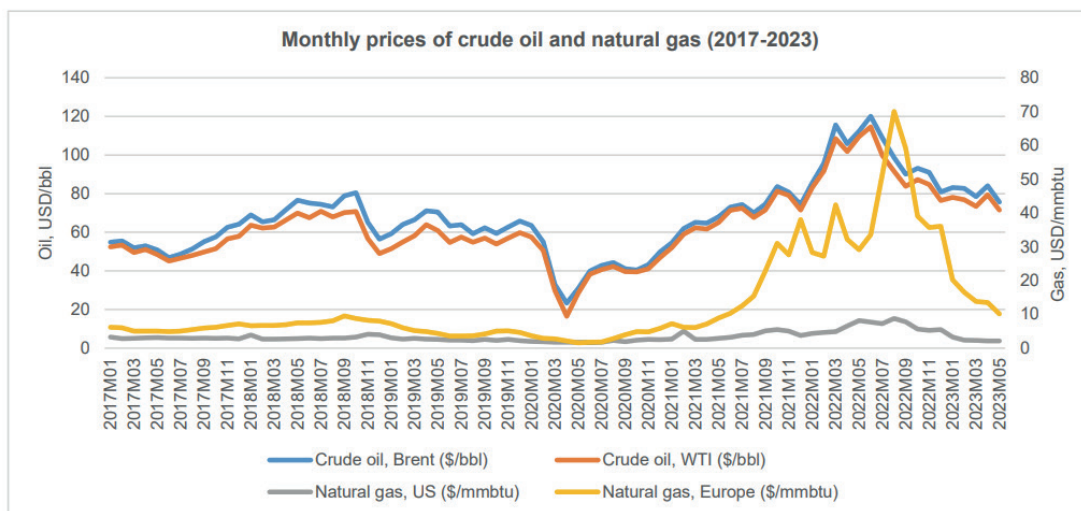


Source: Eurostat

Source: FoodDrinkEurope (2023), Economic Bulletin

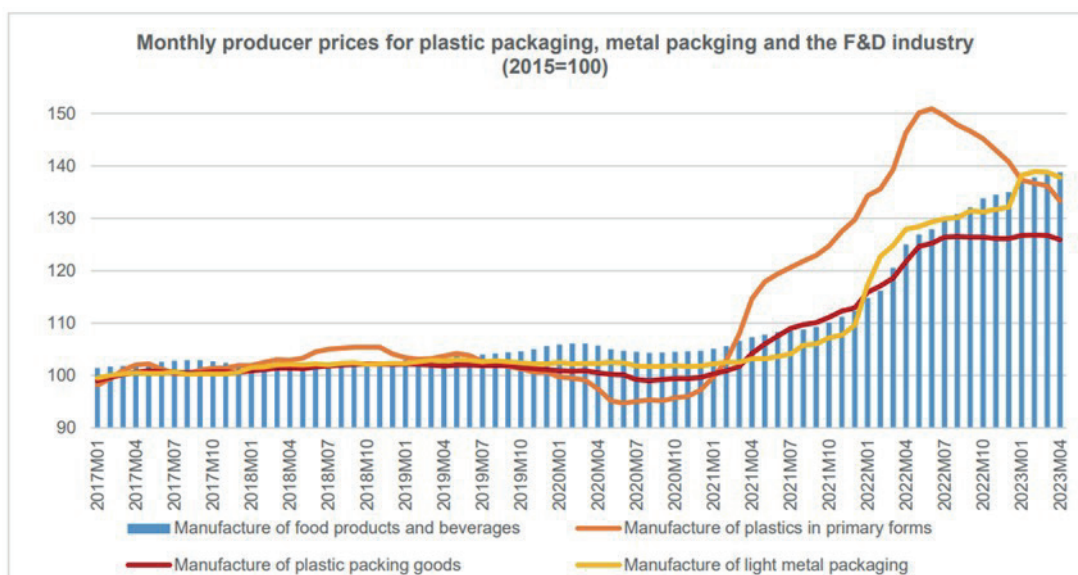


Source: Eurostat 2023



Source: World Bank Commodity Price Data

Source: FoodDrinkEurope (2023), Annex to Economic Bulletin on Input Costs April/May 2023



Source: Eurostat (STS)

Source: FoodDrinkEurope (2023), Economic Bulletin on Input costs

of costs or the price level for the required primary products, raw materials, energy, machinery, equipment, packaging and operating materials as well as transport and logistics. Food and drink producers usually hedge against the volatility of raw materials and material prices by means of long-term supply agreements and price agreements. Still, prices have risen since 2021. With the war in Ukraine, prices of energy, raw materials and ingredients increased again substantially, adding to general cost increases and inflation. Energy efficiency has become an even more important field of innovation, not just to reduce emissions but also to reduce costs. Rising input costs and price increases have not been consistently passed on to the industry's own customers in food retailing and gastronomy. A major reason for this is the market power of the retail trade companies.¹⁴

2.5. Employment and working conditions

Increased prices and rising costs impacting business results may increase the pressure on employment. Nevertheless, in times of a short economic downturn, an industry should retain its experienced and skilled workforce to be able to respond with an increase in production in the next upturn. One priority of most public authorities in Europe during the Covid-19 crisis, was a huge fiscal response aiming at mitigating the economic and labour market effects of the pandemic¹⁵. Still, the situation of the food and drink industry during the Covid-19 pandemic differed from many other sectors because food manufacturing was an "essential industry". Accordingly, the availability of labour was very important to secure food production. Which meant that food

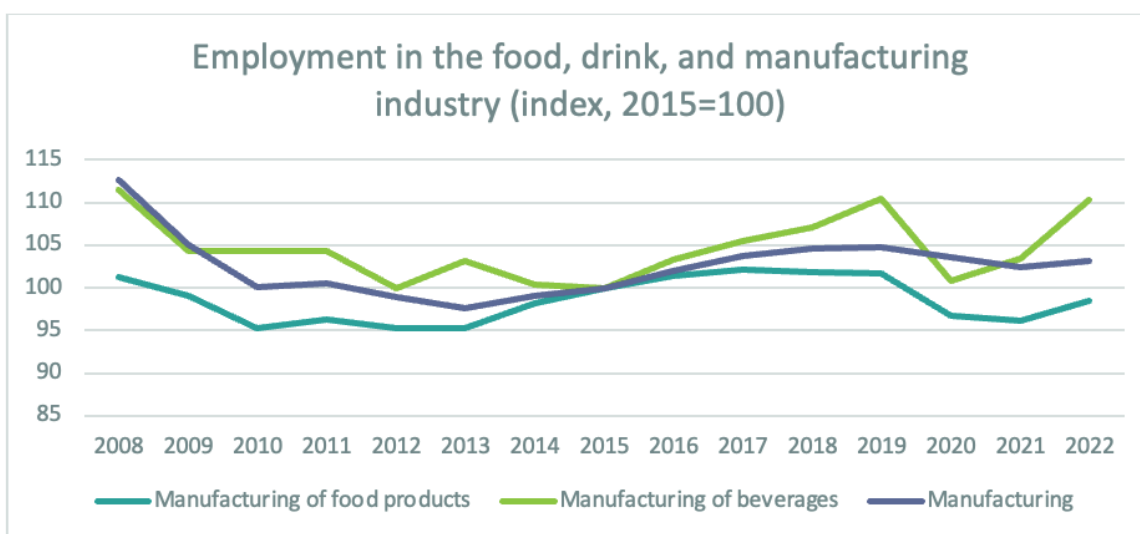
and drink production workers had to go to work every day, as working from home was not an option for most of them.

Employment in the food and drink industry had been relatively stable for more than a decade up to 2019. It declined in 2020. While employment rates recovered quickly and visibly in the drink industry, recovery in the food sector has taken more time¹⁶. During the crisis, above-average employment declines were mainly among employees with temporary contracts, young people, unskilled workers and other low-wage or precarious jobs. At the same time, some companies hired additional employees.

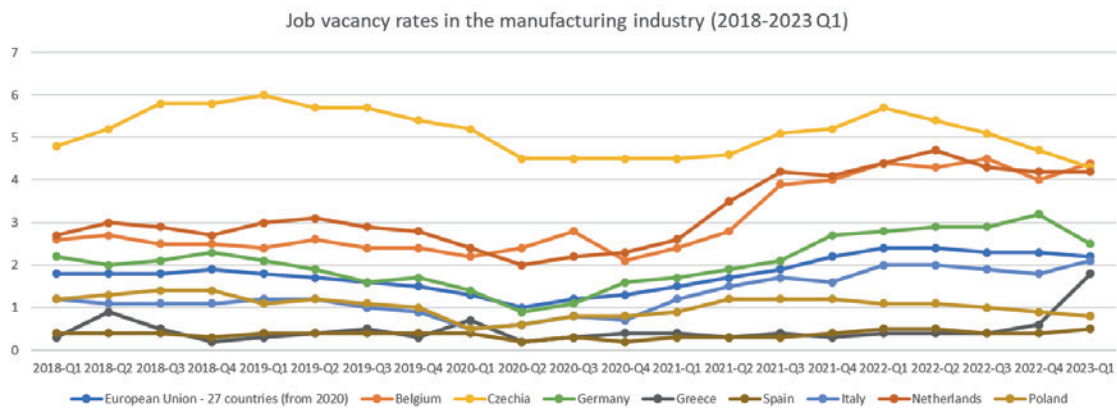
The pandemic has exacerbated the problem of recruiting young people or new staff in general – it often came to a standstill. Another bottleneck was linked to reductions in the mobile workforce of some sub-sectors, due to borders being closed. In the medium term, operational restructuring processes and the progressing automation and digitalisation will affect employment rates in the industry.

Job vacancy rates in the entire EU manufacturing industry were down to 1% in the second quarter 2020 and then increased again. Today, rates vary across EU Member States from around 0.5% in Spain to more than 4% in Belgium, Czechia, and the Netherlands.¹⁷

Work in the food and drink industry is – at least in several sub-sectors – characterised by relatively low average wages and salaries, high seasonal and part-time employment, "non-standard" and precarious jobs, and subcontracting (e.g. foreign temporary agency workers



Source: Eurostat 2023, LFS



Source: Eurostat 2023, Statistics | Eurostat (europa.eu)

in the meat processing industry). The workload is high, health and safety issues are key due to noise, heat, shift work, etc. and a high intensity of work. The workload is said to be increasing in recent years, partly due to a shortage in staff and due to demographic developments.

The findings from the European Working Conditions Telephone Survey on food and beverage workers from Eurofound in 2023¹⁸ shows data concerning working time, job quality including physical risks and demands, training and sustainable work. The food and drink sector rates low compared to other sectors: in relation to work quality, 38% of food and beverage workers are under strain; more than half of the food and beverage workers report working in tiring or painful positions; and 1/4 of food and beverage workers show signs of being at risk of depression. Half of the food and beverage workers report exposure to loud noise at work and report carrying heavy loads. 6 out of 10 food and beverage workers reported not receiving paid training in the last year.¹⁹

At the Covid-19 outbreak, to ensure a stable food supply, people in the EU food and drink industry had to continue working while many workers in other sectors switched to teleworking, reduced working hours, short-time working arrangements etc. Social/physical distancing requirements were often not easy to comply with in food production and processing due to physical space and working conditions at workplaces. Sometimes, health and safety measures were not enough. Furthermore, in some cases, housing conditions of workers (in overcrowded places) facilitated the spread of the virus. Therefore, staff in the food and drink industry was particularly vulnerable to Covid-19 outbreaks and some food processing plants were extremely affected (e.g. examples of larger outbreaks in meat processing plants in

Germany and Ireland). Some production sites even had to be closed temporarily.²⁰

Worries over the health, safety and job security of workers, absenteeism (due to sickness) and at the same time an increased workload and extended working hours for the remaining staff were among the main challenges. Therefore, measures to contain the spread of the virus in workplaces and the protection of the health and safety of workers have been a priority (also for the social partners) in the food and drink industry.

3. Social dialogue and collective bargaining in times of crises

Bi- and tripartite social dialogue at different levels can act as a useful tool to deal with the (labour market) challenges of external shocks or crises like the Covid-19-outbreak or the Russian invasion of Ukraine. Measures adopted and agreements taken as a response to the crises can provide examples on how to promote the capacity of labour markets to shape a sustainable recovery, while at the same time supporting transitions and securing jobs and incomes. Crises can accelerate existing trends – not just related to the transformation of economies and labour markets, but also to developments in industrial relations.

Before these recent crises, the financial and economic crisis (2008 and following years) had a severe impact on the EU economy, labour markets and industrial relations. EU Member States with robust international relations systems were in a better position to manage the social and economic impacts of the crisis in the early phase. Later, the so-called “austerity policies” hit some Member States severely, and recession strongly affected social dialogue in several countries²¹.

3.1. Examples of initiatives at different bargaining levels taken from the covid-19 pandemic

Most Covid-19-related initiatives were launched right at the start of the pandemic in the first months of 2020. At the European sectoral social dialogue, the social partners FoodDrinkEurope and EFFAT adopted three

joint texts. On March 25th, 2020, addressing the European institutions and national authorities, they published a joint statement asking for support for workers in the food and drink industry²². Furthermore, they published guidelines to protect the health and safety of workers in food businesses during the COVID-19 pandemic. These can be seen as recommendations for national member organisations. Topics covered by the guidelines included: information to employees, hygiene practices, review of work organisations, management of employee sickness, logistics, and travel to and from work²³. Then, once Covid-19 vaccinations were becoming available in Europe at the very end of 2020, EFFAT, FoodDrinkEurope and Geopa²⁴, the European Employer’s Group of professional Agricultural Organisations, following the European Commission recommendation, issued a joint statement demanding, that workers of the two sectors be the first in line for vaccination, and urged Member States to consult social partners in the process of developing their vaccination rollout.

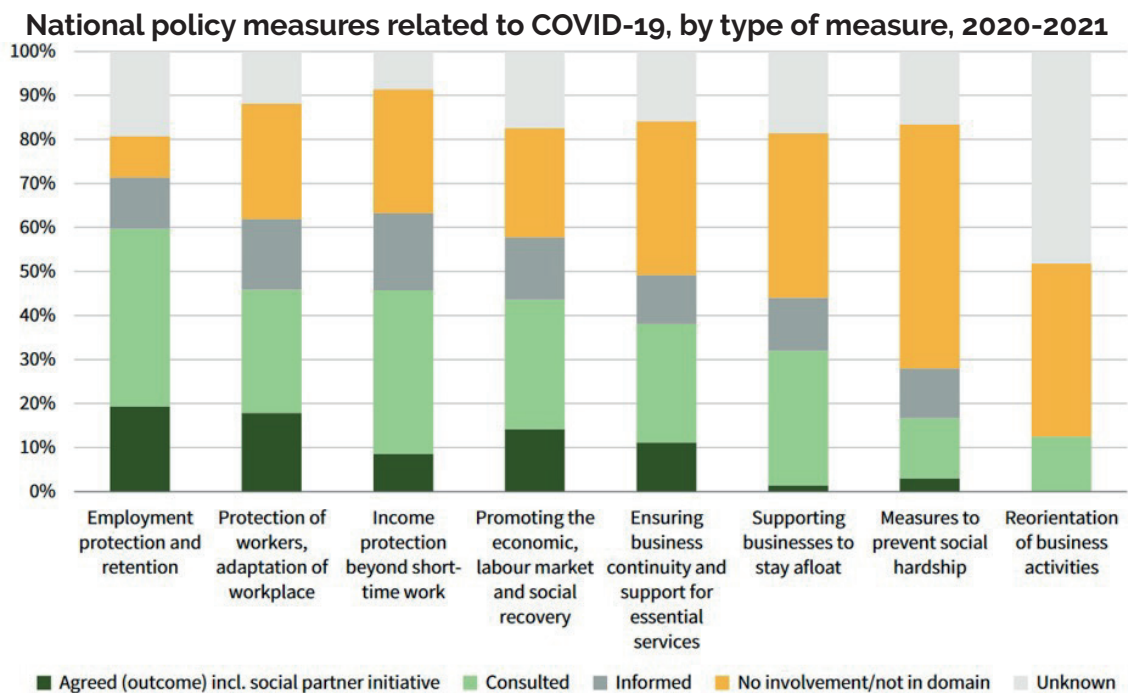
Social partner responses to the Covid-19 pandemic were, due to the particular nature of the pandemic, often concentrating on the protection of workers at the workplace. Across all sectors, according to ILO data, “occupational safety and health” and “sickness and disability” were the two items raised to the top of unions’ bargaining priorities, followed by job security and employment guarantees” and “working hours and leave/holidays.”²⁵

At the national level (not sector-specific), EU Member States had to implement immediate policy responses in order to cushion the socio-economic impact of the crisis on businesses, workers, and citizens. According to Eurofound’s EU PolicyWatch Database, out of 1,051

Joint statement				
25 March 2020	Food and drink trade unions and industry call for worker support	Target group: European institutions / national authorities	EFFAT	FoodDrinkEurope
5 December 2020	Only healthy workers can feed Europe	Target group: Member States	EFFAT	FoodDrinkEurope Geopa
Recommendations				
09 April 2020	Guidelines to protect the health and safety of workers in food businesses during the COVID-19 pandemic	Target group: Companies/National organisations	EFFAT	FoodDrinkEurope
	Topics include: <ul style="list-style-type: none"> • Information to employees • Hygiene practices • Review of work organisations • Management of employee sickness • Logistics • Travel to and from work 			

pandemic-related legislative and tripartite measures recorded between 2020 and 2021, social partners were involved (not just informed) in 40% of the new/adapted measures. Social partners were mostly involved (60%) in measures related to employment protection and reten-

tion, followed by measures related to the protection of workers and adaptation of the workplace²⁶.



Examples of initiatives at national /regional cross-sectoral level

Legislation / Statutory regulation

Various countries (e.g. AT, DE, FR, Ro, SE, SI): Short time working schemes

Background: Employees on short-time work will receive public money to support their livelihood when not working. Companies on the other hand will not have to pay wages for hours not worked and still be able to keep their workers on board and not lay them off.

Actors: National governments, (public employment services), companies, (social insurance); consultation with social partners in most countries

Target group: All employees/workers and businesses

Funding: National funds

Employment protection and retention

Various countries (e.g. ES, AT, NL, FR, DE, SE): Combining job retention schemes with the upgrading of workers' skills (short-time work + training)

Training

Legislation / Statutory regulation

Cyprus: Special sick leave allowance for vulnerable workers and for mandatory quarantine (March 2020-October 2021)

Background: The scheme aims to protect workers having particular health issues allowing their absence from work in order to protect themselves and the deterioration of the health condition. The Ministry of Health prepared a list with the group of workers considered as vulnerable.

Actors: National government, Social Partners (Trade unions and Employers' organisations), political parties and Social insurance joined in a consultation process.

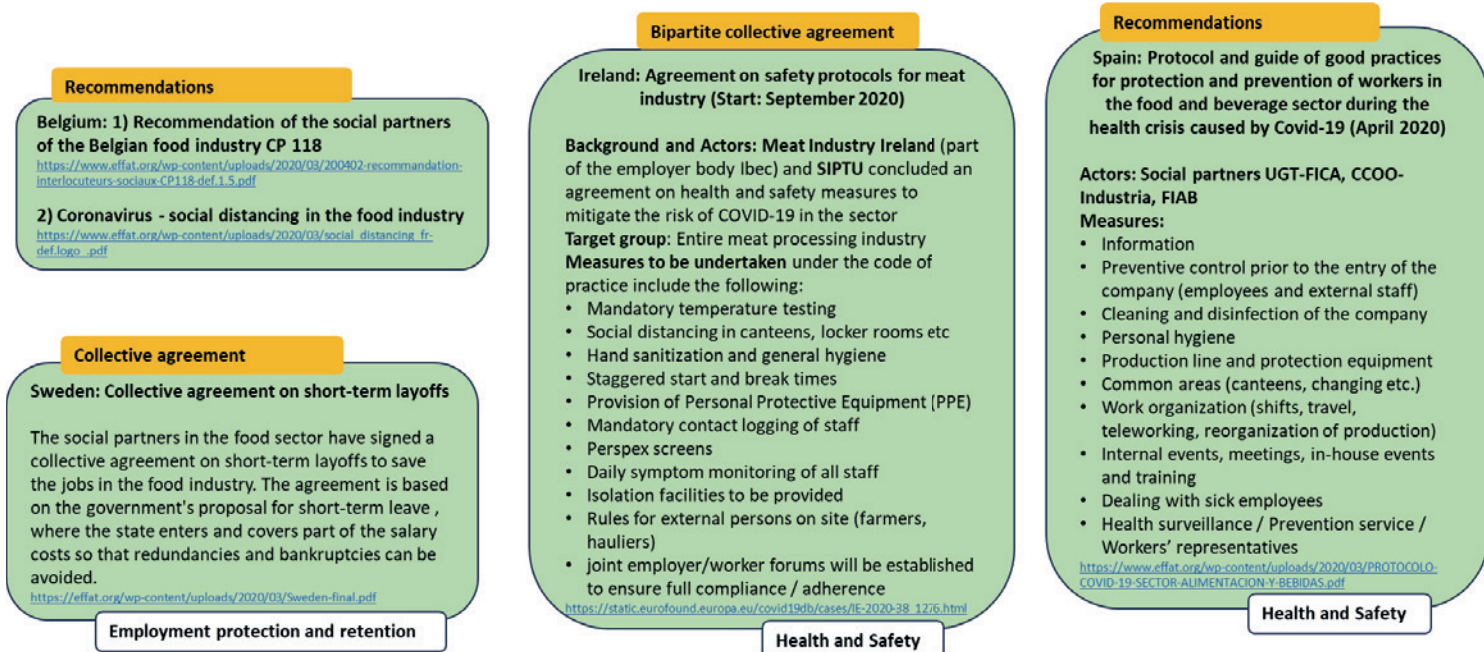
Target group: all (vulnerable) workers

Measures: The Scheme grants the special sick leave allowance to the vulnerable groups subjected to the virus

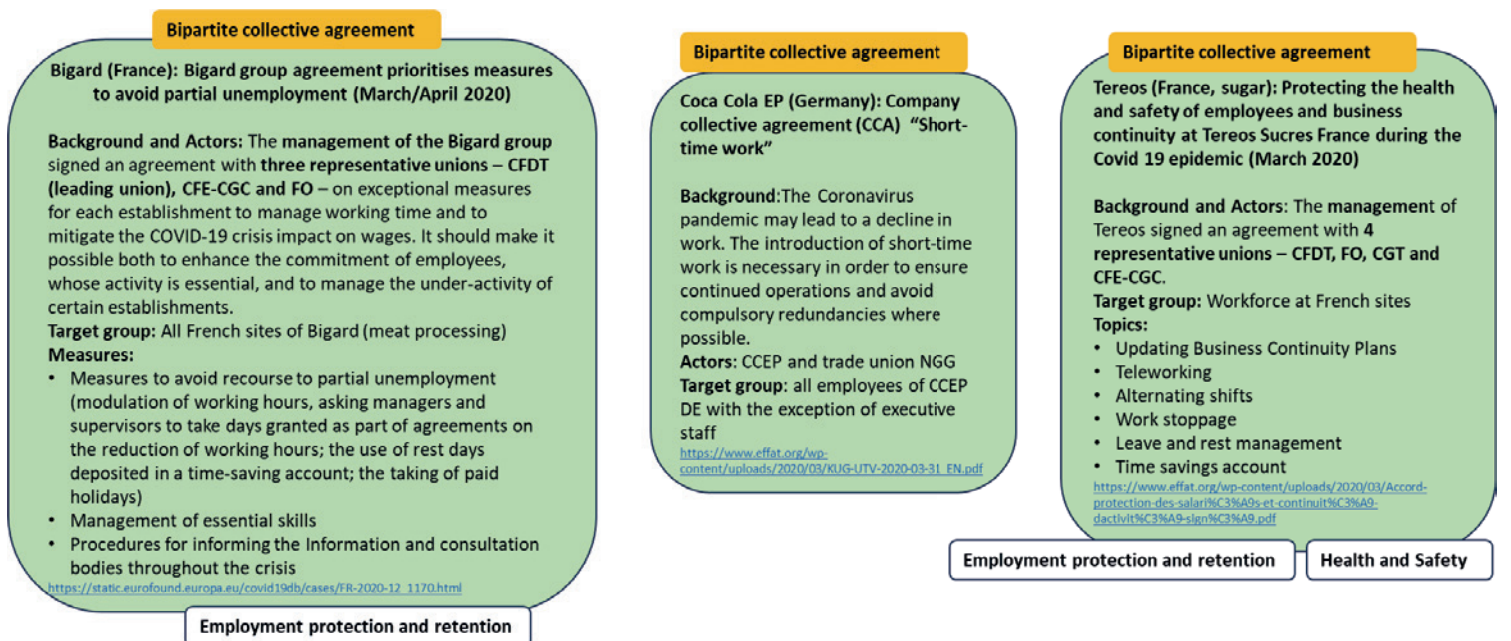
Funding: National Funds
https://static.eurofound.europa.eu/covid19db/cases/CY-2020-12_346.html

Income protection – paid sick leave

Examples of initiatives at (national) sectoral /branch level



Examples of initiatives at company level



3.2. States of play of the european social dialogue

An effective way to understand the social dialogue at European level is to analyse the texts in the EU social dialogue text database. This database records the documents, agreements and outcomes generated through the European Social Dialogue.

For example, in 2022, there were 22 joint texts agreed upon, including one between CEFS and EFFAT, a joint opinion on Mirror Clauses in the sugar sector. Such joint opinions are a key part of the social dialogue process at EU level. There are currently 43 sectors with formally established sectoral social dialogue committees.

The key concerns of this joint opinion would have relevance for many other sub-sectors within food and drink. In 2022, there were 25 such opinions agreed, including an opinion on EFFAT/Food Drink Europe called "For a better food future: Social Dialogue in the food and drink sector" which stated the following: "We recall that European social dialogue is entirely interdependent with the social dialogue in the Member States and cannot be treated separately."

In 2021, there were 25 joint social partner opinions issued, including a text between EFFAT and CES titled "EU sugar sector: EU policies need to be coherent to ensure a just transition." In 2020, there were 91 joint social partner opinions issued, reflecting the rise of social dialogue at EU level during the pandemic.

There were 10 joint opinions issued in the food and drink sector between 2013 and 2024. Of these, 4 were released in 2014 and 2015. Before 2013, no such statement had been agreed.

Data over ten years shows that the average number of statements issued across 45 sectors was ten (see table below). So, while the food and drink sector ranks at the average, it is worth noting that 10 opinions have been issued within the sugar sub-sector alone, and social partners in other larger sectors have issued far more than 10 opinions.

Food and drink	10
Agriculture	8
Banking	8
Central government admin	14
Chemical	20
Civil Aviation	22
Commerce	7
Construction	8
Contract catering	7
Education	20
Electricity	16
Extractive	6
Footwear	1
Furniture	6
Gas	2
Graphical	6
HoReCa	4
Hospitals	10
Industrial cleaning	9
Inland waterways	2
Insurance	8
Live Performance	18
Local and regional government	8
Maritime transport	27
Metal	13
Paper	9
Personal services	13
Ports	3
Postal services	8
Private security	9
Professional football	4
Railways	16
Roads	16
Sea fisheries	37
Shipbuilding	8
Steel	7
Sugar	10
Tanning and leather	6
Telecommunications	10
Temporary agency work	9
Textile and clothing	1
Woodworking	8
Total: 45	434

3.3. Funding

Several EU funds and programmes can be used in the Food and Drink sector for the benefits of the companies and the workers.

Research and Innovation

Horizon Europe: This is the EU's primary funding program for research and innovation, with a budget of €95.5 billion for 2021-2027. Around €9 billion is allocated to Cluster 6, which focuses on «Food, Bioeconomy, Natural Resources, Agriculture, and Environment.» This funding supports projects that develop innovative solutions and new knowledge in the food and agricultural sectors.

EU Structural and Investment funds

European Regional Development Fund (ERDF): This fund supports regional development projects, including those in the food industry, aiming to improve regional competitiveness and create jobs. It is particularly useful for small and medium-sized enterprises (SMEs) in the food sector looking to innovate and expand.

European Social Fund Plus (ESF+): This fund aims to enhance social inclusion, employment opportunities, and education. It can benefit the food industry by supporting training and skills development initiatives that improve workers qualification in the sector.

InvestEU Fund: This fund supports private and public investments in four policy areas: sustainable infrastructure; research, innovation and digitisation; small and medium-sized businesses; and social investment and skills. The €26.2 billion budget guarantee can benefit the food and drink sector through various financial products and instruments designed to foster sustainable growth, innovation, and resilience.

EU Recovery plan post pandemic

NextGenerationEU and the Recovery and Resilience Facility: As one of the main EU instruments in reaction to the challenges of the Covid-19 crisis, these funds support the green and digital transformation of the EU economies, including initiatives in the food and drink sector that align with sustainability goals and digital advancements. Together with the Multiannual Financial Framework (MFF) 2021-2027, more than € 2 trillion are available to boost the recovery, making it the largest stimulus package ever financed in Europe.²⁷

EU programmes managed by the European Commission (under the current MFF)

The Digital Europe Programme (DIGITAL): The EU's Digital Europe Programme, running from 2021 to 2027, aims to enhance Europe's digital capabilities with a budget of €7.5 billion. One of its objectives is to facilitate the broad adoption of digital technologies in key sectors to improve Europe's competitiveness.

The Single Market Programme (SMP): the SMP is an initiative designed to enhance the functioning and governance of the EU's internal market. It is endowed with a budget of €4.2 billion for the period 2021-2027. Among others, its objective is to ensure food safety and to support sustainable food production and consumption. The programme aims also at boosting the competitiveness of SMEs, complementing financial support offered through the InvestEU Fund.

The LIFE Programme: This funding instrument is dedicated to the environment and climate action of the EU, running from 2021 to 2027 with a budget of €5.4 billion. Its main objectives are to support projects that promote resource efficiency, reduce greenhouse gas emissions, protect biodiversity, and improve the implementation and enforcement of EU environmental and climate policies. LIFE funding is available for a wide range of projects, including small and medium-sized enterprises (SMEs), aiming to promote sustainable development and contribute to the EU's climate and environmental objectives.

Support to workers in case of restructuring.

The European Globalisation Adjustment Fund for Displaced Workers (EGF): the EGF is an EU instrument for European workers or self-employed people that were displaced due to company restructuring. The EGF can be activated by SMEs, in various sectors in the same region or in a particular sector in one or more neighbouring regions, when a single company (including its suppliers and downstream producers) lays off over 200 workers.. The EGF has an annual budget of €210 million for 2021-2027. It can fund from 60% to 85% of the cost of projects designed to help workers made redundant find another job or set up their own businesses.

1 In this context, the industry comprises NACE Rev. 2 codes C10 (Manufacture of food products) and C11 (Manufacture of beverages) and the corresponding sub-sectors (C10.1-C10.g, C11.1-C11.7) according to the Eurostat statistical classification.

2 Eurostat (2023): Data (EU-27) for "enterprises" and "persons employed" refer to 2020, "value added at factor cost" to 2019/2020 and "turnover" to the years 2018/2019/2020 (due to data availability; partly including estimates and confidential data).

3 10 Eurostat (2023): data: manufacture of food products 2020, manufacture of beverages 2019.

4 Eurostat (2023), FoodDrinkEurope (2022)

5 Eurostat (2023)

6 European Union (2020) .

7 https://effat.org/wp-content/uploads/2020/03/Digitalisation-project_eng_print.pdf

8 For example, the German brewing industry had been faced with declining consumption for decades already. Similarly, the meat processing industry had to face several challenges already before the outbreak of the Covid-19 pandemic.

9 Eurostat (2023)

10 Eurostat (2023), includes estimates for 2021 and 2022.

11 FoodDrinkEurope (2023), FoodDrinkEurope (2022)

12 European Parliament (2023), resolution of 14 June 2023 on ensuring food security and long-term resilience of the EU agriculture (2022/2183(INI))

13 Eurostat (2023)

14 Eurostat (2023), FoodDrinkEurope (2023)

15 Cp. Eurofound (2020), Eurofound (2023i)

16 Eurostat (2023)

17 Eurostat (2023)

18 Eurofound, Job quality and sustainable work of food and beverage workers, Findings from the European Working Conditions Telephone Survey, 2023

19 EWCTS (2021)

20 Cp. OECD (2020)

21 Cp. Eurofound (2009), Eurofound (2012), Eurofound (2021), Eurofound (2023i)

22 EFFAT (2020ii)

23 EFFAT (2020iii)

24 EFFAT (2020iiii)

25 ILO (2021)

26 Eurofound (2023i), Eurofound EU PolicyWatch Database

27 European Commission



PART 2

Survey, case studies and findings

1. Result of the survey

The survey was developed by Syndex with input from project partners, and project steering group members. It was designed to:

1. Produce both qualitative and quantitative data
2. Provide material for use in interviews/case studies
3. Feed into the first project workshop

The survey was designed to be answered by a broad range of recipients and tailored to the type of social dialogue that participants took part in. The survey was also designed with a view to the practical outcomes of the project, including the toolkit.

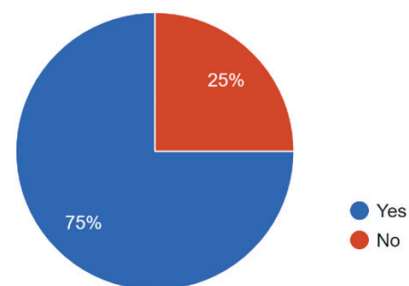
The main purpose of the survey was an attempt to assess the "quality" of social dialogue that took place during the pandemic. From this point of view, the results were most insightful. It should be noted that there was a good spread of responses from across the various component parts of the sector and that participants spread fairly evenly. Participants from 10 different countries took part, reflecting a good geographical balance.

1.1. Social dialogue during the pandemic at company level

The largest number of participants who took part in the survey were engaged in social dialogue at company level.

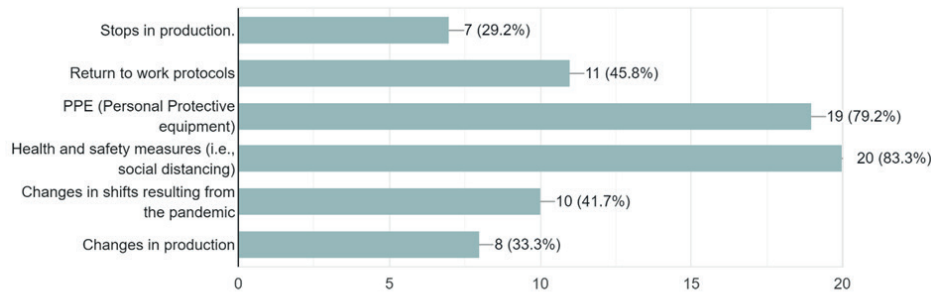
During the pandemic, were you engaged in social dialogue at company level (I.E. in social dialogue at the firm or in a company works council)

32 responses



Which of these issues were the subject of agreed outcomes in social dialogue you participated in? (I.e.-outcomes on these issues were agreed, rather than implemented unilaterally)

24 responses



While experience of social dialogue at this level was positive, the majority of participants did not feel that they were equipped with adequate resources (only 29.2% felt they were adequately equipped) and a minority reported believing that the national government was supportive of social dialogue (37.5%).

The two topics which dominated company social dialogue were health and safety measures and PPE (Personal Protective Equipment), suggesting that social dialogue was particularly focused on emergency measures following the outbreak of the pandemic.

1.2. Social dialogue during the pandemic at sectoral level

At sectoral level, participants reported that they were more likely to be equipped in social dialogue with the necessary resources to participate than participants at company level (61.5%). Only 30.8% noted that the government was supportive. A strong majority, 69.2%, felt that positive outcomes were achieved through their participation in the social dialogue. At national level,

participants again reported a positive impression of their participation in social dialogue during the pandemic.

1.3. Social dialogue during the pandemic at European level

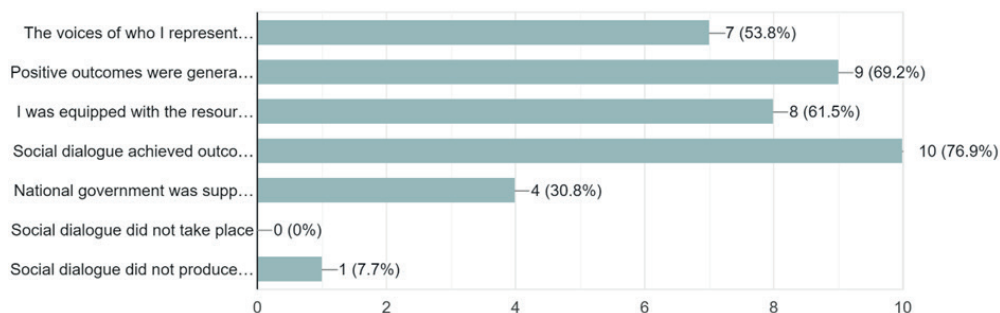
Just over 22% of participants were involved in social dialogue at transnational level. One fourth (25%) of the participants reported using the guidelines issued by EF-FAT/foodDrinkEurope during the pandemic.

1.4. Practices of social dialogue during the pandemic

A short majority (56%) reported that the online shift did not negatively impact social dialogue. Consistent with findings elsewhere, the majority of participants reported that social dialogue was around the same quality as that conducted before the pandemic, suggesting that there have been few changes as a result of social dialogue conducted during the period in question.

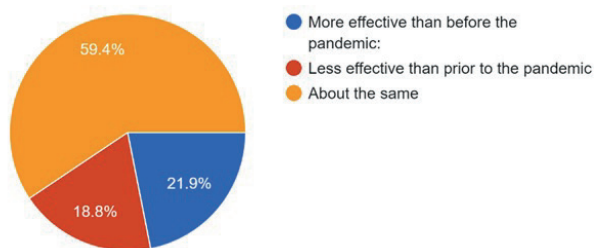
Which of the following describe your experience?

13 responses



Is social dialogue now?

32 responses



The survey shows that an intense social dialogue took place during the pandemic at every level. Generally, participants noted a positive outcome of the social dialogue, hinting at the positive capacity of social partners to deal with the challenges from the pandemic. As one can expect, at sectoral and company level, discussions were highly dominated by health and safety issues.

We can see a difference between sectoral and company level social dialogue, the latter being perceived as less equipped with adequate resources, denoting a need for improvement at this level.

Interestingly, a significant share of participants (22%) reported an improvement in social dialogue after the pandemic, even though the majority of participants did not note any significant difference in the way social dialogue was carried out before and after the crisis.

At transnational level, few participants took part. Nevertheless, one fourth of the respondents reported using an outcome from the European Sectoral Social Dialogue. If the dissemination of the outcomes of European social dialogue was to improve, it would show the usefulness of such initiatives for a significant share of the participants.

2. Case studies

2.1. Denmark: main findings

The Danish response to the economic effect of the lockdown followed its traditional model, involving unions and employer associations in deliberations.

- Social partners strongly regulate the Danish labour market through collective agreements. Statutory regulation is limited to issues such as health and safety, holidays and specific rights for salaried workers.
- The collective bargaining coverage stands at 70–75% in the private sector, and there is almost full coverage in the public sector. Trade union density is comparatively high, and around 50% of employers are part of employer organisations.

The Danish Trade Union Confederation (FH) and the Danish Employers' Confederation (DA) play a key role:

- The unions and employer associations of these two large organisations make sectoral agreements and prescribe national standards.
- Tripartite social dialogue does not have a formal institution or body, but it has a strong track record of delivering important agreements on concrete challenges for the labour market and the economy in general.

When the pandemic broke out, a "wage compensation scheme was agreed." In total, over 30 political agreements – 14 of which were tripartite between social partners and the government – targeted different groups and industries with the explicit goal of keeping businesses and workers afloat.

The conduct of social dialogue appears to have run relatively smoothly between "partners" in social dialogue. Social dialogue took place between "trusted" partners who were familiar to one another, following established patterns of social dialogue, processes etc. Denmark's food and drink sector did not experience significant issues with labour although restrictions on the mobility of production labour was of serious concern.

Focus: the meat sector

The sector was characterised by a robust social dialogue contributing to a stable sector. The strong level of social dialogue during the pandemic was very much a continuation of the Danish model. Indeed, the model was able to absorb the shock of the pandemic, especially

by a strong emphasis on local firm level collective bargaining and focusing on solutions. Crucially, evidence suggests that social dialogue contributed to limiting the outbreak of cases in the Food and Drink sector, though there were exceptions (e.g. Danish Crown).

Denmark was able to deal with health and safety issues at the local level. When workers were sick (local testing was in place), they were sent home and paid sick pay under the established Danish model (i.e. the company pays the initial sick pay – with longer duration benefits being paid by the state). In general, local social dialogue placed heavy emphasis on PPE, health and safety, and workers isolating from each other at the workplace. Any issues concerning these were passed up to the sectoral level where they were dealt with. As before, the State was supportive of social dialogue.

In one instance, there was a shutdown of a company in the Danish Crown group; the company had not followed their own guidelines. The shutdown lasted for 2 weeks. Workers experienced no loss of pay – which was a priority for the union, but there were some disruptions in the social dialogue. The original sick pay offer was below the normal hourly wage for the workers concerned. The issue was resolved following an intervention by the NNF.

2.2. Ireland

Ireland represents a stark contrast to Denmark. In the first instance, Ireland operates a liberal market economy as opposed to Denmark's co-ordinated market economy:

- Absence of strong social dialogue structures.
- Very little sectoral bargaining (entirely lacking in the food and drink manufacturing sector).
- Weak structures at national level (very weak tripartite structures).
- Labour market "deregulated in wake of financial crash"
- Consultation carried out through LEEF (Labour Employer Economic Forum)

The Government introduced few measures, for instance the Pandemic Unemployment Payment to pay all workers who became unemployed as a result of the pandemic a basic rate of € 350 per month. Another measure introduced was the EWSS (a subsidy scheme for eligible employers). The social partners, namely the Irish Congress of Trade Unions and employers organisation IBEC, had been consulted by the government on these schemes and both welcomed their introduction.

Focus: the meat sector

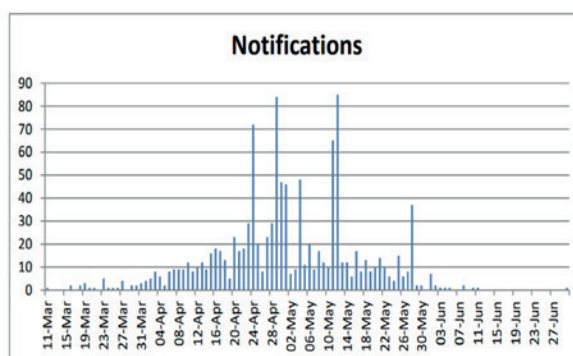
The outbreak in the meat sector became a national issue in Ireland:

- Widespread coverage of outbreaks of Covid in media-community;
- Outbreaks due to contagion from meat plants..led to more widespread lockdowns...;
- As of 21/07/2020, there were 1,047 cases of COVID-19 among workers associated with outbreaks in meat plants (in contrast with Denmark...);
- Ireland has very little way of facilitating social dialogue; collective bargaining existed in a minority of meat plants, there was no sectoral bargaining in place and weak national level/tripartite bargaining;
- The table below shows the outbreak of Covid 19 in meat plants in Ireland between 11/03/2020 until 30/06/2020. There were 1,047 cases of COVID-19 among workers associated with 23 outbreaks in meat processing plants in Ireland.

It should be noted that:

- Meat workers are obviously vulnerable to the spread of Covid, working in close proximity to each other.
- Distinct lack of social dialogue taking place in the sector. Lack of social dialogue at company level. Through March and April, government and employers did not engage with trade unions on requests to meet.
- Limited testing taking place in early months... Evidence of workers avoiding tests as no sick pay in place.

Outbreaks of COVID-19 in Meat Plants Ireland, 2020 | Final Report V1.1 27/07/2020



Source: Irish Government, 2020.

The table above shows the number of outbreaks of Covid 19 in meat processing plants on a monthly basis. These outbreaks were often the cause of significant contagion.

The Meat sector in Ireland has a very low level of collective bargaining/low level of union recognition. Indeed, trade unions are recognised in a minority of companies in Ireland. Moreover, there is no sectoral level bargaining.

Table 1: CIDR Events (Worker Cases of COVID-19) Associated with Irish MPP Outbreaks include DATE Period

Meat Plant Outbreak	No. of workers associated with Outbreak
01	226
02	142
03	146
04	114
05	114
06	100
07	37
08	37
09	25
10	24
11	0'
12	14
13	21
14	7
15	4
16	3
17	De-notified
18	4
19	15
20	6
21	2
22	4
23	2
Total	1047

Source: Irish Government, 2020.: Investigation into a Series of Outbreaks of COVID-19 in Meat Processing Plants in Ireland, 2020. Irish Government, 2020.

ning (no agreements covering the sector generally).

The sector has widespread low pay while pay and terms and conditions are negotiated locally. Agreement on health and safety are generally only put in place where Unions were existing. The pandemic eventually brought pressure to bear to actually bring about social dialogue and led to the first social dialogue at sectoral level, supported by the state. It was the first ever social dialogue in the sector based on a protocol for return to work.

The discussion about sick pay is illustrative of what happened in Ireland:

- Discussion on sick pay was initially strongly resisted by employers' organisations when attempts were made on the part of SIPTU to engage in discussions after the outbreak of the pandemic. Only after national pressure was brought to bear, crucially at a party parliamentary committee did movement arise on the issue.
- Sick pay was introduced as part of a government package; sick pay remains lower than many European countries. It is not social insurance based. However, it is a basis for future improvements. The commitment to introduce a national sick pay scheme was made during the pandemic, and was eventually legislated for in 2022 through a Sick Leave act.

Eventually, social dialogue produced an outcome. In September 2020, Meat Industry Ireland and SIPTU (union in the meat sector) put in place a code of practice

for the safe management of staff during the Covid-19 pandemic. An extensive list of measures to be undertaken under the code of practice include the following temperature, PPP, physical distancing and health and safety measures.

Ireland and Denmark: Meat sector social dialogue compared

	Denmark	Ireland
Strong local social dialogue	Yes	NO
Strong sectoral (bi partite) social dialogue	Yes	No
Strong tripartite social dialogue	Yes – at national level, for the labour market in general and linked to the Covid pandemic	No
Early agreement on measures relating to Covid 19	Yes	No
Sick pay scheme in place	Yes	No
Widespread outbreaks of covid 19	No	Yes
Continuation of model of social dialogue	Yes	No?
Lasting legacy	No	Yes?

2.3. Belgium

In Belgium, the food industry is covered by joint committee (Commission paritaire, CP) 118 for blue-collar workers, itself divided into 22 sub-committees for as many sub-sectors, and CP 220 for white-collar workers. These committees have been in existence for many years and the players in the social dialogue, both employers and trade union representatives, meet regularly for annual negotiations, as was the case before the pandemic.

Social partners in the food industry:

- Employers:
 - » **Fevia** (Federation of the Belgian food industry)
 - » **Unizo** (self-employed and SMEs)
- Trade unions:
 - » **ABVV-FGTB Horval and ABVV-FGTB BBTK-SETCa**
 - » **ACLVB-CGSLB**
 - » **CSC Food and Services**
 - » **CSC-CNE**

Discussions between the social partners began very quickly, with a view to taking appropriate measures to ensure business continuity during the pandemic.

- A guide: **Coronavirus: A sector guide for the food industry** (https://www.cgslb.be/sites/default/files/aclvb/200529-guide_sectoriel.02.06.2020.ifm.pdf)

This guide was drawn up and distributed in May 2020 and updated in June 2020. This guide follows the development of a generic guide at national and multi-sector level to counter the spread of the coronavirus. This guide contains general measures that the sectors and all employers are free to refine to ensure that the return to work takes place in a context that guarantees health and safety. The social partners adapted and strengthened those measures to the specificity of the food industry sector.

The social partners have thus harmonised all the pre-existing safety and hygiene directives in the food industry sector. These adaptations have resulted in a sector guide that covers all the safety instructions in force in the food industry to deal with Covid, accompanied by recommendations.

- **Supplementary compensation in the event of incapacity for work due to Covid**

White-collar workers (employees) were excluded from such a scheme. Only blue-collar workers were entitled, in the event of long-term illness or accident, to a supplementary allowance (for a maximum of 9 months).

Thanks to the agreement reached by social partners, any worker who became incapacitated as a result of Covid-19 was able to benefit from a supplementary allowance for the period between the 13.03.2020 and 31.12.2020. Financed by the "Social Fund" of the sector (a fund financed by companies in the sector), the contribution amounted to 19.30 euros gross per day of incapacity for work due to Covid-19. This would be available to the worker after the end of the guaranteed salary period (30 days in most case in Belgium).

- **Setting up specific funding for online training**

The guide has served in particular as a reference for large companies and SMEs with more than 50 employees, where social consultation took place. Unfortunately, it is more difficult to obtain an overview of the impact of this guide on smaller companies. The Joint Committee was also able to organise a follow-up on the implementation of the guide's recommendations and issued an official reminder to companies that have implemented the recommendations incorrectly. Social dialogue thus played an autonomous role in standardising activities, at a time when the government was concentrating on the national aspects of the pandemic. Interestingly, interviewees reached for the case studies mentioned the Effat/FoodDrinkEurope Guideline as an important source of inspiration for the elaboration of the Belgian sectoral guide.

The vitality of social dialogue in the food sector should be seen in the context of that in the hotel and catering industry, a sector that has been hit differently by the consequences of the pandemic. As a downstream sector of the food industry, closed or semi-closed during lockdown periods, there was very little social dialogue in the HoReCa sector. In view of the sector's economic impact, the government stepped in, introduced a tripartite format and financed measures (notably end-of-year bonuses, as the sector was unable to do this on its own).

The end of the pandemic led to a return to normal social dialogue. Online meetings, which were very common during the pandemic, did not continue. Post-pandemic issues (energy, raw materials, inflation) were less of a topic for social dialogue. The automatic indexation of wages in Belgium acted as a buffer to the problem of purchasing power, without resolving all the situations. Today, social dialogue focuses on issues specific to the sector, in line with the problems of each sub-sector:

working conditions, training, digitalisation, health and safety, regulation of sub-contracting, etc.

The Belgian social partners were therefore able to react quickly to the consequences of the COVID crisis, thanks in particular to pre-existing social dialogue structures and players who know each other well and are used to talking to each other.

2.4. Spain

The case study of the Spanish meat sector reveals a sector where the pandemic kick-started a social dialogue. Tripartite collective bargaining was widely used as a tool to deal with the pandemic in Spain. Spain has a collective bargaining system characterised by a high number of sectoral and regional collective agreements and a tradition of strong cross-sectoral collective bargaining.

A case study analysis of the social dialogue during the period revealed the following:

- The sector was essentially designated early in the pandemic. This concentrated the minds of the social partners. There was some common ground, with a strong emphasis from all sides on maintaining production and ensuring safety.
- The social dialogue was united around a number of immediate and urgent topics. This added impetus and energy in the process. The agreement of a common agenda concentrated minds in a way that was not always possible before.

In addition to an intensification of the social dialogue agenda, made possible by the urgency of the items to be discussed, the onset of digital technology facilitated an additional number of meetings and exchanges that would have been impossible prior to the pandemic. Conversely, such meetings did assist the process of signing collective agreements.

- Some participants in the social dialogue process strongly felt that the process worked best when focused on practical problem-solving, facilitated by a dedicated "hot line" in some instances.
- It should be noted that the suspension of collective bargaining during the first year of the pandemic meant that the orientation of social dialogue completely changed.
- The attitude of the national Spanish government towards collective bargaining was considered to be a key factor determining the outcome of social dialogue deliberations.

- The ending of the pandemic meant that social dialogue has returned to practices and customs which were the pre-pandemic norm.
- During the first half 2020, there were a number of outbreaks in meat factories. The social partners were engaged in the response, interventions made possible by the existence of collective bargaining mechanisms in Spain.
- The number of migrant workers working in the sector sharply fell during 2020.
- Production volumes overall increased significantly during 2020 and growth has since continued. There is general agreement that social dialogue contributed to the viability of the sector during the pandemic.

2.5. Main findings from the case studies

The 4 study cases provide interesting general findings:

- In cases where good relations had been established and where there were high levels of communication and dialogue, such practices continued after the outbreak of the pandemic.
- Social dialogue reflected patterns of path dependency. This means that social dialogue continued during the pandemic in the manner that had been established prior to the outbreak of COVID-19. The study cases show clearly that where social dialogue was well established prior to the pandemic, social partners were able to react quickly and effectively to the crisis. It has a tremendous impact on the social dialogue quality and its ability to improve resilience to crisis in the sector.
- "Normal" patterns of social dialogue have now been reestablished. This means that social dialogue has, by and large, returned to how it was conducted in the sector in each country prior to the pandemic.
- Institutions matter: social dialogue is heavily governed by the institutional framework it takes place in. These institutions define how social dialogue is conducted. Crises do not alter the institutions, but social dialogue can impact how social partners respond to these crises.
- Governments matter: the attitude of governments to the social dialogue will shape how the dialogue is conducted, who participates in the social dialogue and what the outcomes will be.
- The international context matters: the transnational social dialogue engaged between the social partners can influence national outcomes at national state level at key times. Where production from the European social partners were used (Belgian, Ireland), it had a significant impact.



PART 3

Conclusions and recommendations

From the findings of the study cases, but also from the result of the workshop, this report intends to identify key characteristics of effective social dialogue in the sector:

1. Social dialogue to be effective needs a counterpart. This means that social dialogue at sector level, for example, needs to engage the relevant social partners.
2. Social dialogue needs to take place at the earliest possible moment. This means that relationships and structures must already be established and be robust. Trust must have been built up.
3. Strong social dialogue has implications for wider society and the economy. During the pandemic, strong social dialogue was a tool in some countries which not only ensured the adequate continuation of production but also proved to be effective in limiting the spread of Covid-19 within the food manufacturing sectors. The absence of such dialogue in some sectors in certain countries led to a lack of an agreed response to key issues.
4. Responding quickly to issues as they arise can lead to better outcomes. Establishing means to do this, for example through dedicated hotlines, can be beneficial.
5. Digital technology has in some instances facilitated an intensification of certain forms of social dialogue. However, there is a need for advice, guidance, and in some cases agreement on the use of digital technology in social dialogue.
6. The strength of the relationships between the people involved in the social dialogue has a bearing on the process.
7. Social dialogue must take place at the appropriate level. In general, the principle of subsidiarity was seen to be effective during the pandemic. In particular, social dialogue was seen to be particularly effective at the company level in dealing with practical issues while the national sectoral level was efficient at coordinating the response to the crisis while ensuring an even playing field
8. The social dialogue at the European level can have a practical bearing and influence on the social dialogue at the national level. Common standards, agreements, and statements on issues at the transnational level can guide the local processes.
9. Participants in the social dialogue must be representative and provided with the appropriate training tools and expertise to participate.

1. Recommendations

It is very likely, if not inevitable that Europe will face pandemics in the future. According to Professor Máire Connolly, the most likely scenario for the next pandemic is a new strain of influenza like the H7Ng "bird flu" virus or a newly identified virus such as another novel coronavirus.' (Horizon, 2022).

As part of the process of compiling this report, Syndex pursued 2 lines of inquiry with relevance to future pandemics. The first was to ask workshop participants if the process of social dialogue during the pandemic had influenced the current state of social dialogue. It was very clear that social dialogue during the pandemic did not influence the conduct of social dialogue during the pandemic. In general, there is little evidence of learning or changes in social dialogue processes as a result of the pandemic. There is also little evidence of how the process of social dialogue during the pandemic will influence any similar crisis in the future.

There are 3 options which should be considered.

1. Sectoral dialogue clearly shows that local social dialogue, where processes were already established, was able to respond quickly and nimbly to the pandemic, allowing participants to enter into social dialogue. However, the absence of sectoral social dialogue meant lost opportunities in many cases and this should be considered for the future. The evidence suggests that new social dialogue processes will not happen when a pandemic crisis breaks out.
2. Social partners should ensure that they are properly resourced and trained on facilitating online social dialogue where this has been agreed.
3. The social partners should consider structured engagement with Pandem 2, the EU-funded project which aims to develop new solutions to effectively fight an EU-wide pandemic

1.1. Support the social dialogue at every level.

Result from the project shows that social dialogue was most effective during the pandemic where initial social dialogue structures were already well established. The findings exposed in chapter 2.4 clearly show that, where social dialogue was well established prior to the pandemic, social partners were able to react quickly and provide effective solutions to the issues posed by the crisis.

Indeed, the prompt and effective involvement of the so-

cial partners and the support of governments are key factors in addressing the immediate consequences of the crisis. A key factor of the success or failure of social dialogue is linked to the extent of government support for the process and timely involvement of the social partners.

Therefore, social dialogue should be supported by public authority at every level, especially through continued support for institutional frameworks guaranteeing regular processes of dialogue and exchanges between social partners, backed with proper resources.

1.2. An appropriate level of social dialogue to deal with unconventional circumstances.

The level of social dialogue is most of the time heavily influenced by the structure and institutions framing social dialogue and collective bargaining in a country. Nevertheless, building on the findings of the reports, some recommendations can be deduced. When possible, national sectoral dialogue should be favoured over an overly decentralized social dialogue.

Social dialogue can be effective at company level in dealing with practical issues, given proper resources. Nevertheless, depending on the country, a significant number of companies do not possess structures for a such a social dialogue – it is especially true for small and very small companies. National sectoral social dialogue has the advantage to address issues common to every company of the sector.

While it can vary according to the institutional setting and coverage of social bargaining, the Danish and Belgium examples show that the sectoral response was adequate in dealing with issues that were affecting all companies, especially those with few resources and, in the case of Belgium, a lack of structured social dialogue.

1.3. An effective European sectoral social dialogue in times of crisis: gathering information and sharing best practices.

According to the interviewees, the outcomes of European sectoral social dialogue during the pandemic were useful. The guidelines were used as reference in the Belgium case. They have also been a useful tool for Members States where sectoral social dialogue institutions are lacking and have very few means to produce

such guidelines, at a time when governments are typically overwhelmed, as was the case in Ireland.

Moreover, the European social dialogue appears to be a legitimate platform to address European policy makers and pass on information and feedback from national affiliates who are closer to the reality of the consequence of the crisis. Joint position is in this sense efficient – if the European public authority takes it into account in its initiatives.

Another outcome of the study cases and the interviews was the lack of knowledge of national social partners about practices elsewhere in Europe. The period of the pandemic was intense, and players were adapting to unconventional circumstances.

Sharing practices of other practitioners of the social dialogue could bring significant added value to the European social dialogue in time of crisis. Both organisation participating in this social dialogue collected and organised the sharing of such practices. But bringing commonly agreed best practices at the social dialogue level could bring a higher level of impact and dissemination.

1.4. Build the sector's resilience by tackling the challenges now

The social partners could establish a simple plan to agree on the priority issues to tackle in the immediate future.

Three areas have been the subject of discussion during workshops on the social dialogue project and identified by the social partners as key issues to be discussed at European level. They could focus on these three areas with a view to focusing on what can be agreed, rather than the points of difference which can be pursued independently. While tackling those issues will strengthen the resilience of the sector to future crises (for instance labour shortages have increased as a consequence of the Covid crisis), it will also enhance the capacity of social partners to find common ground to meet future challenges.

The working group, employers and employee representatives alike, made interesting suggestions which could guide future social dialogue endeavours:

- **Labour shortage:** the attractiveness of the sector is one of the challenges of the sector identified in this project. It touches on issues such as improving working conditions (the Eurofound survey mentioned in this report showed that a significant proportion

of workers suffer from poor working conditions), economic conditions, conditions of mobile and migrant workers and preventing the abusive use of sub-contracting schemes (extremely present in sub-sectors such as meat).

- **Skills and training:** Training is a major issue in the sector to improve its resilience, not only in the face of challenges such as digitalisation, but also in the face of external shocks. However, the Eurofound survey¹ found that 6 out of each 10 food and beverage workers reported not having received paid training in the last year. So, there is room for improvement.
- **Just transition:** The ecological transition carries its share of challenges, but just as importantly, climate change and loss of biodiversity pose a potential future crisis threat to the sector (water scarcity, raw materials scarcity, agricultural input disruption due to natural disasters...). It is therefore paramount that the sector organises its transition in a way that is fair for every stakeholder. To reach this aim, several propositions can be made: ensuring that social dialogue takes place at the appropriate level, a shared understanding of the social partners of the challenges and risks through independent risk analysis of future ecological impact (at sectoral and local levels) and regular impact assessments of the decisions taken.

 1 Eurofound (2023)

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