Employment and Industrial Relations in the railways sector

Grünell, M.

Publication date
2012

Document Version
Final published version

Published in
EIROnline: European industrial relations observatory on-line

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The employment challenges facing the Railways sector are related to the consequences of the process of liberalisation and to the expected understaffing. The economic crisis has hardly had any impact, although no growth has taken place in the sector. The social partners address the two issues in cooperation through collective bargaining and social dialogue. With regard to understaffing the social partners together have taken the initiative to establish an own technical school. With regard to the liberalisation process, which started before the year 2000, employer and employee representatives are dependent on decisions made by the government. At the moment the big question is whether the government will in 2015 once again award the concession for the use of the main rail network to the present company, the NS Group.

1. General background information on the sector's structure and employment trends

Please, be aware that the railways sector is divided in two sub-sectors: lrailways operations and rail infrastructure management. Lrailways operations, which are the core of the sector, are defined by the NACE rev.2 classes 49.1-49.2 (NACE rev.1.1 class 60.1). Lrailways infrastructure is defined according to NACE rev.2 class 52.21 (NACE rev. 1.1 class 63.21), but since this NACE demarcation includes support activities linked to all types of land transportation, national data sources (sectoral studies, social partners estimates, company data…) should be used as well since they may cover this sub-sector more closely than Eurostat or national statistical offices.

1.1 Please explain the key trends of the sector in the last two decades: drivers of change, policy / regulatory framework, employment evolution and impact of the crisis.

In the sector *railways infrastructure* (NACE 52.21) the number of companies according to the Statline/CBS figures are 610 in 2008, 610 in 2009 and 645 in 2010.

In the former study these company figures were 330 in 1996 and 405 in 2005.

In the sector *railways operations* (NACE 49.1 – 49.2) the number of companies according to the Statline/CBS figures are 30 in 2008, 30 in 2009 and 30 in 2010.

In the former study these figures were 5 (1995) and 12 (2004).

Regarding the number of employees in the sector, it has to be noted that recent figures are not public. This may be due to the process of liberalisation, a comparable situation to for example the sector telecommunications where figures on employees are also not public.

In the former study in the sector rail infrastructure the number of employees recorded, were 77.000 in 1996 and 86.000 in 2005; in the railways transport operations 28.404 employees in 1995 and 23.626 in 2005 were recorded (CBS). Employer representative Mr Geene offers a global picture of the number of employees in the transport operations part. See 1.2. It can be assumed that the number of employees in the operations part has not diminished significantly.

1.2 The main firms in the sector, their size and scope of activity (local, regional, national, international) and the form of ownership (public, private, mixed). Please refer to recent developments (last five years) as to new entrants, mergers and acquisitions, alliances, outsourcing / subcontracting.

In the liberalisation process the state company NS had to accept competition and public tenders for (part of) the activities. Furthermore, types of activities were separated to operate independently.

The main companies in the sector are:

About this document

ID: NL1109039Q
Author: Marianne Grunell
Institution: University of Amsterdam
Country: Netherlands
Language: EN
Publication date: 23-05-2012
Sector: Transport and Storage

Related Links

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The NS Group (Nationale Spoorwegen groep), a holding with several subsidiaries. The state is for 100% shareholder. The financial contribution of the state has stopped, and since 2000 the NS is self-supporting. The NS Group employs 350 employees; subsidiaries are Passengers (Reizigers with 10.000 employees), NedTrain (maintenance, with 3000 employees), NS Stations (500 employees) and NS International (600 employees). (The NS company collective labour agreement covers these subsidiaries.) So far, the NS group and its subsidiaries.

In addition, the company Pro Rail has been established, dealing with infrastructure management. The state owns 100% of the shares. Pro Rail, with 4.000 employees, is also covered by a company collective labour agreement. Pro Rail is an independent company, independent of the NS Group.

Next to these two company agreements, there are 3 multi company collective agreements. They cover public local and regional transport (the multi modal collective labour agreement), the collective agreement Public Transport (Openbaar Vervoer) and the rail way infrastructure, the RIS agreement. The freight transport companies all have had a company collective agreement.

The main scope of the public transport companies is national with the exception of NS International and the regional transport.

At the regional lines there exist competition by private companies such as Syntus and Arriva.

The NS freight activities were in 2000 sold to Railion (a subsidiary of the German company DG AG, which has 91% of the shares).

Other operators in freight transport are the companies DB Schenker Rail Nederland BV, Ned Train BV and KNV Spoorgoederen vervoer. In 2012 some 90 companies are member of the business organisation. Some of these companies combine freight transport by train and ship.

During the past 5 years no new – liberalisation - developments took place, with the exception of NS Reizigers and Pro Rail. The two companies have been more strictly linked together: in the process of liberalisation they were separated. This situation resulted in weak communication between the two companies. The recent change can be understood as reparation of the stringent liberalisation process. (See Veraart 2007)

The liberalisation process was mainly a process of internal divisions within NS and mainly had internal consequences for NS. In a few peripheral parts of the country concessions have been granted. In addition, there was the process outsourcing of non-core activities, such as the trafficking of goods. (See former studies)

1.3 Please explain what the employment status of railways workers is. Legally, are workers in the railways sector private workers or civil servants? If they are civil servants, are there specific laws regulating their status (pay, working time, employment protection and so on)? Please, mention if changes have taken place in the last five years on this area and refer to the previous situation.

The employment status of railways workers is and has always been private sector workers; no changes took place in their status in the past five year.

1.4 Please provide information about the general views of the social partner organisations (trade unions and employer organisations) on the main changes regarding employment and working conditions affecting the sector in the last two decades and in the current crisis (employment evolution, quality of jobs, working hours, wages, temporary/ part-time/temporary agency workers, participation in training, outsourcing/subcontracting and so on).

The respondent on employer side states that the economic crisis has had no decisive impact on the railway companies.

The respondent of employee side underlines this assessment, stressing that the crisis had no far-reaching impact on the railways companies compared to other sectors or companies. Significant is that NS and subsidiaries did not apply for the part-time unemployment scheme. Nevertheless, employment has decreased and no new workers were employed. Less train passengers implies less growth in several railways companies.

The social partners both stress that with regard to main changes in the past two decades the process of liberalisation has been decisive. In this respect it is notable that the separation of the business units Pro Rail from NS Reizigers, two units with connected production processes, has been revised**.**

At present, the government's public (or private) contracting out of the main rail net at the end of 2015, is crucial for the main companies.

2. Industrial relations in the railways sector

Please note that a Eurofound Representativeness study on the railways sector was published in 2008 by Eurofound, covering both railways sub-sectors (services provision and infrastructure management). Therefore, you should be brief in the description of what was already covered in that study and focus more on new developments. For each of the questions, you should distinguish between the situation in both sub-sectors.

2.1 Please provide details on the structure of trade union representation in the railways sector. For each trade union provide:

Please, briefly mention the name of each trade union active at national level (or at regional level where relevant) and its main characteristics: a) number of members in the sector; b) domain (all occupations are covered or only some of them? in both sub-sectors?); and c) whether it is involved in collective bargaining and at which level (cross-sector / sector / company level).

The unions mentioned are all involved in collective bargaining. In question 2.3 it is discussed whether unions are party to company or multi-company collective bargaining. The rail way (spoor) sections of FNV Bondgenoten, CNV Bedrijvenbond/vakmensen and VHS are part of national unions. VHS is affiliated to the CMHP, thus the union for middle and higher personnel. VVMC and the Zwarte Corps are sectoral unions, and VVMC is only open for engine drivers and conductors.

- With regard to railways operations

Estimates for 2010

Unions

FNV Spoor 8.000 members

CNV 2.000

VVMC (sectoral union) 3.300

VHS 300

These unions are signatory parties to the NS Group agreement.

- With regard to rail infrastructure

Estimates for 2010

FNV Bondgenoten 1.200

CNV 250

Zwarte Corps (sectoral union) 300

FNV Bouw 300

These unions are signatory parties at the RIS collective agreement.

Signatory unions at the Pro Rail agreement are FNV (1.000 members), CNV 300 and VHS 100.

Have there been major reorganisations/splits/mergers of trade unions in the sector within the past five years? Any impact of the crisis?

No.

2.2 Please provide information on the structure of employer organisations in the railways sector. For each employer organisation provide:

Briefly mention the name of each employer organisation active in the sector at national level (or regional level where relevant) and its main characteristics: a) number of affiliates; b) organisational domain (e.g. limited to one subsector or broader in scope); and c) whether it is involved in collective bargaining and at which level (cross-sector/sector/company level).

There are two employer associations Royal Dutch Transport, KNV and Royal Dutch Transport Mobis, KNV Mobis. The companies who share the multi employer agreements are member of these sectoral employer organisations. KNV, KNV Mobis and the company NS are member of the national employer association VNO-NCW.

Have there been any major reorganisations/splits/mergers of employer organisations in the sector within the past five years? Any impact of the crisis?

No.

2.3 Please provide information on the structure of collective bargaining in the railways sector.

Please, briefly mention the main characteristics of collective bargaining: a) at what level are collective agreements in the railways sector concluded (company, sectoral level and/or inter-sectoral level)?; b) estimate the coverage rate of collective bargaining in terms of companies and employees; and c) is there a practice of extending sectoral agreements to employers who are not affiliated to the signatory employer associations?

The main characteristic of collective bargaining is that company agreements (NS collective labour agreement and Pro Rail collective labour agreement) exist next to multi company agreements. The multi-company agreement rail Infrastructure (RIS cao) is extended. The RIS agreement includes construction extending the rail infrastructure. In the Multi Modaal collective agreement train is one of the transport forms being covered (next to bus and tramway, in general the public transport agreement).

Freight transport companies, including the German rail company Deutsche Bahn, subsidiary J.B. Schenker Rail for the Netherlands, each have a company collective agreement.

The scope of the agreements is mainly sectoral, the RIS infrastructure and Multi Modaal agreement extend the railway sector.

The company agreements have by definition an 100% coverage; so has the extended RIS agreement. It is estimated that the rest has a high coverage of 80% or more.

Please comments on the main developments in the structure of collective bargaining in the last 5 years. Additionally, have bipartite and/or tripartite bodies dealing with railways specific issues been created in the last 5 years? If yes, please mention the organisations participating in them.

The structure of collective bargaining has not changed fundamentally in the last 5 years.

Comparable with the situation in other sectors, tripartite and bi-partite bodies do not exist in this sector. Nevertheless the social partners have in cooperation started actions regarding the (expected) understaffing.

Notebly, the social partners have taken the initiative to establish an own railway, technical school.

The union respondent mentions also new**,** innovatative ways to attract new employees; the employer respondent points at working longer than the present pension age of 65 years.

2.4 Please comment on the level of industrial conflict in the railways sector within the last five years: nature of industrial action, reasons for conflict, number of employees involved, number of working days lost, outcomes.

There has been no industrial action in the last five years. This does not imply that there exist no discontent with for example work pressure and the understaffing in certain business units.

3. Role of collective bargaining and social dialogue in addressing the main challenges in the railways sector

Please provide information about the social partner initiatives within the main topics covered by collective bargaining and social dialogue in the last 5 years. Please indicate which issues are dealt with at which levels (national sectoral level, regional sectoral level or company level). Among others, attention should be given to agreements, initiatives (joint or unilateral), main challenges and positions of social partners in the following areas:

a) Health and safety at work.

Within this field, particular attention should be paid to the two agreements signed by CER and ETF in 2004 (see briefing note): monitoring of the implementation of the CER/ETF agreement on a European licence for drivers carrying out a cross border interoperability service; follow-up and evaluation of the CER/ETF agreement on working conditions of mobile workers engaged in interoperable cross-border services.

The employer respondent, who as partner in de CER/ETF agreement and later in de EU Directive is wel informed, stresses that the Dutch government is implementing the EU Direective regards the international (an the national) diver licence.

With regard to the follow-up and evaluation of the CER/ETF agreement on working conditions the employer respondent points at the fact that this agreement has been implemented in the collective agreement, part NS International.

b) Representation and integration of women.

There have been no new initiatives. Representation and integration of women differs among the several business units of the railways. In total NS employes 3.500 women, of whom 2.000 work part-time. At NS there are many women working in ticket services, as conductors and in management. Other parts railways are not very attractive for women due to the irregular working hours.

c) Employability (for example, through training and skills recognition) and attractiveness of the sector.

See above on understaffing. One third of personnel will leave the Railways in the short term. A new tool in HRM management is to offer employees more own responsibility for their career; the main issue is here what tools are necessary to reach the pension age at 65 year.

There is uncertainty, due to the liberalisation process that is not yet completed. In particular, decisions of parliament on contracting out the main railways infrastructure (a EU requirement), are important. (See Veraart 2009.) When the NS knows it may keep this concession there is the certainty to invest and to employ.

d) Other aspects of working conditions: wages, incidence of temporary employment, incidence of part-time employment, working hours.

Commentary

At present the railways sector is mainly affected by the *consequences* of the liberalisation process. Liberalisation of the railways started before the year 2000. With regard to the liberalisation process – the introduction of competition and the split up of business units - the social partners are dependent on Lower House and government decisions. The liberalisation has recently been repaired: the division into two business units has been partly undone. The two companies are now more strictly linked together. This change may be understood as modification of the too stringent liberalisation process.

At the moment the big question is whether the government will in 2015 once again award the concession for the use of the main rail network to the present company, the NS Group.

The economic crisis has hardly had any impact, although no growth has taken place in the sector.

Over the past five years no industrial action has taken place. However this does not mean that employees in some business units are not discontented with work pressure, partly due to understaffing. Significantly, the problem of understaffing is being addressed by the social partners in cooperation: they have taken the initiative to establish an own technical school.

Marianne Grünell, HSI, University of Amsterdam

Respondents

- Mr B. Geene (NS Group; employer representative)
- Mr R. Berghuis (union FNV Bondgenoten, section railways)

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