

CONTRACT CATERING

Workers' representatives	European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) (2000) http://www.effat.org
Employers' representatives	European Federation of Contract Catering Organisations (FERCO)(1990) http://www.ferco-catering.org

Sectoral Social Dialogue Committee (SSDC)

Informal working group:	1998
SSDC:	2007 (35 th committee)
Internal Rules:	9 October 2007
Work Programme:	2007 - 2008 - 2009

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GENERAL OVERVIEW OF SECTOR

“Contract catering” refers to situations where a company or authority outsources its catering services to a specialist firm.

This sector originally came into being when, from the 1960s onwards, industrial zones and offices started to be established in areas remote from town centres. This trend had an impact on workers’ social lives, necessitating longer journeys between home and work, leaving them with no other option than to eat at the workplace, in company canteens or restaurants.

At the outset, therefore, contract catering developed above all in the “B&I” (business and industry) sphere, which still remains its largest market share nowadays, and in connection with the outsourcing of services. It gradually expanded into hospitals and schools and, more recently, the armed forces, prisons and lastly – due to population ageing – “meals on wheels” delivered to people at home or in elderly care facilities.

Today, according to [FERCO](#), almost 30% of all companies and authorities use a contract catering firm. This is a [growth sector](#): its market share will exceed 35% in 2010. Around 5.5 billion meals were produced by contract caterers in Europe in 2006, serving 67 million consumers every day. This represents one in four meals eaten away from home, and one in every two meals eaten at the workplace.

Contract catering employs 600,000 people, most of them female and unskilled or low-skilled workers. As well as diversifying their markets, many contract catering firms are now trying to diversify their services, moving into areas such as health clubs, nurseries, security, car parks, cleaning, buildings maintenance, landscaping, etc.

PARTICIPANTS AND CHALLENGES

Companies in the contract catering sector project a brand image focusing on their “social” and local role – providing services for authorities, schools, the elderly, etc. – but this image masks the presence of what are mostly huge multinational corporations: Sodexo, Compass, Aramark and others.

European-level social dialogue in this sector began informally in September 1998, when the social partners adopted a joint opinion arguing in favour of a reduced VAT rate for contract catering. This initial joint document, addressed to the European institutions, strongly emphasises this social image: the sector presents itself as “a labour-intensive activity which offers employment opportunities to a segment of the population with low employability, little if any skills, composed mostly of women”; contract catering “meets a prime social need”.

After the adoption of this first document, the social dialogue moved on to a range of subject areas such as vocational training (1999 declaration), food health and safety (2000 joint opinion), public procurement (2006 tool and, later, 2009 joint opinion; see below), corporate social responsibility (2007 recommendation), and public health and obesity (2007 declaration). But not until October 2007 did the social partners formally establish their Sectoral Social Dialogue Committee (SSDC) and adopt their rules of procedure.

The next point to note is the social partners’ desire to work on a cross-industry basis, especially as regards the award of contracts. To this end, the contract catering sector embarked on talks with the private security and industrial cleaning sectors. This cooperation resulted, in April 2008, in the adoption of a joint declaration by four sectors: private security (CoESS/UNI-Europa), contract catering (FERCO/EFFAT), industrial cleaning (EFCI/UNI-Europa), and textile and clothing (EURATEX/ETUF-TCL). The text aims to promote procedures whereby contracts are awarded not simply on the basis of price but taking into account qualitative elements relating, for example, to the skills and capabilities of the provider, the company and contract management, the environmental footprint, the working conditions of workers along the supply chain and respect of international labour standards, national laws and collective agreements including trade union rights.

This confirms that a European-level brand image is a live issue, as are quality standards. As the four sectors put it in their joint declaration, “Selecting the lowest price [in awarding contracts] is regrettably the most widespread attitude. High competitive pressure leads providers to present very tight bids, often to the detriment of the quality of goods and services, working conditions and staff training. The situation can end up in unprofessional or even illegal practices (...)”. Such a situation “jeopardises the efforts undertaken by each of the sectors for qualitative and sustainable development as well as for a more professional approach. This translates into the persistence of a negative perception the sectors may suffer from (...); not only does it have a detrimental impact on the industry but it leaves employees dissatisfied with their working conditions; and lastly, it seriously harms the ability of the sectors to attract new employees, young people in particular”.

Still in connection with this brand image, the social partners forwarded a joint opinion to the European Commission's DG Employment in 2009, expressing their point of view about the way in which the Commission was drawing up the wording of its Guide on socially responsible public procurement. The trade unions had for several years been calling for such a practical guide, which, they believed, should define socially responsible public procurement as a contract that takes into account the promotion of decent work, respect for human rights and labour law, support for social inclusion, the social economy and access for SMEs to public contracts, promotion of equal opportunities and fair trade. However, a draft version of the guide issued in 2009 was a major disappointment to the contract catering social partners. EFFAT and FERCO are of the opinion that the Commission's approach to the guide is overcautious: it should draw the attention of contracting authorities to "the negative consequences associated with the awarding of contracts at the lowest price". This situation, they assert, "is usual practice in all Member States, often to the detriment of quality, working conditions and labour rights".

OUTCOMES

The contract catering social partners adopted 11 joint texts between 1998 and 2010. The bulk of them (7 out of 11) reflect their points of view and joint opinions on European Union economic and sectoral policies. But reciprocal commitments make an appearance too.

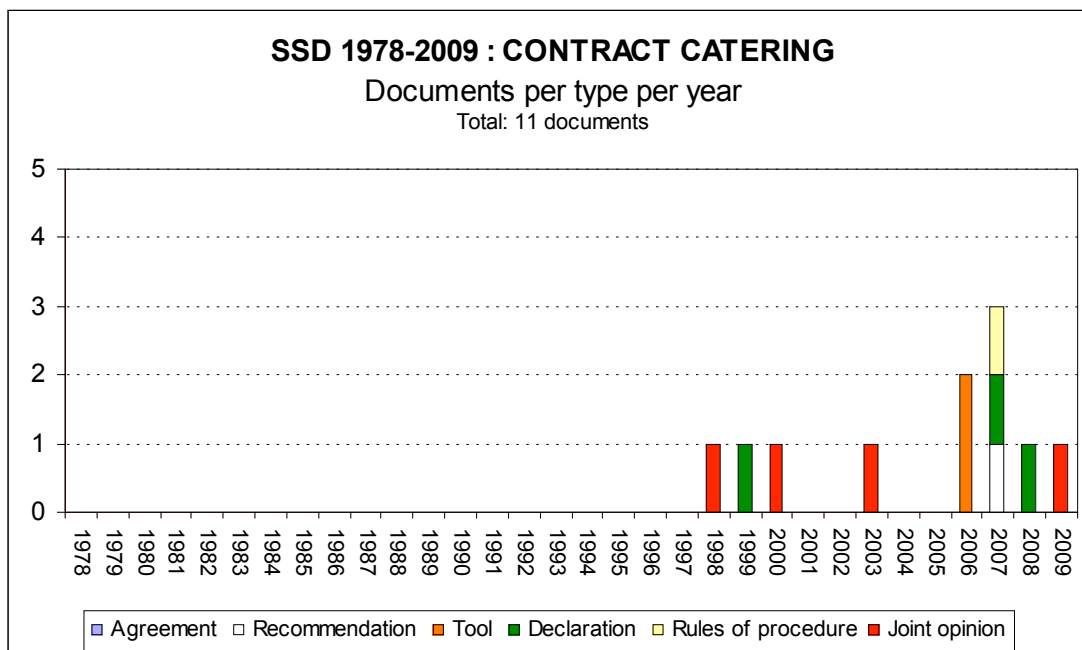
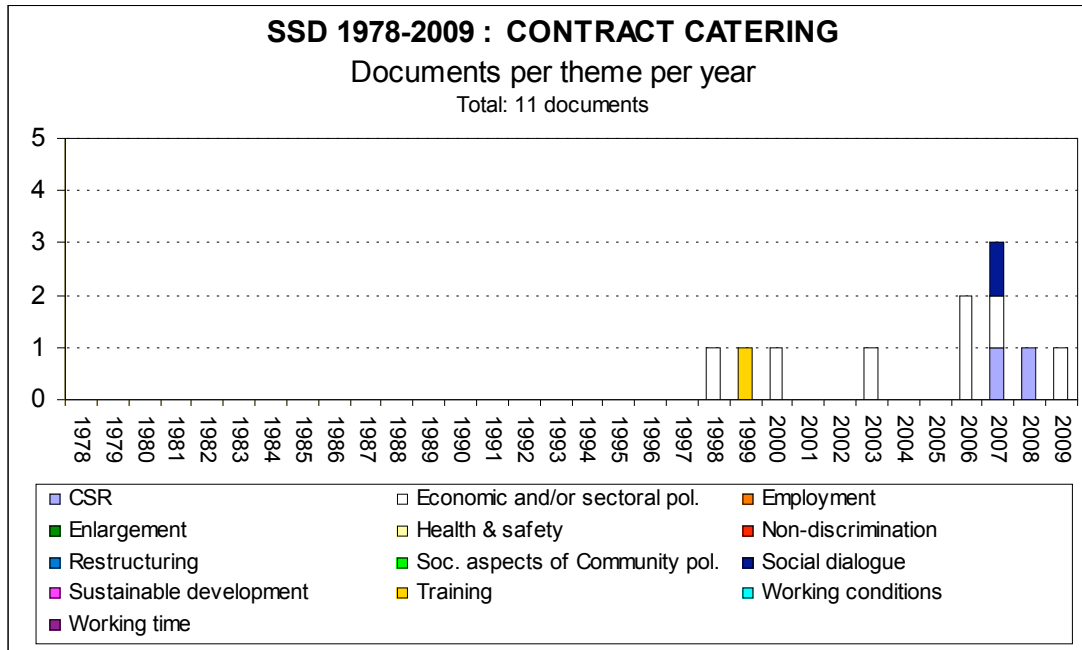
The results of social dialogue in the contract catering sector appear to be very varied, ranging from joint opinions of the “lobbying” type (on VAT in catering) to reciprocal commitments (on vocational training, health and safety, corporate social responsibility), via declarations and appeals to private and public clients (on the subject of obesity) and to the European institutions (on the award of contracts).

This sector can be placed without reservation in the category of “sectors building a European dimension”, along with those of private security, industrial cleaning, personal services, culture, temporary agency work and HORECA/tourism. The aim is to project a European quality image in terms of food health and safety, vocational training, combating obesity, and so on.

In addition, the social partners aspire to exert influence over the legislative process in the Community (on a reduced VAT rate, on the award of contracts). For the trade unions, EFFAT is also attempting to raise the issue of combating climate change in its social dialogue with agri-business.

JOINT TEXTS

The “contract catering” sectoral social dialogue has resulted, since 1998, in the adoption of 11 joint texts.



Date	Title	Theme	Type	Addressee
19/03/2009	EFFAT-FERCO Contribution to the Guide on socially-responsible public procurement	Economic and/or sectoral policies	Joint opinion	European institutions
18/04/2008	Joint declaration of UNI-Europa, EFFAT, ETUF-TCL and COESS, FERCO, EFCI and EURATEX "Towards responsible awarding of contracts"	Corporate social responsibility	Declaration	European social partners
09/10/2007	EFFAT - FERCO Common Statement on Obesity	Economic and/or sectoral policies	Declaration	National organisations
09/10/2007	Rules of Procedure for the European Sectoral Social Dialogue Committee in the Contract Catering Sector	Social dialogue	Rules of procedure	European social partners
31/01/2007	FERCO-EFFAT Agreement on Corporate Social Responsibility (CSR) in the Contract Catering sector	Corporate social responsibility	Recommendation	National organisations
01/01/2006	Guide to the economically most advantageous offering in Contract Catering	Economic and/or sectoral policies	Tool	National organisations
01/01/2006	Website http://www.contract-catering-guide.org/	Economic and/or sectoral policies	Tool	Enterprises
24/02/2003	Joint Declaration by FERCO and EFFAT in favour of a reduced VAT rate for the Contract Catering sector	Economic and/or sectoral policies	Joint opinion	European institutions
17/04/2000	Joint declaration by FERCO and the ECF-IUF in favour of higher food safety and hygiene standards and their proper implementation	Economic and/or sectoral policies	Joint opinion	European institutions
13/10/1999	Agreement on vocational training in the European contract catering sector	Training	Declaration	National organisations
09/09/1998	Joint Declaration by FERCO and EFFAT in favour of a reduced VAT rate for the Contract Catering sector	Economic and/or sectoral policies	Joint opinion	European institutions