

BANKING

Workers' representatives	UNI-Europa FINANCE (formerly Euro-FIET) (2000) http://www.uniglobalunion.org/Apps/iportal.nsf/pages/20090205_yfm6En
Employers' representatives	European Banking Federation (EBF) (1960) http://www.ebf-fbe.eu/
	European Savings Banks Group (ESBG) (1963) http://www.esbg.eu/
	European Association of Co-operative Banks (EACB) (1970) http://www.eurocoopbanks.coop/

Sectoral Social Dialogue Committee (SSDC)

Informal working group:	1990
SSDC:	1999
Rules of procedure:	19/11/1999
Work programme:	2006

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GENERAL OVERVIEW OF SECTOR

The role of banks in the economy is to carry out monetary transactions, e.g. taking in deposits from individuals, granting commercial loans and financing productive investments. During the 1990s the banking world in Europe underwent the “3-D” revolution: deregulation, disintermediation and despecialisation. Nowadays banks can offer their customers the full range of financial services, including savings, loans, mortgages, insurance and securities. Their activities have come in for close scrutiny from the national and European legislators since the financial crisis of 2008-2009.

Over the past 15 or 20 years the European banking sector has undergone sweeping changes: a huge diversification of its business activities, numerous mergers of institutions (especially owing to the completion of the European single market and the single currency), an increase in the size of establishments and enhanced competition. There has been a fall in the number of banking institutions (9,770 in 1993; 8,348 in 2007) but they have grown in size. As a result the sector is becoming ever more concentrated: in 2007 the five largest banking institutions accounted for 44.3% of the EU's total assets (European Central Bank, *EU Banking Structures*, October 2008).

The financial and economic crisis of 2008 certainly shook up the league table of the most highly capitalised European banks, but the sector is still highly concentrated – if not even more so than before (HSBC and Barclays in the United Kingdom, Santander in Spain, BNP Paribas, Crédit Agricole and Société Générale in France, Crédit suisse, UBS, ING and ABN Amro in the Netherlands, etc.).

Employment was on the increase until 2007, when it peaked at approximately 3.18 million workers, but the financial crisis brought about heavy job losses in 2009. UNI-Europa [estimates](#) that 200,000 banking jobs may have fallen victim to the crisis in Europe and North America.

The first point of note from a European perspective is that the banking sector, and above all retail banking, is not particularly integrated Community-wide. 71% of all bank assets across the EU are held by domestic credit institutions. Whereas there is very little involvement of foreign players on domestic markets in the eurozone countries, they are much more heavily involved in the central and eastern European countries, where subsidiaries of eurozone banking groups play a major role.

In addition, although most mergers and acquisitions take place between national banking institutions, cross-border takeovers have become a growing phenomenon since 2003 (buyout of the UK bank Abbey National by Santander in 2004, of the German bank HVB by UniCredito Italiano in 2005, takeover of the Dutch bank ABN AMRO Holding by the Royal Bank of Scotland, Fortis and Banco Santander in 2007, buyout of Fortis by BNP Paribas in 2008, and so on).

One of the main goals of EU legislative activity since the late 1990s has been to promote financial integration in Europe. The Commission has for example sought to

align supervisory practices and has been attempting, especially since 2005, to [enhance competition](#) among service providers within the EU, particularly on the retail markets. It has moreover drawn up a [proposal for a directive](#) to harmonise the handling of merger and acquisition requests within the EU, in order to minimise the regulatory obstacles and political interference in this sphere.

This policy agenda has however been disrupted by the financial crisis. Initially the crisis led to substantial intervention by governments to prevent banks from failing, and to a [consolidation of the sector](#) (buyout of Dresdner Bank by Commerzbank and of IKB by Lonestar in Germany, merger of the Caisse d'Épargne and Banque Populaire groups in France, buyout of Fortis by BNP Paribas). Thereafter the need for tighter supervision and regulation, preventing so-called “systemic” banks from taking unwarranted risks that endanger the economy as a whole, became a political priority. But, as long as certain Member States continue to jealously guard their national prerogatives in this sector, it will remain very tricky to implement this political priority.

PARTICIPANTS AND CHALLENGES

Nationally, trade unions are well established in the banking sector on the whole, and social dialogue can be regarded as a factor of industrial peace. At European level the social partners embarked on European social dialogue in 1990 in an informal working group; these talks then continued within the Sectoral Social Dialogue Committee (SSDC), established in November 1999.

The European social partners are, on the workers' side, UNI-Europa Finance (formerly Euro-FIET) and, for the employers, three organisations: the European Banking Federation (EBF), the ESBG (European Saving Banks Group) and the EACB (European Association of Cooperative Banks). These three bodies represent their members' interests vis-à-vis the Community institutions but have no remit in the field of social affairs. They have set up a Banking Committee for European Social Affairs (BCESA), made up of organisations which do have a remit in this field. This remit problem has not been fully resolved, however, and the EBF acts as the main counterpart of UNI-Europa Finance for social dialogue purposes (see on this point Annette Holm Mikkelsen, "Social dialogue committee in the banking sector" in ETUI-REHS, 2005, "Sectoral social dialogue", Transfer, Special issue on Sectoral Social Dialogue, Vol.11, No.3, Autumn 2005). At the request of the social partners the SSDC is chaired by the European Commission.

Social dialogue in this sector has progressed very slowly since the 1990s. In total, only six joint texts have been adopted between 1990 and 2010. The main topics addressed are work organisation (1998 joint opinion), employability and IT (2001 tool), lifelong learning (2003 declaration) and corporate social responsibility (2005 recommendation). The other two texts adopted are a joint study on the "non-bank" phenomenon (1999 tool) and the SSDC rules of procedure (1999).

The 1998 joint opinion is a short document geared to participating in the debate opened up by the European Commission at that time through its Green Paper on "Partnership for a new organisation of work", COM(97)128 final of 16 April 1997.

The 2001 study on employability sought to provide partial answers to a number of questions related to the spread of information technology in the sector (its effects on jobs; the consequences for counter staff, administrative services and head offices; human resources policies, etc.). The study also attempted – albeit with mixed results, according to the social partners themselves – to identify best practice in this area and to put forward some ideas about what role the social partners could play from this point of view. Although various difficulties had to be overcome, the results of these negotiations are nonetheless thought to have been beneficial for the sector. The outcomes were presented at a conference and translated into all the EU languages so as to ensure effective dissemination.

The 2003 joint declaration on lifelong learning is likewise regarded by the social partners as constituting progress in the sectoral social dialogue. It contains recommendations on entry-level skills, recognising and validating competencies and skills, providing information, and employment and retraining through mobilising

resources. This text contains no follow-up procedures and, as such, is classified by the European Social Observatory as a “declaration”. It has however been widely circulated and discussed, mainly at a social dialogue conference where the social partners undertook to follow up the text nationally. This document seems to have fed into national collective bargaining in Belgium, Denmark and Italy, according to Mikkelsen (cited above).

Lastly, the preparatory work for the 2005 recommendation on some aspects of corporate social responsibility provoked a significant amount of tension in the employers’ camp. The ESBG and the EACB in fact withdrew from the project while the study was underway, pointing out that, whereas they attached importance to corporate social responsibility as a topic, they found the term difficult to define. Moreover, both organisations preferred to await the outcome of the study being undertaken at cross-industry level before embarking on talks in the SSDC. This recommendation, finally adopted in 2005, addresses in particular the issues of minimum social standards in the sector, training, the work/life balance, internal communication and equal opportunities. As categorised by the European Social Observatory, this document constitutes a first-level reciprocal commitment between the social partners, even though the follow-up procedure appears to be particularly weak.

It is also worth noting that in 2006 the social partners carried out a study on the impact of demographic change on human resource management policies. Furthermore, they have conducted various projects since 1999 aimed at involving the new EU Member States in social dialogue in the banking sector. The purpose of these projects was to improve awareness of industrial relations and European social dialogue among the social partners in central and eastern Europe.

The 2008-2009 financial and banking crisis and the related job cuts have led UNI-Europa to call for improved transparency and supervision in the banking system. The succession of restructuring operations has also caused trade union representatives to rethink issues such as lifelong learning, vocational training and skills validation. An initial meeting about the financial crisis, held in February 2009 as part of the social dialogue, resulted in the decision to collect and share information about employment trends in the sector. Unlike in other sectors, and even though it goes to the very heart of the finance industry, the crisis has not resulted in the adoption of any joint texts within the European social dialogue.

OUTCOMES

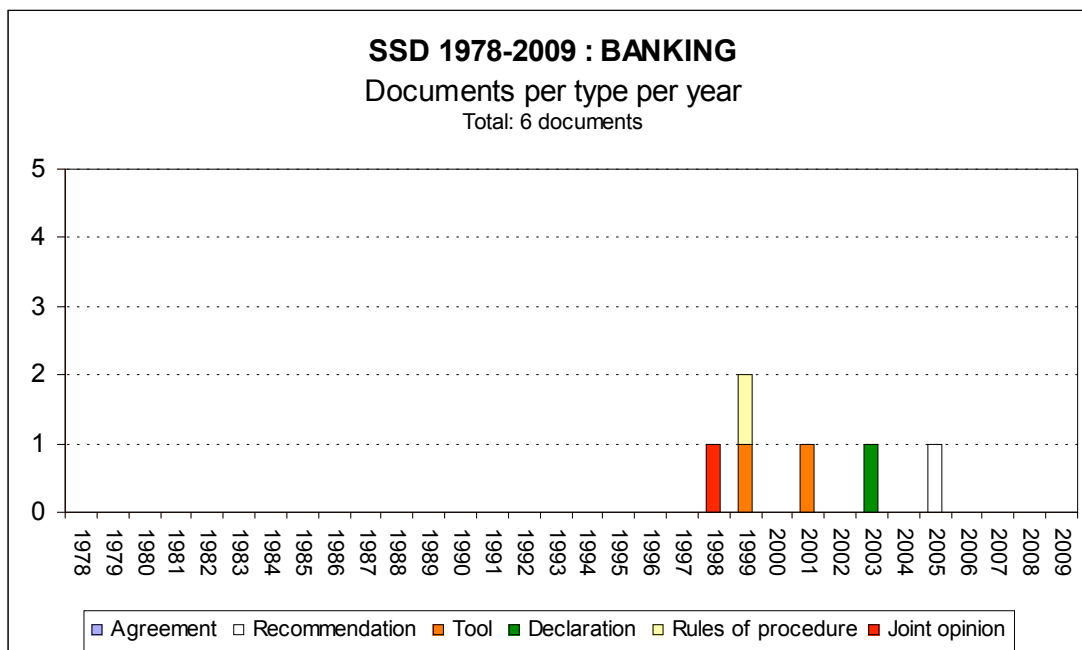
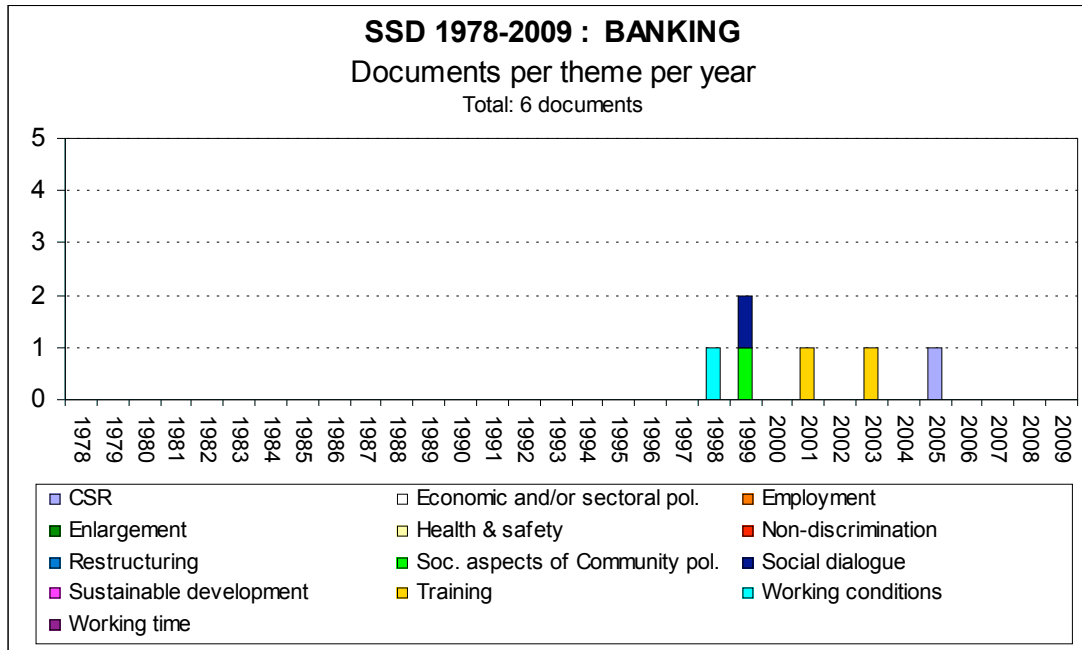
The European banking sector has engaged in European social dialogue since 1990, first of all informally (1990-1999), and latterly on a formal footing within a SSDC. Only six joint texts have been adopted during those twenty years, and that achievement was confined to the period 1998-2005. Just one of these six documents constitutes a first-level reciprocal commitment: the 2005 recommendation on corporate social responsibility, although its follow-up procedures appear particularly weak.

Compared with other sectors, therefore, social dialogue in the banking sector would seem to be arduous and its implementation slow. The main topics addressed have been work organisation, employability, vocational training and – with rather more difficulty – corporate social responsibility. Unlike in other sectors, the 2008-2009 financial crisis does not yet seem to have bolstered debate and negotiations between the European social partners.

Generally speaking, the European social dialogue would still appear to be in need of a specific European-level driving-force. The social partners agree that they would not wish European collective bargaining to replace national collective bargaining. As A. Holm Mikkelsen points out, one of the main challenges under these circumstances is how, in the context of sectoral social dialogue, to engage in activities that are relevant to the national participants in industrial relations. Both the employers and the unions seem to be torn between their desire to do valuable work that is useful to the national social partners and their fear of jeopardising the outcomes of national or local social dialogue.

JOINT TEXTS

The “banking” sectoral social dialogue has resulted, since 1998, in the adoption of 6 joint texts.



Date	Title	Theme	Type	Addressee
18/05/2005	Employment & Social Affairs in the European Banking Sector: Some Aspects Related to CSR	Corporate social responsibility	Recommendation	National organisations
31/03/2003	EU bank social partners joint declaration on lifelong learning in the banking sector	Training	Declaration	European social partners
14/06/2001	Study on IT employability in the European banking sector	Training	Tool	National organisations
19/11/1999	Internal rules of procedure of the Social Dialogue Committee in the banking sector	Social dialogue	Rules of procedure	European social partners
18/11/1999	Europe's new banks - The "non-bank" phenomenon - Conference, 18 November, 1999. Joint conclusions by the European Social Partners in the Banking Sector	Social aspects of Community policies	Tool	European social partners
13/10/1998	Common statement on the European Commission Green Paper on a "Partnership for a new organisation of work" COM(97)128 final of 16 April 1997	Working conditions	Joint opinion	European institutions