European Foundation for the Improvement of Living and Working Conditions

Employment and industrial relations in the railways sector

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The European railways sector has declined significantly over the past 30 years, mainly in the area of freight transport. The sector has also undergone intense restructuring as a result of EU legislation to encourage competition. Despite these reforms, the sector typically maintains its quasi-monopolistic structure with most countries having one operator (generally still fully state-owned). Employment is dominated by the presence of the incumbent operator and collective bargaining generally takes place at company level; sector-specific employer organisations involved in multi-employer collective bargaining are not common. Unionisation levels are high, with the presence of both occupational and independent unions. The study is based on contributions from the national centres of the European Industrial Relations Observatory (EIRO) and covers the sector across EU27 countries (except for Cyprus and Malta) and Norway.

Introduction

This study provides a comparative overview of employment, industrial relations and collective bargaining outcomes in the railways sector. In this report, the sector is defined as consisting of the activities related to:

- railway transport services (passenger and freight transport);
- railway infrastructure management.

Passenger railways transport is covered by NACE (rev.2) 49.1 (excluding passenger transport by urban and suburban transit systems) and freight railways transport is defined by NACE (rev.2) 49.2. Rail infrastructure management (including activities such as passenger and freight terminal activities, operation of railroad infrastructure, switching and shunting) are partially included under NACE (rev.2) 52.21, which is broader as it includes service activities incidental to all land modes of transportation.

Outsourcing of activities is common in the railway sector, that is, activities that were formerly performed by the railway monopolies are typically contracted out to private companies. This means that information on infrastructure management activities (such as repair and maintenance) is more limited than for railway service operations due to the higher levels of outsourcing and subcontracting, while some auxiliary services (such as cleaning or catering services) are beyond the scope of this project.

The study covers 26 European countries:

- EU27, with the exception of Cyprus and Malta, which do not have a rail network;
- Norway.

Restructuring of the sector

Evolution of rail transport in Europe

Network length

European countries rely on a wide rail network of 216,642 km (212,528 km in the EU27 and 4,114 km in Norway). The most extended and populated countries also have the most extended rail network, as in the case of Germany (33,714 km), France (29,903 km), Poland (19,764), Italy (17,004), UK (16,272) and Spain (15,044) (Figure 1).

Figure 1: Length of railway line in use in EU27 and Norway, 2009 (km)

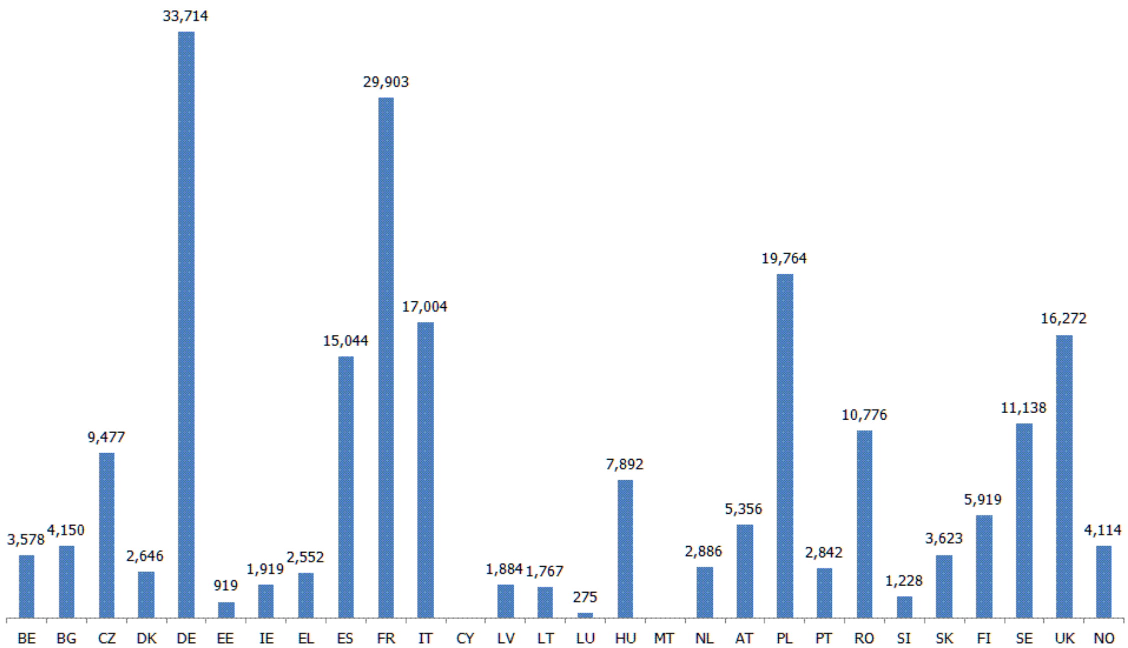

Figure 1: Length of railway line in use in EU27 and Norway, 2009 (km)

Source: [EU transport in figures: Statistical pocketbook 2011 (1.57Mb PDF)]

Railway transport in Europe has declined over the past decades in terms of both infrastructure availability and transport capacity, especially in the area of freight transport. This is due to:

- competition from road haulage;
- longer delivery times due to the priority given to passenger transport;
- complicated formalities;
- cross-border differences in infrastructure and staffing.

Between 1990 and 2009, the length of railway line in use in the EU27 decreased in terms of total length by 8.2%, while in Norway there was a 1.7% increase (Figure 2). The length of railway line declined in 15 out of the 25 EU countries (Malta and Cyprus do not have railways). Poland had the biggest decrease (-24.6%) and Sweden the smallest (-0.5%). Italy had the biggest increase during the period (+5.8) due to a growth in high-speed railway transport and the Czech Republic had the smallest increase (+0.5%).

Figure 2: Variation in length of railway line in use in EU27 and Norway, 1990–2009 (%)

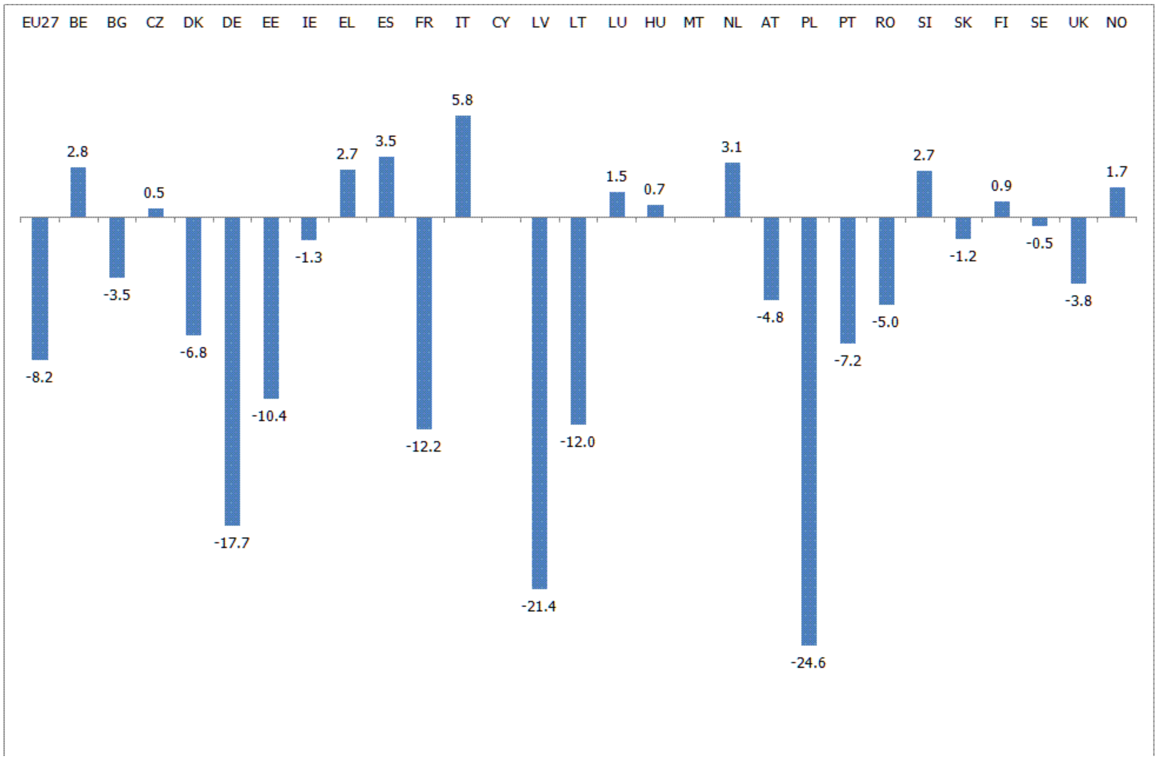

Figure 2: Variation in length of railway line in use in EU27 and Norway, 1990–2009 (%)

Source: [EU transport in figures: Statistical pocketbook 2011 (1.57Mb PDF)]

Freight and passenger transport share

Available Eurostat data show a progressive reduction in the vast majority of European countries in the share of freight transport by rail of the total of land freight transport (road, railways, inland waterways and pipelines) between 1990 and 2009.

Rail freight's share of total land freight transport in the EU27 fell from 19.7% in 2000 to 16.5% in 2009 (Table 1). However, this decline was much more evident in some countries than others. Some of the New Member States (NMS) (Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania and Slovenia) saw the biggest decrease in the rail freight transport share (about 20–45 percentage points). The decrease was smaller in other countries such as Austria, France, Hungary, Italy, Luxembourg, Norway, Spain, Slovakia and Sweden where the reduction in the rail freight transport share was 2–14 percentage points.

Table 1: Railway freight transport in EU27 and Norway (% total inland freight transport)

Country	1990	1995	2000	2005	2009
EU27	n.a.	n.a.	19.7	17.7	16.5
Austria	44.9	31.6	30.6	32.8	36.4
Belgium	n.a.	12.9	11.6	13.4	15.1
Bulgaria	n.a.	n.a.	45.2	25.4	11.9
Cyprus	–	–	–	–	–

Country	1990	1995	2000	2005	2009
Czech Republic	n.a.	41.6	31.9	25.5	22.1
Denmark	9	8.2	7.9	7.8	9.2
Estonia	n.a.	71.3	62.7	64.6	52.7
Finland	23.8	27.5	24	23.3	24.1
France	n.a.	20.7	20.6	16	n.a.
Germany	n.a.	18.9	19.2	20.3	20.9
Greece	n.a.	2.3	n.a.	2.5	2.2
Hungary	n.a.	35.6	28.8	25	n.a.
Ireland	10.3	9.9	3.8	1.7	0.6
Italy	n.a.	11.7	11	9.7	9
Latvia	n.a.	84.2	73.5	70.2	69.8
Lithuania	72	58.2	53.4	43.9	40.1
Luxembourg	16.5	8.9	7.9	4.1	2.3
Malta	–	–	–	–	–
Netherlands	n.a.	2.9	3.7	4.4	4.9
Poland	66.5	56.7	42.2	30.8	19.4
Portugal	n.a.	9.7	7.5	5.4	5.7
Romania	61.1	51.4	49.1	21.7	19.4
Slovakia	n.a.	32.8	41.7	29.5	19.6
Slovenia	46.2	35.1	28.1	22.7	16
Spain	n.a.	9.7	7.2	4.8	3.4
Sweden	41.9	38	36.1	36	37.5
UK	n.a.	7.6	9.8	12.1	13.2
Norway	n.a.	22	16.5	14.8	16.6

Note: Inland freight transport is measured in units of tonne-km.

Source: Eurostat

The case of Ireland is possibly the most dramatic if we consider that rail freight transport has virtually disappeared; freight transport by rail was about 10% of total land freight transport in 1990 but only 0.6% in 2009 (the smallest share in Europe).

There are only a small number of countries where the share of freight transport by rail has either been constant (Denmark, Finland and Greece) or even increased (Belgium, Germany, the Netherlands and the UK) over the last 20 years (Table 1).

Freight transport by road has increased everywhere in Europe in the same period and in most countries it is now the main mode of freight transport (Table 2).

Table 2: Road freight transport in EU27 and Norway (% of total inland freight transport)

Country	1990	1995	2000	2005	2009
EU27	n.a.	n.a.	73.7	76.4	77.5
Austria	49	63.5	64.8	64.1	59.5
Belgium	n.a.	77.4	77.4	72.4	72.9
Bulgaria	n.a.	n.a.	52.3	70.8	67.4
Cyprus	100	100	100	100	100
Czech Republic	n.a.	57.5	68	74.4	77.8
Denmark	91	91.8	92.1	92.2	90.8
Estonia	n.a.	28.7	37.3	35.4	47.3
Finland	74.9	72.3	75.8	76.5	n.a.
France	n.a.	76.5	76	80.5	81
Germany	n.a.	63.9	65.3	66	67
Greece	n.a.	97.7	n.a.	97.5	97.8
Hungary	n.a.	58.3	68.1	69.2	78.8
Ireland	89.7	90.1	96.2	98.3	99.4
Italy	n.a.	88.2	89	90.3	91
Latvia	n.a.	15.8	26.5	29.8	30.2
Lithuania	27.4	41.6	46.6	56.1	59.9
Luxembourg	74.9	85.9	87.8	92.3	94.6
Malta	100	100	100	100	100
Netherlands	n.a.	63.6	63.4	63.6	63.4
Poland	32.8	42.6	56.9	69	80.5
Portugal	n.a.	90.3	92.5	94.6	94.3
Romania	36.2	42	42.9	67.3	60
Slovakia	n.a.	63.7	53	70.3	77.9
Slovenia	53.8	64.9	71.9	77.3	84
Spain	n.a.	90.3	92.8	95.2	96.6
Sweden	58.1	62	63.9	64	62.5
UK	n.a.	92.3	90	87.8	86.7
Norway	n.a.	78	83.5	85.2	83.4

Notes: Inland freight transport is measured in units of tonne-km.

n.a. = data not available

Source: Eurostat

There was a slight increase in the share of passenger transport by rail in 15 out of the 23 countries for which data exist between 1998 and 2008. However, land transport by car is the preferred mode of transport overall in European countries. The share of passenger transport by car was 83% of the total of land passenger transport in the EU27 in 2008, while passenger transport by bus or motor coach was 9.4% and transport by train only 7.3% (Table 3).

Table 3: Land passenger transport in EU27 and Norway by mode of transport (%)

Country	Train		Car		Bus and coach	
	1998	2008	1998	2008	1998	2008
EU27	n.a.	7.3	n.a.	83.3	n.a.	9.4
Austria	9.8	11.1	79.4	78.6	10.9	10.2
Belgium	5.7	7.2	83.2	78.4	11.1	14.4
Bulgaria	11.3	4.1	58.4	75.9	30.3	20
Cyprus	–	–	n.a.	n.a.	n.a.	n.a.
Czech Republic	8.4	7.1	73.1	76	18.5	16.9
Denmark	8.5	9.4	79.6	79.4	11.9	11.1
Estonia	n.a.	2.1	n.a.	79.4	n.a.	18.5
Finland	5.2	5.4	82.7	84.5	12.1	10.1
France	8.2	10.1	86.4	84.2	5.4	5.7
Germany	7.5	8.6	85.5	85.1	7	6.3
Greece	2	1.3	70	80.8	28	17.9
Hungary	12.2	12.3	64.1	62.1	23.7	25.7
Ireland	3.3	3.4	83.4	83.8	13.3	12.8
Italy	5.2	5.7	83.4	82.4	11.4	11.9
Latvia	n.a.	5.3	n.a.	80.6	n.a.	14.1
Lithuania	n.a.	n.a.	n.a.	90.9	n.a.	8.2
Luxembourg	5.1	4.3	85.2	84.2	9.7	11.4
Malta	–	–	n.a.	n.a.	n.a.	n.a.
Netherlands	9.3	9.7	85.8	86.5	4.9	3.8
Poland	10.5	6.2	72.1	85.5	17.4	8.4
Portugal	5.7	4.1	79.8	85.2	14.4	10.7
Romania	19.3	7.6	67.7	77.2	12.9	15.2
Slovakia	9.9	6.5	61.8	74.9	28.3	18.6
Slovenia	2.7	2.9	80.8	86.2	16.5	10.9
Spain	5.1	5.5	80.5	80.1	14.4	14.4
Sweden	6.9	9.3	84.3	83.3	8.7	7.4
UK	5.1	6.8	88.6	86.8	6.3	6.4
Norway	4.9	5.1	87	87.6	8	7.3

Note: n.a. = data not available
Source: Eurostat

Amounts transported

The amount of goods and the number of passengers transported have varied over the years. According to available Eurostat data, goods transported in the EU27 fell from 526,000 million tonnes per km in 1990 to 361,000 million tonnes per km (-31.3%) in 2009, while the number of passengers transported increased slightly over the same period from 400,000 million people per km up to 405,000 million people per km (+1%). However, no obvious trends emerge from country-level data for freight and passenger transport for 1990–2009 (Figures 3 and 4 respectively).

Figure 3: Variation in amount of goods (tonnes/km) transported by rail in EU27 and Norway, 1990–2009 (%)

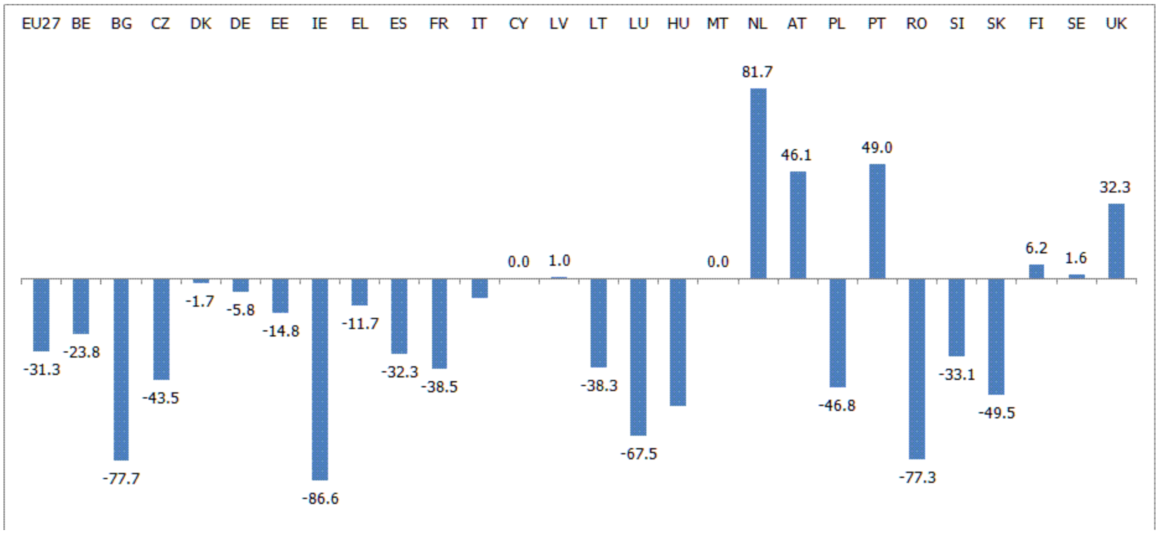

Figure 3: Variation in amount of goods (tonnes/km) transported by rail in EU27 and Norway, 1990–2009 (%)

Notes: The indicator of millions of tonnes/km is calculated as the sum of the number of tonnes transported multiplied by the distance they covered in km.

Variations for the Czech Republic and Slovakia refer to 1995–2009.

Source: EU transport in figures: Statistical pocketbook 2011 (1.57Mb PDF)

Figure 4: Variation in number of passengers (millions/km) transported by rail in EU27 and Norway, 1990–2009 (%)

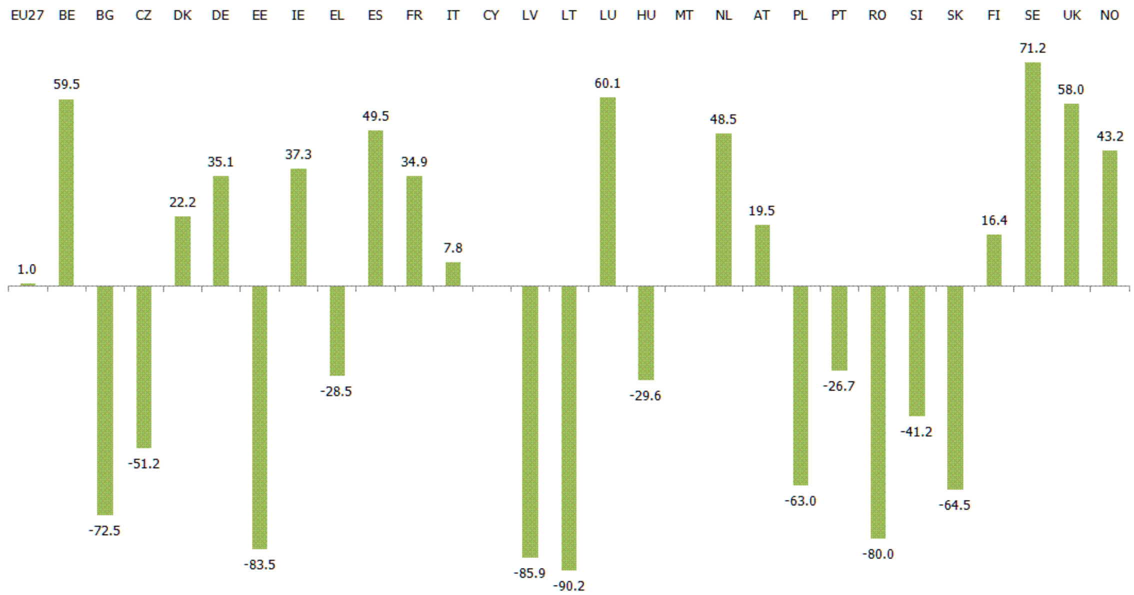

Figure 4: Variation in number of passengers (millions/km) transported by rail in EU27 and Norway, 1990–2009 (%)

Note: The indicator of millions of passenger/km is calculated as the sum of the number of passengers transported multiplied by the distance they covered in km.

Source: EU transport in figures: Statistical pocketbook 2011 (1.57Mb PDF)

Sector performance

Compared with other modes of transport, railway transport showed a rather modest performance, especially compared with road and sea (in the case of freight transport) (Table 4) and with cars, bus and air (for passenger transport) (Table 5):

- Road and sea coped with 83.3% of total freight transport (3,027,000 million of tonnes/km) in 2009, while the railways took only about 10% (362,000 million tonnes/km).
- Road transport by car, bus and motor coach coped with about 91% of total passenger transport (5,448,000 million of passengers/km) in 2009, while the railways took less than 7% (405 million passengers/km).

Table 4: Sectoral performance of freight transport in EU27 by mode of transport, 1995–2009 (thousand million tonne-km, %)

Year	Road	Rail	Inland waterways	Pipelines	Sea	Air	Total
1995	*1,289*	386	*122*	*115*	*1,146*	*2*	***3,060***
2000	*1,519*	404	*134*	*127*	*1,314*	*2.5*	***3,499***
2005	*1,794*	414	*139*	*136*	*1,461*	*2.6*	***3,946***
2008	*1,881*	443	143	*124*	*1,498*	*2.7*	***4,091***

Year	Road	Rail	Inland waterways	Pipelines	Sea	Air	Total
2009	*1,691*	362	120	*120*	*1,336*	*2.5*	***3,632***
1995–2009	31.3%	-6.3%	-1.8%	4.6%	16.6%	24.0%	**18.7%**
2000–2009	11.4%	-10.4%	-10.5%	-5.1%	1.7%	1.2%	**3.8%**
2008–2009	-10.1%	-18.3%	-16.3%	-2.9%	-10.8%	-8.1%	**-11.2%**

Note: Figures in italics are estimates.

Source: EU transport in figures: Statistical pocketbook 2011 (1.57Mb PDF)

Over the years, air has become a significant competitor for the railways in terms of passenger transport. In 1990, air transport performed worse than the railways (346,000 million passenger-km and 351,000 million passenger-km respectively), but five years later in 1995, air transport had a better performance than the railways (Table 5). Empirical evidence suggests that air is today the third mode of passenger transport in terms of millions of passenger-km transported.

Table 5: Sectoral performance of passenger transport in EU27 by mode of transport, 1995–2009 (thousand million passenger-km, %)

Year	Car	Bus and coach	Railway	Tram and metro	Sea	Air	Total
1995	*3,893*	*622*	351	*71*	*44*	*346*	***4,981***
2000	*4,321*	*653*	371	*77*	*42*	*457*	***5,463***
2005	*4,564*	*664*	377	*82*	*40*	*527*	***5,727***
2008	*4,763*	*684*	411	*89*	*41*	*561*	***5,987***
2009	*4,781*	*667*	405	*89*	*40*	*522*	***5,981***
1995–2009	22.8%	7.2%	15.5%	24.9%	-10.0%	50.9%	**20.1%**
2000–2009	10.6%	2.2%	9.2%	15.0%	-4.2%	14.2%	**9.5%**
2008–2009	0.4%	-2.5%	-1.4%	-0.4%	-2.3%	-7.0%	**-0.1%**

Note: Figures in italics are estimates.

Source: EU transport in figures: Statistical pocketbook 2011 (1.57Mb PDF)

The railways had the worst performance for freight transport between 1995 and 2009 compared with all the other transport modes. The freight transport capacity of the railways (in terms of millions of tonne-km) decreased by 6.3% over this period, while overall freight transport capacity grew about 19% (road freight transport increased by about 31%, air freight transport by 24% and sea freight transport by about 17%) (Table 4).

Although the overall passenger transport sector grew (in terms of millions of passenger-km) by 20% between 1995 and 2009, rail passenger transport grew by only 15.5%. This performance was, however, much better than that of bus (+7.2%) or sea transport (-10%), while car and air transport performed above the sector average (+23% and +51% respectively) (Table 5).

Effect of the economic crisis

Available data allow us to investigate the effect on the transport sector of the economic crisis (at least at its beginning, that is, between 2008 and 2009).

The crisis has hit freight transport (overall -11.2% million tonne-km) harder than passenger transport (overall -0.1%) as a consequence of the reduction in manufacturing related to the shortage of consumer and business demand.

Railway freight transport lost more capacity between 2008 and 2009 than any other freight transport mode (-18.3%), although all modes had their capacity reduced in this period (road -10%, inland waterways -16.3%, pipelines -2.9%, sea -10.8% and air -8.1%).

However, the railways performed better (-1.4%) than other modes of passenger transport. Air transport saw a 7% reduction of its transport capacity, sea transport a 2.3% decrease and bus transport a 2.5% decrease. Only tram and car transport had better performance (-0.4% and +0.4% respectively) (Table 5).

European-level restructuring

The EU common transport strategy seeks to revitalise the railways due to the high capacity, good safety performance and environmental credentials of this mode of transport. Developments in the railway sector over the past two decades have been driven by EU legislation that aims to open up the sector to competition and to improve its competitiveness. (See Annex A for more detailed information on EU legislation affecting the railways sector.)

The transposition of these changes into domestic legislation has triggered an intense restructuring of the sector across all European countries, resulting in the conversion of the old monopolies into holding companies split into different entities (normally owned by the state). Although these companies maintain a dominant position in the market, varying degrees of competition exist in the railways sector. (For an overview of the situation in each country, see Annex B.)

Council Directive 91/440/EC

Council Directive 91/440/EC on the development of the Community's railways required railway companies to become managerially and financially independent from the state, and to be run like commercial companies subject to market rules. It also required Member States to ensure the separation of the financial accounts of transport services provision from those of infrastructure management. The infrastructure manager in each Member State was required to charge a fee to the users of the infrastructure in a non-discriminatory way so as to give all potential rail operators the same possibilities to access the market.

The former national railway monopolies have evolved towards commercial companies, but countries have implemented the changes to varying extents and at different speeds. This is because it was the Member State's decision as to whether the financial separation of accounts should also involve the creation of different divisions within a single undertaking or whether the infrastructure was to be managed by a separate entity.

During the 1990s, many countries merely separated the financial accounts between the transport provider and the infrastructure manager. Others (such as Germany, Portugal and Romania) had already created different entities or subsidiaries within the same umbrella organisation.

Only a few countries (France, Finland and the UK) went beyond the requirements of the directive. In 1997, France split French National Railways (SNCF) into service provision and infrastructure management (SNCF Infra). It also created the French rail network (RFF) as the owner and manager of the rail infrastructure, contracting out the maintenance and servicing of the infrastructure to SNCF Infra. The same happened in Finland in 1995, when the Finnish Rail Administration (RHK) was established to take care of the infrastructure, though contracting out services from a division of the Finnish state railways in charge of track maintenance and building (VR Track). In the UK, Railtrack (a private company) was established as the owner and provider of infrastructure in 1994 after the former state monopoly, British Rail, disappeared in 1993.

First railway package

In 2001 the European Commission launched the first railway package (amending the 1991 directive) which aimed to ensure:

- the independence of the infrastructure manager from railway undertakings;
- non-discriminatory track access charging;
- the setting up of a regulator to address obstacles to competition in accessing the infrastructure.

Tasks like allocation of rail capacity, infrastructure charging and licensing (generally done by the infrastructure manager provided it has independence from the railway undertakings) must be neutral to give all potential rail operators the same possibilities to access the rail infrastructure. According to Article 6 of Council Directive 2001/12/EC (one of the components of the first railway package:

> *Member States shall take the measures necessary to ensure that the functions determining equitable and non-discriminatory access to infrastructure, listed in Annex II, are entrusted to bodies or firms that do not themselves provide any rail transport service. Regardless of the organisational structures, this objective must be shown to have been achieved. Member States may, however, assign to railway undertakings or any other body the collecting of the charges and the responsibility for managing the railway infrastructure, such as investment, maintenance and funding.*

Additionally, Member States were required to establish a regulatory body, independent of both infrastructure managers and railway undertakings, which would work as an appeal body in case an undertaking considers that it has been unfairly treated or discriminated against (a derogation for Ireland and Northern Ireland applies until 2013).

In most countries, the former national railways have typically evolved into holding companies split into different entities or subsidiaries in charge of all different activities formerly performed by the same company (infrastructure management, passenger transport, freight transport, and others such real estate management, financial services and so on). This has led, in some cases, to very complicated organisational arrangements such as the French SNCF or the German Deutsche Bahn Group (DB Group), both of which have hundreds of subsidiaries. In some cases, the infrastructure managers are totally independent organisations and independent regulators have been set up in many countries (Annex B).

Many Member States have failed to implement EU requirements. After opening infringement proceedings against 24 Member States in June 2008, the European Commission referred 13 Member States (Austria, the Czech Republic, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Poland, Portugal, Slovenia and Spain) to the **European Court of Justice** in June 2010 for failing to correctly implement the first railway package, mostly by not being able to ensure the independence of the rail infrastructure manager, inadequate implementation of the provisions concerning rail access charging and/or a failure to set up an independent regulatory body.

Ownership of the sector

Although EU legislation has pushed for liberalisation of the railways sector, this does not necessarily mean privatisation. The former national railways have become commercial holdings split into different entities, but in almost all cases they are still fully state-owned companies. There are very few examples where the old public monopolies have been transferred to private hands. Examples are Estonia, Hungary, the Netherlands and the UK.

The UK is the only case where the whole railways sector was privatised, commencing in 1993 with the sale of British Rail, and creating a complex system of private companies operating both the train transport services and the rail the infrastructure. In Estonia, 66% of the stocks of the public Eesti Raudtee were sold to the private company Baltic Rail Service in 2001, while the private company Edelaudtee took over the passenger transport activities from the former in 1997. Freight transport activities were privatised in Denmark (2001), Hungary (2008) and the Netherlands (2000) after the companies DB Schenker Rail, Rail Cargo Austria and Railion took over in 2001, 2008 and 2000, respectively, the freight transport activities formerly carried out by the state-owned companies. Interestingly, the privatisation process subsequently partially reverted in Estonia and the UK.

Competition

Despite the reforms of the legal framework, the sector is still dominated by the former national monopolies, whose resulting entities retain a dominant position in the market. In some cases, the whole railway market remains a monopoly, such as in Bulgaria, Greece, Ireland and Lithuania where only the state-owned company exists. However, competition has increased in past years in most countries.

Competition is more limited for passenger services than for freight transport services. The market for international rail passengers within the EU has been liberalised since 2010, meaning that licensed and certified European rail companies are able to move passengers between any stations along the international route. The market for purely national rail passenger services is not yet opened up to cross-border competition.

Some countries still have a single railway passenger operator (Belgium, Finland, Hungary and Slovenia) or only operators that are combined with other local and regional public transport operators (Norway, Poland and Spain). Nevertheless, private operators, typically covering local or regional routes, exist in many countries and have increasingly entered the market in past years, leading to growing levels of competition, as in Germany and Sweden, or the UK where multiple private operators compete in the railway passenger services sector. The new competitors may enter a certain market through subsidiaries established by foreign companies; for instance, the German Deutsche Bahn bought the Arriva Group in 2010 in Denmark.

The rail freight market has been fully opened up to competition since 2007 in the EU for both national and international services, increasing the level of competition faced by the incumbent companies (that is, the traditional monopoly company in the sector) to a larger extent than in the passenger market. Any EU railway company can apply for capacity and offer national and international freight services by rail throughout the EU (provided it is licensed and has appropriate safety certification).

For instance, market gains by private competitors meant that the market share of freight transport of the German company, DB Schenker (the entity in charge of freight transport within DB Group), dropped from 95% in 2002 to 75% in 2009. Increasing levels of internationalisation of certain companies, subsidiaries set up by foreign groups, joint ventures, partnership and acquisitions between European companies have been common in the freight transport market. For instance, DB Schenker has established many subsidiaries and acquired many companies across Europe, and now operates in more than 100 countries worldwide. It acquired one Welsh company and one Swiss company in 2007, and two Polish companies in 2009, while its subsidiary in France (Euro Cargo Rail) is the second most significant operator in freight transport after SNCF Fret and expects to achieve a 15% share of the internal market by the end of 2011.

Rail infrastructure

Although most countries in the EU have a fully state-owned infrastructure manager company, multiple entities have been established in the sector, both under the umbrella of the state-owned company and new private companies. This is because activities such as infrastructure maintenance and repairs formerly performed by the railways' monopolies have been largely subcontracted to subsidiaries within the same group of the incumbent or contracted out to private companies.

For instance, according to the German Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railway (BNA), which is in charge of monitoring market developments, a complete list of infrastructure management companies does not exist although most of the companies will belong to the DB Group. The Federal Railway Authority (EBA), which supervises the DB Group, registered 342 track providers in spring 2011.

The UK offers a contrasting example. The private company, Railtrack, was established in 1994 as the owner and provider of infrastructure and undertook a programme of outsourcing technical and engineering activities to other private companies. A series of fatal accidents between 1996 and 2000 related to inadequate infrastructure or maintenance and the rapid fragmentation of the network culminated in the financial collapse of the company, which was sold to Network Rail in 2002. The formation of Network Rail, a 'not for dividend' company backed by government guarantee and regulated by the Office of Rail Regulation (ORR), meant a complete reverse of the outsourcing policy of Railtrack, since Network Rail has focused on generating in-house capacity becoming the largest employer in the UK railways sector. The same picture emerges from the Italian FS Group, where an agreement was signed in 2009 to initiate a three-year process of 're-internalisation' or in-sourcing of activities linked to the maintenance of track and infrastructure.

Labour market trends

The trends described above have had a major impact on the labour market. Following the legal changes affecting the national railways, employment relationships have largely shifted from public sector regulations to private law. The increased competition and subsequent need to increase efficiency has led to an intense process of labour shedding, greatly affecting the labour force of the incumbent companies and leading to declining employment levels in the sector, despite the employment created in the new companies entering the market.

Employment regulation

Most employees in the sector are employed under private law contracts and their working conditions are determined, as in any other sector, by the sectoral level collective agreements in place or the conditions negotiated within each company. This is because new entrants in the sector are generally private companies while the former monopolies have become commercial companies under private law. Despite being state-owned, the latter's employees have generally lost whatever special status (civil servant or public sector status) they might have enjoyed in the past. Nevertheless, in some countries employees of the state-owned railway companies have generally retained the special status they had when the railways were part of the public administration. The following exceptions refer to the employees in the incumbent railway companies providing transport services, since in many cases the employees of the infrastructure manager or the regulatory bodies are in fact civil servants or enjoy a special public sector status.

There are some countries where employees have retained their particular status. In Belgium, 97% of the employees of Belgian National Railways (SNCB-NMBS) are employed under a special public service employment statute dating back to 1926 and similar to the civil service status, which was kept by SNCB-NMBS employees following the split of the company in 2005. In France, employees of the SNCF Group have a special status and specific rules on working time; despite some employees within SNCF Group being employed under non-standard contracts and not enjoying these benefits, there is still some recruitment under the former agreement. In Luxembourg, the status of Luxembourg National Railway Company (CFL) employees is similar to that of civil servants and applies to most workers (within CFL Cargo, a joint venture with the private company Arcelor, this status does not apply to workers transferred from Arcelor and to newly hired employees).

In other cases, railway companies still have a significant number of employees with special status, but the framework is changing. In Denmark, longer serving employees of Danish Railways (DSB) are employed under the act of statutory civil servants but those hired since 2000 do not. In Austria, more than half of the employees of Austrian Federal Railways (ÖBB) employees are tenured public servants. However, under specific transition regulations (a new service law applied to those hired from 1995), a new general collective agreement laying down new service employment regulations for the whole ÖBB Group was concluded in 2004 following the conversion of OBB into a holding company. This agreement included provisions on working hours, leave and reduced sickness benefits. In Germany, the number of civil servants employed in the DB Group declined steadily from 24 in 2000 to 14% in 2010). In Norway, employees of Norway Rail (NSB AS) lost their civil servant status but maintained some privileges such as the special severance pay arrangement for state employees or the right of preference for a new post in the public sector if they lose their job due to downsizing or health situation. In Greece, employees of the Hellenic Railways Organisation (OSE) and its subsidiaries had a special status, but recent restructuring plans will enact new working terms and conditions for the group's companies that can be modified unilaterally by the management. The new staff regulations approved by the management of TRAINOSE provide for dismissals of employees upon unilateral termination of the contract by the company's management due to financial reasons or, for example, professional inadequacy.

Employment evolution

According to Eurostat data from the Labour Force Survey, there was an overall reduction in employment in both the railway freight and passenger transport sectors in Europe between 2001 and 2010. Available data for the transport services subsector show a significant decline in the number of people employed in almost all the EU27 countries. This is a consequence of the reforms adopted to open the sector up to competition and the related underlying processes of rationalisation.

The decrease in employment was especially high in Austria (about -70%), Slovakia (-43%) and Czech Republic (-42%), followed by Estonia and Portugal (-40%), and Germany (-38.5%) (Figure 5). Only in Belgium was it less than 10% (-7.8%), while in the rest of the countries it was 20–30%. Sweden and the UK are remarkable exceptions in this trend. In both countries the total number of people employed in the sector increased – considerably in Sweden (+45%) and less so in the UK (+23%).

Figure 5: Variation in total employment in railway freight and passenger transport in EU27, 2001–2010 (%)

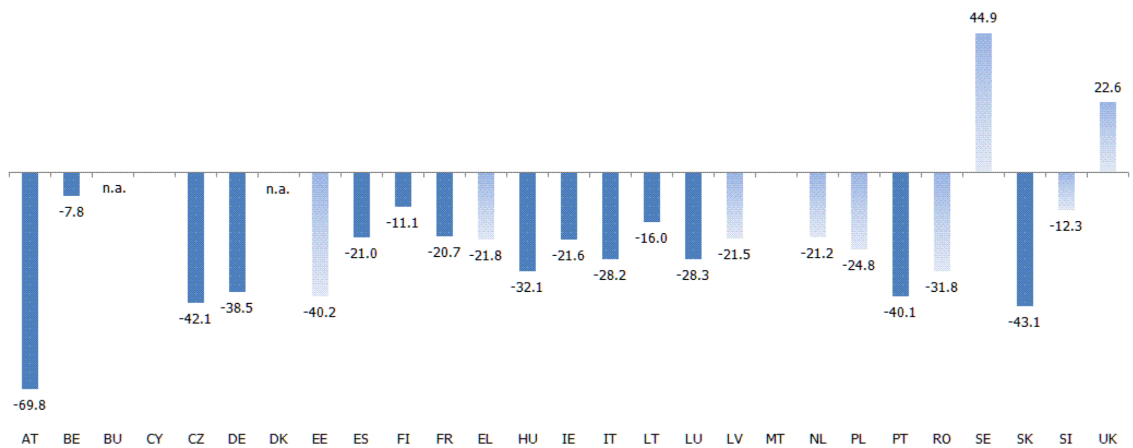

Figure 5: Variation in total employment in railway freight and passenger transport in EU27, 2001–2010 (%)

Note: A gradual filling of the bars indicates that data refer to 2005–2010, except for Slovenia (2009–2010).

Source: Eurostat, LFS

Sectoral employment is dominated by men (around 95%). Absolute figures show France, Germany and Poland are the countries with the highest number of people working in the sector (Table 6); these are also the countries with the more extended railway network (Figure 1).

Table 6: Employees (thousands) in railway freight and passenger transport operations

	2001	2005	2009			2010		
	60.1	60.1	49.1	49.2	Total	49.1	49.2	Total
AT	37,635	30,620	6,103	5,685	11,789	6,103	5,246	11,349
BE[1]	40,319	38,181	n.a.	n.a.	37,137	n.a.	n.a.	37,154
BU[2]	n.a.	31,400	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CY	–	–	–	–	–	–	–	–
CZ	91,507	75,347	33,584	17,231	50,814	34,233	18,769	53,002
DE	218,639	173,231	115,607	31,632	147,240	104,040	30,383	134,423
DK[3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12,200
EE	n.a.	3,896	1,686	2,466	4,153	801	1,530	2,331
EL[4]	38,652	43,912	31,345	3,691	35,036	26,744	3,802	30,546
ES	8,085	6,407	5,264	1,352	6,616	6,105	1,085	7,190
FI	187,241	177,005	158,267	5,852	164,119	144,631	3,795	148,425
FR	n.a.	9,363 *	7,053	2,022	9,076	5,485	1,834	7,319
HU	62,836	47,026	12,244	30,627	42,866	19,749	22,914	42,662
IE[5]	339 *	n.a.	n.a.	n.a.	279	n.a.	n.a.	266
IT[6]	111,621	102,880 *	n.a.	n.a.	84,962	n.a.	n.a.	80,153
LT	14,907	12,630	13,640	336	13,975	12,384	132	12,516
LU	4,088	3,313	1,816	965	2,782	2,647	285	2,932
LV[7]	n.a.	18,210 *	n.a.	n.a.	14,295	n.a.	n.a.	n.a.
MT	–	–	–	–	–	–	–	–
NL	n.a.	17,168	15,518	330	15,848	13,289	241	13,530
PL	n.a.	148,536	85,293	33,425	118,718	76,621	35,076	111,697
PT	20,522	10,200	9,234	773	10,007	11,922	363	12,285
RO	n.a.	92,582	51,650	19,609	71,258	43,282	19,823	63,106
SE	n.a.	7,254	4,437	3,934	8,371	6,276	4,237	10,513
SK	53,820	40,335	14,106	17,697	31803	14,271	16,353	30,624
SI[8]	n.a.	n.a.	720	2,266	2,986	669	1,950	2,619
UK[9]	n.a.	54,141 *	58,349	6,573	64,922	61,717	4,664	66,381

Notes: [1] Data from EIRO national centres, 2011. Data refer only to the number of employees in the main company in the sector, SNCB-NMBS; 2009 data include also data regarding private operators (147 employed).

[2] Data from EIRO national centres, 2011. Data refer to the number of employees in the two main companies in the sector in 2004: BSR (15.818 employees) and RINC (15.583 employees).

[3] Data from EIRO national centres, 2011. Data refer to the number of employees in the four main companies in the sector in 2010: DSB (9,400 employees), Rail Net Denmark (2,100 employees), Arriva (400 employees) and DB Schenker Rail Scandinavia A/S (300 employees).

*[4] Data from Eurostat, except for * from EIRO national centres 2011 which refer to 2006.*

*[5] Data from EIRO national centres, 2011. * refer to 2002.*

*[6] Data from EIRO national centres, except * which are from Eurostat. Data refer to the number of employees in the two main companies in the sector, RFI and Trenitalia. 2001: 38,501 RFI and 56,771 Trenitalia; 2009: 31,595 RFI and 42,174 Trenitalia; 2010: 30,209 RFI and 39.668 Trenitalia.*

*[7] Data from EIRO national centres, 2011. * refer to 2004.*

*[8] Data from EIRO national centres, 2011. * refer to 2009–2010.*

*[9] Data from Eurostat, except for * from EIRO national centres, 2011. * refer to 2004.*

n.a. = data not available

Source: Eurostat, LFS. Data for 2001 and 2005 refer to NACE rev.1.1 code 60.1 (transport via railways); data for 2009 and 2010 refer to NACE rev. 2 codes 49.1 (passenger railways, interurban) and 49.2 (freight transport) in which NACE rev.1.1 code has been split.

For 2009 and 2010, when disaggregated data began to be available for freight and passenger transport (up to 2008 they were classified together under NACE rev. 1.1 code 60.1), the data show that employment in the railways sector in the vast majority of European countries is concentrated in passenger transport. France, the Netherlands, Lithuania and Portugal are extreme cases as almost all those employed in the railways sector work in passenger transport. However, Estonia, Hungary and Slovakia are the only countries in which the number of employees in freight transport exceeded the number of those employed in passenger transport in both years.

Table 7 shows the variations in employee numbers for 2001–2010 and 2005–2010 compiled from Table 6. These variations should be considered as only indicative where they have been calculated from data obtained from different sources, that is, the data in Table 6 come mainly from Eurostat/LFS but have been complemented in some cases with data from other sources.

Table 7: Variation in employee numbers in freight and passenger transport operations in EU27

Country	2001–2010	2005–2010
Austria	-69.8	-62.9
Belgium	-7.8	-2.7
Bulgaria	n.a.	n.a.
Cyprus	-	-
Czech Republic	-42.1	-29.7
Denmark	n.a.	n.a.
Estonia	n.a.	-40.2
Finland	-11.1	12.2
France	-20.7	-16.1
Germany	-38.5	-22.4
Greece	n.a.	-21.8
Hungary	-32.1	-9.3
Ireland	-21.6	n.a.
Italy	-28.2	-22.1
Latvia	n.a.	-21.5
Lithuania	-16	-0.9
Luxembourg	-28.3	-11.5
Malta	-	-
Netherlands	n.a.	-21.2
Poland	n.a.	-24.8
Portugal	-40.1	20.4
Romania	n.a.	-31.8
Slovakia	-43.1	-24.1
Slovenia	n.a.	-12.3
Spain	-21	-30.4
Sweden	n.a.	44.9
UK	n.a.	22.6

Notes: data sources as for Table 6.

n.a. = data not available

Using data from a different Eurostat data series (employment in principal railway enterprises, by type of activity), it is possible to analyse the evolution of employment in the railways sector for a limited number of countries and for some years between 1995 and 2009.

These alternative data, which are not comparable with the LFS data shown above, divide principal railway enterprises into two main categories:

- '**General administration' (Table 8).** This category includes central and regional management staff (for example, finance, legal and human resources) and boards of directors. The management staff of specialist departments (operations and traffic, traction and rolling stock, ways and works) are excluded but are taken into account in the statistics specific to each of these services.
- '**Railway operations' (Table 9).** This category is divided between 'operations and traffic' (Table 9a), 'traction and rolling stock' (Table 9b) and 'ways and works' (Table 9c). 'Operations and traffic' includes station staff (excluding staff operating control and safety systems), train crews (excluding tractive unit crews) and associated central and regional offices (including tourism and advertising). 'Traction and rolling stock' includes tractive unit crews, workshop, inspection staff and associated central and regional offices. 'Ways and works' includes permanent way maintenance and supervision staff (including staff operating control and safety systems).

This classification is used to quantify workers operating in rail infrastructure management activities such as the maintenance and repair of railway infrastructure, even if there is some overlap between the categories considered. It is not possible to use Eurostat/LFS data for this purpose as NACE rev.2 code 52.21 ('service activities incidental to land transportation') classifies railway support activity workers together with all road transport service activity workers.

Overall the data show a decline in employment levels in the railways sector (Tables 8 and 9), notably for the category 'ways and works' (Table 9c) which includes infrastructure management activities such as rail maintenance and supervisors. The only exceptions for 'ways and works' are the Czech Republic and France, where increasing levels of employment were seen from 1995 to 2000 for the Czech Republic and from 1995 to 2005 for France. Since these employment data refer only to principal railway enterprises, the decline in employment levels partly reflects the outsourcing of activities (both related to infrastructure management such as track maintenance and supervision, and to transport services such as cleaning and catering) from the former monopolies to other companies.

Table 8: Employees (thousands) in general administration

Country	1995	2000	2005	2009
Austria	n.a.	n.a.	n.a.	n.a.
Belgium	2,185	n.a.	n.a.	n.a.
Bulgaria	1,494	n.a.	n.a.	n.a.
Czech Republic	3,287	3,823	4,098	n.a.
Denmark	n.a.	n.a.	n.a.	n.a.
Estonia	294	334	n.a.	n.a.
Germany	16,687	n.a.	n.a.	n.a.
Greece	1,515	612	1,126	n.a.
Finland	951	887	931	923
France	12,024	10,459	9,723	n.a.
Hungary	3,134	901	675	1,271
Ireland	429	n.a.	n.a.	n.a.

Country	1995	2000	2005	2009
Italy	15,200	n.a.	n.a.	n.a.
Latvia	2,050	1,140	1,153	374
Lithuania	561	276	225	198
Luxembourg	n.a.	n.a.	n.a.	n.a.
Netherlands	n.a.	n.a.	n.a.	n.a.
Poland	10,575	4,988	n.a.	21,204
Portugal	2,518	3,007	n.a.	1,833
Romania	4,333	9,063	n.a.	n.a.
Slovakia	2,889	n.a.	n.a.	n.a.
Slovenia	861	486	408	438
Spain	2,580	2,024	1,311	n.a.
Sweden	2,083	n.a.	n.a.	n.a.
UK	n.a.	n.a.	n.a.	n.a.
Norway	2,241	n.a.	n.a.	n.a.

Notes: In principal railway enterprises. n.a. = data not available

Source: Eurostat

Table 9a: Employees (thousands) in railway operations – operating and traffic

	1995	2000	2005	2009
Austria	n.a.	n.a.	n.a.	n.a.
Belgium	15,602	n.a.	n.a.	n.a.
Bulgaria	20,118	n.a.	n.a.	n.a.
Czech Republic	48,608	40,571	29,773	n.a.
Denmark	n.a.	n.a.	n.a.	n.a.
Estonia	1,237	2,404	n.a.	n.a.
Finland	5,333	4,607	3,709	3,448
France	67,253	53,480	52,395	n.a.
Germany	161,760	n.a.	n.a.	n.a.
Greece	3,221	3,145	2,370	n.a.
Hungary	30,114	24,272	22,520	13,523
Ireland	2,375	n.a.	n.a.	n.a.
Italy	60,423	n.a.	n.a.	n.a.
Latvia	5,090	4,711	5,208	1,691
Lithuania	5,480	4,991	3,365	3,410

	1995	2000	2005	2009
Luxembourg	n.a.	n.a.	n.a.	n.a.
Netherlands	n.a.	n.a.	n.a.	n.a.
Poland	75,912	44,070	n.a.	18,147
Portugal	6,884	5,880	n.a.	2,308
Romania	68,696	43,504	n.a.	n.a.
Slovakia	18,150	n.a.	n.a.	n.a.
Slovenia	4,138	2,817	2,647	2,489
Spain	15,811	14,306	7,483	n.a.
Sweden	5,991	n.a.	n.a.	n.a.
UK	n.a.	n.a.	n.a.	n.a.
Norway	2,091	n.a.	n.a.	n.a.

Notes: In principal railway enterprises. n.a. = data not available

Source: Eurostat

Table 9b: Employees (thousands) in railway operations – traction and rolling stocks

	1995	2000	2005	2009
Austria	n.a.	n.a.	n.a.	n.a.
Belgium	11,880	n.a.	n.a.	n.a.
Bulgaria	13,185	n.a.	n.a.	n.a.
Czech Republic	22,531	23,456	18,253	n.a.
Denmark	n.a.	n.a.	n.a.	n.a.
Estonia	2,220	1,715	n.a.	n.a.
Finland	5,240	3,993	3,158	2,919
France	50,389	49,933	46,941	n.a.
Germany	56,201	n.a.	n.a.	n.a.
Greece	3,905	3,480	2,647	n.a.
Hungary	15,925	12,547	11,162	4,320
Ireland	1,012	n.a.	n.a.	n.a.
Italy	33,270	n.a.	n.a.	n.a.
Latvia	3,400	2,699	1,209	392
Lithuania	4,423	3,854	2,841	2,779
Luxembourg	n.a.	n.a.	n.a.	n.a.
Netherlands	n.a.	n.a.	n.a.	n.a.
Poland	65,647	38,225	n.a.	15,636

	1995	2000	2005	2009
Portugal	2,068	1,964	n.a.	2,138
Romania	21,831	21,211	n.a.	n.a.
Slovakia	18,015	n.a.	n.a.	n.a.
Slovenia	2,145	2,071	1,859	1,783
Spain	13,701	11,562	4,082	n.a.
Sweden	5,493	n.a.	n.a.	n.a.
UK	n.a.	n.a.	n.a.	n.a.
Norway	3,077	n.a.	n.a.	n.a.

Notes: In principal railway enterprises. n.a. = data not available

Source: Eurostat

Table 9c: Employees (thousands) in railway operations – ways and works

	1995	2000	2005	2009
Austria	n.a.	n.a.	n.a.	n.a.
Belgium	7,605	n.a.	n.a.	n.a.
Bulgaria	12,265	n.a.	n.a.	n.a.
Czech Republic	15,345	17,623	n.a.	n.a.
Denmark	n.a.	n.a.	n.a.	n.a.
Estonia	1,304	1,221	n.a.	n.a.
Finland	3,389	2,648	2,242	2,151
France	43,877	60,010	54,694	n.a.
Germany	56,981	n.a.	n.a.	n.a.
Greece	2,429	2,484	1,574	n.a.
Hungary	15,058	11,760	7,750	4,992
Ireland	1,185	n.a.	n.a.	n.a.
Italy	19,258	n.a.	n.a.	n.a.
Latvia	4,911	4,590	4,914	1,597
Lithuania	4,969	4,705	3,957	3,484
Luxembourg	n.a.	n.a.	n.a.	n.a.
Netherlands	n.a.	n.a.	n.a.	n.a.
Poland	72,216	78,815	n.a.	41,090
Portugal	1,624	1,564	n.a.	1,520
Romania	40,589	27,805	n.a.	n.a.
Slovakia	10,891	n.a.	n.a.	n.a.
Slovenia	2,468	3,539	3,143	3,018

	1995	2000	2005	2009
Spain	6,866	5,855	2,040	n.a.
Sweden	7,537	5,731	5,406	5,677
UK	n.a.	n.a.	n.a.	n.a.
Norway	2,193	n.a.	n.a.	n.a.

Notes: In principal railway enterprises. n.a. = data not available

Source: Eurostat

Number of companies in operation

The general decline in employment in the railway sector between 1995 and 2009 was accompanied by an increase in the number of companies operating in freight and passenger transport (Table 10). This increase was a consequence of the liberalisation process described above. It is important to note that the data shown in Table 10 refer only to companies in the railway transport subsector (passenger and freight) and not to companies in the rail infrastructure management activities subsector, where the number of companies is higher due to outsourcing and subcontracting.

For the EU27 as a whole, the number of companies operating in railway freight and passenger transport increased from 777 in 2005 to 887 in 2007. The number then decreased to 800 in 2009, possibly due to the economic crisis. Although the data available do not allow a complete and accurate view of any trends in the number of companies, but they do give a good idea of the effects of the reforms adopted so far in the various European countries.

In a small group of countries the reform process has had a very limited impact on competition in the sector. For instance, the railway sector still has a monopolistic structure in Greece and Ireland while in other countries the competition is still weak (Table 10). In another group of countries (including Germany, Poland and the UK and to a lesser extent the Czech Republic, France, Italy, Romania and Sweden), there are a higher number of operators in the sector. These are also the countries with the more extended railway network in terms of km of track (Figure 1). However, the data in Table 10 need to be treated with caution since different entities belonging to the same group may be counted separately in certain countries.

Table 10: Number of companies in freight and passenger transport operations

Country	1995	2000	2005	2006	2007	2008	2009
EU27	n.a.	n.a.	777	813	887	806	800
Austria	17	14	24	26	27	21	21
Belgium	n.a.	3	n.a.	n.a.	n.a.	n.a.	n.a.
Bulgaria	n.a.	n.a.	n.a.	5	8	9	11
Cyprus	–	–	–	–	–	–	–
Czech Republic	5	n.a.	51	55	n.a.	n.a.	23
Denmark	20	17	12	12	14	16	
Estonia	n.a.	9	10	10	10	9	9
France	n.a.	30	26	27	32	26	25

Country	1995	2000	2005	2006	2007	2008	2009
Germany	n.a.	106	222	239	290	n.a.	245
Greece (*)	n.a.	n.a.	n.a.	1	1	1	1
Hungary	n.a.	n.a.	13	16	18	20	n.a.
Ireland (*)	1	1	1	1	1	1	1
Italy	n.a.	139	35	38	36	28	22
Latvia	n.a.	4	14	14	15	11	13
Lithuania	n.a.	2	n.a.	3	12	4	4
Luxembourg	1	1	1	1	2	2	2
Malta	–	–	–	–	–	–	–
Netherlands	2	10	15	15	20	19	16
Poland	n.a.	n.a.	82	92	104	91	94
Portugal	n.a.	n.a.	2	1	1	3	3
Romania	n.a.	n.a.	90	89	88	69	68
Slovenia	n.a.	n.a.	8	8	6	6	6
Slovakia (*)	1	1	2	2	2	2	2
Finland	2	4	4	5	5	4	5
Spain	6	7	7	7	8	n.a.	n.a.
Sweden	n.a.	27	28	35	35	41	41
UK	n.a.	111	109	97	100	95	115
Norway	n.a.	5	11	10	11	10	12

Notes: n.a. = data not available

Source: Eurostat except (*) source: EIRO national centres, 2011. From 1995 to 2007, NACE rev. 1.1 code 60.1; 2008 and 2009 NACE rev.2 code 49.1 and 49.2.

Job losses

The process of labour shedding has continued in recent years due to ongoing restructuring in the incumbent companies in most European countries. Examples are given below.

- Restructuring of Eesti Raudtee, the national railway company of Estonia, resulted in more than 500 workers being made redundant between 2007 and 2009.
- In Romania, budget cuts by the Ministry of Transport triggered a deep restructuring process in the state-owned companies under which 3,700 employees retired in 2009 and 6,380 additional dismissals were announced by CFR Marfa (freight transport) in 2010.
- A memorandum was signed in December 2010 between the Bulgarian government and the World Bank for a loan to stabilise the two Bulgarian railways companies (the National Railway Infrastructure Company and Holding Bulgarian State Railways), with the aim of reducing labour costs by 30%, which would imply job losses and a freeze on wages.
- The Portuguese publicly owned railway companies were targeted by austerity measures in the 2011 state budget, which are likely to lead to pay cuts, and restructuring and redundancies.

- The Slovakian government revitalisation programme (2011) involves a significant reduction in the number of employees, withdrawal of some regional rail lines and plans to privatise ZSSK Cargo.
- The Danish DSB has announced plans to make up to 600 employees redundant during 2012.
- In March 2011, the Greek parliament passed a law to restructure OSE, through which 2,000 workers are expected to lose their jobs either through transfers to other public bodies or retirement.
- The cost reduction programme implemented by Irish Rail as a response to the crisis involved reductions in the levels of overtime and early retirement through voluntary severance.

These restructuring processes in state-owned companies are typically regulated by agreements between the management of the company and the sectoral trade unions. They normally envisage voluntary early retirement, redundancy payments and re-employability measures for redundant workers. In most cases, the restructuring plans result in strikes by trade unions seeking to modify the content of the agreements, such as the extent of the redundancies, the redundancy packages or the planned changes in the organisation.

Industrial relations in the sector

The high share of employment in the railway sector by large state-owned companies means there are several reasons why industrial relations are specific to the sector.

First, many countries do not have a sector-level employer organisation. Some employer organisations are not specific to the railway sector as they cover the state-owned railway companies and broader segments of the public sector. In other countries, employer organisations cover only the private operators, which represent a small share of employment in the sector, and the incumbent companies are often outside their scope.

Secondly, the trade unions for workers in the railway sector are organised in a very fragmented way, albeit with a very high density.

Finally, in terms of collective bargaining, the focus lies on company-level agreements in the incumbent railway companies that are negotiated directly between the company management and the trade unions without the employer organisations being involved. However, the sector has a high proportion of employees who are covered by collective agreements since the incumbent companies normally represent a large share of employment in the sector.

In some of the countries where they exist, employer organisations are also involved in multi-employer collective bargaining in the railway sector. In some cases, employer organisations deal with the different entities belonging to the same incumbent group. In other cases, they are trade associations representing the interest of companies. However, where multi-employer collective agreements are made in the sector, they often exclude the incumbent with the largest share of the employees in the sector. But even when only company-level bargaining takes place, a high proportion of the employees are covered by collective bargaining agreements because the incumbent companies represent a large share of sectoral employment.

Against this background, the conceptual difference between company-level collective bargaining and multi-employer sector collective bargaining is blurred, since the scope of the company-level bargaining for the incumbent is much more relevant in terms of employees covered than the multi-employer sector collective bargaining that may exist for other private operators.

Employer organisations

Among the 26 countries included in this study, eight have no employer organisations (Table 11). This is due to the predominant role of national railway companies, which may be directly affiliated to a cross-sector employer organisation. For instance, Irish Rail is a direct member of the national employer body; the Irish Business and Employers' Confederation (IBEC).

There are employer organisations in 16 countries, mostly only one per country (Table 11). Five countries have two; in Italy there are three and in Sweden four employer organisations. But as indicated above, sector-specific employer organisations engaged in multi-employer collective bargaining are rare in the railway sector (see Table 13).

In some cases, employer organisations represent entities belonging to the incumbent group and typically cover wider segments of the public sector. For instance, the employer organisations in the Czech Republic, France and the Netherlands cover all public sector transport companies. Employer organisations in Finland, Italy, Slovakia and Sweden have an even wider scope of membership since they also cover publically owned companies from other sectors such as post, media and telecommunications. In Finland this is a new development that occurred at the beginning of 2011 when the Employers' Association for Transport and Special Services merged with other three employer associations to form the Service Sector Employers (PALTA).

Table 11: Number of railway sector employer organisations per country

Number of employer organisations	Countries
No information	Bulgaria Lithuania
None	Belgium Estonia Greece Hungary Ireland Luxemburg Portugal Slovenia
One	Austria Czech Republic Denmark Latvia Poland Romania Slovakia Spain UK
Two	Finland France Germany Netherlands

Number of employer organisations	Countries
	Norway
More than two *	Italy (3) Sweden (4)

*Notes: * The number of organisations is indicated in brackets.*

In other cases (such as France, Germany, the Netherlands, Norway and Italy), there are employers' organisations involved in multi-employer collective bargaining but the agreements exclude the incumbent company.

In Austria, the multi-employer collective agreements exclude the incumbent despite the fact that the membership of the employer organisation is obligatory and thus has 100% organisational coverage, including the incumbent company,

France is an example where both kind of employer organisations co-exist, with the Public Transport and Rail Union (UTP) covering a segment of the public sector wider than the incumbent state-owned company SNCF, and the French Railway Association (AFRA) representing the new private railways operators but excluding the incumbent.

The employer organisations in Denmark, Slovakia and the UK represent both the public and private operators, as in Austria, but are not involved in multi-employer collective bargaining.

In the case of Spain, the Employers' Association for Railway Services (AGESFER) negotiates at sectoral level for the contractor companies of auxiliary services such as disinfection and cleaning, which do not fall within the scope of this study.

Data are available on the density of employer organisations in the sector for only a few countries. In Austria and Denmark it is 100%. The Romanian multi-employer organisation, Patronatul Feroviar, represents five companies that are majority state-owned and in which 90% of railway sector employees work.

In Finland there are two employer organisations. One is active in both railway operations and infrastructure, while the other covers only companies in the infrastructure management subsector. Thus the two organisations jointly cover companies that employ 90% of the workers in the infrastructure subsector.

A Eurofound representativeness study on social partner organisations in the railway sector (**TN0710037S**), which includes details on employer organisations, was published in December 2008.

Trade unions

The railway sector has a high number of trade unions with numerous organisations in most of the countries studied (Table 12). Some trade unions are for specific professional groups such as engine drivers. Another characteristic of trade union representation in the railway sector is the density rates that are generally speaking higher than the overall national averages.

Only in Austria and Latvia is there one single trade union in the railway sector. In Austria, vida was founded in 2006 as a result of a merger of three smaller unions and therefore has members not only in the railway sector but also in social and health services, and in private services. Of the active employees in the railway sector, 93% are members of vida. In Latvia, the Latvian Railway Trade Union has expanded its activity to the whole transport sector and changed its name to the Latvian Railway and Transport Industry Trade Union (LDzSA).

Three countries have two trade unions representing workers in the railway sector. In Lithuania this is the Lithuanian Federation of Railway Workers Trade Union (LGPF) and the Association of Trade Unions of Lithuanian Railway Workers (LGPSS). LGPF currently has about 4,500 members of whom 3,000 are in operations and 1,500 work in infrastructure. LGPSS has approximately 1,000 members, about half of whom are in operations and half in infrastructure.

In Luxemburg there are two trade unions with a different ideological background organising workers in the railway sector. The National Federation of Luxembourg Railway and Transport Workers and Civil Servants (FNCTTFEL) is affiliated to the General Confederation of Labour of Luxembourg (CGT-L) at national level. The Christian Transport Workers' Federation (FCPT-Syprolux) has no affiliation at national level, but has a contract of cooperation with the Luxembourg Confederation of Christian Trade Unions (LCGB). In 2008, FNCTTFEL had 6,000 members, of whom 1,800 work in the railway sector, and FCPT Syprolux had about 860 members.

Norway is the third country with two trade unions in the railway sector. One of them is general in the sense that it covers all occupations, while the other one is only for engine drivers. The Norwegian Railway Association (NJF) has 6,300 members of whom 1,200 are women. The Norwegian Locomotive Drivers Association (NLF) has 1,550 members of whom 95% are men.

In the next group with three trade unions are Germany, Romania and Sweden. In Bulgaria and the UK there are four unions organising railway employees. The remaining 16 countries have more than five trade unions with members in the sector. The fragmentation of trade union organisation in the railway sector is largest in Greece and Hungary, where there are 18 different trade union organisations. In Poland there are 15 railway sector trade unions, in Portugal 13, and in Slovakia 11. The other 10 countries have 5–10 unions in the sector (Table 12).

Table 12: Number of railway sector trade unions per country

Number of trade unions	Countries
One	Austria Latvia
Two	Lithuania Luxemburg Norway
Three or four *	Bulgaria (4) Germany (3) Romania (3) Sweden (3) UK (4)
5–10 *	Belgium (8) Czech Republic (10) Denmark (10) Estonia (7) Finland (8) Ireland (8) Italy (7) Netherlands (8) Slovenia (9) Spain (7)
>10 *	France (13) Greece (18) Hungary (18) Poland (15) Portugal (13) Slovakia (11)

*Notes: * The number of trade unions is indicated in brackets.*

A Eurofound representativeness study on social partner organisations in the railway sector (**TN0710037S**), which includes details on trade unions, was published in December 2008.

Fragmentation of trade unions

In some countries, the high fragmentation of trade union organisations in the railway sector is due to the public–private sector divide. In others it is because there are different trade unions organising the workers in operations and those in infrastructure. In Belgium, for example, there are five trade unions organising public sector employees, while the white-collar trade unions organise private sector employees. France and the Netherlands are examples of countries where there are different trade unions in operations and infrastructure. In France there are nine trade unions in operations and another four in infrastructure. In the Netherlands there are four in operations and another four in infrastructure.

The fragmentation of trade unions in the railway sector is also caused by the restructuring process and ensuing conflict, which resulted in the emergence of new trade unions. In addition, dissatisfaction with collective bargaining agreements among specific professional groups (such as engine drivers) has led these workers to create their own separate trade union organisations.

At Irish Rail, for example, the Irish Locomotive Drivers' Association (ILDA) was established following dissatisfaction with the 1994 Irish Rail productivity deal. In Italy, this kind of fragmentation occurred in the mid-1980s when the Independent Engine Drivers' Union (Comu) was created. In more than half the countries in Europe there are specific trade union organisations for locomotive drivers. This is the case in the Czech Republic, Estonia, Finland, Germany, Hungary, the Netherlands, Norway, Poland, Portugal, Romania, Slovenia, Spain and the UK.

There are some instances where large numbers of trade unions in the railway sector are merging or at least regrouping under umbrella federations or associations.

- The current single railway trade union in Latvia, for example, is the result of a regrouping in 2010 of 103 individual trade unions.
- In Greece, the formation of the Pan-Hellenic Federation of Railway Workers (POS) brought together 18 different unions in the railway sector.
- In Slovakia, the 11 professional trade union organisations are all affiliated to the Railway Workers Trade Union Association (OZŽ).

Because the fragmentation and regrouping can be at different stages, the railway sector has a complex landscape of trade union organisations. For example, one of the three Romanian railway trade unions, the National Railway Trade Union Alliance (ANSF), is also an umbrella organisation of six sub-federations.

High density rates of trade unions

As well as the high degree of fragmentation, high density rates are typical for trade unions in the railway sector. In all countries featured in this study, union density is very high. For example, in Ireland, union density is nearly 100%. In Sweden it is reported to be 95% and in Austria 93%. For several other countries such as Belgium, Finland, Greece, Poland, Portugal and Slovenia, density is around 90%, which is generally well above the national average (Eurofound representativeness study 2008). There are no reports of the economic and financial crisis having affected the density rates of trade unions.

Another particularity of the railway sector is that some countries have forms of participation in management structures for employee representatives. This is true, for instance, in Belgium at SNCB-NMBS, where there is a series of national and regional joint committees for decision-making and consultation purposes. In Austria, a law enacted in 1997 resulted in the introduction of a special system of employee committees at ÖBB. Similarly, specific legislation for railway or public sector companies may include board-level representation as in France (SNCF), Greece

(OSE), Ireland (Córas Iompair Éireann, CIÉ, and Irish Rail), Slovakia (Slovakian Railway Infrastructure Manager, ŽSR) and Spain (Spanish Rail Service, Renfe).

In other countries (such as Germany and Slovenia), board-level representation can result from general provisions that are not specific to the railway sector. For these countries, however, the participation structures available for railway workers' representatives are unique and typical for this sector.

Collective bargaining

Because sector-specific employer organisations involved in multi-employer collective bargaining are rare in the railway sector, collective bargaining at the company level prevails in most European countries. Nevertheless, the large share of sectoral employment represented by the incumbent railway companies means there is very high collective bargaining coverage. Furthermore, the incumbents' collective agreements set the benchmarks for the other railway companies and thus for the entire sector.

In most countries, the railway sector only has company-level collective bargaining (Table 13). This is sometimes done in centralised or more decentralised ways, or a combination of both. Given the group structure of many incumbents, company-level collective bargaining is often broken down into negotiations for a group-level framework agreement and negotiations for supplementary agreements at subsidiary or even plant level. Examples of such articulated company level bargaining can be found in Austria, Germany, Lithuania and the Netherlands.

In Germany, the framework collective agreement negotiated at the holding level is supplemented by regional- and company-level agreements that apply to only certain parts of the DB Group. A similar system exists in Lithuania. This includes a national Lithuanian Railways (LG) collective agreement whose provisions are more clearly specified, with possible changes at branch level. Articulated bargaining is also present at ÖBB in Austria where negotiations take place at federal, regional and plant levels. In the Netherlands, a somewhat decentralised collective bargaining structure, based on six separate business unit agreements, was in place at Dutch Railways (NS) until an agreement in April 2005 reversed this situation and introduced a single company agreement.

Examples of centralised company-level bargaining can be found in Belgium, where the National Joint Committee of SNCB-NMBS plays a key role in employment regulation, and in Spain, where the central company management defines guidelines and decisions on labour and bargaining policies to be applied at local level. In France, SNCF has a rather centralised structure of company level collective bargaining, as does Bulgarian State Railways (BDZ EAD) in Bulgaria. Unlike these group-level agreements, possibly supplemented by specific deals at subsidiary level, a highly decentralised structure exists in the UK where multiple single company agreements prevail, even when different railway companies belong to the same group.

Since the incumbent companies represent a very large proportion of the employees in the sector, the differentiation between company-level and sectoral-level collective bargaining becomes somewhat blurred since the company-level agreements negotiated for the incumbent companies cover most of the employees in the railway sector. For instance, in Slovenia, the railway sector collective bargaining agreement is negotiated jointly by the Ministry of Transport and the management of the Slovenian Railways Holding Company (HSZ) and covers the HSZ group. Similarly, in Latvia, the sector collective agreement is negotiated by the company management on behalf of the employer's organisation and applies to Latvian Railways (LDz). Therefore, even if this is reported to be sectoral collective bargaining, it is considered here as company-level collective bargaining since it applies to the incumbent's employees.

Additionally, while the collective agreement may only apply to the state-owned companies in the railway sector, they are the result of a sector-level collective bargaining process covering a wider segment of the public sector. For instance, railway transport is covered by the public sector collective agreement for civil servants in Luxembourg. A similar situation applies other countries (such as Denmark and Germany) where a varying proportion of railway workers employed by the incumbent companies have retained their civil service status. These are considered to be examples of company-level collective bargaining because such agreements may apply to other civil servants in other sectors, but in the railway sector they apply only to the employees in the incumbent companies.

There is multi-employer collective bargaining in the railway sector in some countries, but mostly in combination with company-level agreements. In these cases, there is multi-employer collective bargaining covering several of the new operators but excluding the incumbent, which negotiates its own collective bargaining. Examples of this practice are the railway sector collective agreements in Austria, Belgium, France and Germany. These agreements do not cover the main railway companies, only the other residual operators. The sector-level collective bargaining in these countries further underlines the predominant role given to company-level collective bargaining in the incumbents, since the number of employees covered by such multi-employer agreements are fewer than those covered by the company-level agreements at the incumbent companies.

In France, for example, there was only company-level collective bargaining for SNCF until the introduction of competition in 2006. Since 2007, sector-level collective agreements have been made, which are extended to all employees in the sector with the exception of SNCF employees.

Another example of this can be found in Austria, where in May 2004, a general collective agreement was reached between the ÖBB management and the Union of Railway Employees (GdE; now part of vida). The most recent negotiations in November 2010 resulted in a multi-employer collective agreement between the employer organisation, the Federal Organisation of Railways (FVS) and the trade union, vida. However, there is also a separate specific collective agreement on working time which concerns only ÖBB employees.

Other instances of multi-employer bargaining, on a broader basis, can be found in Italy, the Netherlands and Norway (where it concerns central agreements over wage terms). As was mentioned earlier, in cases like Spain where multi-employer collective bargaining takes place but for companies offering auxiliary services, this is not considered here as sectoral-level collective agreements since the scope of those services do not entirely fall within our definition of the railway sector.

Table 13: Collective bargaining in the railway sector

	Countries
Company level collective bargaining alone	Bulgaria Czech Republic Denmark Estonia Greece Hungary Ireland Latvia Lithuania Luxemburg Portugal Poland Romania Slovakia Slovenia Spain UK
Company-level collective bargaining for incumbent and sector-level collective bargaining for residual companies (not for incumbent)	Austria Belgium France Germany [1] Italy Netherlands Norway
Only multi-employer collective bargaining covering the entire sector including the incumbent	Finland Sweden

Notes: [1] In Germany, company-level collective bargaining is combined with sector-wide collective agreements on certain aspects including the incumbent (DB website).

Only in Finland and Sweden is there is multi-employer collective bargaining covering the entire railway sector. In Finland, collective bargaining takes place at the sectoral level. Here PALTA reaches collective agreements with trade unions in both railway service provision and infrastructure management activities; in the former, the employer organisation INFRA ry also participates in collective bargaining.

In Sweden, where sector-level collective bargaining has been practised for much longer, different sector agreements are made for the public and private sectors. For employees in private companies in the Swedish railways, sectoral agreements are concluded between the Swedish Service Employer Association (Almega) and the trade unions – the Union for Service and Communication (SEKO), the Union of Civil Servants (ST) and the Swedish Confederation of Professional Associations (SACO) – mainly for railway operations activities (passenger and freight transport). The railways is the only sector in Sweden where blue- and white-collar unions have the same sectoral agreement; the local partners in private companies then bargain for local agreements which complement the national agreements. In the infrastructure sector, employees are also covered by the agreement between SEKO and the Swedish Construction Federation (BI). For the public sector employees in Sweden, the Swedish Agency for Government Employees (Arbetsgivarverket) concludes agreements with the trade unions at national level. Each state authority (Trafikverket and Infranord AB in the railway sector) then negotiates with the local trade unions for local agreements.

There used to be multi-employer collective agreements in Poland in parallel with company-level agreements. This double tier collective bargaining structure existed until the revocation of the sector level agreements in June 2011. From 2012, only single employer agreements are in place in the Polish railway sector.

Conflicts and industrial action

Three groups of countries can be distinguished with opposite trends in relation to industrial action between 2006 and 2011 (Table 14).

The first group (Belgium, France, Greece, Hungary, Italy, Poland, Portugal, Romania, and the UK) showed high and, sometimes even increasing levels of conflict, which arose mainly out of the railway reform process. In these countries, the railway sector is found to be among the most strike-prone economic sectors. Restructuring in the sector and austerity measures due to the crisis are among the reasons for this. In Portugal, strikes escalated in 2011 in connection with government austerity plans (**PT1102049I**). In France, there was industrial action in 2007 against the SNCF pension scheme reform and against a 'minimum service' clause in the event of a dispute. According to a statistics release from Dares in June 2011 (in French, 210Kb PDF), this action meant that the transport sector accounted for 38% of the total number of lost working days through strikes in 2007 in France. In 2010 there were strikes against the pension reform in France, but overall the number of conflicts has decreased over the years. In Italy the number of hours of strike action, caused by work problems derived from reorganisation plans within the incumbent, peaked in 2009.

A second group of countries can be distinguished for which only a few strikes were reported. For Slovakia and Slovenia, this was only one warning strike. For the Czech Republic, Denmark, Estonia, Ireland, Germany and Spain, two or three strikes were reported between 2006 and 2011.

Finally, there is the group of countries where no strikes were reported. Between 2000 and 2005, Austria, Estonia, the Netherlands, Ireland and Spain experienced a high number of strikes, but no strikes have been reported since 2006 for Austria and the Netherlands. Other countries with no reported strikes since 2006 include Latvia, Lithuania, Luxembourg, Norway and Sweden. The absence of conflict in the industrial relations in the Lithuanian railway sector can be explained by the fact that salaries in the sector are on average 21% higher than in other sectors.

Table 14: Conflicts and industrial action in the railway sector (2006–2011)

Level of industrial action	Countries
Many strikes reported	Belgium France Greece Hungary Italy Portugal Romania Poland UK
One or only a few strikes or conflicts reported	Czech Republic Denmark Estonia Germany Ireland Slovakia Slovenia Spain
No strikes reported	Austria Latvia Lithuania Luxembourg Netherlands Norway Sweden

Initiatives to improve working conditions in the sector

Employment and working conditions in the railway sector have both changed considerably in past years, with liberalisation of the sector triggering a need for greater efficiency. On one hand, the old public monopolies have become independent state-owned companies operating under market rules and have therefore come under pressure to increase their productivity. On the other hand, new entrants try to gain market share by being competitive and able to provide services in a flexible way. In addition, new technologies (online sale of tickets, remote control of trains and automatic access control systems that require less maintenance) are modifying the quantity of labour and the job profiles required by the sector.

As well as declining employment levels in the incumbent companies, the liberalisation process and the outsourcing and subcontracting of activities have implications for working conditions such as working time, working location, defining specific working tasks, wages and company benefits, and participation in training.

Social partners agree on the need to develop a modern and integrated railway sector in Europe, but have concerns about the ways to achieve it.

Unions are critical of the decline of work protection levels and company benefits resulting from the liberalisation and sectoral restructuring through which the old monopolies turned into state-owned companies, normally under private law employment relationships and with varying degrees of subcontracting and outsourcing of activities. The unions claim that fragmentation and privatisation, coupled with the need to reduce costs, have led to:

- major job losses
- more flexible employment relationships;
- longer working hours;
- greater working time flexibility;
- pressure on wage developments;
- dismantling of company-based social benefits;
- less access to training.

Although the employers are in favour of the liberalisation of the sector, they share the view that:

- the quality of the service and the health and safety of rail workers must be protected;
- competition based solely on differences in working conditions must be avoided.

This section looks at industrial relations initiatives at European and national level to improve working conditions in the railway sector.

European-level outcomes

Three organisations exist at European level representing both sides of the railways industry. On the employee side there is the European Transport Workers' Federation (ETF), while the Community of European Railway and Infrastructure Companies (CER) and the European Rail Infrastructure Managers (EIM) represent the employers. CER represents railway undertakings and infrastructure companies, except in the case of the Association of Train Operating Companies (ATOC) in the UK and the Association of Swedish Train Operating Companies, which are associations of companies. EIM represents 12 independent infrastructure managers.

European social partners have played an active role in the railway sector. In 2004, CER and ETF signed two significant agreements on working conditions that have been taken up by European legislation.

Agreement on working conditions of mobile railway workers assigned to cross-border interoperability services

This agreement aimed to establish common minimum health and safety standards for mobile workers in the European railway freight market, bearing in mind the need to protect the health and safety of mobile workers and the need for flexibility in providing transport services in an integrated European railway network.

Council Directive 2005/47/EC gave effect to this agreement on certain aspects of working conditions such as driving and resting times, which apply to all railway undertakings. The directive should have been transposed by Member States by July 2008 at the latest. On May 2010 the European Commission referred four Member States (Estonia, Italy, Luxembourg and Portugal) to the European Court of Justice for not communicating their measures to transpose into the directive into national legislation. Italy transposed the directive by means of an act passed on 23 December 2010.

The directive grants workers a daily rest period of 12 consecutive hours and breaks of 30–45 minutes. It also limits daily driving time to nine hours on a day shift and eight hours on a night shift. A minimum weekly rest period of 24 consecutive hours must be given and workers are entitled to 104 24-hour rest periods a year (including 12 double rest periods of 48 hours instead of 24, which must include a Saturday and a Sunday, and a further 12 double rest periods that do not have to include a Saturday and a Sunday). The so-called interoperability directive (2008/57/EC) harmonises and clarifies interoperability requirements, though mainly in relation to technical standards.

Agreement developing a European licence for drivers carrying out a cross-border interoperability service, based on common health and safety conditions and common competency standards.

This was an autonomous agreement to be implemented by the social partners themselves, though originally the social partners had wanted the agreement to be implemented by a Council decision to make the licence applicable to all railway companies.

Directive 2007/59/EC on the certification of train drivers operating locomotives and trains incorporated some of the content of the agreement and has been transposed into national legislation. The directive seeks to harmonise train driver certification within the EU by laying down the procedures for obtaining and withdrawing licences and certificates (when meeting minimum requirements on medical fitness, basic education and general professional skills) with the aim of enhancing the mobility of drivers and railway undertakings between EU countries.

Some elements of the ETF/CER agreement are not incorporated in the directive (annual continuous training or assistance of drivers in the case of accidents or incidents), but remain a valid autonomous agreement between social partners that may be applied by the social partners and the companies in the different countries.

Other outcomes

Apart from these two important agreements on working conditions, in 2007 European social partners produced two joint recommendations – one on employability and one on better representation and integration of women – although EIM only signed the latter. Both joint recommendations include a regular follow-up process.

According to European Sectoral Social Dialogue report for 2010 (1.23Mb PDF), other topics discussed by the sectoral dialogue committee in recent years include:

- the use of new technologies in training;
- work organisation;

- interoperability;
- sectoral social dialogue after enlargement of the EU;
- the attractiveness of the sector;
- insecurity in the public transport sector.

National-level outcomes

Multiple actions aimed at improving working conditions exist in the European countries covered by this study. These initiatives may be the result of collective bargaining at the sectoral or company level, initiatives developed unilaterally by trade unions or employer organisations, or purely company measures.

Health and safety at work

The different application into national legislation of the two agreements signed by CER and ETF in 2004 largely reflects the current situation on dealing with health and safety in the railway sector. This was also concluded by an ETF/CER report (1023Kb PDF) published in 2010. In addition, the two directives have been transposed into national law in some countries.

In Austria and Hungary, both agreements were taken into account during the negotiations for the sectoral collective agreement and entered into force in 2004. In the Netherlands, the CER/ETF agreement on working conditions was implemented in a collective agreement and in France it will be part of future social dialogue. In Belgium, the parliamentary National Commission for Protection and Prevention at Work boosted social dialogue with its recommendations following a major accident.

In Austria, the employer organisation in the railway sector, FVS, set up working groups of company representatives and officials from the Federal Ministry of Transport, Innovation and Technology (BMVIT) to discuss health and safety issues at work. The Railway Workers Protection Act (*Eisenbahn-ArbeitnehmerInnenschutzverordnung EisbAV*) was implemented in 2000 (with amendments in 2006 and 2007).

In Hungary, health and safety at work is a key element in the cooperation agreement of January 2011. This is supported by a health promotion programme and the implementation of the medium-term occupational safety programme and action plan by the Hungarian State Railways Company (MÁV).

In the UK, ongoing campaigns for engine drivers staff such as the SQUASH campaign by the main train driver's union, the Associated Society of Locomotive Engineers and Firemen (ASLEF), seek to secure a safe working environment for drivers.

In Sweden the issue of the length of the recovery time for night-shift workers has been a major topic in bargaining rounds. The final agreement between SEKO and BI lays down that all employees working two night shifts a week are entitled to at least 48 hours of rest during the same week.

At company level, the French national rail company SNCF has adopted a decentralisation approach since 2009 to the prevention of work injuries – the core element of its health and safety policy – along with other measures such as seminars on stress, and prevention and diagnostic procedures on life quality at work.

In Estonia, the collective agreement concluded between Eesti Raudtee and the Estonian railway workers' trade union, ERAÜ, includes measures that support healthy lifestyles and compensation of medical costs.

In Ireland, a new drugs and alcohol policy was issued as Railway Safety Standard No. 30 and implementation was initiated at the end of 2007 (jointly by senior management and trade unions).

Partnership initiatives focus on the Top Safety Consultative, a body made up of management and elected safety representatives, which aims to reinforce Irish Rail's safety policy and use of its safety management system. There are also seminars that seek to enhance safety, technical and professional skills.

In Slovakia, a provision in the collective agreement concluded with ŽSR for 2008–2010 established a special investigation committee dealing with occupational accidents on the railways with cooperation from trade union representatives and the company management.

In Spain, bipartite bodies with goals on safety issues and psychological risk assessment were set up by the first collective agreement of the Railway Infrastructure Administration (ADIF) and the first collective agreement of Renfe-Operadora, and the 18th collective agreement of the national narrow gauge railway company, FEVE.

According to the study, Employability in the face of demographic change – prospects for the European rail sector (3.38Mb PDF), there are initiatives at company level in the sector that encourage health promotion in Austria, Belgium, Germany, Luxemburg and Poland.

In Austria, ÖBB Holding AG with cooperation from trade union, vida, implemented a workplace health promotion plan (2006–2010) with activities such as health circles, multiplier training, working groups, awareness-raising actions and job-related screening of healthy employees.

In Belgium, the corporate prevention service of SNCB-NMBS performs a risk analysis every five years. There is also a bilateral drafted protocol to the social agreement 2008–2010 called 'Retraining of personnel in case of unfitness for normal duties'.

In Germany, Deutsche Bahn AG has implemented an initiative called 'DB Health World' which targets human resources (HR) executives and on-site managers to help them manage the current demographic change.

In Luxemburg, SNCFL has two initiatives:

- the establishment of a psychological service to help employees whose lack of aptitude is affecting their working life;
- a risk assessment project implemented in 2009.

In Poland, PKP Cargo SA has implemented the project, 'A healthy company – how to overcome work-related stress', with the cooperation of trade union and company representatives and the participation of many employees.

The issue of harassment and violence at work has also been tackled in many countries, including Austria, Belgium, Luxemburg, Norway, Spain and Sweden.

In Austria, the trade union vida has an initiative against violence and harassment at work (*Tatort Arbeeitsplatz. Gib der Gewalt in Job Keine Chance*) along with seminars on conflict management and provision of financial support to its members who have been victims of violence.

In Belgium, as part of the social dialogue master plan financed by the government, SNCB-NMBS has run a public campaign on 'courtesy in travelling' since 2007.

Under the first collective agreement of ADIF and the first collective agreement of Renfe-Operadora, bipartite bodies were established in Spain with the goal of developing guidelines for an action plan confronting the phenomenon of aggression against railway workers.

In Sweden, a joint project group was introduced with an agreement between the employer association, Almega, and the trade union SEKO in 2010 in response to the conclusion of the need for measures against violence against employees.

In Italy, FS Group has implemented a project, 'Physical fitness at work in the railway interoperability framework', which aims to define common guidelines for medical examinations related to age for drivers operating locomotives and trains on the railway system in the EU.

Representation and integration of women

According to the final report of the European project, Representation and better integration of women in the railway occupations (764Kb PDF), published in 2005 and the joint recommendations by CER and ETF on Better representation and integration of women (671Kb PDF) made in 2007, in general the sector is highly masculinised, with relatively low female employment. The main challenges are **work-life balance** and **equal opportunities**.

At sectoral level in Spain, the second sectoral agreement on external and auxiliary services and customer care in railway services implements measures to protect maternity and reconciliation. The agreement introduced measures to protect pregnant women from health risks and allowed women to exchange maternity leave for a reduction in working hours. In terms of the reconciliation of work and family life and the development of equality plans, the agreement encompasses what is compulsory by law.

In Slovenia, the collective agreement for the activity of railway traffic (CAART (in Slovakian)), states that women have special rights in terms of the length of annual leave, conditions for night shift working and safety working conditions.

In Sweden, gender-related issues such as the representation and integration of women in the workplace are often promoted through cross-sectoral initiatives by umbrella organisations such as the Swedish Federation of Trade Unions (LO) or the Federation of White-Collar Workers (TCO)., In the 2010 collective agreement, the entitlement to parental allowance was extended from four to five months for members of the trade unions SEKO and ST who have been employed for at least six consecutive years.

Company-level bargaining appears to be the standard in countries such as France, Germany, Hungary, Romania and Spain.

In the case of Germany, a voluntary corporate employer/works council agreement, Reconciling work and family was reached with DB Group works council in 2009.

In France, SNCF concluded in an agreement in 2006 on the Diversity between men and women (in French, 117Kb PDF) which sought to increase the employment rate of women and to improve work–life balance issues such as maternity leave.

Company collective agreements (2011–2012) in Romania also include provisions for flexible working schedules in favour of childcare and securing salary and employee rights for women.

In Spain, at company level in the case of Renfe-Operadora and ADIF, there are established measures addressing work–life balance such as the promotion of reconciliation by means of measures based on an analysis of different working days and the promotion of voluntary part-time work, making it easier to obtain maternity leave and the option to give preference to divorced workers with children when booking holiday leave (first collective agreement of Renfe-Operadora in 2008). Additionally in the case of ADIF (first collective agreement in 2007), the collective agreement also proposes guidelines to protect victims of gender violence such as reducing working hours and offering preference in geographical mobility. The two agreements established a bipartite commission in charge of monitoring and evaluating an equality plan with the aim of raising awareness.

Company-specific gender equality plans have also been established in Hungary by the Hungarian state railway, MÁV, and the Győr-Sopron-Ebenfurt Railway Co. (GYSEV).

In Italy, FS Group has an equal opportunities joint committee (established by the 2003 national industry-wide agreement) which every year monitors an ‘annual plan of activities’. In September 2010, FS Group signed the ‘Equal opportunities and equality of work charter’ (promoted by the Ministry of Equal Opportunities). In 2010 FS Group and trade unions participated in a working group on the implementation of the 2007 CER/ETF joint recommendation on the representation and integration of women in the railway sector.

In the case of Ireland, Irish Rail formed a work–life balance network (55Kb PDF) as part of a cross-organisational working group based on a partnership approach with management, trade unions and staff and supported by EU funding. For example, parental leave for a child's first day at school has been introduced. Teleworking and term-rime leave policies were also developed to extend the existing range of leave and working arrangements to facilitate work–life balance.

In Austria, according to the vida trade union, ÖBB (in cooperation with works council representatives) has focused on the promotion of women with specific programmes since 2005. The aims of its women's support programmes are to:

- increase the share of female workers from 8.2% to 11% by 2015;
- increase the female share of management positions from 7.6% to 15% by 2015;
- increase the female share on the supervisory boards of ÖBB and its subsidiaries to 25%;
- reach a share of 25% females in top performer and high potential programmes;
- increase the share of female apprentices to 20% by 2015 (currently 17% – an increase of 20 percentage points compared with 2005; ÖBB is Austria's biggest apprenticeship training employer among the technical professions).

In Belgium, SNCB-NMBS has a diversity plan and a diversity manager, and was one of the first companies granted the federal government's diversity label. Because the company's main challenge is to attract new people, it has integrated in its managerial contract with the state the target that every year 20% of the new recruits must be women. In 2010, 23% of new recruits were women. The percentage of women working in the SNCB Group is 10% and slowly rising. However, the segmentation in some of railway jobs remains absolute. Only 2% of train drivers and 22% of train attendants are women. Lower skilled technical jobs are still almost exclusively occupied by men.

There are also trade union initiatives to improve the gender equality in the sector. In Slovakia, OZŽ includes equality issues in training courses for trade union officials. In the UK, the Transport Salaried Staffs' Association (TSSA), the National Union of Rail, Maritime and Transport Workers (RMT) and ASLEF each have a representative committee for women. RMT has a Charter for women (1.13Mb PDF) which outlines the legal rights of employees and also campaigns for adequate uniform, toilet and childcare provision – areas that are considered underdeveloped in the sector.

Employability and attractiveness of the sector

According to the social partners, recruitment is a crucial variable and a challenge in the railway sector. There is a need for a 'new generation' of employees due to previous restrained recruitment policies (in Finland, for example, there was no recruitment for a long period) and/or the ageing workforce (for example, Belgium, Finland, Luxemburg and Poland). Consequently there is a need for skilled and professionally trained workers, which is a challenge and is connected with high wages (for instance because of the limited number of drivers) and a weakness for company expansion (Sweden).

The attractiveness of the sector in some cases is reported as high because of the guaranteed working conditions and employment (for example, Lithuania, Luxemburg and Norway). However, there are cases like Bulgaria, Estonia, the Netherlands, Poland and Romania where its attractiveness is considered low due the uncertainty relating to the liberalisation process and/or low investment in the sector.

Apprenticeships

Some countries (Austria, Germany, Italy and Norway) are providing opportunities for apprenticeships.

In Germany, the 1994 collective agreement and 2006 DB Group works agreement provided training opportunities for apprenticeships in the railway sector. Additionally, in 2011 DB Group pioneered a new measure for school leavers creating a pool of future workers.

In Austria new apprenticeships were established in 2010 and in Norway railway companies offer apprenticeships as part of the national vocational training system.

In Italy, following a 2006 agreement on apprenticeships signed by the Confederated Transport and Services Agency (Agens), the Confindustria federation for transport sector associations, Federtrasporto, and the main sectoral trade unions, FS vocational programmes were implemented in 2009 and 2010 whose aim is to provide training on the new safety regulations and to train tutors and mentors for new recruits. These projects are part of the implementation of the European project Employability in the face of demographic change – prospects for the European rail sector (3.38Mb PDF).

Vocational training

For the crucial issue of continuing education, training and skills recognition, social dialogue has produced some interesting outcomes as illustrated by the examples below from France, Germany, Latvia and Spain.

In France, a sectoral agreement on **vocational training** (31 October 2011) addressed training plans with costs to amount to 0.3% of the payroll.

In Germany, the 1994 collective agreement and 2006 DB Group works agreement contain a stipulation for vocational and further training opportunities in the railway sector. Within this framework, the Employers' Association of Mobility and Transport Service Providers (Agv MoVe) and the Railway and Transport Union (EVG) initiated a project (Quali X (in German)) for young railway workers.

In Latvia, participation in training is envisaged in the general agreement. The sole trade union, LDzSA, has established its own training centre where there is permanent provision for about 30 people to take training courses, with provision expanding to about 70 people in summer.

At national level in Spain, the second sectoral agreement on external and auxiliary services and customer care in railway services established leave benefits and reorganisation of working hours in case of vocational training. Also, at company level, as an outcome of a commission established by the first collective agreement of Renfe-Operadora, there is an agreement for professional development – signed by the company and the General Workers' Confederation (UGT) and the Spanish Trade Union of Train Drivers and Assistants (SEMAF).

There are also some important tripartite and bilateral initiatives, as well as ones initiated only by employer organisations or trade unions.

In Belgium there is a bilateral forum (National Training Council, CNF) where all issues for training are discussed between SNCB Group and the trade unions. Additionally at company level, the SNCB training centre (Train@rail), which is responsible for providing licences and certificates, invests 6.5% of total labour costs in training.

In France social partners agreed on a framework on 11 July 2011 for the tutoring of younger and new workers by older and more experienced ones. In Norway, the Norwegian Railway School was established in 2005 to provide training to the entire sector. In the UK, GoSkills (an employer-led body) provides training in the sector's skills.

In Hungary, all MÁV employees have equal opportunity of access to a **lifelong learning** facility. Numerous training programmes (school-type system education, language courses, extension courses, conferences) affecting a wide range of employees were implemented recently in line with current changes in activities.

Since 2009, a sectoral tripartite committee in Romania has acted as a social dialogue body whose duties include the task of organising adult vocational training. Under Romanian law, the committee is coordinated by the National Council for Adult Training (CNFPA). Other members of the sectoral committee are the Federation of Engine Drivers in Romania (FMLR) and the National Centre for Railway Vocational Training and Certification (CENAFER), which provides training, schooling, refresher courses and re-certification services to workers in the railway transport system. The sectoral committee cooperates with CENAFER in all matters concerning the professional side of railway workers (methodology, curricula, syllabuses, teaching aids, etc.). CENAFER is currently conducting a programme on 'Training of trainers as a means to conform with EU standards on railway workers' vocational training', which is co-funded by the **European Social Fund** (ESF).

Safeguarding employment

The role of social partners in the railway sector also covers the issue of safeguarding employment.

In Germany, for instance, safeguarding employment is a priority. Based on the 2004 agreement (**DE0504205F**) on job security (with an extension till the end of 2010 and two additional agreements in 2007), there is provision for support to employees losing their jobs either because of restructuring or job-related health problems to find adequate employment on DB's internal market. Additionally, the 2011 collective agreements on short distance passenger transports call on the winning contractors to support workers in the sector and provide an obligation to calculate wages on the basis of previous experience with a former employer.

In the Czech Republic, the Czech Railways Company (ČD) carried out in 2008 a retraining project called 'Czech Railways raise employability' with a focus among other things on raising employability for those employees at risk because of the restructuring in the railway sector.

In Slovakia within the framework of social programmes signed by ŽSR, Slovakian Railways (ZSSK) and ZSSK Cargo, an internal labour policy was implemented in 1 April 2009 which gives the option to reallocate employees in the railways made redundant following the radical restructuring in 2002–2005.

In France an important agreement was concluded on 27 October 2006, with four unions – French Democratic Confederation of Labour (CFDT), French Confederation of Management – General Confederation of Professional and Managerial Staff (CFE-CGC), the Independent Train Drivers Union (FGAAC) and the UNSA Railway Workers' Federation (Unsa) – to support the internal mobility of employees within SNCF in the event of reorganisation.

An interesting intervention is applied in Italy according to the agreement signed in May 2009 by FS Group and the main trade unions for the reorganisation of the 'Joint Fund for Income Support' (**IT0906029I**). This fund (financed by both workers and employers) provides the framework for two alternative ways of helping redundant workers:

- financing a vocational training programme (salaries are paid by the fund) for a maximum period of 18 months;
- subsidising 'plant fixed-term collective agreements' similar to a **job-security agreement.**

In case of redundancies, FS agrees to cut working hours and pay instead of cutting jobs for a definite period of time. During this period the joint fund acts as a wage-compensation fund for the working hours lost.

Other aspects of working conditions

In most of the countries studied, collective agreements address most aspects of pay and working time.

Pay

In some countries, the liberalisation process meant that wage agreements ended up with inequalities between old and new employees. For example, in Austria there are differences between long-standing employees of ÖBB who have permanent contracts and those who joined the company later. In Germany, 2011 sectoral agreements on short distance transport have led to wage reductions as a result of outsourcing and competitive tendering.

In some countries, however, the reorganisation process and the economic crisis have had limited influence on pay (Norway) and there were even increases in 2010 and 2011 (Belgium, France, Italy, Lithuania and Sweden). In the Czech Republic, wages in 2010 stayed at the same level as 2009 according to a company-level collective agreement as a compromise to avoid job losses due to the crisis.

Temporary contracts

In general, temporary contracts are not very widespread in the railway sector in most of the countries, with the exception of Slovenia where most of the contracts are temporary and are addressed by a collective agreement.

In Spain, temporary employment covers substitutions of the workers during holidays (collective agreements of Renfe-Operadora, ADIF and FEVE).

In Germany, temporary employment at DB Group is covered by a special collective agreement as a result of the opposition of the Employers' Association of German Railway Companies (AGVDE) to conclude to a sectoral agreement. Temporary employment in the case of the German Engine Drivers' Union (GDL) and the company MEV Eisenbahn is addressed by a company agreement.

In Italy, a sectoral agreement (2003) and other more recent specific ones regulate temporary employment issues (in accordance with the national law, **IT0307204F**).

In Latvia, the collective agreements do not address temporary and part time employment.

Flexible working

Some examples are given below of the use in the railway sector of part-time working and other forms of flexible working.

In Slovakia, management and trade unions adopted two social programmes (1 April–31 August 2009 and 1 September–31 December 2009) in order to introduce flexible working practices in response to the crisis and as a tool for terminating employment contracts by mutual consent.

Council Directive 2005/47/EC on working time, which should have been implemented by law in all Member States, was adopted for example in Slovakia by Slovak Act No. 462/2007 on organisation of working time in transport and in Slovenia by Regulation on measures for railway operational staff members' shift work (in Slovakian) in 2008**.**

In Spain, liberalisation of the sector has led to a differentiation of working hours. Although working hours are now fixed each year by collective agreements, overtime is dealt with differently by public and private companies.

In the Czech Republic, employees of the Railway Infrastructure Administration (SŽDC) and the Czech Railway Company (ČD) share the same working time and remuneration framework (2011, amendment to the SŽDC collective agreement). In Belgium and Estonia, the collective agreements include regulations on additional pay for overtime and night shifts.

There are also two interesting cases in terms of the organisation of working time for the ageing workforce and retirement planning (France and Spain). In Spain, the social plans of the companies Renfe-Operadora and ADIF established voluntary pre-retirement measures in 2005–2010. In France, an agreement in 2008 sets out special provisions for a reduction in working time by 60–80% in the final three years. This agreement was signed by SNCF and the General Confederation of Labour (CGT), the French Confederation of Christian Workers (CFTC), Unsa, CFE-CGC, FGAAC and the National Union of Senior Managers of SNCF (SNCS).

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Annex A: EU legislation in the railway sector

During the past two decades, the restructuring of the railway sector has been pushed by EU legislation aimed at improving the efficiency and competitiveness of the European railways system. The European Commission's efforts have been mainly aimed at:

- opening up the railway sector to competition;
- improving the interoperability and safety of national networks;
- developing railways infrastructure.

These have been the following major milestones.

Directive on the development of the Community's railways

In 1991, Directive 91/440/EEC requested railway undertakings to become managerially and financially independent from the state to adjust their activities to the market and established a distinction between infrastructure managers that take care of the network and the railway companies that use it to provide services of transport of passengers or goods.

The three further directives in the mid-1990s were Directives 95/18/EC, 95/19/EC and 96/48/EC.

First rail package

The first rail package aimed to create a basis for market opening and competition in rail services. In 2001, the Council launched a 'rail infrastructure package' by integrating and trying to make more effective three previous directives on licensing, infrastructure management and interoperability. The package was made up of:

- Directive 2001/12/EC – amending Directive 91/440/EEC;
- Directive 2001/13/EC – setting out the conditions that freight operators must meet in order to be granted a licence to operate services on the European rail network;
- Directive 2001/14/EC – introducing a defined policy for capacity allocation and infrastructure charging, and the requirement to establish a regulatory body.

The package enabled rail operators to have access to the trans-European network on a non-discriminatory basis and proposed the creation of a one-stop-shop to market freeways to improve rail freight transport.

Second rail package

The second rail package aimed to create a legally and technically integrated European railway area. It was made up of Directive 2004/49/EC, Directive 2004/50/EC, Directive 2004/51/EC, Regulation EC/881/2004 and a recommendation covering the accession of the European Community to the Intergovernmental Organisation for International Carriage by Rail (COTIF).

In 2004, the European Commission tried to revitalise the railway sector by proposing actions aimed at improving safety and interoperability, and fully opening up the national and international rail freight market to competition from 2007. In addition, it established safety authorities in each Member State and an European Railway Agency (ERA) providing technical support on safety and interoperability in order to align them gradually across Europe.

Third rail package

The third rail package made new proposals to open up the international passenger transport market by 2010 and to regulate the certification of train crews and passenger rights. It consisted of Directives 2007/58/EC and 2007/59/EC, and Regulations (EC) 1370/2007, 1371/2007 and 1372/2007. The package adopted in 2007:

- offered open access rights for international rail passenger services;
- established a European driving licence, allowing train drivers to circulate on the entire European network meeting certain basic requirements;
- strengthened the rights of rail passengers by establishing minimum quality standards for all passengers.

Recast of first railway package directives

In September 2010, the European Commission adopted a draft proposal for the recast of the first railway package directives. To simplify and consolidate the legislation, the existing three directives and subsequent amendments are to be merged into a single text. Modifications will be included to strengthen the regulatory framework and foster the effective functioning of the railway market. Negotiations are currently taking place between Member States, the European Commission and the European Parliament.

Annex B: Structure of the railway sector

Table B1 provides a summary of the current market structure of the railway sector in the EU27 (minus Cyprus and Malta which do not have a railway) and Norway. TN003402S contains a similar table summarising the situation in 2000.

Table B1: Market structure and recent developments in EU countries and Norway

	Incumbent	Competition	Notes
AT	Austrian Federal Railways (ÖBB) In 2004, ÖBB was transformed into a holding company (stated-owned private law) with several legal entities: Personenverkehr AG (passenger transport); Rail Cargo Austria AG (rail cargo); ÖBB Infrastruktur AG (infrastructure); and further subsidiary companies.	From December 2011, a private company (Westbahn Management GmbH) will provide long-distance passenger transport services for the first time (route Vienna–Salzburg), joining a couple of private companies providing short-distance services. Freight transport has developed into a market with various public, quasi-governmental and private (working on the most profitable routes) companies.	Access to the tracks and routes of ÖBB is open to all railway companies. User fees and conditions of use are the same for every client. Rail Cargo Austria AG took over the Hungarian subsidiary MAV Cargo in 2010 (renamed Rail Cargo Hungary).
BE	Belgian National Railways (SNCB-NMBS). In 2005, SNCB was divided into three distinct public enterprises: SNCB Holding (employing all workers of the group who were then posted to the two others); SNCB Operateur (rail operator for passenger and freight transport); and Infrabel (the infrastructure manager and developer of the Belgian public rail network). In 2011, the locomotives and trainsets were divided between SNCB Mobility (domestic passenger), SNCB Europe (international passenger) and SNCB Logistics (freight).	Collaboration exists in international passenger traffic between SNCB and others (Thalys International and Eurostar). In freight transport, several private companies entered the market from the mid-2000s: Trainsport (focusing on the Antwerpen–Aachen axis); Crossrail (resulting from the merger in 2008 between Crossrail from Switzerland and Dillen & Lejeune Cargo from Belgium, which had operated trains from the port of Antwerp to Germany since 2002); Captrain (resulting from the merger of four subsidiaries of SNCF in the Benelux countries in 2010); and Railtraxx (obtained a licence recently and is starting to be operational).	The government owns 99.9% of SNCB Holding. The latter owns 100% of SNCB Opérateur and 50% plus one share of Infrabel (with only 20% of the voting rights). The rest of Infrabel is owned by the government. All railway infrastructure is public and owned by Infrabel. In passenger transport, there is not an open access to purely commercial passenger transport services, since these have been awarded directly to SNCB under a public service contract. In freight transport, SNCB Logistics is slowly losing market share, despite being still very dominant (85–90%).
BG	Bulgarian State Railways (BDZ EAD)	There are no competitors in the railway sector.	In October 2010, all operational assets were removed from the holding

	Incumbent	Competition	Notes
	In 2002, the national Bulgarian State Railways was split into two separate enterprises: a railway carrier (Bulgarian State Railways, EAD) and an infrastructure enterprise (Railway Infrastructure National Company, RINC). BDZ EAD established three subsidiaries for its activities in 2007: passenger transport, freight services; and locomotives (the last two companies united in 2010).		company BDZ EAD (whose only stakeholder is the Republic of Bulgaria) and transferred to its passenger and freight transport subsidiaries. The parent company BDZ EAD now carries out only strategic planning and financial control. The bankruptcy of the Kremikovtsi Steel Company in 2008 reduced the activity of the Bulgarian railways by 80%.
CZ	Czech Railways (ČD) The railway sector is dominated by three publically owned subsidiary companies resulting from the restructuring of the Czech railways. In 2003, Czech Railways (service provision) and the Railway Infrastructure Administration (SŽDC) were created. Within the former, two subsidiaries were established in 2007: Czech Railways CD (passenger transport); and Czech Railways CD Cargo (freight).	Following liberalisation of railway operations as a result of 1993 legislation, new companies entered the market of railways operations. The private companies Veolia Transport Czech Republic and RegioJet are currently active in passenger transport at local or regional scale. There are private carriers present on the railways freight transport (such as Viamont, RegioJet, Veolia Transport Czech Republic, (Slezskomoravská dráha, or Jindřichův Hradec Local Railways)	The state organisation, SŽDC, was founded in 2003. The state is the dominant owner, operator and investor in railway line construction in the Czech Republic. SŽDC stopped outsourcing infrastructure maintenance and repairs in 2009, although the process of restructuring and organisational changes continued in the following year.
DE	Deutsche Bahn AG DB Group has about 500 subsidiaries comprising passenger transport (DB Bahn Long Distance, DB Regional, DB Arriva, DB Urban), transport and logistics (DB Schenker Logistics, DB Schenker Rail), services (DB Services), rail infrastructure (DB Netze Stations, DB Netze Tracks) and energy (DB Energy). In spring 2011, the Federal Railway Authority (EBA) registered 342 track providers as subsidiaries of DB Group.	Main competitors are subsidiaries of foreign groups such as Veolia Verkehr, Keolis, Abellio and Netinera. From 2002 to 2009, DB Group's market share in freight transport dropped from 95% to 75% and in short-distance passenger transport it fell from 98% to 88%. In long-distance passenger transport as well as in rail infrastructure, DB Group's market shares have stayed at about 99%. According to the Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railway (BNA), most	The 1994 rail reform led to the merger of the east and west German railway companies to form Deutsche Bahn (DB) AG as a joint-stock company whose shares are held by the federal state. Supervision of DB and foreign companies was subjected to EBA, whereas all other companies are supervised by the Bundesländer. Public authorities may award rail contracts directly, but in recent years competitive tendering has spread.

	Incumbent	Competition	Notes
		infrastructure companies are DB companies.	
DK	Danish Railways (DSB) The former National Danish Railways was split into two broad companies: DSB, an independent state-owned company providing railway passenger and train station services; and Rail Net Denmark, a state-owned company belonging to the Ministry of Transport, managing the rail infrastructure.	A private competitor in the passenger transport is the group Arriva, covering western and central Jutland). DSB First was established in 2007 by DSB and the Scottish-owned FirstGroup, covering the Eastern coast of Zealand (Kystbanen). In the freight market, DB Schenker Rail Scandinavia is a new entrant company established in 2001 as Railion Denmark, when it took over DSB's goods transportation.	DSBFirst started providing services in the Oresund Region from 2009, but as a result of economic difficulties in doing so, DSB took back this part of their service in 2011 until a new operator is found. Deutsche Bahn (DB) acquired the Arriva group in 2010.
EE	Estonian Railways (Eesti Raudtee) The state-owned company that was divided into two enterprises in 2009: EVR Cargo (providing freight transport services) and EVR Infra (managing the railway infrastructure).	The other major operator is the private company Edelaraudtee, founded in 1997, which through its affiliates' is active in both railway service provision and rail infrastructure management. Another seven private companies provide transport services, some of them passenger and others freight transport services.	The government decided to buy Eesti Raudtee back in 2007 and to reorganise it in 2009. The railway sector was previously reformed and privatised: 66% of the stocks of the public Eesti Raudtee were sold to the private company Baltic Rail Service in 2001 and Edelaraudtee took over passenger transport in 1997.
EL	Hellenic Railways Organisation (OSE) The state-owned OSE is a holding with several	OSE operates as an independent state company, but it is still the only company providing railway transport	As a result of legislation passed in March 2011 to fulfil a condition of the EU/International Monetary

	Incumbent	Competition	Notes
	subsidiaries as a result of an ongoing process which began in 1998. The parent company, OSE SA, sets the transport strategy, and owns and administrates the infrastructure and the rolling stock after it took over in early 2011 the former subsidiary in charge of the infrastructure management, EDISY. TRAINOSE was established in 2005 and provides services in passenger and freight transport.	services and managing the rail infrastructure in Greece.	Fund (IMF) loan, OSE will be divided in four entities: TRAINOSE (transport services); OSE (infrastructure administrator responsible for the maintenance and operation of the rail traffic control and security systems); GAIAOSE (property assets management); and ERGOSE (design, construction and management of the railway infrastructure). Two thousand jobs are to be lost and an independent regulatory authority for railways is to be established.
ES	Spanish Railways National Network (Renfe) Renfe was divided in 2005 into two public enterprises: RENFE-Operadora (transport services) and ADIF (railway infrastructure administration, in charge of the construction and management of infrastructures, and opening up of railway operations to private operators).	In passenger transport, other public companies exist. FGC, FGV and Euski Tren are owned by the regional governments in Catalonia, Valencia and the Basque region respectively. FEVE operates the narrow gauge railway in the north of Spain and Murcia. Seven private and publicly-owned enterprises with a licence and a safety certificate have been able to compete in freight transport since 2006: Comsa Rail, Transport, Continental Rail, Acciona Rail Services, Traccion Rail (AZVI), and EWSI/Eurocargo (DB).	After the reform of Renfe in 2005, sleeping and dining car services were outsourced to two main enterprises, while other support activities for transportation (such as cleaning, loading and unloading, maintenance services, rail passenger service assistance) were outsourced to a variety of service enterprises.
FI	Finnish State Railways (VR Group Ltd) VR Group is a holding company controlling several companies, the main ones in the railway sector being: VR (transport services) and VR Track (track maintenance and building, planning, design and track development services). Operation and network were originally handled by the	In freight transport, a competitor of VR, Proxion Train Oy, started activities in spring 2011. Competition has increased mainly in the infrastructure management sector and a number of companies exist, mainly in track maintenance work.	VR was converted into a state-owned limited liability company in 1995. The state owns 60% of the shares of VR Track. The Finnish Rail Administration (RHK) is in charge of maintaining and developing the rail network. It buys railway infrastructure services from enterprises.

	Incumbent	Competition	Notes
	parent company, Valtionrautatiet, which split into two in 1995: VR Group and the rail administration entity Ratahallintokeskus (RHK).		
FR	French National Railways (SNCF) As a result of 1997 legislation, railways were split between service provision and management of infrastructure. SNCF has hundreds of subsidiaries. Its main branches of activity are passenger transport, freight transport (SNCF Fret) and infrastructure services (SNCF Infra).	While SNCF has retained its monopoly within passenger transport, private operators have entered the freight market, reaching 15% of the market. With the exception of Euro Cargo Rail, a subsidiary of Deutsche Bundesbahn which covers the whole territory, the rest cover specific areas: Colas Rail, Eurailco, Europorte, VFLI (subsidiary of SNCF), B-Cargo, CFL Cargo and Rail4Chem. Veolia Cargo was acquired by SNCF and Eurotunnel in 2009.	The French Rail Network (RFF) was established in 1997 as the owner and manager of the rail infrastructure. It contracts out the maintenance and servicing of the infrastructure to SNCF Infra, which at the same time uses the company Colas Rail to build and renovate the network using material the SNCF does not have anymore.
HU	Hungarian State Railways Company (MÁV) Within MÁV's portfolio, some companies were separated and privatised to create a holding company. The Infrastructure Business Unit manages the rail infrastructure, while MÁV-Cargo and MÁV-Start provide freight and passenger transport services, respectively.	There are 35 private providers of freight transport services (the Railway Act, December 2005 allowed for the entry of private companies). MÁV-Cargo was privatised and sold to Rail Cargo Austria in 2008. There are no private operators in passenger transport. Győr-Sopron-Ebenfurt Railway Co. (GYSEV), owned by the Hungarian and Austrian states and Strabag AG, operates passenger and freight transport services in western Hungary and a small part of Austria.	At the beginning of the 1990s, MÁV's repair and vehicle maintenance units were outsourced. Following accession to the EU, the Infrastructure Business Unit was established in 2005, MÁV-Cargo in 2006 and MÁV-Start in 2007. In 2008, the MAV engineering division divided into separate traction and rail vehicle maintenance as well as repair branches. At GYSEV, the freight section was separated in 2011.
IE	Irish Rail (Iarnród Éireann) Irish Rail remains an integrated company without a	Irish Rail is the only railway infrastructure manager and railway service provider operating in Ireland. It operates the Dublin Area	Ireland and Northern Ireland have derogations until 2013 from certain articles of EU directives, such as: the need to have a

	Incumbent	Competition	Notes
	formal separation between service provision and infrastructure management. There is financial separation of accounts but not a separation between different entities. Some catering functions have been outsourced in recent years to a private sector company (Rail Gourmet).	Rapid Transit (DART), intercity and commuter rail services, and Rosslare Europort. Iarnród Éireann Freight, a division of Irish Rail, provides freight transport services.	separate regulatory body; the need to publish a network statement; and the need to have a separate charging body. The derogations would be lifted if an external operator sought to operate services in Ireland.
IT	Italian State Railways (FS Group) FS is a publicly owned holding structured in 11 companies. The most important companies, which cover the transport service (Trenitalia) and the management of the railway infrastructure (Rete Ferroviaria Italiana, RFI), were created in 2000–2001.	In passenger transport, there are small local and regional public railways (the biggest being Ferrovie Nord Milano group, controlled by Lombardy Region). The private company Arenaways has operated since more recently in the north-west and Tuscany (but currently has financial problems). During the 2000s (especially since 2008), new enterprises have entered mainly the freight market (including the French SCNF, the German DB Schenker and the Swiss SBB Cargo).	Trenitalia provided 97% of passenger transport and 88% of the freight transport in 2008 (train-km). However, its market share in freight transport has declined in since then to about 77% due to new entrants in the sector. Nuovo Trasporti Viaggiatori is expected to start a high-speed passenger service by the end of 2011.
LT	Lithuanian Railways (LG) LG group is a joint-stock company fully owned by the state and controlled by the Ministry of Transport.	LG is the only company operating in the Lithuanian railway sector covering freight and passenger transportation as well as economic activities related to railway infrastructure.	The group consists of LG itself (organised in different departments) and subsidiaries dealing with ancillary services (construction of new railways, repairs, maintenance).
LU	Luxembourg National Railway Company (CFL) The state-owned CFL group has two main subsidiaries: CFL Cargo (joint venture between CFL and the private steel producer Arcelor created in 2007, where CFL has 75% of the shares); and CFL Multimodal (which itself has subsidiaries, Lorryrail and some very small subsidiaries such as CFL Evasion or CFL Immo).		In 1995 the law in Luxembourg was changed to ensure separation of the infrastructure and railway operations (passenger and freight), establishing a budgetary divide.
LV	Latvian Railways (LDz)	In passenger transport, the	At the beginning of the

	Incumbent	Competition	Notes
	The state-owned joint stock company LDz is split in different entities, including freight services (JSC Latvijas Dzelzceļš, LDz Cargo Ltd), service passenger (JSC Pasažieru vilciens) and infrastructrure management (LD Infrastruktūra Ltd).	private company L-Ekspresis Ltd provides international transportation and Gulbenes-Alūksnes bānītis (mix of local government and individuals) local transportation. In freight transport, there are two private companies (JSC Baltijas Ekspresis and JSC Baltijas tranzīta serviss).	1990s, a single company (LDz) provided passenger and cargo transportation and infrastructure services. In 1998, the railway law distinguished railways operations from infrastructure services; it has been amended 20 times since then.
NL	Dutch Railways (NS) NS Group is a 100% state-owned holding with several subsidiaries, some of which are NS Reizigers (passenger transport), NedTrain (maintenance) NS Stations and NS International.	NS largely dominates passenger transport. Some other operators cover certain routes, like Arriva (owned by Deutsche Bahn) or Syntus (owned by NS Reizigers and Keolis). In freight transport, NS activities were sold in 2000 to Railion (now DB Schenker Rail), a subsidiary of DB AG, which together with other companies operate in the market (such as Ned Train BV and KNV Spoorgoederen vervoer).	ProRail, the infrastructure manager, is an independent body that operates the infrastructure owned by NS Railinfratrust, which does not belong to NS Group either. ProRail publishes the Dutch network statement, indicating access conditions and the fee system. The government will decide in 2015 whether it awards the concession for the use of the main rail network to the present company, NS Group.
NO	Norway Rail (NSB AS) NSB AS is responsible for passenger transport, while CargoNet AS is the division in charge of freight (now fully owned by NSB, after taking over the part owned by the Swedish GreenCargo AB). The infrastructure manager (the Norwegian National Rail Administration, Jernbaneverket) was fully separated from the traffic operators in 1999.	All other operators in passenger transport are state owned: Gjøvikbanen AS (a subsidiary of NSB AS, after it won a tender in 2004) and Flytoget AS (airport train). Competition is higher in freight transport where there are both private and public companies: Cargolink AS (private owned, the largest competitor), Malmtrafikk AS (owned by the LKAB mining company in Sweden) or the first Norwegian private railway company (Ofotbanen AS, which went bankrupt in 2010.	The infrastructure manager, Jernbaneverket, is the government agency responsible for owning and maintaining the railway network. In 2005, two companies were created by separating them from Jernbaneverket: Baneservice AS (state owned company in charge of railways infrastructure services); and the Norwegian Railway Authority (control and supervisory authority for rail traffic).
PL	Polish National Railways (PKP) The state-owned holding PKP Group was established in 2001. The Group retains the	In passenger transport, PKP Regional Carriers (PKP PR) is a public provider of passenger transport owned by regional governments	Polish Rail Lines (KPLK) is responsible for the management and maintenance of public rail tracks.

	Incumbent	Competition	Notes
	form of a holding structure: There are eight companies under the umbrella of PKP SA. The main ones are PKP Intercity S.A. (passenger transport), PKP Cargo S.A. (freight transport) and Polish Rail Lines (KPLK, the infrastructure manager).	(until 2008 it was affiliated to the PKP Group). There is also the Mazovian Railways (KM), jointly controlled by Mazowieckie local authorities and the PKP PR until 2008, and now only by the former.	The establishment of KM is considered the biggest advancement on the route towards 'municipalisation' of regional passenger railways. Since 2008, the company has been entirely controlled by the local government.
PT	Portuguese Railways (CP) In 1997, the former national railway company was split in two units: transport services (Comboios de Portugal) and infrastructure management (the National Railroad Network, REFER). A company, EMEF, devoted to rolling stock repairs activity, had been created in 1992. In 2009 CP Carga was created to run freight transport services.	The state-owned company is dominant in both passenger and freight transport, but two private companies have entered the market: Fertagus provides passenger services on the April 25 bridge since 1998, while Takargo Rail became in 2008 the first private operator to carry freight trains within the national territory.	The Instituto da Mobilidade e dos Transportes Terrestres (IMTT) is the rail regulator, responsible for planning and coordination. The agreement signed on May 2011 with the European Commission, European Central Bank (ECB) and IMF aims to accelerate the government's plans to privatise CP Carga and EMEF, and to grant a concession to private companies to operate some of CP railway lines.
RO	National Society of Romanian Railways (CFR) CFR was split in three state-owned entities in 1998: passenger (Compania Națională de Transport Feroviar de Călători); freight (CFR Marfă); and infrastructure manager (Compania Națională de Căi Ferate CFR SA, CNCFR), a joint stock venture.	The 1998 changes opened the rail market to new operators. In 2009 there were 69 companies in the market, five state-owned. The rest are private companies or companies with joint shareholding where the private sector is dominant.	The Romanian Railway Authority (AFER) was established to perform a number of functions, among which is the issuance of licences to private railway operators.
SE	Swedish State Railways (SJ) The government agency SJ was split into several separate independent state-owned companies in 2000 such as SJ AB for passenger transport and Green Cargo for freight. Banverket was the rail administration body, managing the infrastructure.	Many companies have entered the railway market in past years. Examples in passenger transport are Veolia and the Scottish–Danish company DSB First (majority of the shares owned by the Danish state-owned DSB, which operates the regional rail traffic in the south of Sweden). Among the largest companies in freight transport are	The Swedish Transport Administration (Trafikverket) is the government authority responsible for railway infrastructure. It was created in 2010 as a merger between several public transport agencies, including the Swedish Rail Administration (Banverket).

	Incumbent	Competition	Notes
		Infranord AB and VR Track (owned by the Swedish and Finnish state respectively), and the privately owned Skanska and Peab.	
SL	Slovenian Railways (SŽ) SŽ is a public joint-stock company operating a transport network. In 2004 it was split up and three new subsidiary companies were founded: SŽ-Freight Transport; SŽ-Passenger Transport; and SŽ-Infrastructure.	New companies have entered the freight transport market. Four of them fully or partially domestic and one foreign: Adria Kombinova (operating in intermodal transport, owned by the Slovene Chamber of Commerce among others); Adria Transport (owned by the Port of Koper and Graz-K�flacher Bahn und Busbetrieb GMBH); Primol (private owned); Adria Kombi Nova; and Rail Cargo Austria, with a 3% market share.	The National Assembly of the Republic of Slovenia adopted amendments to the Railway Transport Act at the end of 2010. This law introduces major reforms to the railway sector in Slovenia in terms of the organisation of the investment in railway infrastructure and organisation of SŽ.
SK	Railways of the Slovak Republic (ŽSR) In 2002, ŽSR split into two companies. The Rail Road Company (ZSSK) was established to provide transport services, while ŽSR remained as the infrastructure manager. In 2005, ZSSK Cargo separated within ZSSK to provide freight transport.	ZSSK enjoys a dominant position in both passenger and freight transport.	The government adopted a revitalisation programme in 2011, including a reduction of the operating costs of railway companies, accompanied by a significant reduction in the number of employees on the railways and the withdrawal of some regional rail lines. It plans the privatisation of ZSSK Cargo.
UK	Privatisation of the railways began in 1993 with the sale of former national incumbent, British Rail, producing a complex system of private companies within both train operations and rail infrastructure. Network Rail, the infrastructure manager, is the largest employer in the sector, after it bought Railtrack in 2002. Network Rail is a 'not for dividend' company backed by government guarantee and is regulated by the Office of Rail Regulation (ORR) which is the independent economic and	The sector comprises train operating companies (TOCs), freight operating companies (FOCs), Network Rail (infrastructure manager), specialist maintenance contractors and rolling stock leasing companies (ROSCOs). TOCs and FOCs lease rolling stock from ROSCOs and are customers of Network Rail, which provides track access and infrastructure such as stations and signalling. TOCs operate passenger services on a franchise basis (broadly corresponding to	Railways in the UK are still adjusting to the wholesale privatisation. Railtrack was established in 1994 as the owner and provider of infrastructure and undertook a programme of outsourcing technical and engineering activities to other private companies. A series of fatal accidents related to inadequate infrastructure or maintenance placed increasing pressure on Railtrack, while the rapid privatisation and fragmentation of the

	Incumbent	Competition	Notes
	safety regulator for railways in the UK.	British Rail regional business units pre-privatisation). There are 24 rail franchises in the UK, each of them operated by a private limited company. Most of the 24 are private, except from Eurostar (public–private partnership) and East Coast (re-nationalised by the state following the termination of the franchise in 2009). Deutsche Bahn AG owns four of the franchises. There are five main FCOs: one owned by the state (Direct Rail Services) and four private, some of them foreign (Colas Rail, DB Schenker). In infrastructure, the largest firm in railway operations in the UK is Network Rail; however, there are other private infrastructure providers for the railways, such as engineering companies with expertise in signalling.	network culminated in the financial collapse of the company in 2001. The establishment of Network Rail has provided some stability to the sector.

Source: EIRO national contributions

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