

Industrial Relations Developments in the Commerce Sector in Europe: a Eurofound research project

Presentation of Preliminary Findings for the
European Sectoral Social Dialogue Committee

Brussels, 27.04.2010

Introduction to the project

Objectives:

1. To get a better understanding of industrial relations developments in the commerce sector, focussing on the period 2007-2009
2. To identify relevant commerce topics and attempts to address these problems by the social partners in collective agreements and other instruments
3. An analysis of the economic crisis & of perceived impacts on the sector
 - Has the crisis changed the scope and nature of IRs in the sector?
 - Have the tools utilised by social partners changed?

Tasks / Structure:

- To carry out an inter-country comparison based on 7 country studies
 - Mapping relevant sectoral actors (trade unions, employer organisations)
 - Mapping the most relevant level for collective bargaining
 - Mapping the topics and instruments used by the social partners
 - Mapping the scope and contents of the most important CBAs
 - Perspectives for the development of IRs in the sector

Scope of the project

Research products:

- 7 country reports
- Final report

Selected country studies:

Old Member States	New Member States
<ul style="list-style-type: none">– UK (Anglo-Saxon MS)– Germany (CE MS)– Denmark (Nordic MS)– Netherlands (Benelux)– Spain (Southern MS)	<ul style="list-style-type: none">– Hungary (New MS 2004)– Romania (New MS 2007)

- International project team
- Interviews with trade unions and employers organisations at national level



Germany

Structure of the commerce sector

- 2nd largest commerce sector in the EU
- 3 times more companies in the retail than in the wholesale sector
- Both sectors: high proportion of small companies
- Most employees work in few big companies
- Retail: high proportion of part-timers and women



Retail sector	2007	Wholesale sector
2.847,430	Employed people	1.324,325
392,463	Turnover in million €	806,639
79,878	GVA in million €	97,940
295,047	No. of enterprises	94,806





Germany

Industrial Relations

- Clearly structured representation of employees and employers in the organizations
 - One union for the sector (ver.di)
 - One employer organization for each sub-sector
 - BGA for wholesale
 - HDE for retail
- Rather weak social partnership
- Low union density (10 %)
- Regional collective agreements dominating





Denmark

Structure of the commerce sector

- Strong concentration process in retail
- Many part-timers in retail
- Retail female dominated (nearly 60%), wholesale male dominated (nearly 2/3)
- More than 25% in retail are “transitional workers”

Dansk Supermarked

Retail sector	2007	Wholesale sector
188,018	Employed people	161,589
275,115	Turnover in million DKK	712,016
93,441	GVA in million DKK	54,921
23,343	No. of enterprises	13,722



Denmark

Industrial Relations

Employer organisations:

- Umbrella organisation: Confederation of Danish Employers (Dansk Arbejdsgiverforening, DA)
- Confederation of Danish Industries (Dansk Industri, DI) (merged with HTS Handel, Transport, Service)
- DH&S (Dansk Handel & Service)

Unions:

- Umbrella organisation: LO Denmark
- Two sectoral unions:
 - HK (Handels- og Kontorfunktionærernes Forbund i Danmark)
 - Danish Food and Allied Workers Organisation
- Sectoral agreements set minimum standards for company-level agreements



fødevareforbundet 

DANSK
ERHVERV





Netherlands

Structure of the commerce sector

- 80 percent of the Dutch food retail shops are full service supermarkets
- Smaller independent food retail shops are increasingly leaving the market
- 41% export share in wholesale sector
- High share of part-time work/young people and a higher share of temporary/agency work in retail
- National minimum wage & minimum youth wages

Retail sector	2007	Wholesale sector
686,700	Employed people	454,200
88,971	Turnover in million €	342,411
16,813	GVA in million €	41,151
76,275	No. of enterprises	60,030



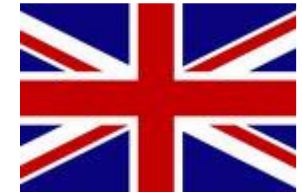


Netherlands

Industrial Relations

- Employer organisations:
 - Council Netherlands Retail (RND)
 - Umbrella organisation for SMEs: MKB-Nederland
 - CBW-Mitex (non-food)
 - WTG (Werkgevers Technische Groothandel)
 - HIBIN (construction wholesale)
- Unions
 - FNV Bondgenoten
 - CNV Dienstenbond
 - De Unie
- Union density in commerce: 12%
- National system of mandatory extension: 98% of workforce are covered by (sub) sectoral collective agreements





UK

Structure of the commerce sector

- Largest commerce sector in the European Union
- Growing sector
- Concentration and consolidation
- High share of female employment (60:40), part-time employment and young employment in retail
- Temporary and agency work rather in wholesale

TESCO

ASDA

Sainsbury's

M MORRISONS

Retail sector	2008	Wholesale sector
3.098,000	Employed people	1.187,000
403,132	Turnover in million €	971,295
82,946	GVA in million €	85,618
194,702	No. of enterprises	108,499



UK

Industrial Relations

- Employer organisations:
 - BRC (British Retail Consortium)
 - CBI (Confederation of British Industry)
- Unions
 - Usdaw
 - GMB
 - UnitetheUnion
- Collective bargaining on the company-level, decentralised and of a voluntary nature
- Collective bargaining coverage low, no extension by law



BRITISH **RETAIL** CONSORTIUM
for successful and responsible retailing





Spain

Structure of the commerce sector

- Consolidation and concentration in retail
- Self-employment being substituted by waged employment
- High share of female employees, part-time contracts and “transitional employment” in retail



Retail sector	2007	Wholesale sector
1,821,995	Employed people	1,177,091
219,265	Turnover in million €	423,095
	GVA in million €	
536,857	No. of enterprises	225,108



Spain

Industrial Relations

- Employer organisations:
 - CEPYME (Spanish Confederation of SMEs) / CEOE (Spanish Confederation of Employers' Organisations)
 - CEC (Spanish Confederation of Commerce)
 - ANGED (National Association of Large Distribution Companies)
- Unions
 - FASGA (Federation of Trade Union Associations)
 - FETICO (Federation of Independent Workers in Commerce)
 - FTCHT-UGT
 - FECOHT-CCOO
- High collective bargaining coverage overall
- Collective bargaining dispersed – higher coverage in retail than in wholesale





Hungary

Structure of the commerce sector

- Transformation period: privatisation, foreign investments, smaller scale domestic investments, consumption increasing until 2007
- Today, the commerce sector is the 2nd largest sector in Hungary in terms of number of enterprises and employees
- More than 80% of companies have less than 250 employees
- Concentration process, multinationals expanding, importance of national SMEs and independent retailers



Retail sector	2007	Wholesale sector
266,266	Employed people	156,596
28,902	Turnover in million €	24,529
4,003	GVA in million €	4,562
98,083	No. of enterprises	32,446





Hungary

Industrial Relations

- Employer organisations:
 - ÁFEOSZ (Nat. Federation of General Consumption Coops)
 - KISOSZ (Fed. for the Representation of Interest of Commerce and Catering)
 - OKSZ (National Commerce Federation)
 - VOSZ (National Federation of Entrepreneurs&Employers)
- Unions
 - Confederation: MSZOSZ
 - KASZ (Trade Union of Commerce Workers)
 - Confederation: Liga
 - KDFSZ (Independent Trade Union of Commerce Workers)
 - Small unions: MCDSz (Trade Union of MNCs), KÉSZ (Federation of Commerce Workers for the Protection of Interests)





Romania

Structure of the commerce sector

- 2nd largest market in the new member states after Poland
- Since 2000 battle in retail between (international) big retailers and small businesses
- Impact of EU accession: new forms of trade
- High share of female employment, no significant share of part-time contracts



Retail sector	2007	Wholesale sector
528,548	Employed people	381,490
23 518,50	Turnover in million €	54 959,30
3,722	GVA in million €	5,476
134,649	No. of enterprises	60,062





Romania

Industrial Relations

- Employer organisations:

- Confederation: UGIR (General Confederation of the Romanian Industrial Employers)
 - FPC (Employers Federation of Commerce)
- AMRCR (Association of Commerce Networks in RO) – social partner at EU level (member of EuroCommerce), but not at national level

- Unions

- Confederation: CNSLR-Fratia
- FSLC

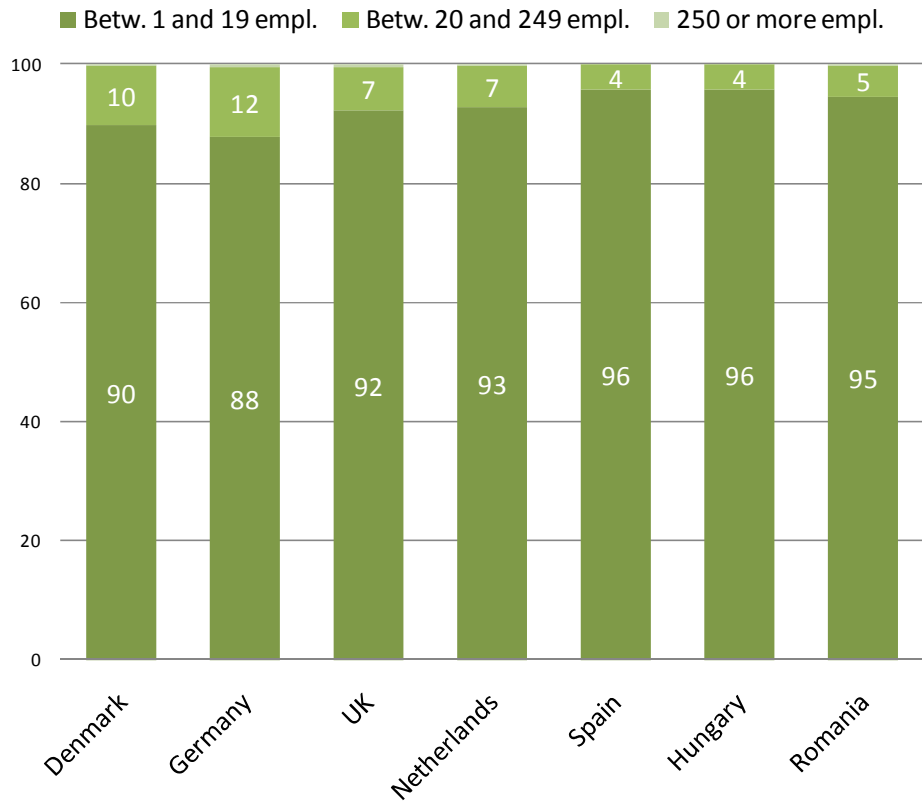
- Legislation asks for negotiations at national, industry and company level
- Minimum terms & conditions are set at national level



Structure of the wholesale sector

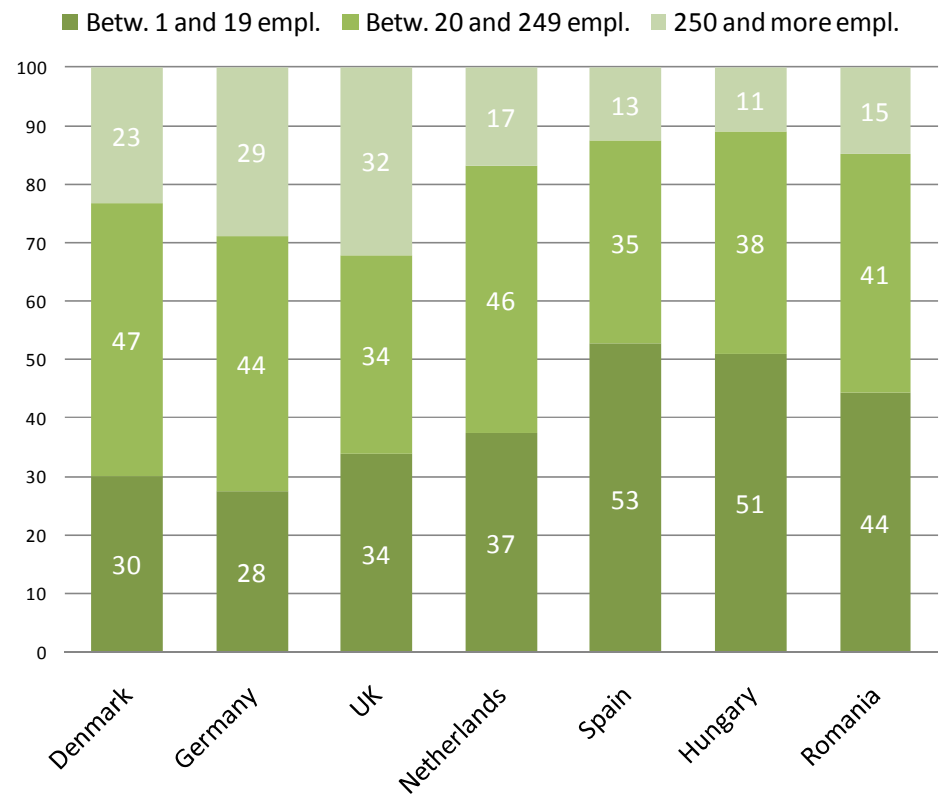
Structure of enterprises in wholesale (2007)

company size in %



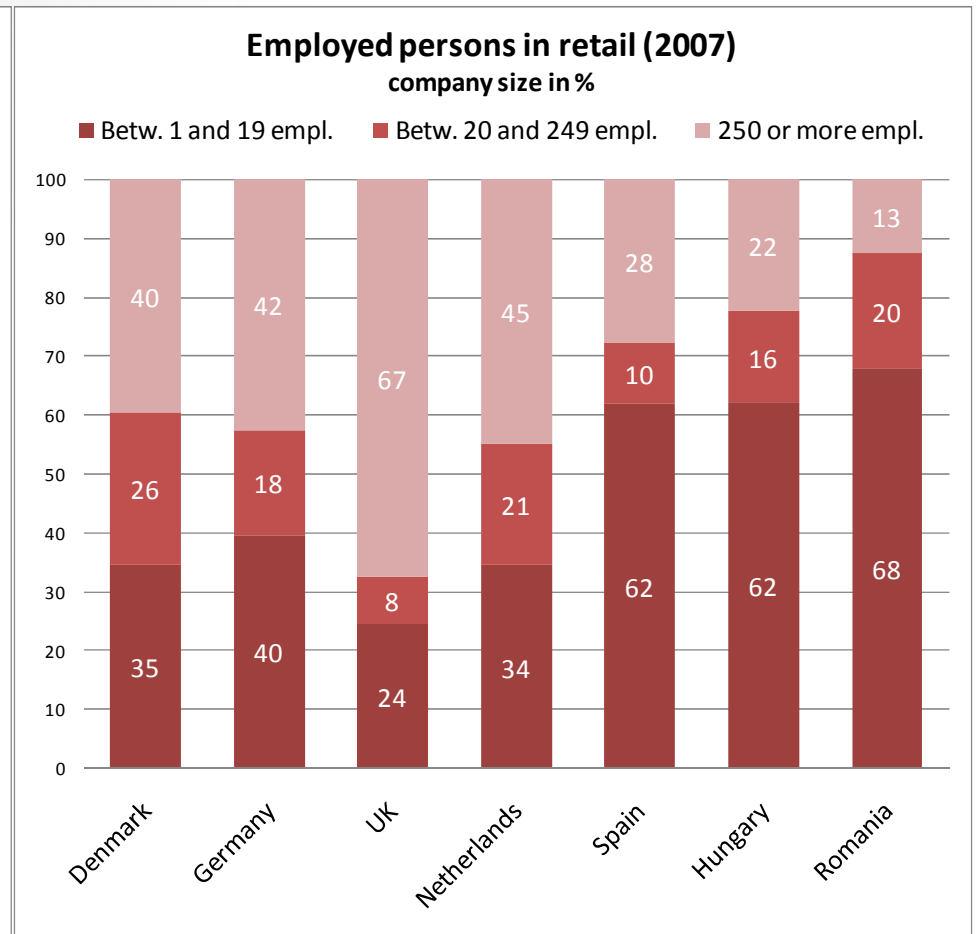
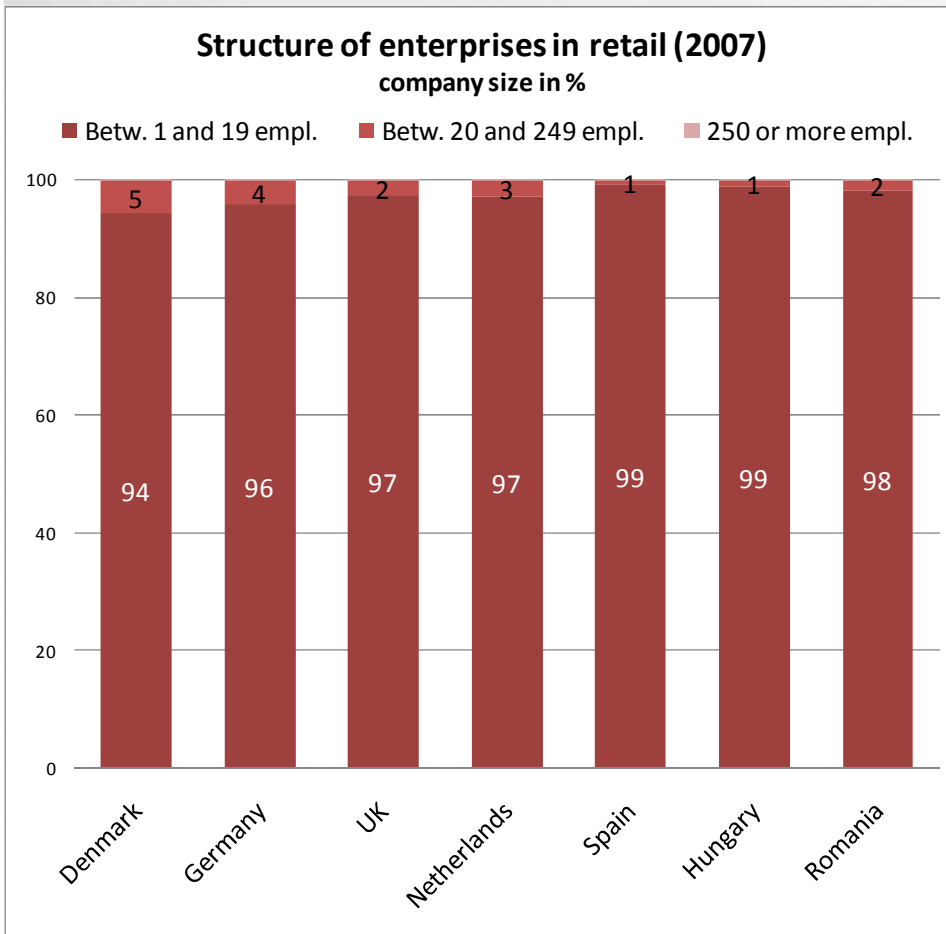
Employed persons in wholesale (2007)

company size in %



Source: Eurostat, 19.04.2010

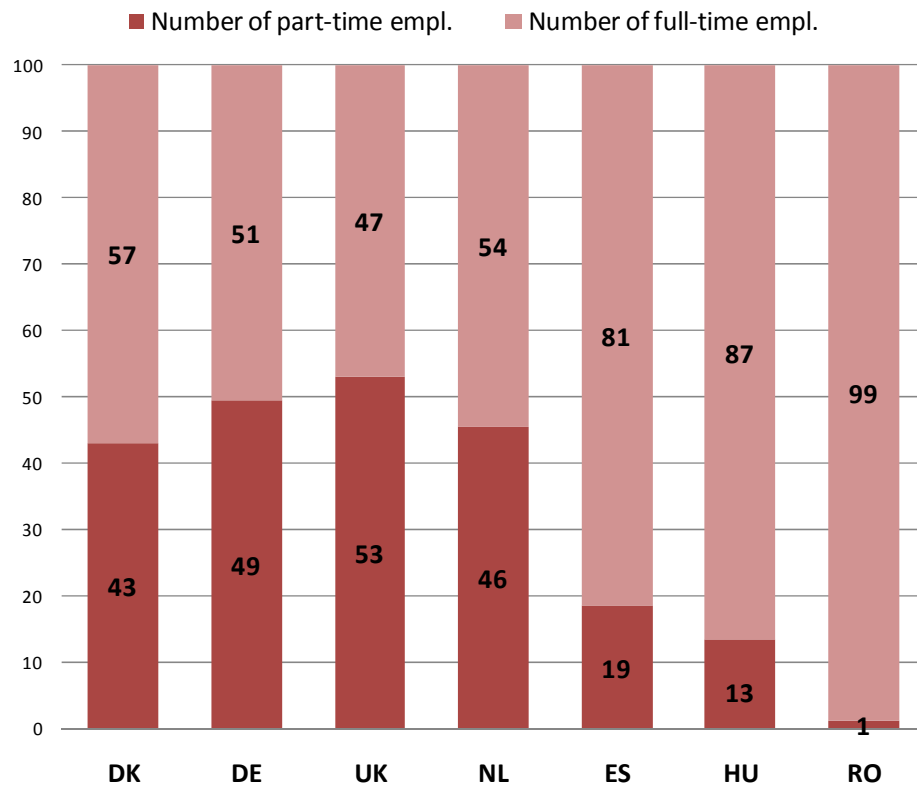
Structure of the retail sector



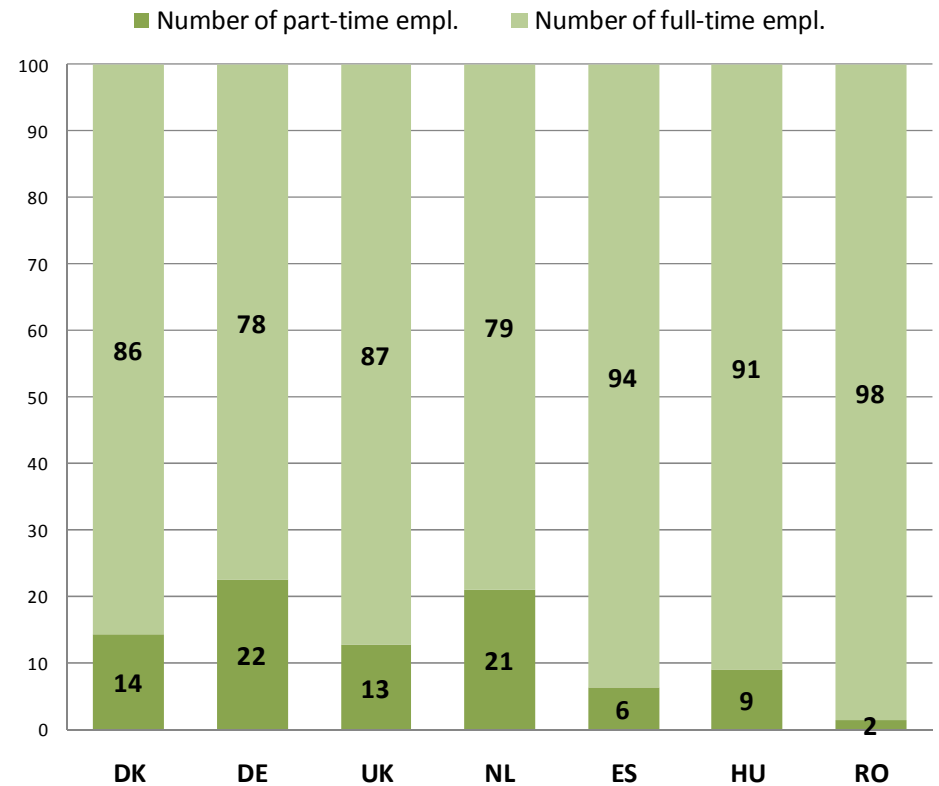
Source: Eurostat, 19.04.2010

Structure of the commerce sector

share of part-time/full-time employees in retail (2007)



share of part-time/full-time employees in wholesale (2007)



Source: Eurostat, 19.04.2010

First conclusions

- Large differences in employment and company structure across the 7 countries
- Part-time employment more common in old member states than in new member states
- Large differences in collective bargaining coverage across the 7 countries
- Generally, lower coverage of collective agreements in the commerce sector than across all sectors

Levels of collective bargaining

	National level	Sector level	Regional level	Company level
UK	x			X
Germany		x	X	x
Denmark	x	X		x
Netherland	x	X		x
Spain		X _(retail)	X _(wholesale)	x
Hungary	x	x		X
Romania	x	X		x

X = most important level of collective bargaining

x = there exist some collective agreements

Industrial Relations – Topics dealt with by social partners

- Flexibility of working times
- Opening hours
- (Minimum) wages / premiums for atypical working hours / variable wages
- E-commerce
- Pensions
- Health and safety/safety of shop employees
- Training/vocational training
- Consumer protection
- Food security
- Increase of membership
- Training for unionists

Examples of instruments (1)

	Legislation	Collective agreement	Bi-/tripartite agreements
UK	<ul style="list-style-type: none"> •minimum wage 	<ul style="list-style-type: none"> •Tesco partnership agreement 	<ul style="list-style-type: none"> •Tripartite Low Pay Commission •Sector Skills Council
Germany	<ul style="list-style-type: none"> •Opening hours •Minijobs •State benefits to top up income to subsistence level 	<ul style="list-style-type: none"> •Regional agreements for retail and wholesale •Karstadt restructuring CA 	<ul style="list-style-type: none"> •Project: Innovative CB policy
Denmark	<ul style="list-style-type: none"> •Flexicurity 	<ul style="list-style-type: none"> •Basic agreement •Cooperation agreement 	<ul style="list-style-type: none"> •Active labour market system








Examples of instruments (2)

	Legislation	Collective agreement	Bi-/tripartite agreements
Netherlands	<ul style="list-style-type: none"> •minimum wage •Minimum youth wages •kleine banen 	<ul style="list-style-type: none"> •Labour Foundation Social Pact •Supermarket CLA 	<ul style="list-style-type: none"> •„Foundation Fund for collective interests for the food wholesale“
Spain	<ul style="list-style-type: none"> •minimum wage •Opening hours 	<ul style="list-style-type: none"> •Department stores agreement 	<ul style="list-style-type: none"> •Tripartite Foundation for occupational risk prevention •Tripartite Foundation for financing of continuous training in wholesale

Examples of instruments (3)

	Legislation	Collective agreement	Bi-/tripartite agreements
Hungary	<ul style="list-style-type: none">•minimum wage•EBOE book (for occasional employment)	<ul style="list-style-type: none">•Sanofi Aventis•Sara Lee Hungary	<ul style="list-style-type: none">•National Reconciliation Council•Sectoral Social Dialogue Committee
Romania	<ul style="list-style-type: none">•minimum wage•Obligation for companies to negotiate wages, and working conditions	<ul style="list-style-type: none">•National Collective Agreement•Collective Agreement for the Commerce Sector	<ul style="list-style-type: none">•Economic and Social Council (CES)

Impact of the economic crisis

	UK 	Germany 	Denmark 	Nether-lands 	Spain 	Hungary 	Romania 
retail	Low impact	Low impact	Low impact	Low impact	Some impact	Some impact	Some impact
whole-sale	Strong impact	Strong impact	Strong impact	Strong impact	Strong impact	Strong impact	Strong impact
CB retail	✓	-	✓	✓	-	-	✓
CB whole-sale	✓	✓	✓	✓	-	-	✓
Legis-lation	-	✓	✓	✓	-	✓	✓

Crisis-related priorities in Social Dialogue

- Security of employment
 - Kleine Banen (NL)
 - Possible number of temporary contracts extended (NL)
 - Short-term work (D)
 - Tax exemption short-term work (RO)
- No or moderate wage increases
- Training and education for the unemployed

Conclusions and Perspectives (1)

- Economic stabilization of the sector expected
- Concentration process will go on
- Impact of economic crisis on the sector different for retail and wholesale (differences in sub-sectors)
- Technological progress is going on (e.g. RFID, E-Commerce)

Conclusions and Perspectives (2)

- Topics of Social Dialogue will not so much change as a consequence of the crisis, but more as a response to major technological and organisational changes in the sector

- Focus of social partners should be
 - to improve Social Dialogue structures
 - to cope with the technological and organisational changes by education & training
 - to stabilize the Social Dialogue by gaining new members
 - Starting new initiatives for common bi- and tripartite projects (joint training funds, initiatives for health and safety)

Thank you!