Competitive structures and collective bargaining in the commerce sector throughout Europe

Maarten van Klaveren
University of Amsterdam-AIAS

BARCOM Final Conference
Trade Union House, Brussels
28 February 2018
1. Competition and employment in commerce throughout Europe, 2007/08-current
   1.1-1.2 Sales of ‘top-20’ European commerce employers
   1.3 via sales per employee to
   1.4-1.5 employment in ‘top-20’ and ‘top-10’ European commerce employers

2. Foreign Direct Investment (FDI) and employment, 2008-current
   2.1-2.2 FDI and employment across commerce sub-sectors
   2.3 taking into account size of sub-sectors
   2.4 Increase/decrease of employment across sub-sectors
   2.5 Increase/decrease of employment across countries

3. Relationship of employment in commerce with national income (GDP) and with collective bargaining, 2008-2014
   3.1 Development of employment and GDP
   3.2 Development of employment and TUD, CBC and MEB
   3.3 The importance of trade unions and employers’ organisations
1.1 Competition in European commerce: development of sales of ‘top-20’ employers, without ....

Net sales of 20 largest European commerce employers, 2010 and 2016, in billion Euro
1.2 .... Amazon, or including this ‘wholetailer’

Net sales of 20 largest European commerce employers + Amazon, 2010 and 2016, in billion Euro
1.3 .... while taking into account: sales per employee ....

Net sales per employee of 20 largest European commerce employers
+ Amazon, 2016, in Euro
No. of employees in 20 largest European commerce employers + Amazon, 2016, x 1,000

1.4 … ending up in employment, albeit not always in Europe ….
1.5 .... with ups and downs, also for the ‘top-10’ in commerce

No. of employees in 10 largest European commerce employers (x 1,000), 2007-2010-2014-2016
2.1 Employment also relates to Foreign Direct Investment (FDI) ....

FDI-related employment in commerce in EU28 by country of origin of investor (x 1,000 employed), 2014

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Wholesale</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>123.4</td>
<td>362.4</td>
</tr>
<tr>
<td>Switzerland</td>
<td>146</td>
<td>634.3</td>
</tr>
<tr>
<td>USA</td>
<td>422.7</td>
<td>249.7</td>
</tr>
<tr>
<td>Other non-EU</td>
<td>327.2</td>
<td>510.9</td>
</tr>
<tr>
<td>Japan</td>
<td>207.9</td>
<td>194</td>
</tr>
<tr>
<td>Other EU / offshore c.</td>
<td>109.8</td>
<td>311.9</td>
</tr>
<tr>
<td>UK</td>
<td>114.5</td>
<td>179.4</td>
</tr>
<tr>
<td>France</td>
<td>158.9</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>225.1</td>
<td></td>
</tr>
</tbody>
</table>
2.2 with employment related to FDI growing but varying by sub-sector ...
2.3 .... whereas these sub-sectors differ anyway widely in size ....

No. of employees in commerce by sub-sector, 2015, EU28 (x 1,000)

- 47.1 Ret-non spec: 6415
- 47.7 Ret-other spec: 4412
- 46.4 Wh-househ: 2132
- 46.6 Wh-other spec: 1995
- 46.5 Wh-food: 1908
- 46.2 Wh-other mach: 1655
- 47.2 Ret-spec food: 1286
- 47.8-9 Ret-other: 965
- 47.6 Ret-cul,recr: 676
- 46.9 Wh-non spec: 620
- 46.5 Wh-ICT: 584
- 46.1 Wh-feee.contract: 540
- 47.4 Ret-ICT: 513
- 46.2 Wh-agri: 316
2.4 .... and in increase / decrease of employment, across sub-sectors ....

% change in no. of employees in commerce by sub-sector, 2008-2015, EU28
2.5 .... and across countries, by total and FDI-related employment

% change in employment in commerce by countries, total (2008-15) and FDI-related (2008-14), EU23 (excl. CY, EL, HR, LU, MT)
3.1 Economy and employment: the relationship between development of Gross National Product (GDP) and employment in commerce

Correlations between development of GDP and of employment in commerce by sub-sector, 2008-2014, 23 EU countries ($R$ values)
3.2 .... and how does in/decrease of employment relate to collective bargaining?

• Connect increase/decrease of employment in commerce in 2008-2014 with industrial relations in the industry: trade union density (TUD), collective bargaining coverage (CBC) and multi-employer bargaining (MEB) in 2013/14,

• for 23 EU countries by calculating correlation coefficients ($R$) for development of employment versus development of TUD / CBC / MEB: 1.00 = totally positive relationship, 0.00 = no relationship, -1.00 = totally negative relationship,

• allows as conclusions:
  – countries with higher TUD, CBC and MEB rates in commerce did better in terms of employment growth, notably for overall employment / CBC
  – relatively high employment growth in commerce is not at odds with high CBC and MEB rates neither, to some extent, with high TUD
  – $\rightarrow$ trade union membership and collective bargaining do not disturb ‘going business’

<table>
<thead>
<tr>
<th></th>
<th>$R$</th>
<th>Trade union density (TUD)</th>
<th>Collective bargaining coverage (CBC)</th>
<th>Multi-employer bargaining (MEB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>0.187</td>
<td>*</td>
<td>0.530</td>
<td>0.307</td>
</tr>
<tr>
<td>FDI-related employment</td>
<td>0.113</td>
<td>0.322</td>
<td>*</td>
<td>0.331</td>
</tr>
</tbody>
</table>
3.3 But what about the importance of trade unions and employers’ organisations for collective bargaining?

- Missed for commerce information on employers’ organisation density (EOD) in too many countries → inclusion of EOD only possible with national data (WIBAR3 research outcomes)

- Connect development of TUD and EOD with that of CBC and MEB year-by-year for two periods, 2001/02-2007 (1st period) and 2007-2013/14 (2nd period), for 23 EU countries

- Allows as conclusions (not in Table: correlation CBC – MEB > 0.900):
  - Changes in TUD hardly relevant for changes in CBC and MEB, thanks to extension mechanisms in large majority of countries → importance of supportive state policies
  - Over time, high MEB is key to maintaining high CBC
  - Changes in EOD have substantial influence on changes in CBC and MEB → importance of existence of strong employers’ organisations willing to engage in meaningful collective bargaining = multi-employer bargaining → employers should realize advantages of MEB
  - Cannot be decoupled from deployment of trade union power!

<table>
<thead>
<tr>
<th></th>
<th>EOD 2001/02-2007</th>
<th>EOD 2007-2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBC 2001-2007</td>
<td>-.197</td>
<td>0.658***</td>
</tr>
<tr>
<td>CBC 2007-2013/14</td>
<td>0.034</td>
<td>0.370*</td>
</tr>
</tbody>
</table>
Thank you for your attention 😊😊

Questions? Today + 

m.vanklaveren@uva.nl