



UNIVERSITEIT VAN AMSTERDAM



With innovative tools for bargaining support in the commerce sector

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# BARCOM- With innovative tools for bargaining support in the commerce sector<sup>1</sup>

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## BOX 1

Collective bargaining is an important instrument in wage-setting processes, but lacks underpinning with empirical data. Little is known about what exactly is agreed upon in collective bargaining. Few countries maintain databases with coded collective agreements; and across countries agreements are coded for different topics and levels of detail. Attempts to discuss bargaining results at EU level are hampered by the lack of systematic data-collection of agreements. Social partners perceive an increasing need for cross-country comparisons, i.e., because of growing importance of foreign direct investment in EU member states. Therefore, EU-level social partners in commerce (retail and wholesale), UNI Europa and EuroCommerce, expressed their interest in a study of content of collective agreements negotiated by their members at national level. The BARCOM project could meet this information need. The research

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institutes AIAS, CELSI and EUBA joined forces, aiming to collect, code and analyse 140 collective agreements in commerce across 28 EU countries, i.e., approx. five per country. It turned out that the project was able to collect 121 agreements, due to the fact that in some countries no or very few agreements could be identified. These agreements were uploaded and coded in an existing online coding form of associate partner WageIndicator Foundation (WIF), and posted online on the partner's website. The database of coded agreements allows for statistical analyses comparing bargaining topics and countries. The project has been complemented with a study of the wide variation in sectoral bargaining practices, needed for a proper interpretation of cross-country differences in agreements. The research has resulted in three reports and in 28 one-page-one-country reports, summarizing the results of the research. The research findings have been discussed at the BARCOM Main Event in Brussels (28/02/2018), which was attended by 75 participants from social partners and researchers from 18 EU countries and 2 associate countries.

All project information is free downloadable from

<https://wageindicator.org/main/Wageindicatorfoundation/projects/barcom>

All agreements and their codes are posted online at <https://wageindicator.org/main/labour-laws/collective-bargaining-agreements/collective-agreement-database-per-country-1>

## BOX 2

The overall objective of BARCOM was to improve expertise in industrial relations in the commerce sector by an innovative approach to analyse the content of collective agreements, and relating this to the sectoral bargaining systems in EU-28, resulting in three widely available publications. This overall objective was divided in five specific objectives, and all original goals were achieved during the implementation period:

- 1) Contributing to the expertise of social partners in the commerce sector in 28 EU member states concerning their collective bargaining, by cross-country comparisons of bargaining results.
- 2) Underpinning these analyses by collecting 140 collective agreements in the commerce sector (on average 5 agreements per country, totaling to  $5 \times 28 = 140$ ) and by coding the content of these agreements for over 200 variables, using the WageIndicator online coding tool and by collecting characteristics of the sectoral bargaining systems in each country.
- 3) Analysing the coded collective agreements and the sectoral bargaining systems with a focus on (a) the topics are typically negotiated, including the wage and other remuneration-related clauses; (b) whether a wider bargaining agenda is agreed upon; (c) whether bargaining topics cluster within agreements; (d) whether bargaining topics are related to the sectoral bargaining systems.
- 4) Stimulating debates in the project's main conference in employers' associations and trade unions in the commerce sector about the outcomes of the research.
- 5) Reporting the outcomes of the research and the debates by means of three reports on the content of the 140 agreements, on sector-level bargaining settings, and on the relationship between the content of the agreements and the sector-level characteristics, all in English, as well as 28 one-page-one-country reports highlighting the content of collective agreements in each of the 28 countries, the latter in English and in the relevant national language(s).

The main change the action brought about was that it was the first time ever that the content of large numbers of collective agreements in commerce were compared across European countries, thereby contributing largely to the improvement of social partner's knowledge of industrial relations in Europe.

### BOX 3

Report 1 highlights three main findings of the topic-by-topic comparison of the content of collective agreements in the commerce sector. First, there are both overall and country differences in the extent to which some issues are included on the bargaining agenda. Wages and working hours are almost always included in commerce collective agreements. Other topics that are often included are training, work-family arrangements, employment contracts and health. Some topics, like social security and sick leave, are less commonly determined through collective bargaining, indicating they are the province of the state in many countries. Second, it is hard to draw conclusions about differences between retail and wholesale CBAs. There are differences, but these do not systematically favour one sector over the other. Country differences are more clear. Regarding wages, working hours, training, work-family arrangements and gender equality, we find differences in outcomes both between and within countries. Cross-country differences regarding social security, sickness and maternity appear primarily due to differences in the legal standards, as within-country differences are nearly non-existent. Third, while it is possible to earn a decent wage in commerce, the results indicate that there are many workers that must be struggling to make ends meet. In many of the countries, the lowest pay scale starts at about the same pay level as guaranteed in the statutory minimum wage. In terms of purchasing power, workers in the lowest scales are worst off in Portugal and Croatia, and best off in Denmark and Finland. Workers in the highest pay scale earn relatively high wages in the Netherlands and Germany, as well as in Portugal and Croatia, two countries that perform poorly for the lowest pay scales.

Report 2 about sectoral bargaining systems analyses employment levels, the structure of industrial relations in the commerce sector across 28 EU member states. Selected bargaining attributes have been used to elaborate an index of constructive industrial relations. The findings show that collective bargaining in the commerce sector is vital across the whole EU, but shows a rich variation in practices and outcomes across diverse member states. The Nordic countries rank high in the constructive industrial relations in the commerce sector. In the countries with a liberal pluralist system of industrial relations in the commerce sector - UK, Malta, Ireland and Cyprus - the principal bargaining level is the company level and the role of the state interventions in industrial relations is limited. France, Spain and Italy combined a low union density with high bargaining coverage. Continental Western European countries reveal a social partnership-style of industrial relations in the commerce sector, based on institutional and procedural bargaining attributes: the Netherlands, Slovenia, Luxembourg and Germany. The neoliberal countries in CEE - Czechia, Croatia, Hungary, Poland, and Slovakia - are characterized by unstable dominant levels for bargaining ranging from fragmented company-level to sectoral bargaining, and an established but contested role of tripartism. For the neoliberal countries Estonia, Latvia and Lithuania, as well as Romania and Bulgaria, bargaining is fragmented/decentralized, and the overall role of tripartism is limited.

Report 3 explored whether more constructive industrial relations are associated with specific patterns of collective bargaining. When comparing company versus multi-employer bargaining, we find that countries with more constructive industrial relations are more likely to have agreements that have been closed by an employers' association or by multiple employers than by a single employer. Concerning the bargaining outcomes, we find that agreements from countries with more constructive industrial relations are more likely to contain structural wage increases compared to no wage increases, but these

agreements are less likely to contain once-only pay increases compared to no wage increases. Employment protection clauses included in collective agreements, such as trial periods and severance payments, have been compared to the national statutory provisions. All clauses indeed were so. In the case of France collective agreements are offering a higher than statutory severance payments. Provisions on exclusion of part-time and temporary workers, students and apprentices are found in a small number of agreements in Austria, Denmark, Netherlands and the United Kingdom. Approximately one third of the collected agreements contains clauses about wages levels. In countries with higher CIR scores more agreements contain wage increases granted as a combination of a percentage pay increase and a lump sum bonus compared to a simple percentage increase, but fewer agreements contain only lump sum increases. In five countries commerce workers in the highest pay scale earn more than twice the minimum wage, but not so in three other countries. A comparison of the collectively agreed wages to Eurostat's at risk of poverty thresholds revealed that full-time workers in the bottom pay scale tend to earn enough to maintain themselves, but not to maintain a family. Workers in the highest pay scale still barely earn enough to keep their family above the at risk of poverty threshold in Estonia, Denmark and Austria. Provisions regarding working time - working hours and leave arrangements - revealed that agreed working hours are about 1.5 hours shorter in countries with a higher score on the industrial relations index. The BARCOM study leads to the conclusion that collecting and coding collective agreements provides a better understanding of the outcomes of collective bargaining. It allows to understand wage setting and industrial relations across European countries, and is definitely worth doing so.

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