

Collective Bargaining in the UK Commerce sector

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Wibar 3 seminar, Amsterdam

7th October 2016

Commerce sector overview of Trade union trends 1995-2015

- Comparative data for Commerce plus the other Wibar 3 sectors for the UK
- Mostly LFS
- Shows for the commerce sector overall that trade union density is weak and collective bargaining coverage is low;
- NB some exceptions in well organised retail organisations eg Tesco and Co-op.

NB: TU density in Manufacturing declines by around a half, Transport etc by around a third but Commerce remains stable (slight increase over 1995) but at a low level of penetration.

Table 1.8 Trade union membership as a proportion of employees, by industry and gender, 1995 to 2015

	Per cent, not seasonally adjusted								
	1995	2008	2009	2010	2011	2012	2013	2014	2015
All employees	32.4	27.5	27.4	26.6	26.0	26.1	25.6	25.0	24.7
Agriculture, forestry and fishing	8.0	*	*	*	*	*	*	*	*
Mining and quarrying	35.5	18.5	18.0	20.9	23.5	18.9	20.8	18.4	12.0
Manufacturing	32.8	20.7	21.3	19.8	18.7	18.7	18.3	17.9	16.8
Electricity, gas, steam and air conditioning supply	71.9	45.8	47.4	43.6	43.2	43.4	49.0	40.2	42.3
Water supply, sewerage, waste management and remediation activities	57.5	33.2	35.1	32.9	28.7	35.0	33.2	28.6	33.3
Construction	30.4	17.0	14.7	14.7	14.8	15.8	14.2	13.8	13.1
Wholesale and retail trade; repair of motor vehicles and motorcycles	11.0	11.9	12.4	11.8	11.8	12.7	12.2	11.9	12.7
Transportation and storage	50.7	42.6	43.6	42.1	38.9	40.0	40.2	37.4	37.5

NB: In terms of volume Commerce now has more TU members than the manufacturing sector and shows a rising trend compared to either manufacturing or Transport

Table 2.5 Trade union membership levels by Industry, 1995 to 2015

	Thousands, not seasonally adjusted							
	1995	2009	2010	2011	2012	2013	2014	2015
Agriculture, forestry and fishing	16	*	*	11	7	8	11	*
Mining and quarrying	37	19	19	24	21	22	24	16
Manufacturing	1,450	556	533	506	494	499	504	460
Electricity, gas, steam and air conditioning supply	95	73	77	78	75	82	65	73
Water supply, sewerage, waste management and remediation activities	96	63	66	64	73	62	60	70
Construction	335	202	194	186	197	176	182	168
Wholesale and retail trade; repair of motor vehicles and motorcvcles	378	442	432	432	461	441	438	474
Transportation and storage	572	516	496	453	479	504	455	495

NB Union premium significant for Sales and customer service occupations but note how low pay levels are for these occupations

Table 1.9 Average hourly earnings by union status, 2015

	All employees	£s, Not seasonally adjusted		Per cent, not
		Trade union membership Member	Non Member	seasonally adjusted Trade Union Wage Premium (%)
All employees	13.49	14.87	13.04	14.1%
Gender				
Male	14.80	15.67	14.57	7.6%
Female	12.13	14.18	11.38	24.6%
Age bands				
16 to 24	7.77	10.67	7.48	42.7%
25 to 34	12.69	13.94	12.37	12.8%
35 to 49	15.48	15.30	15.54	-1.6%
50 plus	14.67	15.46	14.28	8.2%
Occupation ¹				
Managers, Directors And Senior Officials	20.67	21.07	20.58	2.4%
Professional Occupations	19.70	18.75	20.47	-8.4%
Associate Professional And Technical Occupations	16.50	15.99	16.70	-4.3%
Administrative And Secretarial Occupations	10.98	11.40	10.87	4.8%
Skilled Trades Occupations	10.81	13.90	10.15	37.0%
Caring, Leisure And Other Service Occupations	8.54	9.68	8.07	19.9%
Sales And Customer Service Occupations	8.11	9.33	7.91	17.9%
Process, Plant And Machine Operatives	10.09	12.20	9.39	29.9%
Elementary Occupations	7.82	9.34	7.50	24.6%

But union premium not so significant for the commerce sector compared to Transport etc also note relatively low premium for Manufacturing. Also note the low average hourly pay for the Commerce sector.

Industry ²				
Agriculture, forestry and fishing	9.62	*	9.04	*
Mining and quarrying	23.59	*	23.58	*
Manufacturing	14.09	14.66	14.03	4.5%
Electricity, gas, steam and air conditioning supply	15.45	15.69	15.26	2.9%
Water supply, sewerage, waste management and remediation activities	13.66	14.26	13.32	7.1%
Construction	13.56	14.25	13.47	5.8%
Wholesale and retail trade; repair of motor vehicles and motorcycles	9.57	9.70	9.53	1.7%
Transportation and storage	12.06	13.46	11.24	19.7%

NB Bargaining coverage for Commerce significantly below Transport etc and manufacturing

Table 1.10 Trade union presence and collective agreement coverage², 2015

	Per cent, not seasonally adjusted		
	Union density	Trade unions present in workplace	Employee's pay affected by collective agreement
All employees	24.7	42.7	27.9
Sector			
Private	13.9	28.0	16.1
Public	54.8	84.0	60.7
Workplace size			
Less than 50	15.8	25.4	16.0
50 or more	32.7	58.5	38.7
Industry¹			
Agriculture, forestry and fishing	*	10.2	*
Mining and quarrying	12.0	30.0	15.9
Manufacturing	16.8	36.4	21.2
Electricity, gas, steam and air conditioning supply	42.3	70.3	50.3
Water supply, sewerage, waste management and remediation activities	33.3	52.2	40.5
Construction	13.1	26.2	15.2
Wholesale and retail trade; repair of motor vehicles and motorcycles	12.7	27.6	15.6
Transportation and storage	37.5	56.9	46.2

NB part time staff more likely to be covered by bargaining agreement than FT staff in Commerce sector-a strong contrast to the other two Wibar sectors.

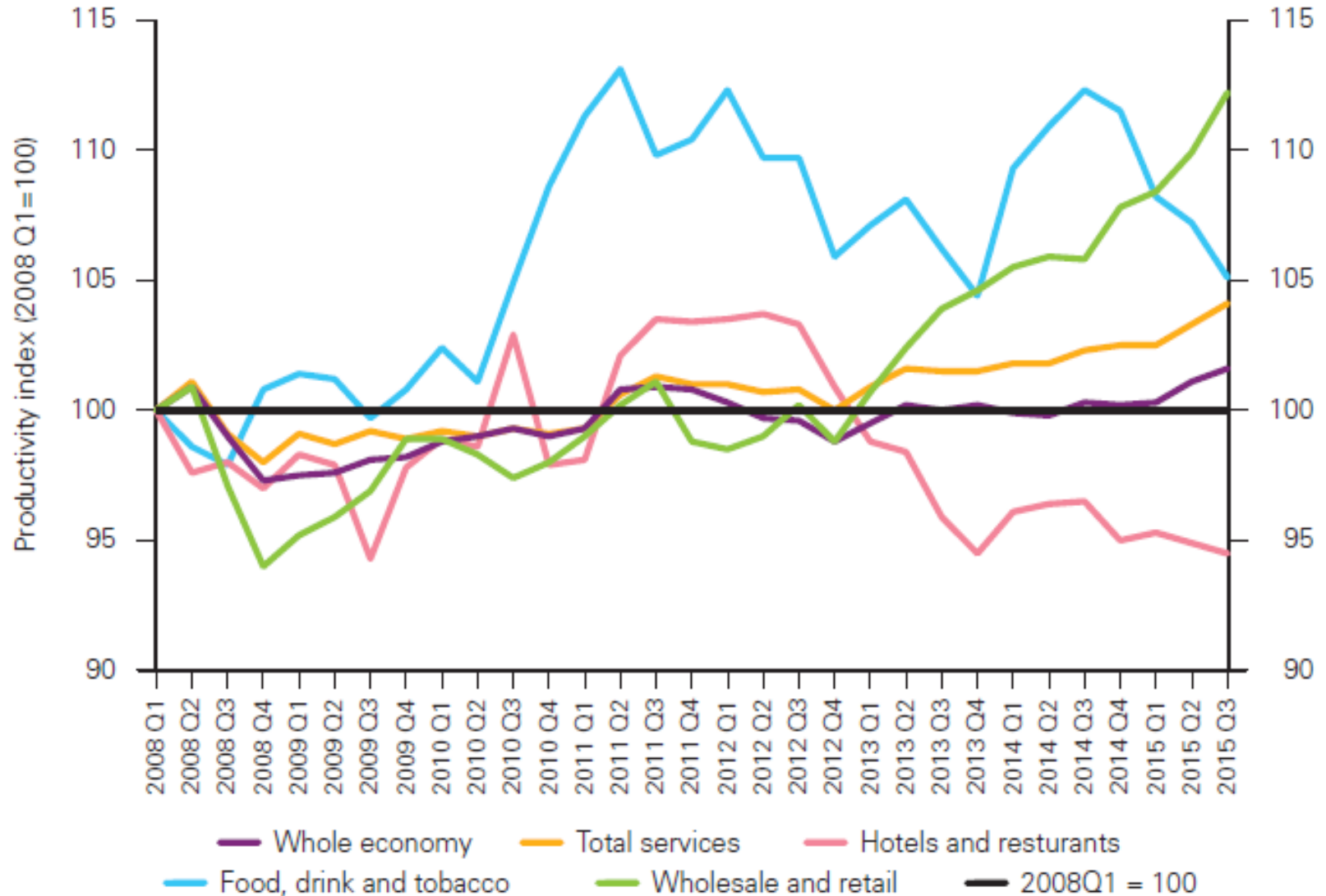
Table 1.11 Collective agreement coverage² by full/ part time and permanent/ temporary status, 2015

	Per cent, not seasonally adjusted				
	All employees	Full time/ part time		Permanent/temporary	
		Full-time	Part-time	Permanent	Temporary
All employees	27.9	29.0	24.7	28.1	24.8
Gender					
Male	25.9	26.7	19.6	26.1	22.5
Female	30.0	32.6	26.2	30.2	26.8
Union membership					
Member	67.4	68.8	62.6	67.7	59.5
Non-member	14.2	14.2	14.0	13.9	17.7
Sector					
Private	16.1	17.3	12.6	16.3	11.8
Public	60.7	63.8	53.3	61.7	49.3
Workplace size					
Less than 50	16.0	17.0	13.9	16.1	14.5
50 or more	38.7	38.0	41.5	38.9	35.1
Industry¹					
Agriculture, forestry and fishing	*	*	*	*	0.0
Mining and quarrying	15.9	16.6	0.0	16.1	0.0
Manufacturing	21.2	22.4	8.8	21.3	18.4
Electricity, gas, steam and air conditioning	50.3	50.3	*	50.4	*
Water supply, sewerage, waste	40.5	42.8	*	41.2	*
Construction	15.2	15.5	12.4	15.5	*
Wholesale and retail trade; repair of motor	15.6	13.4	18.9	15.8	11.3
Transportation and storage	46.2	47.9	35.7	48.2	*

Pay and productivity in the commerce sector

Evidence of strong recovery in
productivity since the end of 2012

Figure 6.13: Productivity for Whole Economy, Retail and Hospitality, UK, 2008-2015



Source: LPC estimates based on ONS data (output per hour): whole economy (LZVB), total services (DJP9), hotels and restaurants (DJQ4), food, drinks and tobacco (DJK9) and wholesale and retails (DJR2), quarterly, seasonally adjusted, Q1 2008-Q3 2015.

Note: Output per hour.

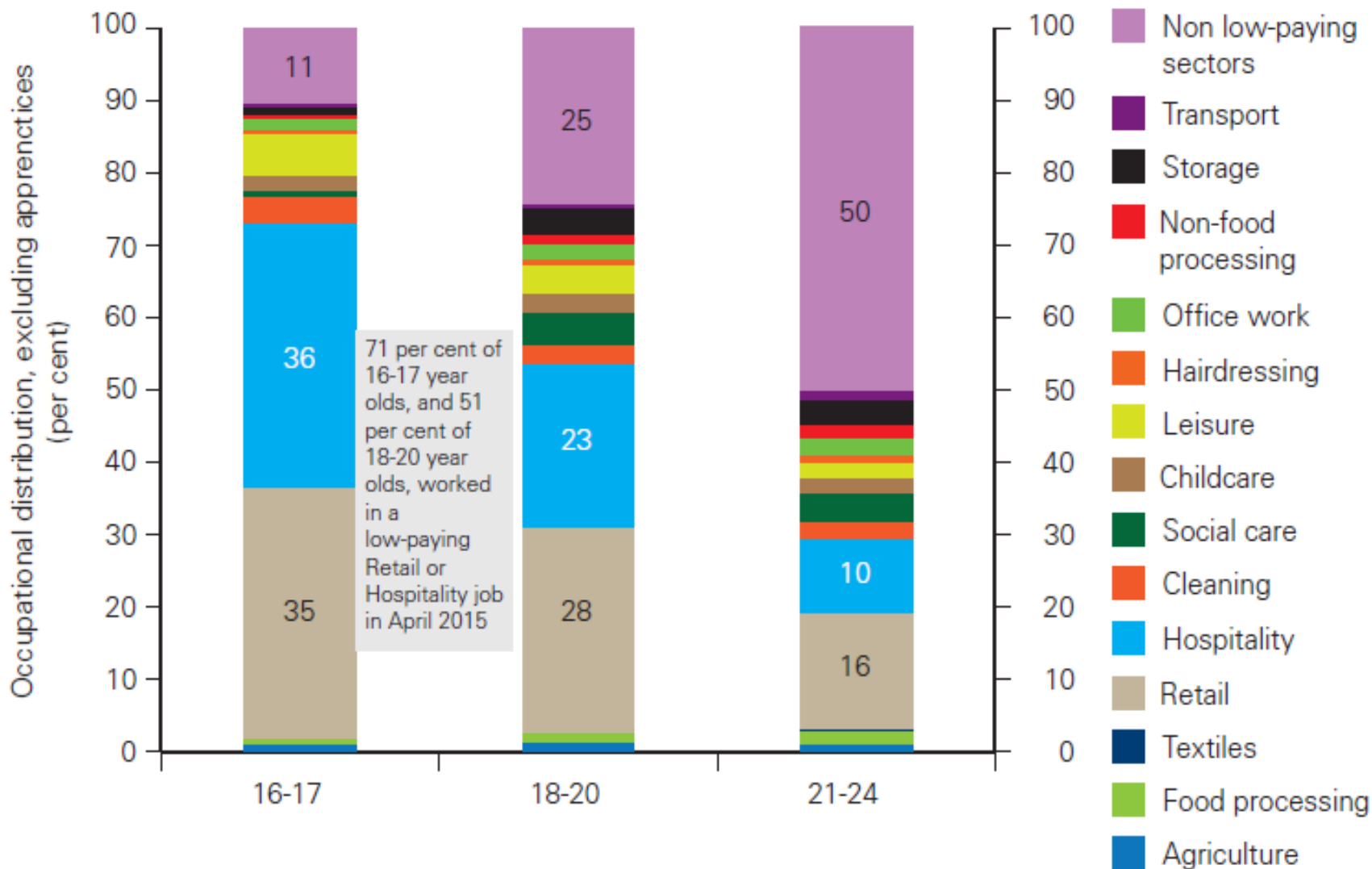
Pay levels however remain low

Why?

Young workers are disproportionately represented in retail employment

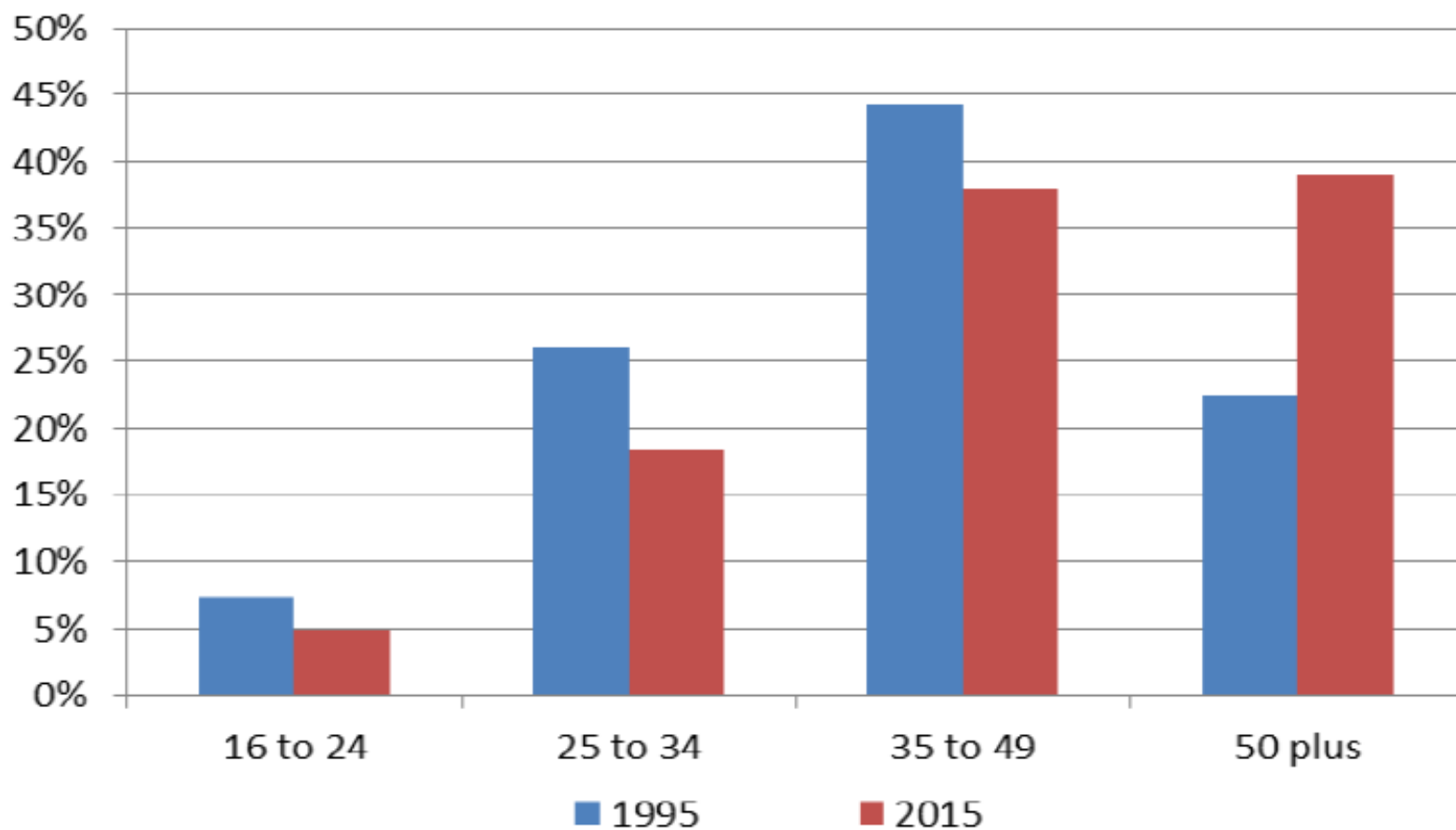
- Associated problems:
- Low levels of unionisation
- High attrition rates
- Zero hours contracts
- Outsourcing/use of self employed

Figure 5.2: Percentage of Workers in Retail, Hospitality, Other Low-paying and Non Low-paying Occupations, by Age, UK, 2015



Source: LPC estimates based on ASHE: 2010 methodology, April 2015, standard weights including those not on adult rates of pay, excluding apprentices, UK.

Chart 3.2: Age of trade union members, 1995 and 2015



Per cent

Source: Labour Force Survey, Office for National Statistics

What are zero hours contracts?

'Zero hours contract' is a non-legal term used to describe many different types of casual agreements between an employer and an individual.

Generally speaking, a zero hours contract is one in which the employer does not guarantee the individual any hours of work. The employer offers the individual work when it arises, and the individual can either accept the work offered, or decide not to take up the offer of work on that occasion.

Regardless of how many hours are actually offered, the employer must pay at least the [National Minimum Wage](#)

But.....

This guidance does not cover those who are genuinely self-employed and undertake work on a zero hours arrangement. For example, a self-employed plumber might take up work offered on a zero hours basis from a number of regular clients, but he/she remains self-employed.

There is some evidence that retail and wholesale employers are increasingly encouraging staff to become self employed, eg drivers for on line retail operations. The self employed have fewer rights here and are much more difficult for TUs to organise

Challenges for Tus in the Commerce sector

Intense competition in high street retail

- Aldi and Lidl rapidly taking market share;
- Pressure on profits for the traditional high street retailers
- Downward pressure on pay and conditions, hence outsourcing, zero hours etc
- Pension deficits eg Tesco

Wholesale

- Problems in warehouse operations linked to on line retail and conventional retail-JB Sports and Amazon;
- Modern day slavery?
- Rising level of public awareness

Collective bargaining prospects in retail

- USDAW have bargaining agreements with:
- Tesco;
- Co-operative group
- Sainsburys (note UNITE also have pay agreements here)
- Morrisons;
- Not recognised at :
- M&S
- ASDA
- ALDI
- LIDL
- Waitrose

Table 6.3: Pay Settlements, by Sector, UK, 2015

Sector	Number of settlements	Lower quartile %	Median %	Upper quartile %
All	1611	1.5	2.0	2.75
Public	98	1.0	1.5	2.0
Private	1513	1.75	2.0	2.8
Manufacturing	573	1.75	2.1	3.0
Private services	940	1.75	2.0	2.7
Facilities, security and support services	21	1.25	2.0	3.0
Finance	71	2.0	2.5	3.0
Hotels, catering & leisure	146	2.0	2.0	2.5
Information & communication	161	2.0	2.0	2.5
Not for profit	177	1.1	1.75	2.0
Professional & business services	182	2.0	2.3	3.0
Retail & wholesale	114	2.0	2.0	3.0
Transport & storage	68	2.0	2.25	2.7

Source: LPC estimates based on XpertHR data, UK, 2015.

Retail employment in the UK

	2015 September	Change on 2014 September		Change on 2008 September		Change on 1998 September	
	000s	000s	%	000s	%	000s	%
All industries	28,366	476	1.7	898	3.3	3,664	14.8
Non low-paying industries	18,716	383	2.1	387	2.1	2,357	14.4
All low-paying industries	9,650	93	1.0	511	5.6	1,307	15.7
Consumer services	5,958	79	1.3	173	3.0	820	16.0
Retail	3,254	-33	-1.0	-76	-2.3	128	4.1
Retail (excluding motor trade)	2,792	2	0.1	-52	-1.8	173	6.6
Hospitality	2,054	81	4.1	204	11.0	468	29.5