

CELSI Research Report No. 24

BARCOM REPORT 2: BARGAINING SYSTEMS IN THE COMMERCE SECTOR

MARCH 2018

MARTA KAHANCOVÁ
JAKUB KOSTOLNÝ
GABOR SZUDI



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Marta Kahancová

Central European Labour Studies Institute (CELSI)

Jakub Kostolný

Central European Labour Studies Institute (CELSI)

Gábor Szüdi

University of Economics in Bratislava (EUBA)

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Central European Labour Studies Institute (CELSI)

Zvolenská 29
821 09 Bratislava
Slovak Republic

Tel /Fax: +421-2-207 357 67
E-mail: info@celsi.sk
Web: www.celsi.sk

CELSI Research Report No. 24

Supported by the European Commission, DG Employment, Social Affairs and Inclusion, VS/2016/0106



Acknowledgment

The BARCOM project and its reports were made possible by the great efforts of the teams at UNI Global Union, Euro Commerce, WageIndicator Foundation, Central European Labour Studies Institute, University of Economics in Bratislava, and the Amsterdam Institute for Advanced Labour Studies at the University of Amsterdam. The authors thank Mária Antalová (University of Economics, Bratislava, Slovakia), Janna Besamusca (University of Amsterdam - AIAS, the Netherlands), Barbara Bindner (UNI Global Union), Daniela Ceccon (WageIndicator Foundation, the Netherlands), Nick Dornheim (Euro Commerce), Martin Kahanec (University of Economics, Bratislava, Slovakia), Peter Kerckhofs (Eurofound), Gabriele Medas (WageIndicator Foundation), Paulien Osse (WageIndicator Foundation), Mária Sedláková (CELSI Bratislava), Kea Tijdens (University of Amsterdam - AIAS), and Catherine Vincent (IRES France) for their support, contribution and comments on the report. We express special thanks to Maarten van Klaveren (University of Amsterdam - AIAS) and Peter Kerckhofs (Eurofound) for their commitment, extensive comments and support in accessing relevant data. We also thank participants of the final BARCOM conference, held in the International Trade Union House in Brussels, on February 28, 2018 for their constructive feedback, comments and suggestions on bargaining attributes in particular countries. Finally, we thankfully acknowledge funding provided by the European Commission, DG Employment, Social Affairs and Inclusion, Project No. VS/2016/0106.

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1. Introduction

Since long, the European Commission underlines the importance of social dialogue and independent collective bargaining as core elements of the European Social Model, contributing to democracy, good governance, economic efficiency, innovation and social cohesion (van Klaveren and Gregory 2018; Keune and Marginson 2013; Keune 2015).

Acknowledging this broader context, this report reviews and analyzes country-specific characteristics of industrial relations in the commerce sector. The report is one of the three reports written within the project *With innovative tools for bargaining support in the commerce sector* (BARCOM). We define the commerce sector in line with the Statistical Classification of Economic Activities in the European Community (NACE). In particular, for the purpose of our study we define the commerce sector in line with the collective agreements collected and coded within the BARCOM project. Table 1 shows that most collective agreements analysed within the BARCOM collective agreements database (BARCOM CBA database) embrace three types of commerce activities.

Table 1. 1. Defining the commerce sector

NACE (Rev. 2)	Description
45	Wholesale and retail trade and repair of motor vehicles and motorcycles
46	Wholesale trade, except of motor vehicles and motorcycles
47	Retail trade, except of motor vehicles and motorcycles

Source: NACE (Rev. 2), BARCOM CBA database

Section 1 of this report reviews the main aims and methodology of the BARCOM project. Section 2 provides an analysis of employment in the commerce sector and the largest companies operating in the commerce sector across 28 EU member states. Section 3 offers an analysis of sectoral attributes of collective bargaining systems in commerce. We focus on the actors involved in collective bargaining, dominant bargaining level and established bargaining procedure including a vertical articulation of collective bargaining from the company level to the sector level. The third section also presents the institutional underpinning of bargaining outcomes, namely, bargaining coverage and the practices of extending the coverage of collective agreements to employers not organized in employers' associations signing the relevant collective agreement. The final two sections provide a comparative analysis of findings across the studied member states and highlight the most important attributes and challenges that the commerce sector has been recently facing from the point of view of employment structure and industrial relations.

1.1. The BARCOM project

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 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 collective 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, UNI Europa and EuroCommerce, have expressed their interest in a study of content of collective agreements negotiated by their members across the EU. To address this aim, research institutes AIAS, CELSI and EUBA, together with the EU-level social partners in commerce UNI Europa and EuroCommerce, joined forces to implement the project '*With innovative practices for bargaining support in the commerce sector*' (BARCOM) between 2016 – 2018.

Within the BARCOM project, the involved partner institutions collected, coded and analysed the content of 116 collective agreements in commerce across 28 EU countries. The database of coded agreements allows for statistical analyses comparing bargaining topics across countries, reflecting on the cross-country variation in sectoral bargaining systems in order to properly understand cross-country differences in provisions stipulated by collective agreements.

The overall objective of BARCOM is 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 particular, this overall objective is divided into five specific objectives:

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. Since long, such comparison is lacking but much needed.

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 a coding scheme with an existing online entry-form, developed jointly by associate partner WageIndicator and the BARCOM partner institute AIAS; collecting characteristics of the sectoral bargaining systems for 16 variables in each country.

3) Analysing the coded collective agreements and the sectoral bargaining systems in such a way that EU-level as well as sector-level social partners gain insights into the patterns existing in collective bargaining provisions in the commerce sector, so that these provisions can inform their future policy decisions. Research objectives are fourfold. First, which topics are typically negotiated and to what extent do collective agreements include wage and other remuneration-related clauses, are indexation clauses included, are wages tied to skills and if so how are skills typically defined? Second, to what extent is a wider bargaining agenda with working hours, schedules, leaves and holidays, employment contracts, work- family arrangements, arrangements concerning health and medical assistance, sickness and disability arrangements, social security and pensions and training agreed upon? Third, to what extent do bargaining topics cluster within agreements? Fourth, how are the bargaining topics related to the sectoral bargaining systems in the 28 countries?

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 (ad 2 and 3), in particular focusing on the opportunities to deepen insights in collective bargaining results.

5) Reporting the outcomes of the research and the debates (ad 4) by means of one report comparing the content of the 140 agreements, one report about sector-level bargaining settings, one report analyzing 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 research output of the BARCOM project comprises three research reports: one will compare the content of the 140 agreements, the second will address cross-country variation in sectoral bargaining systems, and the third will analyse the relationship between the agreements' content and the institutional characteristics of bargaining systems in the commerce sector. The three reports will be presented and discussed with EU-level and national social partners, practitioners and researchers at the BARCOM Final conference in Brussels in February 2018.

1.2. Methodology

The Barcom project covers all 28 EU member states: Austria, Belgium, Bulgaria, Czechia, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

We have used the following sources for data collection:

- For mapping of employment and the structure of employers in commerce, the project uses Eurostat data and Eurofound's **EurWORK database**.
- For mapping bargaining practices at national level, the **AIAS ICTWSS database** (Version 5.1, 2016) has been used.
- The **Wageindicator (2017) survey data** has been used to analyze the bargaining preferences of employees.

For mapping bargaining practices at sector level and the content of collective agreements concluded in the commerce sector, the project partners to the BARCOM project constructed two novel and original datasets focusing exclusively on the commerce sector:

- The **BARCOM CBA database** contains an analysis of 116 commerce sector collective agreements. An existing online coding form of associate partner WageIndicator Foundation (WIF) was used to code agreements. Social partners supported the project with providing collective agreements which were then coded and analysed.
- The **BARCOM database on sectoral bargaining properties in the commerce sector** uses sector-specific data from the earlier WIBAR3 project (van Klaveren and Gregory 2018) and data collected by Eurofound (2017) within representativeness studies focusing on the commerce sector in each EU member state. Eurofound supported the research by providing Commerce questionnaires filled in by national correspondents. Sector level institutional characteristics such as the dominant level of bargaining, articulation of enterprise bargaining, use of extension mechanisms or a list of most relevant trade unions have been extracted from these questionnaires. The BARCOM database on sectoral bargaining properties in the commerce

sector is furthermore inspired by the ICTWSS database: we adopted the definitions and/or values for particular variables provided for national data in our dataset with sectoral data.

Data analysis

Secondary analysis of employment data has been performed in order to compare the country characteristics and in order to uncover changes in employment since 2013.

Framework matrices were used to categorize the data and further analyze the differences among clusters of countries based on bargaining practices such as the use of extension mechanisms on sector and national level, the relationship between sector level data on dominant bargaining and extension mechanisms or the average validity of collective bargaining agreements.

To answer the question whether employees who are covered by collective agreement have higher preference to be covered, we used a correlation analysis. We analyzed a selection of seven countries with sufficient data in the Wageindicator survey: Belgium, Germany, Hungary, Italy, Netherlands, Portugal and Spain. In addition to a correlation analysis, a logistic regression has been performed in order to inspect the relationship between trade union membership and a stance that bargaining coverage is important. The significant odds ratios with a 95% confidence interval not containing 1 were interpreted.

Finally, drawing on key sector-specific industrial relations characteristics, we elaborate an index of constructive industrial relations for the commerce sector and justify the variables used for this index based on the existing literature. The index is based on average standardized composite scores where higher values relate to more constructive industrial relations.

The data appendix provides detail on the used data, particular variables and their codebook.

2. Employment structure in the commerce sector

In this Section we present data on the overall employment structure in the commerce sector, structured by age cohort, employment status and gender in each EU28 Member State (clustered into “old” (EU15) and New Member States (EU NMS 13) that joined the European Union in 2004 or after), as well as developments in employment between 2013–2016.

Section 2.2. focuses on the five largest companies operating in the commerce sector in each EU28 Member State, highlighting the level of employment structure (focus on weight of multinational enterprises) and concentration and providing a more detailed profile on the most relevant stakeholders in the European area.

For this purpose, we use data collected within the BARCOM project as well as an earlier project WIBAR3 based on Eurostat data (Labour Force Survey). In order to provide a more detailed analysis on the major players in the European commerce sector, we also utilize evidence collected for Eurofound’s representativeness study in the commerce sector in 2017.

2.1. Overview of employment in commerce for 28 EU countries

Table 2.1. gives an overview on the most important figures relating to employment in the commerce sector in the past 5 years (between 2013–2016). Out of altogether 218.8 million employees across the EU, almost 30.7 million people were employed in the commerce sector in 2016, which is a growth of 3.8 million employees since 2013; 24.3 million people were working in the EU15 countries in the commerce sector, while this number was 6.3 million people in the EU13 countries. We observe a growth of 3.8 million people in the EU15 countries, and 225 thousand people in the EU13 countries since 2013.

However, if we look at the growth in percentage terms, a small overall decline can be seen since altogether 14.67% of the total workforce was employed in the commerce sector in 2013, while this rate is only 14.02% in 2016 (a decline of 0,65%). The decrease in employment was higher in EU15 countries (-0.81%) and more moderated in New Member States (-0.08% – which can be regarded as rather a stagnation).

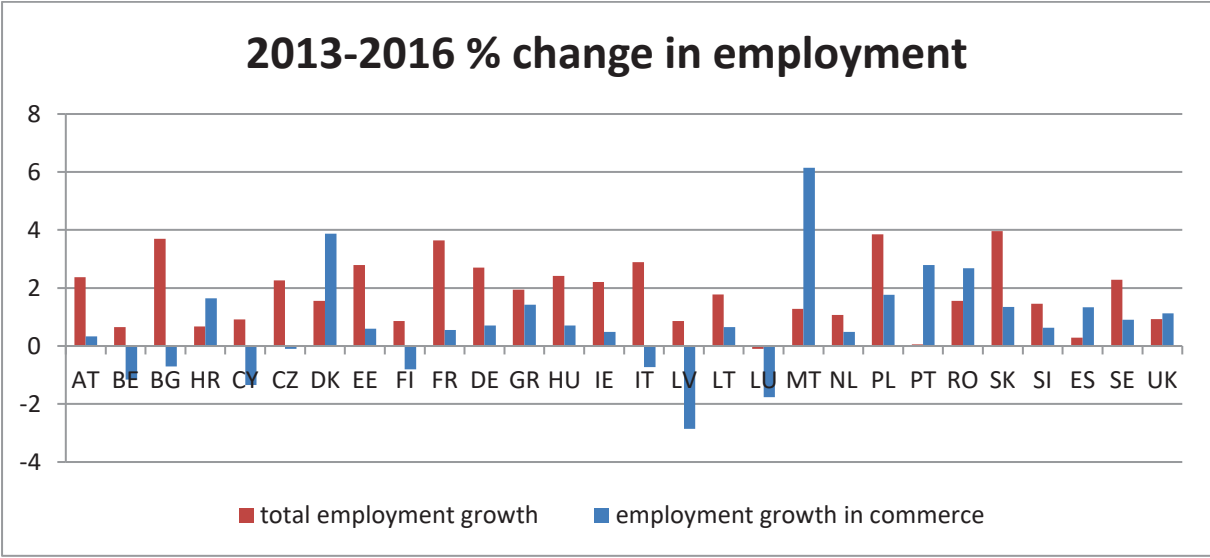
The highest declines in in the share of employment in commerce were observed in Luxembourg (-1,3%), Latvia (-1,3%), Hungary (-1.2%), Netherlands (-1.0%) and Ireland (-1.0%) within the period; in contrast, the share of commerce employment grew in Romania (1.0%), Malta (0.9%), Portugal (0.4%), Poland (0.1%) and Denmark (0.1%). The other countries saw a more moderated decline in the share of employment in commerce between 2013–2016, ranging from -0.8% (Bulgaria) to -0.1% (Croatia, France, Greece and Slovenia).

Table 2. 1. Total employment and employment in commerce in EU28 countries and its relative growth, 2013–2016, thousand persons

	Total Employment				Employment in Commerce				% Growth 2013–2016
	2013	2014	2015	2016	2013	2014	2015	2016	
AT	3,864	3,876	3,918	4,142.70	592.1	591.4	589.2	597.9	-0.9%
BE	4,454	4,466	4,468	4,540.60	621.3	599.2	606.8	599.6	-0.7%
DE	37,584	37,873	38,148	40,165.10	5,539.60	5,462.20	5,508.40	5,656.00	-0.7%
DK	2,469	2,488	2,523	2,747.70	370	366.5	387.2	414	0.1%
ES	16,927	17,131	17,634	18,182.70	2,821.60	2,839.80	2,894.20	2,936.20	-0.5%
FI	2,333	2,317	2,303	2,379.50	290.5	285.3	276.8	283.3	-0.5%
FR	N/A	25,770	25,771	26,243.40	N/A	3,356.70	3,336.10	3,393.80	-0.1%
GR	3,447	3,465	3,536	3,610.30	622.7	618.8	652.1	649	-0.1%
IE	1,799	1,828	1,869	1,953.40	265.9	264.6	266.1	269.8	-1.0%
IT	21,678	21,739	21,894	22,241.10	3,203.50	3,136.10	3,096.10	3,133.50	-0.7%
LU	233	240	251	259.4	19.9	20.5	20.5	18.8	-1.3%
NL	7,607	7,538	7,602	8,223.40	1,195.50	1,207.70	1,203.40	1,212.90	-1.0%
PT	4,126	4,223	4,277	4,371.20	617.1	643	671.2	669.7	0.4%
SE	4,437	4,479	4,539	4,735.60	535.2	543.1	547.8	549.8	-0.5%
UK	27,940	28,568	28,982	30,423.80	3,873.00	3,869.70	3,917.30	4,004.20	-0.7%
Total EU15	138898	166001	167715	174219.9	20567.9	23804.6	23973.2	24388.5	-0.8%
BG	2,880	2,916	2,963	2,954.30	517.9	508.9	510.4	507	-0.8%
CY	355	353	348	353.9	65.9	61.9	64.5	63.1	-0.7%
CZ	4,829	4,883	4,913	5,015.90	596.4	581.3	604.9	593.8	-0.5%
EE	593	595	607	612.3	79	79.2	81.4	80.4	-0.2%
HR	1,486	1,528	1,549	1,566.60	208.3	214.6	224.7	218.4	-0.1%
HU	3,848	4,052	4,154	4,309.40	527.4	547.3	536.5	538.3	-1.2%
LT	1,258	1,283	1,296	1,317.70	225.4	230	221.8	229.5	-0.5%
LV	861	854	862	862.3	131.9	129.6	125.9	120.9	-1.3%
MT	168	173	177	188.7	24.8	27.7	28.9	29.6	0.9%
PL	15,227	15,507	15,736	15,901.80	2,204.00	2,269.40	2,302.90	2,322.30	0.1%
RO	8,096	8,175	8,136	8,166.10	1,084.00	1,110.60	1,146.60	1,173.60	1.0%
SI	878	881	890	902.5	114.9	109.6	110.9	116.8	-0.1%
SK	2,310	2,341	2,396	2,471.70	297.7	282.7	295.7	308.9	-0.4%
Total NMS	42,789	43,541	44,027	44,623	6,078	6,153	6,255	6,303	-0.1%
Total EU28	181,687	209,542	211,742	218,843	26,646	29,957	30,228	30,691	-0.6%

Source: BARCOM database on commerce sector data, van Klaveren and Gregory (2018)

Figure 2. 1. Relative growth of total employment and employment in commerce in EU28 countries, 2013–2016)



Source: Eurostat

Considering the number of employees in the commerce sector in the EU28 countries broken down by gender (Table 2.2.) we observe that out of the total number of 30.6 million employees, 15.5 million (50.6%) are male and 15.1 million (49.4%) are female employees. This means 12.7 male and 11.6 female employees in the EU15 countries and 2.77 male and 3.5 female employees in the New Member States, indicating a higher share of female workforce in the latter group (56% of employees are women), while there are more men (52.3%) employed in the commerce sector in the “old” Member States. The lower number of employees in the New Member States means that the relative dominance of female workforce in these countries still turns to a small majority of male employees at the overall EU28 level.

The highest share of male employees is observed in Italy, Luxembourg and Malta (around 59% in all three countries), while the lowest shares are in Croatia, Estonia and Hungary (the rate is around or slightly below 40% in all three countries). Consequently, these countries have the lowest and highest shares of female employment in commerce. In addition, there is a majority of female commerce employment in the following countries: Austria, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Germany, Lithuania, Poland, Romania, Slovakia and Slovenia.

Table 2.3. shows the employment in the commerce sector in EU28 countries in 2016, broken down to 3 age cohorts (people aged between 15–24, 25–49 and 50–64). Out of the 30.6 million people employed in the commerce sector in 2016, 3.8 million people were between 15 and 24 (12.5%), 19.3 million people were between 25 and 49 (62.9%), and 7.5 million people were more than 49 years old (but not older than 64) (24.9%).

Table 2. 2. Employment in commerce in EU28 countries per gender, 2016, thousand persons

	Employment in commerce	Male	Female	%Male	%Female
AT	597.9	261.1	336.7	43.7%	56.3%
BE	599.6	326.4	273.3	54.4%	45.6%
DE	5,656.00	2,769.50	2,886.50	49.0%	51.0%
DK	414	229.5	184.5	55.4%	44.6%
ES	2,936.20	1,466.70	1,469.50	50.0%	50.0%
FI	283.3	145.6	137.7	51.4%	48.6%
FR	3,393.80	1,792.60	1,601.30	52.8%	47.2%
GR	649	368.8	280.3	56.8%	43.2%
IE	269.8	139.4	130.4	51.7%	48.3%
IT	3,133.50	1,849.10	1,284.40	59.0%	41.0%
LU	18.8	11.1	7.7	59.0%	41.0%
NL	1,212.90	656.1	556.7	54.1%	45.9%
PT	669.7	342.1	327.6	51.1%	48.9%
SE	549.8	307.5	242.3	55.9%	44.1%
UK	4,004.20	2,093.10	1,911.10	52.3%	47.7%
Total EU15	24388.5	12758.6	11630	52.3%	47.7%
BG	507	232	275	45.8%	54.2%
CY	63.1	32	31.1	50.7%	49.3%
CZ	593.8	269.4	324.4	45.4%	54.6%
EE	80.4	30.9	49.5	38.4%	61.6%
HR	218.4	89.1	129.3	40.8%	59.2%
HU	538.3	241.6	296.7	44.9%	55.1%
LT	229.5	99.1	130.3	43.2%	56.8%
LV	120.9	47.1	73.8	39.0%	61.0%
MT	29.6	17.6	11.9	59.5%	40.2%
PL	2,322.30	1,008.50	1,313.80	43.4%	56.6%
RO	1,173.60	516.8	656.8	44.0%	56.0%
SI	116.8	51.7	65.2	44.3%	55.8%
SK	308.9	136.1	172.8	44.1%	55.9%
Total NMS	6,303	2,772	3,531	44.0%	56.0%
TOTAL EU28	30,691	15,531	15,161	50.6%	49.4%

Source: BARCOM database on commerce sector data , van Klaveren and Gregory (2018)

If we take a closer look at the differences between New Member States and EU15 countries, we observe that only 9% of employees were under 24 in New Member States, in comparison to a 13.4% share in EU15 countries. There was a higher share of older people employed in the commerce sector in EU15 countries (26%) than in New Member States (19%), and the share of people aged 25–49 was consequently higher in New Member States than in EU15 countries – 72% versus 60.6%. Thus the employment structure of the commerce sector in the New Member States tends to favour employees between 25 and 49 and gives less chances to younger and older employees.

At country level, the highest share of younger employees can be found in “old” Member States, namely Denmark (33.7%), Netherlands (29.5%) and United Kingdom (21.9%), while the lowest shares are

observed in the newest New Member States, namely Bulgaria and Romania (around 6%), but also in Greece (4.7%).

The highest shares of employees in the age cohort of 50–64 years of age are found among the EU15 countries, namely Germany (31.6%), Italy (27.1%) and United Kingdom (24.7%). The lowest shares are among the New Member States, namely Croatia, Poland and Romania (all under 20%, respectively 18.2%, 16.5% and 16.3%). Consequently, the lowest share of young employees in the age group of 25–49 years can be found in the United Kingdom (53.5%), Netherlands (48.1%) and Denmark (46.7%), contrasted with the highest shares of young employees in Bulgaria, Greece and Romania (respectively 72.9%, 73.3% and 77.7%).

Table 2. 3. Employment in commerce in EU28 countries per age cohort, 2016, thousand persons

	Employment in commerce	15–24	25–49	50–64	%15–24	%25–49	%50–64
AT	597.9	96.9	364.9	136.1	16.2%	61.0%	22.8%
BE	599.6	56	396.2	147.5	9.3%	66.1%	24.6%
DE	5,656.00	703.1	3,166.20	1,786.80	12.4%	56.0%	31.6%
DK	414	139.7	193.2	81.1	33.7%	46.7%	19.6%
ES	2,936.20	186.4	2,053.50	696.4	6.3%	69.9%	23.7%
FI	283.3	54.4	159.8	69.1	19.2%	56.4%	24.4%
FR	3,393.80	379.3	2,179.50	835	11.2%	64.2%	24.6%
GR	649	30.6	475.5	142.9	4.7%	73.3%	22.0%
IE	269.8	45.5	170.8	53.5	16.9%	63.3%	19.8%
IT	3,133.50	191.9	2,091.80	849.8	6.1%	66.8%	27.1%
LU	18.8	1.8	13.3	3.7	9.6%	70.7%	19.7%
NL	1,212.90	358.3	584	270.6	29.5%	48.1%	22.3%
PT	669.7	61.7	454.6	153.3	9.2%	67.9%	22.9%
SE	549.8	94.5	326.4	128.9	17.2%	59.4%	23.4%
UK	4,004.20	875.8	2,141.30	987.1	21.9%	53.5%	24.7%
Total EU15	24388.5	3275.9	14771	6341.8	13.4%	60.6%	26.0%
BG	507	29.5	369.5	108	5.8%	72.9%	21.3%
CY	63.1	6.4	40.9	15.8	10.1%	64.8%	25.0%
CZ	593.8	44.2	403.2	146.4	7.4%	67.9%	24.7%
EE	80.4	8.7	51.3	20.4	10.8%	63.8%	25.4%
HR	218.4	19.5	159.1	39.7	8.9%	72.8%	18.2%
HU	538.3	42.9	380.7	114.7	8.0%	70.7%	21.3%
LT	229.5	25.1	150.1	54.2	10.9%	65.4%	23.6%
LV	120.9	11.5	79.2	30.1	9.5%	65.5%	24.9%
MT	29.6	4.8	18.8	6	16.2%	63.5%	20.3%
PL	2,322.30	265.3	1,672.70	384.3	11.4%	72.0%	16.5%
RO	1,173.60	70.1	911.8	191.7	6.0%	77.7%	16.3%
SI	116.8	9.8	84.7	22.4	8.4%	72.5%	19.2%
SK	308.9	28.3	217.8	62.8	9.2%	70.5%	20.3%
Total NMS	6,303	566.1	4539.8	1196.5	9.0%	72.0%	19.0%
TOTAL EU28	30,691	3842	19310.8	7538.3	12.5%	62.9%	24.6%

Source: BARCOM database on commerce sector data, van Klaveren and Gregory (2018)

Table 2.4. shows the employment in commerce sector in EU-28 countries in 2016 broken down by employment status. We distinguish between two employment statuses, namely employed and self-employed people. Out of the 30.6 million people employed in the commerce sector in 2016, 25.5 million people were employed (83.4%) and 4.8 million people were self-employed (15.8%).

A slight difference between the “old” and New Member States can be also seen in this regard since 16 percent of all people in the commerce sector were self-employed in the EU15 countries in 2016, in comparison to a lower share of 14.8% in New Member States (meaning an overall number of 3.9 million self-employed people in the former country group and 933 thousand self-employed people in the latter country group).

The highest shares of self-employed people in the commerce sector were in the following countries in 2016: Greece (35.1%), Italy (34.7%), Spain (24%) and Malta (24.3%), showing a higher share in the overall Mediterranean region. In contrast, the lowest shares of self-employed commerce employees were in Denmark, Germany and Romania (all three countries feature a share of over 90%; respectively 92.6%, 91.2% and 91.3%).

Table 2. 4. Employment in commerce in EU28 countries per age employment status, 2016, thousand persons

	Employment in commerce	Employed	Self-employed	%Employed	%Self-employed
AT	597.9	539.4	57.4	90.2%	9.6%
BE	599.6	492.1	101.8	82.1%	17.0%
DE	5,656.00	5,155.80	486.5	91.2%	8.6%
DK	414	383.4	28.1	92.6%	6.8%
ES	2,936.20	2,204.10	703.6	75.1%	24.0%
FI	283.3	251.9	30.7	88.9%	10.8%
FR	3,393.80	2,945.40	430.4	86.8%	12.7%
GR	649	389.8	227.6	60.1%	35.1%
IE	269.8	241.5	27.1	89.5%	10.0%
IT	3,133.50	1,955.50	1,087.50	62.4%	34.7%
LU	18.8	16.9	1.8	89.9%	9.6%
NL	1,212.90	1,041.70	162.3	85.9%	13.4%
PT	669.7	523.6	138.3	78.2%	20.7%
SE	549.8	493.4	56	89.7%	10.2%
UK	4,004.20	3,632.90	364	90.7%	9.1%
Total EU15	24388.5	20267.4	3903.1	83.1%	16.0%
BG	507	420	83	82.8%	16.4%
CY	63.1	56.6	5.8	89.7%	9.2%
CZ	593.8	469	118.2	79.0%	19.9%
EE	80.4	71.9	8.4	89.4%	10.4%
HR	218.4	198.1	20.3	90.7%	9.3%
HU	538.3	462.1	74.3	85.8%	13.8%
LT	229.5	199.7	29.2	87.0%	12.7%
LV	120.9	106.9	13.8	88.4%	11.4%
MT	29.6	22.3	7.2	75.3%	24.3%
PL	2,322.30	1,887.10	408.2	81.3%	17.6%
RO	1,173.60	1,071.20	97.5	91.3%	8.3%
SI	116.8	101.9	14.6	87.2%	12.5%
SK	308.9	255.3	52.7	82.6%	17.1%
Total NMS	6,303	5322.1	933.2	84.4%	14.8%
TOTAL EU28	30,691	25589.5	4836.3	83.4%	15.8%

Source: BARCOM database on commerce sector data, van Klaveren and Gregory (2018)

2.2. Largest companies in commerce

As seen in Section 2.1., the overall employment in commerce was more than 30 million people in the 28 EU Member States, and 13.2% of these persons (around 4.04 million employees) were employed at the largest enterprises listed in Table 2.5. Table 2.5. describes the five largest commerce sector business entities operating in each of the 28 EU Member States for the purposes of identifying the

most relevant stakeholders in the sector all over Europe. The table specifies the top five companies in the commerce sector per each country, as well as indicates the concentration ratio within the sector.

The concentration of the sector greatly varied among countries, ranging from 40.4% of all workers in commerce employed at the top-5 firms in Luxembourg (top 3: Luxembourg (40.4%), Ireland (26.8%) and Estonia (20.2%)), to only 3.7% of all commerce employees at the top-5 firms in Bulgaria (bottom three: Bulgaria (3.7%), Malta (3.8%) and Romania (5.1%)).

Overall, when using 'weighted' averages as a reference point, (i.e. the total number of people employed at the top five companies in the EU-28 countries divided by the overall total employed people as described in Section 2.1.) a difference in concentration ratios is visible between old Member States (EU15) and New Member States, with a 14.3% of average employment at the five largest firms in the former country group, in contrast to only 8.2% of the same employment in the latter country group (overall 13.2% of EU28 commerce employees were working at the 5 largest enterprises).

However, if 'unweighted' averages are used as a reference point (i.e. calculation is based on the average of the percentage of people employed in top five companies within the EU28 countries), the above mentioned difference remains almost the same (16.5% for the EU15 and 11.4% for the New Member States). The approximately 5–6 percentage difference between 'old' and 'new' Member states with regard to concentration ratios expressed both in 'weighted' and 'unweighted' averages is mainly due to the fact that higher concentration ratios are more prevalent in older Member States (Luxembourg, Ireland, Finland and the United Kingdom with more than 20%, and Denmark around 20% of top-5 employment share: an employment concentration level not common in New Member States: only Estonia has a concentration ratio slightly above 20%, with Hungary and Slovenia as the closest followers with concentration ratios around 16–17%. Overall, less concentrated markets are more typical among New Member States (Bulgaria and Malta with less than 5% of top-5 employment share in commerce, while Romania's, Poland's and Cyprus's share is still under 10%; respectively 5.1%, 6.7% and 8.6%).

We distinguished three basic ownership categories within Table 2.5: domestic enterprises, i.e. firms that have only one location within one country and are entirely or in majority in home-based ownership; as well as foreign-based and home-based multinational enterprises (MNEs), i.e. companies possessing subsidiaries in more than one country.

We explored the employment share of MNEs in the five largest companies among all countries. Around 3.23 million persons are employed at the largest MNEs, which is 80% of all people employed at the top-5 companies in the commerce sector in the EU28 countries. There is a slight distinction between old and new Member States in this regard as well since around 79.4% of the employees were working at the largest MNEs in the EU15 countries and New Member States have a larger concentration ratio of 83.4% (respectively around 2.77 million and 458 thousand people). However, the real difference is between the employment share of foreign-based MNEs since only 13.4% of employees in EU15 countries work at such organisations, while the share is much higher in the New Member States: 67.2%; indicating a much less developed home-based MNE sector in the EU13 countries.

Among the 15 'old' EU countries, only Austria and Luxembourg do not have home-based MNEs among the top-5 commerce sector employers, while there are no such firms among the top-5 employers in 4 New Member States (Bulgaria, Poland, Romania and Slovakia). 3–4 foreign-based MNEs are present

among the top-5 employers in 9 out of 13 New Member States (4 out of the 5 largest employers are foreign-owned MNEs in Bulgaria, the Czech Republic, Poland, Romania and Slovakia); while this high concentration of foreign-based MNEs is only observed at one-third of the EU15 countries (5 countries, i.e. Austria, Belgium, Greece, Ireland and Portugal).

Interestingly, still only EU15 countries have such markets where only (home-based and foreign-based) MNEs are among the 5 largest employers in the commerce sector, namely Austria (Internationale Spar Centrale, REWE Group, Aldi Süd, DM, Steinhoff International), Belgium (Colruyt, Ahold/Delhaize, Groupe Carrefour, Aldi Nord and Schwarz Gruppe), France (LeClerc, ITM Enterprises, Groupe Carrefour, Groupe Auchan, Groupe Casino), Portugal (Sonae Group, Jeronimo Martins/Ahold, Groupe Auchan, Schwarz Gruppe, Dia) and UK (Tesco, Walmart, Sainsbury’s, Morrisons, Marks & Spencer) – altogether 5 countries.

Out of the 5 countries, Austria is the only country where the top-5 companies in the commerce sector are all foreign-owned MNEs. The 100% share of MNEs may be attributed to the presence of strong home-based MNEs in particular in France; while Germany and Sweden also have a strong home-based MNE presence (4 out of 5 firms in the top-5 with well-known global players such as IKEA and H&M or Lidl and Aldi) however are not listed above due to the market leader role of a strong domestic firm (Axfood in Sweden and Edeka in Germany).

In addition to Austria, Bulgaria, Poland and Slovenia have the weakest home-based MNE presence in the commerce sector (with no such firms present in the top-5), while France has the largest share of home-based MNEs.

Outside of their home countries, 4 MNE names (or store brand names owned by specific MNEs) figured four or more times among the five largest employers in the commerce sector per country in 2016. These MNEs are the following:

- Groupe Carrefour (home country France and five countries: Belgium, Italy, Malta, Spain and Romania);
- Schwarz Gruppe GmbH operating the Lidl and Kaufland branches (home country Germany and in case of Lidl, ten countries: Belgium, Finland, Greece, Ireland, Malta, Portugal, Bulgaria, Cyprus, Romania and Slovakia; and in case of Kaufland four countries: Croatia, Czech Republic, Romania and Slovakia);
- Auchan (home country France and five countries: Luxembourg, Portugal, Hungary, Poland and Romania);
- Tesco (home country UK and five countries: Ireland, Czech Republic, Hungary, Poland and Slovakia).

In addition to the above mentioned 4 firms, the other top players include the Spar voluntary grocery chain (partly Dutch, partly German-based and among the largest 5 commerce firms in 5 other countries: Austria, Denmark, the Czech Republic, Hungary and Slovenia, jointly employing 78.8 thousand people in these countries in 2016); and Metro (home country in Germany and among the

Table 2. 5. Five largest companies in commerce in 28 EU Member States, 2016, names, employment, ownership, % of total employment in commerce

	No 1	No 2	No 3	No 4	No 5
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Austria	Spar	BILLA + Penny + MERKUR + BIPA	Hofer	DM (drogeriemarkt)	Kiki + Leiner
18.10%	Internationale Spar Centrale (NL)	REWE Group (DE)	Aldi (Süd) (DE)	DM (DE)	Steinhoff Int'l (SA)
	42800	42200	9824	6593	5900
Belgium	Colruyt	Delhaize / De Leeuw	Carrefour	Aldi	Lidl
10.3%	Colruyt (BE)	Ahold/Delhaize (NL/BE)	Groupe Carrefour (FR)	Aldi (Nord) (DE)	Lidl (Schwarz Gruppe) (DE)
	26300	14000	11500	5560	5400
Germany	Edeka	REWE, PENNY, BILLA, Baumarkt	Lidl + Kaufland	Real, Metro C&C Media-Saturn	Aldi Nord + Süd
15.8%		REWE Group	Lidl (Schwarz Gruppe)	METRO Group	Aldi
	351500	235911	152000	83903	68878
Denmark	Coop Danmark	Dansk Supermarked	Rema 1000	SPAR + Meny etc.	Bestseller A/S
19.0%			Reitangruppen (NO)	Dagrofa S-engros	Bestseller A/S
	36300	26586	8241	4200	3300
Spain	El Corte Ingles + Hipercor + SuperCor	Mercadona	Carrefour	Zara + Bershka etc.	Eroski
10.0%	El Corte Ingles		Groupe Carrefour	Inditex	Eroski Group
	91960	79563	49000	39740	33162
Finland	S-Market	K-Market + Kesko	HOK Elanto	Lidl Suomi	Tokmanni Group
21.5%	SOK (S-Group)	Kesko		Lidl (Schwarz Gruppe)	
	37300	10174	5409	4723	3209
France	Intermarché, Netto	E. Leclerc	Carrefour	Casino	Auchan
14.9%	ITM Entreprises	E. Leclerc	Groupe Carrefour	Groupe Casino	Groupe Auchan
	125000	120000	115000	74466	72900
Greece	Hellenic Superm. Sklavenitis	AlfaBeta (AB) Vassilopoulos	Veropoulos Supermarkets	Masoutis Diamantis	Lidl Hellas
8.6%	Sklavenitis Group (incl. Marinopoulos)	Ahold Delhaize (NL/BE)	METRO Group (DE)		Lidl (Schwarz Gruppe)
	23400	12700	8800	6300	4900
Ireland	SuperValu etc.	Tesco Ireland	Dunnes Stores	Penneys	Lidl
26.8%	Musgrave Group	Tesco (UK)	Dunnes Group	Ass. British Food (UK)	Lidl (Schwarz Gruppe)(DE)
	35000	14500	14000	4500	4400
Italy	Coop Italia	Conad	Selex Gruppo Commerciale	Esselunga S.p.A.	Carrefour Italia
5.7%		Conad			Groupe Carrefour (FR)
	54591	51509	31000	22741	20200
Luxembourg	Groupe Cactus	Amazon EU	La Provençale	Auchan Luxembourg	Mercedes-Benz Luxembourg
40.4%		Amazon (US)		Groupe Auchan	Daimler AG
	4060	1210	990	720	610
Netherlands	Albert Heijn +Etos + Gall & Gall	Jumbo	Blokker + Bart Smit	Dirk + Dekamarkt	Media-Saturn + MAKRO C&C
17.1%	Ahold Delhaize (NL/BE)		Blokker Holding	Detailresult Groep	METRO Group (DE)
	100000	58000	20990	19754	8513
Portugal	Continente Modelo + Bom Dia	Pingo Doce + Recheio C&C	Jumbo + Pão de Açúcar	Lidl	Minipreço
11.7%	Sonae Group (PT)	Jeronimo Martins /Ahold (PT/NL)	Groupe Auchan (FR)	Lidl (Schwarz Gruppe)(DE)	DIA (ES)
	31300	30000	8020	4850	3899
Sweden	Axfood	H&M Sverige	ICA Sverige	Coop	IKEA Sverige
7.3%		H&M	ICA Gruppen	KF Group	IKEA
	9211	8933	7622	7300	6946
UK	Tesco	Asda	Sainsbury's	Morrisons	Marks & Spencer
21.1%	Tesco	Walmart (US)	Sainsbury's	Morrisons	Marks & Spencer

	320560	180000	137000	132000	76000
Bulgaria	Kaufland + Lidl	BILLA	Piccadilly (from 01-01-2017: Fantastico)	METRO Cash & Carry	CBA
3.7%	Lidl (Schwarz Gruppe)(DE)	REWE Group (DE)		METRO Group (DE)	CBA (HU)
	7765	3700	3500	2240	1800
Croatia	Konzum + KOZMO	Kaufland + Lidl	Tisak DD	Plodine DD	Tommy DOO
12.5%	Agrokor	Lidl (Schwarz Gruppe)(DE)	Agrokor		
	12200	5042	4050	3315	2600
Cyprus	Shacolas Group	C.A. Papaellinas Group	Hellenic Superm. Sklavenitis	Papantonio Supermarkets	Lidl Cyprus
8.6%	Ermes Group		Sklavenitis Group (GR)	CAC Papantonio Trading	Lidl (Schwarz Gruppe)(DE)
	1600	1320	1200	800	500
Czech Rep.	Lidl + Kaufland Česká Republika	Albert + SPAR	Coop	Tesco Stores ČR	Penny + MERKUR + BIPA
12.5%	Lidl (Schwarz Gruppe)(DE)	Ahold Delhaize (NL/BE)	COOP Group	Tesco (UK)	REWE Group (DE)
	18289	14566	14000	11198	10485
Estonia	Coop Estonia	Kaubajama + Selver	Maxima Eesti	Rimi Eesti + Supernetto	Prisma Peremarket
20.2%		Kaubajama Group	Maxima Grupe (LT)	ICA Gruppen (SE)	SOK (S-Group) (FI)
	4400	4190	3912	2786	920
Hungary	CO-OP Magyarország	Tesco	CBA	Spar Magyarország	Auchan Magyarország
16.2%		Tesco (UK)	CBA	Spar (NL)	Groupe Auchan (FR)
	30500	18611	18000	13115	6690
Latvia	Maxima Latvija	RIMI Latvia	IKI + Mego	DEPO DIY	Lenoka
14.2%	Maxima Grupe (LT)	ICA Gruppen (SE)	Mego	DEPO DIY	
	7686	5496	1450	1300	1216
Lithuania	Maxima	IKI	Kesko Senukai Lithuania	Norfos Mažmena (NORFA Group)	Rimi Lietuva
14.8%	Maxima Grupe	Palink (a.o. REWE)	Kesko (FI)		ICA Gruppen (SE)
	16982	7060	3442	3338	3239
Malta	Arkadia Foodstore	Lidl Malta	CS Malta (FE)	General Soft Drinks	Gassan Zammit Motors
3.8%	Mizzi Organisation	Lidl (Schwarz Gruppe)(DE)	Groupe Carrefour (FR)		
	350	250	200	194	120
Poland	Biedronka + Hebe	Tesco Poland	Lewiathan Holding (FE)	Auchan Polska	Carrefour Polska
6.7%	Jeronimo Martins (PT)	Tesco (UK)		Groupe Auchan (FR)	Groupe Carrefour (FR)
	62000	28000	27000	22000	16000
Romania	Kaufland Romania + Lidl	Carrefour + Artima (+BILLA)	Auchan + In Extenso	Mega Image	Profi Rom Food
5.1%	Lidl (Schwarz Gruppe)(DE)	Groupe Carrefour (FR)	Groupe Auchan (FR)	Ahold Delhaize (NL/BE)	
	18892	12675	9924	9560	9249
Slovenia	Mercator (IP)	Spar Slovenia	Engrotus	Merkur trgovina	Hofer
16.8%	Agrokor (CR)	Internationale Spar Centrale (NL)			Aldi (Süd) (DE)
	8901	4216	2716	1529	1449
Slovakia	Potraviný+Supermarket + Tempo	Tesco Stores SR	Lidl + Kaufland Slovenska Rep.	BILLA	CBA Slovakia
12.9%	COOP Jednota Slovensko	Tesco (UK)	Lidl (Schwarz Gruppe)(DE)	REWE Group (DE)	CBA (HU)
	14186	10100	8804	3989	2600

Source: AIAS MNE Database maintained by Maarten van Klaveren

Notes:

- Foreign MNE owner indicated by country code after company name; home-based MNE ownership indicated by not indicating country code after company name; domestic firm indicated by not including company name in second country row.
- Employment if possible indicated in headcounts (Though often unclear in annual reports and press messages).
- FE = franchise

largest 5 commerce firms in 3 other countries: Greece, Netherlands and Bulgaria, jointly employing 103.4 thousand people in these countries in 2016).

We finally mention that in 2016 subsidiaries of two MNEs, the Lithuanian Maxima Grupe and the Swedish ICA Gruppen, both were among the top-5 commerce enterprises in the three Baltic states, owning supermarket chains in Estonia, Latvia and Lithuania. Of the two, Maxima –also owning smaller chains in Bulgaria and Poland– held the strongest position in all three Baltic countries with altogether 28.6 thousand employees in 2016, against 11.4 thousand employees for ICA Gruppen through its Rimi Baltic division.

3. Industrial relations in the commerce sector

Industrial relations, or the collective relationships that exist between workers, employers, governments and their respective representatives, embracing social dialogue and collective bargaining, belong to key features of the European social model (van Klaveren and Gregory 2018, European Commission 2015). Historically, industrial relations arrangements and achievements in most Western European countries in the post-war period have rested on at least one of four institutional pillars: strong or reasonably established associations representing the interests of employers and employees (in particular, trade unions); coordinated wage setting based on collective bargaining at the sectoral or higher level of coordination; arrangements of information, consultation and in some cases co-determination at the company level based on the rights of workers and unions to be involved in decision-making; and institutionalised national-level social dialogue leading to a routinised practice of tripartite policy making (European Commission 2008, Streeck 1992, Traxler 2002, van Gyes and Schulten 2015, Visser 2006). In its Constitution and Conventions No. 98 and No. 154, the ILO also acknowledges these pillars and reiterates the importance of free and voluntary negotiations (collective bargaining), autonomy of the involved actors - social partners, and an equal status or equal rights for each partner (c.f. van Klaveren and Gregory 2018).

Constructive industrial relations based on these institutional pillars have proven to contribute to higher investment levels, increasing productivity and substantial economic growth involving a growth in wages and improving social protection (van Gyes and Schulten 2015). In line with this evidence, the European Commission has since long emphasized the role of social dialogue and independent collective bargaining in fostering democracy, good governance, economic efficiency, innovation and social cohesion (Keune and Marginson 2013, Keune 2015).

Despite the unifying effects of industrial relations on economy and society, Europe has been witnessing a growing diversity how particular member states organized their industrial relations systems (Crouch 1993, Visser and van Ruysseveldt 1996). This diversity resulted from a long-term incremental evolution of country-specific arrangements concerning the involved actors, established bargaining processes, levels at which bargaining takes place, and the outcomes of collective bargaining in terms of stipulations regulating employment conditions through collective agreements are organized.

The European diversity in industrial relations has further increased with several waves of EU-enlargements, especially the enlargements concerning Central and Eastern European (CEE) member states joining the EU since 2004 (European Commission 2013). Compared to the member states that were part of the EU in earlier decades prior to 2004, industrial relations in the CEE EU member states are, with the exception of Slovenia, characterised by weaker trade unions, a smaller share of employers' organized in employers' associations, a lower incidence of collective bargaining, persistently lower bargaining coverage, greater role of the government in tripartite policy making, but at the same a contested position of tripartite concertation and social dialogue (European Commission 2013: 67).

The variation in European industrial relations systems further increases when diversity of actors and bargaining arrangements across particular economic sectors are taken into account. Even within the same country, industrial relations arrangements and bargaining outcomes in one sector may be

significantly more constructive than in other sectors, which of course impacts the efficiency of bargaining procedures and outcomes and the impact of industrial relations on good governance, growth, efficiency and social cohesion.

In the BARCOM project, the analysis focuses exclusively on the commerce sector. In order to understand and correctly interpret the content of collective agreements concluded in the sector and analysed in the BARCOM Report 1, it is crucial to embed these findings into particular industrial relations arrangements in the commerce sector in each EU member state. Providing a descriptive comparative account of sectoral industrial relations systems in commerce is therefore the goal of this section.

Access to sector-specific industrial relations data is more challenging than access to the national characteristics of industrial relations in particular countries. Evidence used in this section is predominantly based on original research within the scope of the WIBAR3 project, implemented by the University of Amsterdam between 2014-2016¹ and published in van Klaveren and Gregory (2018), and the 2017 representativeness study focusing on industrial relations in the commerce sector by the European Foundation for the Improvement of Living and Working Conditions (to be published in 2018). Our analysis is motivated by the above-mentioned pillars of industrial relations, starting with a comparative overview of industrial relations actors in the commerce sector across EU member states (TU and EO). Paying close attention to the attributes of collective bargaining, our framework considers a set of selected variables that offer an encompassing characteristics of sector-specific bargaining in commerce. These variables include the level of collective bargaining (CBL), the coverage of collective bargaining (CBC), the use of extensions to collective bargaining coverage (EXT), and the character of bargaining articulation (ART), or the vertical coordination of bargaining procedures and outcomes between the company and the sector levels. Together with trade union density (TUD) as a variable best characterizing the strength of bargaining actors (trade unions – as suggested above in the four institutional pillars to constructive industrial relations), these variables serve as the basis for cross-country comparisons and for the composition of the index of constructive industrial relations analysed in Section 4 of this report.

3.1. Trade unions

A strong position and legal recognition of trade unions representing employees is the basic precondition for constructive industrial relations. Most commonly reported indicators on the position of trade unions include structural indicators, including the number of unions and union density. The limited availability of sectoral data does not allow us to distinguish between the levels at which trade unions operate. Especially the presence or recognition of trade unions in workplaces would be a relevant indicator (c.f. Visser 2006). Workplace union recognition and engagement in bargaining may yield to some extent constructive industrial relations outcomes even without a substantial

¹ WageIndicator Support for Bargaining 3, supported by the European Commission, DG Employment, Social Affairs and Inclusion, Project No. VS/2014/0533.

coordination of bargaining at the multi-employer and/or sectoral level.

Table 3. 1. Trade unions in the commerce sector

Country	Number of trade unions engaged or interested in collective bargaining	Country	Number of trade unions engaged or interested in collective bargaining
AT	4	HU	1
BE	5	IE	2
BG	2	IT	3
CY	5*	LT	2
CZ	1	LU	3*
DE	2	LV	1
DK	3	MT	2*
EE	2	NL	4
ES	5	PL	3
FI	2	PT	4*
FR	7	RO	1
UK	3	SE	6
GR	3*	SI	2
HR	1*	SK	1

*Source: van Klaveren and Gregory (2018), Eurofound (2017), discussions with national experts from particular EU member states. Values obtained from Eurofound (2017) are listed in *bold italics. Data refer to the most recent year available, in most cases to 2017.*

Table 3.1 shows that trade unions in the commerce sector are well established in all 28 EU member states. In most countries, we found a plurality of trade unions that are already involved in collective bargaining or prefer such involvement. Except six new member states with one trade union in commerce, all other countries show a plurality in the number of trade unions. Plurality is highest in France, which contrasts with eight countries with only two trade unions (Bulgaria, Germany, Estonia, Finland, Ireland, Latvia, Malta and Slovenia). Whether a higher plurality of trade unions means more decentralized bargaining in these countries will be discussed below in Section 3.3.

The union density rate, or the net union membership as a proportion of wage and salary earners in employment (Visser 2013), also varies across the EU member states. Table 3.2 shows that the highest density, found both to retail and wholesale, is reported in Denmark (40% density in retail and 34% in wholesale) and Finland (38% density in both retail and wholesale). In both countries, there is modest union plurality, with three trade unions in commerce in Denmark and two unions in Finland (see Table 3.1). Sweden ranks third with a union density of 28% in both retail and wholesale and union plurality with 6 trade unions (ibid.). Belgium and Italy show a union density of 25% in commerce. The lowest density is reported in Bulgaria and Romania (1% each). Low union density is also found in several new member states, including Latvia, Lithuania, Estonia, and Czechia. This is despite the fact that in Estonia and Lithuania, two trade unions operate in commerce, respectively (see Table 3.1 above). An interesting case is France, where a high union plurality (7 unions active in commerce) interact with only 6% bargaining coverage (ibid.). A similar finding applies to Cyprus, which – despite the plurality of unions in commerce – reports only 3,9% of union density.

Table 3. 2. Trade union density in the commerce sector

Country	Retail (%)	Wholesale (%)	All commerce (estimate) %*	Country	Retail (%)	Wholesale (%)	All commerce (estimate) %*
AT	9	9	9	HU	5	5	5
BE	25	25	25	IE	16	16	16
BG	1	1	1	IT	25	25	25
CY	n/a	n/a	3.9*	LT	n/a	n/a	3
CZ	2	2	2	LU	n/a	n/a	n/a
DE	10	6	8	LV	n/a	n/a	2
DK	40	34	38	MT	n/a	n/a	n/a
EE	3	3	3	NL	11	11	11
ES	11	11	n/a	PL	5	3	4*
FI	38	38	38	PT	2	2	4.6*
FR	n/a	n/a	6	RO	1	2	1
UK	13	13	13	SE	28	28	28
GR	n/a	n/a	5.7*	SI	20	20	16
HR	n/a	n/a	6.2*	SK	6	6	6

Source: van Klaveren and Gregory (2018), Eurofound (2017) *Calculation of estimates for the entire commerce sector where data on retail and wholesale not available are based on estimations of a Dutch expert Maarten van Klaveren, consultations of national experts and data from Eurofound (2017). All data are in per cent and refer to the most recent year available, in most cases to 2017.

3.2. Employers' organisations

The extent to which employers in the commerce sector are organized in multi-employer/sectoral federations is relevant for assessing the existence and efficiency of coordinated bargaining beyond the company level. Table 3.3 shows that the plurality of employers' associations is highest in Italy and the Netherlands. In these two countries we also found modest plurality on the side of trade unions (see Table 3.1 above) and an exceptionally high bargaining coverage in Italy (see Table 3.4 in the next section). In contrast, Portugal, Malta, Finland, the UK and seven new member states in CEE list only one commerce employers' association. The lack of plurality in employers' organizations in the CEE member states can derive from the fact that employers are not willing to organize and prefer company-level bargaining with trade unions; or they operate fully without trade union presence and regulation via collective bargaining (Trif et al. 2016). Alternatively, a recent example from Slovakia shows that the largest and most influential multinationals in commerce left the established sector-level employers' association *Zväz obchodu a cestovného ruchu* (ZOOCR) in 2016 to establish their own business association *Slovenská aliancia moderného obchodu* (SAMO). However, SAMO does not fulfill the legal requirements of an employers' association entitled to engage in collective bargaining. Therefore, bargaining in the member companies of SAMO occurs exclusively at the company level.² Such examples suggest that data on the number of employers' associations in commerce have to be analyzed in relation with other variables on collective bargaining in order to evaluate the constructiveness of industrial relations in the sector.

² Source of evidence: recent media coverage, ongoing projects at CELSI mapping the structure of multinationals in commerce in Slovakia, and Kahancova et al. (2017).

Table 3. 3. Employers' associations in the commerce sector

Country	Number of employer organization which are engaged or would like to be engaged in collective bargaining	Country	Number of employer organization which are engaged or would like to be engaged in collective bargaining
AT	8	HU	4
BE	4	IE	4
BG	1	IT	29
CY	5*	LT	1
CZ	1	LU	4*
DE	5	LV	1
DK	6	MT	1*
EE	1	NL	39
ES	15	PL	3*
FI	1	PT	1*
FR	6	RO	1
UK	1	SE	3
GR	3*	SI	3
HR	1*	SK	1

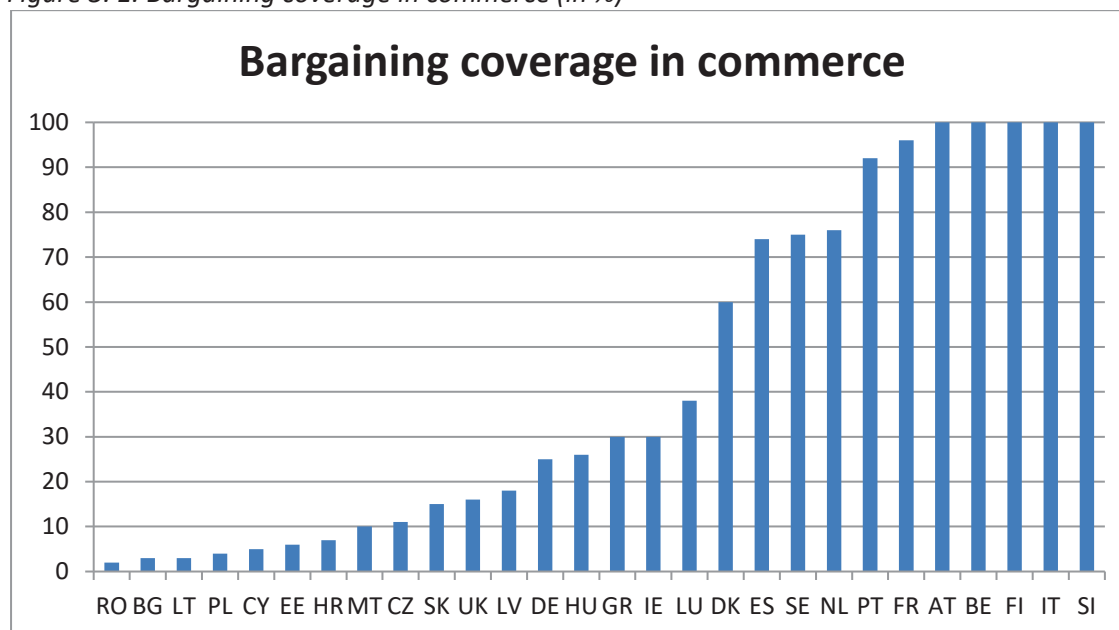
Source: van Klaveren and Gregory (2018), Eurofound (2017), estimations of expert Maarten van Klaveren, consultations with national experts from various member states. Values obtained from Eurofound (2017) are marked * and listed in bold italics. All data are in per cent and refer to the most recent year available, in most cases to 2017.

3.3. Collective bargaining in commerce

The available data allow for a set of sector-specific analysis of attributes of collective bargaining, which is central in delivering outcomes for economic growth and social cohesion. The first variable to analyze is bargaining coverage, defined as the share of employees covered by collective bargaining agreements (CBAs) as a proportion of all wage and salary earners in employment with the right to bargaining (Visser 2016). Figure 3.1. and Table 3.4. report that in 9 countries, over 50% of employees in the commerce sector are covered by a CBA. In Austria, Belgium and Italy, coverage reaches 100%.

Such high coverage is reached because of the practice of extending the bargaining coverage in these countries (see Table 3.9. below). While in Austria and Belgium, extension is common and widely used, in Italy it is not a widely used practice, but the commerce sector is an exception where sectoral extensions do apply. On the other hand, bargaining coverage in Cyprus as well as some member states in CEE, notably in Croatia, Estonia, Lithuania, Poland and Romania, remains below 7%. As shown in the tables above, a low bargaining coverage in these countries corresponds with weakly established trade unions and employers' associations, and the generally lacking practice of collective bargaining beyond the company level in the commerce sector (Trif et al. 2016).

Figure 3. 1. Bargaining coverage in commerce (in %)



Source: van Klaveren and Gregory (2018), Eurofound (2017), estimations of expert Maarten van Klaveren, consultations with national experts from various member states. All data are in per cent and refer to the most recent year available, in most cases to 2017.

France is an interesting example of a country with a high union plurality and low union density in commerce. Nevertheless, bargaining coverage in the French commerce sector reaches 96%. This is achieved due to the mechanism of extensions to collective agreements (see Table 3.9. below). In France, a low associational power of unions and employers is supported through a strong institutional mechanism of extensions, which in combination yields a constructive outcome in terms of bargaining coverage.

Table 3. 4. Bargaining coverage in commerce (in %)

Country	Retail	Wholesale	All commerce (estimate) %**	Country	Retail	Wholesale	All commerce (estimate) %**
AT	100	100	100	HU	40	6	26
BE	100	100	100	IE	36	22	30
BG	4	2	3	IT	100	100	100
CY	n/a	n/a	5	LT	3	3	3
CZ	n/a	n/a	10.5*	LU	n/a	n/a	38
DE	n/a	n/a	25	LV	21	15	18
DK	52	48	60	MT	n/a	n/a	10
EE	n/a	n/a	5.9	NL	97	45	76
ES	n/a	n/a	74	PL	5	3	4
FI	100	100	100	PT	n/a	n/a	92
FR	92	90	96	RO	n/a	n/a	2*
GR	n/a	n/a	10	SE	77	73	75
UK	n/a	n/a	16	SI	n/a	n/a	100

HR	n/a	n/a	7	SK	n/a	n/a	15
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Source: van Klaveren and Gregory (2018), Eurofound (2017), estimations of expert Maarten van Klaveren, consultations with national experts from various member states. Values obtained from Eurofound (2017) are marked * and listed in bold italics. All data are in per cent and refer to the most recent year available, in most cases to 2017.

To further our analysis, a Pearson product-moment correlation coefficient was computed to assess the relationship between membership in trade unions and the coverage of employees by collective agreements in the commerce sector. There was a moderately positive relationship, with a correlation coefficient of 0.59, significant at 1% level. Higher trade union density is thus correlated with increases in bargaining coverage in the commerce sector.

The next step in our analysis is exploring the relationship between the plurality in trade unions and employers' associations and the level at which bargaining predominantly takes place. Tables 3.5. and 3.6. show that plurality in trade unions and employers' associations is associated with sector-level bargaining: three to five unions and over three employers' associations are found in most countries with sector-level bargaining. At the same time, the extent of union plurality is not clearly related to bargaining decentralization: in eight countries (Czechia, Estonia, Hungary, Ireland, Latvia, Lithuania, Malta and Romania), bargaining predominantly takes place at the local or company level despite the fact that a maximum of two trade unions operate in the sector (see Table 3.5.).

The incidence of bargaining predominantly at the local or company level is high in countries where at the same time the plurality in employers' associations is limited (Czechia, Estonia, Latvia, Lithuania, Malta, Romania and the UK). Nevertheless, we found a higher number of employers' associations in countries with bargaining occurring predominantly at the sector level: we found 7 countries where the number of employers' association reaches or exceeds six organizations; and another 4 countries where 3 to 5 employers' associations operate in the commerce sector (see Table 3.6.).

Table 3. 5. Trade unions in commerce by predominant bargaining level

Number of trade unions in commerce	Bargaining predominantly at local or company level	Intermediate or alternating between sector and company bargaining	Bargaining predominantly at sector level
0 – 2	CZ, EE, HU, IE, LT, LV, MT, RO	BG, GR, HR, SK	DE, FI, SK
3 – 5	PL, UK	CY, LU	AT, BE, DK, ES, IT, NL, PT, SE
6 and more			FR

Source: van Klaveren and Gregory (2018), Eurofound (2017), ICTWSS Database Version 5.1 (2016), estimations of expert Maarten van Klaveren, consultations with national experts from various member states. Data on the number of unions are in per cent and refer to the most recent year available, in most cases to 2017. Data on predominant bargaining level (Eurofound 2017, ICTWSS 2016) refer to the most recent year available (2015 to 2017).

Table 3. 6. Employers' associations in commerce by predominant bargaining level

Number of employers' associations in commerce	Bargaining predominantly takes place at the local or company level	Intermediate or alternating between sector and company bargaining	Bargaining predominantly takes place at the sector or industry level
0 – 2	CZ, EE, LT, LV, MT, RO, UK	BG, HR, SK	FI
3 – 5	HU, IE, PL	CY, GR, LU	BE, DE, SE, SI
6 and more			AT, DK, ES, FR, IT, NL, PT

Source: van Klaveren and Gregory (2018), Eurofound (2017), ICTWSS Database Version 5.1 (2016), estimations of expert Maarten van Klaveren, consultations with national experts from various member states. Data on the number of unions are in per cent and refer to the most recent year available, in most cases to 2017. Data on predominant bargaining level (Eurofound 2017, ICTWSS 2016) refer to the most recent year available (2015 to 2017).

The next indicator under scrutiny is the length of validity of collective agreements in commerce. The BARCOM CBA database contains evidence on the length of validity of currently valid collective agreements in commerce. Exploring this variable in relation with the predominant bargaining level, we conclude that the bargaining level does not have an impact on the validity of agreements. In the majority of countries (10 countries, including Estonia, the UK, Latvia, Bulgaria, Slovakia, Belgium, Germany, Italy, the Netherlands and Portugal) agreements are valid for two years regardless of the predominant bargaining level (see Table 3.7.).

Table 3. 7. Average length of validity for currently valid collective agreements by bargaining level

	Bargaining predominantly takes place at the local or company level	Intermediate or alternating between sector and company bargaining	Bargaining predominantly takes place at the sector or industry level
Average length of validity in years for current CBAs	1 year		SI
	2 years	EE, UK, LV	BG, SK BE, DE, IT, NL, PT
	3 years	HU	DK, ES
	4 years		CY SE
	5 years		
	6 years		

Source: BARCOM CBA database (2017), Eurofound (2017), ICTWSS 5.1 (2016). All data refer to 2016-2017.

The above analysis of the actual bargaining practices, coverage and predominant bargaining levels can be supplemented by an analysis of bargaining preferences of employees in the commerce sector. The WageIndicator (2017) dataset, providing micro-level survey evidence on wages and working conditions in over 80 countries worldwide allows for such an analysis. We list the findings for selected EU member states in which the dataset provides a sufficient number of observations in Table 3.8. The findings show that there is a weakly positive relationship between the employees' actual bargaining coverage and their preference for such a coverage in five countries. However, this relationship is significant at the 5% level only in three countries, including Belgium, Germany and the Netherlands. In Hungary, we

found a moderately positive relationship at the 5% significance level: 79% of employees that participated in the WageIndicator survey are subject to coverage by a collective agreement, while as many as 89% survey participants from the Hungarian commerce sector find it important to be covered.

*Table 3. 8. Employees' bargaining preferences in the commerce sector***

Country	Covered by collective agreement	Number of observations	Important to be covered	Number of observations	Correlation, *sig at 5%	Country
BE	67%	347	59%	400	0.2282*	BE
DE	36%	1428	60%	876	0.2692*	DE
HU	79%	278	89%	449	0.5401*	HU
IT	78%	106	84%	129	0.2006	IT
NL	67%	1782	73%	2154	0.3025*	NL
PT	53%	205	75%	223	-0.0143	PT
ES	56%	151	75%	211	-0.0185	ES

***Share of employees covered by a collective agreement, share that thinks it is important to be covered by a collective agreement, correlations between coverage and preference to be covered. Source: Wageindicator data (January 2015 - October 2017).*

In addition, a logistic regression has been performed in order to further analyze the relationship between being a member of a trade union and thinking its important to be covered by a collective agreement, controlling for age and country dummies for the countries listed in Table 3.8. The model is significant at $p < 0.001$ level. The model estimates that trade union members have 3.6 times the odds of thinking that bargaining coverage is important as those who are not trade union members. From among the studied countries, this relationship turns out to be most robust in Hungary.

The next variable we investigate as part of the sectoral bargaining system is the practice of extending the coverage of collective agreements onto employers that are not associated in the relevant employers' association(s) that signed the relevant collective agreement. While extension practices are common in some countries and extensions are even legally enforced, other countries lack a legal underpinning of such extensions, lack enforcement, or the extension practice is not widely used due to the preferences of employers and trade unions. Table 3.9. shows how sector-specific practices of extending collective agreements interact with the general legal regulation on extensions across the EU member states. We find that extensions in commerce are used in in a pervasive manner, accounting for a high bargaining coverage, in 10 countries (see Table 3.9). Such extensions are used despite the fact that not all of these countries possess a general legislation enforcing extensions. An interesting case here is Italy, which lacks a general legal system enforcing the extension of collective agreements, but in the commerce sector extensions are widely used and facilitate a high bargaining coverage. This combination of sectoral bargaining attributes contributes to Italy's constructiveness of industrial relations expressed by our CIR-index (see Section 4).

On the opposite end of the spectrum we find that many new member states do not apply extensions of bargaining coverage in the commerce sector. In some countries, notably Bulgaria, Estonia, Croatia and Slovakia, this finding is placed in the broader context of legally existing extensions, but their practical use is limited due to high thresholds and veto rights of the government. In Slovakia, it is an explicit preference of trade unions not to extend the sectoral agreement in commerce due to the fact that this agreement sets minimum standards only and would affect the fragile balance in power

relations between unions and employers' associations in commerce. Instead, unions focus on negotiating CBAs with high standards at the company level. This also allows for reflecting the diversity of interests of particular employers and thereby to avoid cleavages that existed before the split of the employers' association ZOCCR and SAMO between domestic and multinational retail chains in commerce.³

Finally, in some countries including Cyprus, Denmark, Greece, Malta, Poland, Romania, Sweden and the UK, there is neither a legally existing provision of mandatory extensions nor a common practice of extending agreements in the commerce sector. Unless a functional equivalent to extensions secures a higher bargaining coverage (e.g., commitment and tradition of social partners to negotiate such as in Denmark and Sweden, or a higher number of multi-employer and single-employer agreements), bargaining coverage in these countries remains low (e.g., 2% in Romania, 4% in Poland, 5% in Cyprus and 10% in Malta and Greece, see Table 3.4.).

Table 3. 9. Extensions of bargaining coverage to non-organised employers in commerce (2017)

	National-level regulation and practice of extensions	0: There are neither legal provisions for mandatory extension, nor is there a functional equivalent	1: Extension is exceptional, used in some industries only, because of absence of sector agreements, very high thresholds	2: Extension is used in many industries, but with thresholds; Ministers can decide not to extend agreements	3: Extension is virtually automatic and more or less general
Sectoral extensions used in commerce	2: Yes, pervasive	IT	LU	ES, FI, NL, PT	AT, BE, FR, SI
	1: Yes, but rather limited		DE		
	0: No	CY, DK, GR, MT, PL, RO, SE, UK	CZ, HU, IE, LV, LT	BG, EE, HR, SK	

Source: ICTWSS (2016) for national-level regulation and practice of extensions, Eurofound (2017), national social partners and BARCOM final conference participants' feedback for the actual practice of extensions. All data for 2017 or the latest available year.

Notes (e-mail exchange with Eurofound, January 2018):

Pervasive extension practice – refers to an extension within a sector to (virtually) all companies/employees

Limited extension practice – occurs in situations where, e.g., several different multi-employer collective agreements apply in the sector, but only one of them is being extended (the bargaining coverage rate with regard to the entire sector is not 100%); or where only one collective agreement exists, with a scope covering only particular occupations or just one region in a country, such that extension of the agreement may lead to full coverage within the agreement's domain but incomplete coverage with regard to a given sector.

No extension practice – extensions are not used in the commerce sector

Not applicable – data missing

The practice of extensions can be further explained in relation to the predominant bargaining level (see Table 3.10.). The findings show that 17 countries without a common practice of extensions in the commerce sector, including Bulgaria, Croatia, Czechia, Cyprus, Denmark, Estonia, Greece, Hungary, Ireland, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Sweden and the UK) are distributed across all listed bargaining levels – from the company/local level to the sector/industry level. Nevertheless, in

³ Source: authors' interview with the chief negotiator of the commerce sector trade union (*Odborový zväz pracovníkov obchodu a cestovného ruchu, OZPOCR*) within earlier research projects focusing on the commerce sector.

8 of these 17 countries bargaining predominantly takes place at the company/local level where extensions are not applicable or would be difficult to implement. Extensions would make most sense in Cyprus, Bulgaria, Slovakia and Croatia, where bargaining alternates between the sector and company levels. In Denmark, where bargaining is coordinated at the sector/industry level but bargaining coverage does not reach more than 60% (see Table 3.4. and Figure 3.1.), extensions to the commerce sector agreements are not used due to institutional obstacles, namely, a non-existence of a legally stipulated extension mechanism or a functional equivalent (see Table 3.9.). Finally, pervasive extensions are common in countries where bargaining is coordinated in the sector (Belgium, Finland, France, Italy, the Netherlands, Portugal, Slovenia and Spain). Pervasive extensions are also used in Italy to secure a high bargaining coverage despite a lacking legal institutional framework for extensions.

Table 3. 10. Dominant bargaining level and extensions used in commerce (2017)

Dominant bargaining level - sectoral data *sectoral and national data are identical	Sectoral extensions used in commerce		
	0: No	1: Yes, rather limited	2: Yes, pervasive
3: Bargaining predominantly at sector or industry level	DK, SE	DE	AT, BE, ES, FI, FR, IT, NL, PT, SI
2: Bargaining intermediate or alternating between sector and company level	CY, BG, SK, HR		LU
1: Bargaining predominantly at local or company level	CZ, EE, HU, IE, LV, LT, MT, PL, RO, UK		

Source: ICTWSS (2016) for national-level regulation and practice of extensions, Eurofound (2017), national social partners and BARCOM final conference participants' feedback for the actual practice of extensions. All data for 2017 or the latest available year.

Notes (e-mail exchange with Eurofound, January 2018):

Pervasive extension practice – refers to an extension within a sector to (virtually) all companies/employees
Limited extension practice – occurs in situations where, e.g., several different multi-employer collective agreements apply in the sector, but only one of them is being extended (the bargaining coverage rate with regard to the entire sector is not 100%); or where only one collective agreement exists, with a scope covering only particular occupations or just one region in a country, such that extension of the agreement may lead to full coverage within the agreement's domain but incomplete coverage with regard to a given sector.

No extension practice – extensions are not used in the commerce sector

Not applicable – data missing

The final variable that we analyze within the attributes of the sectoral bargaining system is the articulation of enterprise bargaining, referring to coordination of wage bargaining at the sectoral/multi-employer level and the company level. Bargaining articulation also allows to some extent for an evaluation of the strength of trade unions at the company level: depending on the legal framework for wage setting and for the institutional underpinning of operation of company-level employee representatives (e.g., union rights, works council rights), unions and other employee representatives may be involved in wage-bargaining at company level in addition to wage setting through national level and sectoral bargaining. Using the values for national data in the ICTWSS Database, van Klaveren and Gregory (2018) provided evidence for the articulation of bargaining in the

commerce sector (see Table 3.11.). In addition, the authors thoroughly discussed particular country-specific situations, most notably Austria, France and the Netherlands, with national experts. The findings show that additional company-level bargaining exists and occurs under the control of trade unions in 11 countries, including Belgium, Bulgaria, Cyprus, Denmark, Finland, Italy, the Netherlands, Sweden, Slovakia and Slovenia. This is the cluster of countries with one of the following characteristics: (a) bargaining is most constructive at the company level (with low bargaining coverage, lack of extensions or an explicit preference of social partners for company bargaining), e.g., in Bulgaria and Cyprus; or (b) bargaining also takes place at the multi-employer or sectoral level in addition to the company level, and bargaining processes at both levels interact with each other (negotiators at company level build on the provisions of sector-level agreements, or are well informed about sectoral standards), e.g., especially in Belgium, Denmark, Finland, France, Sweden and Slovenia. Bargaining remains disarticulated in Greece, Portugal, where additional company-level wage bargaining does not build on sectoral standards and may involve other bargaining partners besides trade unions. In Austria, Spain and Luxembourg, additional enterprise bargaining on wages is restricted by law. If it occurs it is informal, thus informally following sectoral benchmarks. In Austria, company-level wage bargaining is not needed due to an almost universal coverage of sectoral bargaining.

Table 3. 11. Articulation of enterprise bargaining

3	Articulated bargaining: additional company bargaining on wages is recognized and under control of unions	BE, BG, CY, DE, DK, FI, FR, IT, NL, SE, SI, SK
2	Disarticulated bargaining; additional enterprise bargaining on wages is also conducted by non-union bodies	GR, PT
1	Disarticulated bargaining: additional enterprise bargaining on wages is informal and restricted by law	AT, ES, LU
0	Does not apply, data not available	CZ, EE, HR, HU, IE, LT, LV, MT, PL, RO, UK

Source: ICTWSS 5.1 (2016), van Klaveren and Gregory (2018), Eurofound (2017), Husson et al. (2015).

Two notable examples that deserve extra attention are the Netherlands and France. In the Netherlands, company-level bargaining is notably under control of trade unions despite several individual cases of important retail firms negotiating their company agreements with non-union bodies, be it a works council (i.e., in the supermarket chain Jumbo) or a Personnel Foundation (i.e., IKEA). These cases are outliers and do not constitute a new trend towards bargaining disarticulation. However, recent evidence presented in media and trade union websites suggests that a number of retail firms, among other employers, have threatened to leave out the unions in collective bargaining.⁴

France is a more complex case from the perspective of bargaining articulation. Company-level wage arrangements are in place since at least 35 years and are subject to bargaining under particular principles. Most importantly, these cannot undercut sectoral minimum base wages for particular employee categories (Husson et al. 2015). However, the current Macron ordinances allow to undercut some other elements of wage setting defined at the sector level. These include, i. e. seniority or overtime premia). What kind of employee representatives may be involved in company-level wage bargaining? In companies without trade union presence, the possibility for non-union bodies to engage

⁴ Source: e-mail exchange with expert on the Dutch retail sector Maarten van Klaveren, union websites and media (February 2018).

in bargaining has existed in France since 2004. Non-union bodies are either individual trade union mandated employees, and works councils delegates elected at the workplace. Catherine Vincent, a French expert on collective bargaining, concludes that even if non-union bodies have a right to engage in company-level wage bargaining, it is estimated that 80% of wage bargaining is still under control of trade unions.⁵

⁵ Source: authors' e-mail exchange with Catherine Vincent, February 2018.

4. Index of constructive industrial relations

After analysing similarities and differences in particular bargaining attributes, including actors, bargaining levels and procedures, we aim at making systematic sense of the findings presented in Section 3. This is the purpose of Section 4, where we analyse the overall constructiveness of industrial relations and especially collective bargaining in the commerce sector through calculation of an *index of constructive industrial relations* (the CIR-index).

The motivation to construct this index emerges from the fact that social dialogue and collective bargaining as its important part are at the heart of the European social model. The Maastricht Treaty of 1992 granted social partners the right to negotiate agreements that can be implemented by legislation at EU level (European Commission 2011).⁶ The incorporation of the *Social Protocol* into the Treaty on the European Union also meant the integration of social dialogue into the primary law of the EU. These fundamental acknowledgements are however translated into a large diversity in how collective bargaining is implemented across the EU member states. It is therefore challenging to operationalize what constructive industrial relations mean.

Constructiveness of industrial relations can be related either to institutional outcomes (e.g., a firmly established regulation of working conditions through collective agreements) or economic outcomes (e.g., impact on economic growth and unemployment). On the latter, Calmfors and Driffill (1988) argued that extremes work best: (wage) bargaining is most efficient for economic growth when either highly centralized (e.g. such as in Austria, Slovenia and the Nordic countries), or highly decentralized (e.g., in the UK, Ireland and many CEE countries). Driffill (2006) revisited this finding and confirmed its robustness despite some criticism related to the omission of institutional variables such as union density. For the purpose of our study, the lesson from their finding is that constructive industrial relations are either those that are very decentralized or very centralized, leaving the countries with coordinated multi-employer or sectoral bargaining worse off in terms of constructive institutional and economic bargaining outcomes.

However, newer evidence suggests that the operationalization of constructive industrial relations is more complex. In the EU, articulation of social dialogue structures across sectors, countries and the EU level yields for a multi-level governance system, resting on institutional pillars, which have proven to contribute to higher investment levels, increasing productivity and substantial economic growth (Van Gyes and Schulten 2015, Keune and Marginson 2013). Within such a multi-level governance system, coordinated bargaining (multi-employer bargaining, MEB) may be more constructive than company-level bargaining (single-employer bargaining, SEB). First, Marginson (2015) shows that bargaining procedures articulating multi-employer bargaining with company-level bargaining became more open-ended in the post-crisis years. Second, van Klaaveren and Gregory (2018) argue that MEB could be perceived as setting common minimum standards for a sector or region, especially in homogenous industries with many small and medium-sized enterprises. Bargaining of wages and working conditions gets into wider competition, which might in effect lower the transaction costs and cause less bargaining. In addition, unskilled workers and vulnerable groups can benefit from MEB along with extensions mechanisms. Third, as a system, MEB may contribute to lower wage inequality than

⁶ Source: <http://ec.europa.eu/social/main.jsp?langId=en&catId=329&eventsId=392&furtherEvents=yes> [accessed February 20, 2018].

systems where company bargaining dominates or where bargaining is not important for setting working conditions (Keune 2015). MEB could be expected to produce a more solidaristic wage policy, contribute to industrial peace and it could also serve as a tool for governments to set minimum wages for specific industries.

Based on this theoretical background justifying the interconnection between bargaining coordination and constructiveness in industrial relations, we calculate an index of constructive industrial relations with the use of **four institutional variables**:

- (1) dominant bargaining level,
- (2) use of extension mechanisms,
- (3) collective bargaining coverage and
- (4) trade union density in commerce.

In line with the presented literature, we assume that higher bargaining coverage, higher trade union density, bargaining at multi-employer/sectoral level and more frequent use of extensions yield more constructive industrial relations.

The construction of the index embraces several steps. First, we adjusted the scales in order to match a higher score with more constructive relations. In total, 28 countries are included in the index. The scores have been standardized to adjust for differences in measurement (both categorical data and percentages) and to observe the deviation from the mean rather than the absolute scores. An average standardized composite score (see table 4.1.) has been calculated for each country. A higher score represents more constructive industrial relations, while a lower score shows less constructive industrial relations, according to our definition.

Table 4. 1. CIR-index: index of constructive industrial relations

Country	Z-score (standardized composite score)
FI	1.58
BE	1.27
IT	1.27
SI	1.06
AT	0.89
DK	0.81
FR	0.80
NL	0.79
ES	0.78
PT	0.75
SE	0.67
LU	0.32
DE	0.13
IE	-0.46
SK	-0.51
GR	-0.55
HR	-0.57
UK	-0.62
CY	-0.63
BG	-0.71
HU	-0.75
MT	-0.80
LV	-0.87
PL	-0.91
CZ	-0.91
EE	-0.92
LT	-0.94
RO	-0.99

Source: own calculation based on Eurofound (2017) and Tables 3.2, 3.4 and 3.10.

Finland, Belgium, Italy, Slovenia, and Austria are among countries with the most constructive industrial relations in commerce. The first five countries are followed by Denmark, France, the Netherlands, Spain, Portugal, Sweden, Luxembourg and Germany, all obtaining an above average score. At first sight, it may be surprising to see Italy and France ranking high on the index, because of their high union plurality and relatively low union densities. However, the pervasive use of extensions to bargaining coverage in these countries compensates for this fact. At the same time, Sweden would rank much higher on the CIR index because of higher union density, multi-employer bargaining and reasonable bargaining coverage. However, the fact that extensions are not used in the Swedish commerce sector explains the overall lower score of Sweden on the CIR-index.

Scores below average apply to in Greece, Ireland, Slovakia, Croatia, United Kingdom and Cyprus. Finally, scores of eight CEE countries (Bulgaria, Hungary, Czechia, Latvia, Estonia, Lithuania, Romania and Poland) indicate that these countries have the least constructive industrial relations in the commerce sector among the studied EU member states. In general, the 'old' EU members rank better than the 'new' EU member states including Cyprus, Malta and the CEE countries, with the exception

of Slovenia which is known for its well-developed system of industrial relations and neo-corporatist approach to capitalism after the regime change in 1989 (Bohle and Greskovits 2012).

5. Conclusions

This report reviews and analyzes employment, the structure of employers, and sector-specific characteristics of industrial relations in the commerce sector across 28 EU member states. The importance of work in the commerce sector across the EU is undisputable: in 2016, almost 30.7 million people, representing 14% of the overall EU employment, were employed in the commerce sector in 2016 (see Section 2.1 above). 3.8 million workers in commerce were aged 15 - 24 (12.5%), 19.3 million workers were aged 25 - 49 (62.9%), and 7.5 million workers were aged 49 – 64 (24.9%, see Table 2.3).

Acknowledging social dialogue and collective bargaining as one of the cornerstones of Social Europe, we have elaborated a dataset of sector-specific attributes of collective bargaining in the commerce sector of 28 EU member states. We focused on actors involved in collective bargaining, dominant bargaining levels and coverage, the practice of extensions to bargaining coverage as well as established bargaining procedures including a vertical articulation of collective bargaining from the company level to the sector level. We have analyzed these data across the studied member states from a comparative perspective. First, the analysis targets each of the studied attributes individually or in connection with other attributes. Second, we have utilized selected bargaining attributes to elaborate an index of constructive industrial relations and compared the studied countries according to this index.

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. While in some cases bargaining in commerce aligns with generalized evidence on national-level bargaining characteristics, in other cases the commerce sector is unique and shows different practices than those commonly known for a particular country. Our findings suggest that particular data on the attributes of collective bargaining need to be interpreted in interaction with other variables. Only then are we able to conclude that, e.g., in countries like France, despite very low union density a bargaining coverage in commerce is high due to extensions of sector-level agreements (Rehfeldt and Vincent 2018). In many new member states, bargaining in commerce is underdeveloped, with few actors involved, decentralized bargaining and low bargaining coverage. This is due to lacking institutions to support coordinated bargaining and a low trade union legitimacy (e.g., the Baltic states), or due to a purposeful preference of sectoral unions to overcome cleavages in employers' interests by focusing on constructive company-level bargaining instead of extending the very general sectoral collective agreement (e.g., in Slovakia). By cross-checking various sources of evidence, we found that i.e., in Hungary, despite a generally low bargaining coverage in commerce and a discrepancy in bargaining coverage between retail and wholesale, almost 90% of surveyed employees in the commerce sector find it important to be covered by a collective agreement.

The analysis using the index of constructive industrial relations further substantiates these findings. The overall EU-wide picture is thus one of diversity. To make sense of this diversity beyond the ranking in the CIR-index, our comparative sectoral analysis allows for a further clustering of countries by their overall stance towards the role of industrial relations, and in particular collective bargaining, for shaping the quality of working conditions and economic performance in the commerce sector.

For the purpose of specifying country clusters, we borrow the terminology and the ideational and institutional underpinning of particular industrial relations systems from Bechter et al. (2012), Bohle

and Greskovits (2012) and the European Commission (2009: 49-50). In Table 5.1 we summarize our findings.

Table 5. 1. Country clusters of sector-specific industrial relations in commerce

Industrial relations in commerce	Organized corporatism (Nordic)	Liberal pluralism (West)	State-centred (Southern)	Social partnership (Central-West)	Embedded neoliberal (Central-East)	Neoliberal (North-East, South-East)
Countries	DK, FI, SE	IE, UK, CY, MT	ES, FR, GR, IT, PT	AT, BE, DE, LU, NL, SI	CZ, HR, HU, PL, SK	BG, EE, LV, LT, RO

Source: authors’ classification based on Bechter et al. (2012), Bohle and Greskovits (2012), European Commission (2009: 49-50) and the findings of Sections 2-4 of this report. Data for various years, pulled together from Sections 3 and 4 of this report.

In our analysis, we found the Nordic countries rank high in the constructive industrial relations in the commerce sector. In the broader context of industrial relations, this sector-specific finding aligns with our general knowledge on organized corporatism in these countries. The decision-making patterns in regulating work and welfare involve both the state and social partners. The principal bargaining level is the sector level. In comparison to continental Western European countries within the ‘social partnership’ cluster, social partners in the Nordic form of corporatism are in general stronger and industrial relations are less dependent on direct involvement of the state. The state serves as a mediator for direct interaction between the social partners (Mailand 2009, European Commission 2009: 49). This finding also holds for Sweden, despite its lower score on the CIR index compared to other Nordic countries. As explained in Section 4, the CIR-index takes into consideration the use of extension mechanism and its positive association with constructiveness of industrial relations. In Sweden, extensions are not used and the commitment of social partners to MEB is based on voluntaristic principles. Therefore, based on this additional qualitative evaluation, we include Sweden into the cluster of organized corporatism.

The second cluster embraces countries with a liberal pluralist system of industrial relations in general and in the commerce sector in particular. Our sectoral evidence shows that countries from this cluster, notably Ireland and Cyprus, reached an average score in the constructiveness of their sectoral industrial relations. The principal bargaining level is the company level and the role of the state interventions in industrial relations is limited. The modes of regulation tend to build extensively on market forces and voluntarism, or the will of trade unions and employers’ associations (Mailand 2009). The practice of extensions to collective agreements is non-existent, as confirmed in our analysis.

The third cluster includes mostly Southern European member states where a state-dominated mode of regulation, with policies often designed and implemented without a systematic input from societal actors prevails. In such state-centered industrial relations system, social partners and other societal actors are in turn accommodated in flexible implementation processes, often based on derogation from the law. If such flexibility is not available, social partners often seek confrontation and develop conflict-based or adversarial interactions. The principal level of bargaining is unstable or variable, and the role of social partners in policy making is irregular and/or politicized (European Commission 2009: 49). At the same time, social partners may rely on institutional mechanisms, such as the extension of bargaining coverage, which improve their overall constructiveness of industrial relations and account

for feasible bargaining outcomes. In line with this general characteristic, we found that France, Spain and Italy scored reasonably well in our index of constructive industrial relations. The variable character of the constructiveness of industrial relations is supported by evidence in this report, e.g., that despite low union density in the French commerce sector, bargaining coverage is high. This is the case also in Italy, where extensions are used in the commerce sector, but are not a crucial institutional characteristics of the general Italian industrial relations system.

The fourth cluster is formed by a number of continental Western European countries with a social partnership-style of industrial relations in general and in the commerce sector in particular. Based on their institutional and procedural bargaining attributes, the Netherlands, Slovenia, Luxembourg and Germany all scored above average in our index of constructive industrial relations. In these countries, we find a high degree of cooperation between the state, trade unions and employers. The state tends to formulate and implement policies in close cooperation with certain 'privileged' societal actors, including business and labour, organized in peak-level associations (*ibid.*). Bargaining happens predominantly at the sector level. In industrial relations, the state serves as a 'shadow of hierarchy' and is more directly involved in social dialogue than in the Nordic countries.

The fifth country cluster refers to embedded neoliberal countries in CEE, as defined by Bohle and Greskovits (2012). These countries, embracing 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 (its role being mostly limited to consultations between the state and social partners). Our evidence finds this variation also at the sector level in the commerce sector. We found variation in the index of constructive industrial relations in this country cluster. While Croatia and Slovakia score slightly below average in our index of constructive industrial relations, Hungary reached a lower score. The variation within this country cluster is further substantiated by two contrasting examples of Poland and Slovakia. In Poland, bargaining in commerce is fully decentralized and lacks an institutional underpinning by a defined extension mechanism and its implementation practice. In Slovakia, the commerce sector bargaining evolves both at the sector and the company level, but the two levels remain disarticulated. Extensions are legally well developed and used in other sectors, but in commerce it is a purposeful strategy of social partners not to apply them and rather focus on the bargaining efficiency and best possible outcomes at the company level.

Finally, in the neoliberal countries Estonia, Latvia and Lithuania, as well as Romania and Bulgaria, we found that bargaining is fragmented/decentralized, and the overall role of tripartism is limited. The Baltic states and Romania systematically ranked at the bottom of the constructive industrial relations index. The capacities of social partners to collective bargaining, or little/lacking institutional underpinning of their efforts, account for the fact that industrial relations in these countries are largely based on voluntarism as in liberal pluralism of the UK, Ireland, Malta and Cyprus.

This comparative analysis and clustering of sector-specific industrial relations systems in commerce is a useful input for further two reports within the BARCOM project. In these reports, the authors will evaluate the bargaining outcomes that particular countries and their sector-specific actors and bargaining procedures managed to achieve. They will also evaluate whether we find more constructive bargaining outcomes in countries with more constructive industrial relations in commerce.

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WIBAR3 (*WageIndicator Support for Bargaining 3*), research project supported by the European Commission - Industrial Relations and Social Dialogue Program, Project No. VS/2014/0533.

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List of Abbreviations

Abbreviation	Explanation
AIAS	Amsterdam Institute for Advanced Labour Studies
ART	Bargaining articulation
AT	Austria
BE	Belgium
BG	Bulgaria
CBA	Collective bargaining agreements
CBC	Coverage of Collective Bargaining
CBL	collective bargaining
CELSI	Central European Labour Studies Institute
CY	Cyprus
CZ	Czechia
DE	Germany
DK	Denmark
EC	European Commission
EE	Estonia
EL	Greece
EO	Employers' organizations
ES	Spain
EU	European Union
EUBA	University of Economics in Bratislava
Eurofound	European Foundation for the Improvement of Living and Working Conditions
EXT	Extensions to collective bargaining coverage
FI	Finland
FR	France
HR	Croatia
HU	Hungary
ICTWSS	Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts
IE	Ireland
ILO	International Labour Organization
IT	Italy
LT	Lithuania
LU	Luxembourg
LV	Latvia
MEB	Multi-employer bargaining
MT	Malta
NACE	Statistical Classification of Economic Activities in the European Community
NL	Netherlands
NMS	New Member States
PL	Poland
PT	Portugal
RO	Romania
SAMO	Slovenská aliancia moderného obchodu, <i>Slovak Alliance of Modern Trade</i>
SE	Sweden
SI	Slovenia
SK	Slovakia

TEU	Treaty on the European Union
TU	Trade Union
TUD	Trade Union Density
UK	United Kingdom
WIF	WageIndicator Foundation
ZOCR	Zväz obchodu a cestovného ruchu, <i>Federation of Trade and Tourism</i>

Appendix: Codebook

Topic 1: Commerce sector characteristics

Variable	Value	Label
Employment in commerce		Number of people working in the commerce sector, per age cohort, per gender
Largest companies in commerce		List of five largest companies in the sector
Trade unions in commerce		List of most relevant unions in commerce
Employer organizations in commerce		List of most relevant EOs in commerce
Trade union density in commerce		Trade union density with regard to the sector

Topic 2: Collective bargaining characteristics in commerce

Variable	Value	Label
Number of TU in commerce		How many trade unions (TU) are engaged/would like to be engaged in collective bargaining in this industry
Number of EO in commerce		How many employer organizations (EO) are engaged/would like to be engaged in collective bargaining in this industry
Dominant bargaining level	5	Bargaining predominantly takes place at central or cross-industry level with binding norms for lower level agreements
	4	Intermediate or alternating between central and industry bargaining
	3	Bargaining predominantly takes place at the sector or industry level
	2	Intermediate or alternating between sector and company bargaining
	1	Bargaining predominantly takes place at the local or company level
Bargaining coverage	0-100	% covered, with respect to the whole sector
	-99	Missing or not applicable
Articulation of enterprise bargaining	3	Disarticulated bargaining: additional enterprise bargaining on wages is informal and restricted by law
	2	Articulated bargaining: additional enterprise bargaining on wages is recognized and under control of union
	1	Disarticulated bargaining; additional enterprise bargaining on wages is also conducted by non-union bodies
	0	Does not apply

Topic 3: Collective agreements in commerce

Variable	Value	Label
List of most relevant CBAs		List of most relevant Collective Bargaining Agreements and their dominant bargaining level
Extensions of collective agreements, national	3	Extension is virtually automatic and more or less general (including enlargement)
	2	Extension is used in many industries, but with thresholds and Ministers can decide not to extend agreements
	1	Extension is exceptional, used in some industries only, because of absence of sector agreements, very high thresholds
	0	There are neither legal provisions for mandatory extension, nor is there a functional equivalent
Extensions of collective agreements, sectoral		Mandatory extension of collective agreements to non-organised employers
	2	Yes, pervasive
	1	Yes, rather limited
	0	No
	-99	Missing or not applicable
Length of validity		Average length of (wage clauses in) collective agreements, in years
Employees' bargaining preferences		Importance of being covered by collective agreement, available separately for retail and for wholesale
		% covered by collective agreements
		% that thinks it is important to be covered by collective agreement



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