Dribbusch, Heiner

Working Paper
Trade Union Organising in Private Sector Services: Findings from the British, Dutch and German retail industry

WSI-Diskussionspapier, No. 136

Provided in Cooperation with:
The Institute of Economic and Social Research (WSI), Hans-Böckler-Foundation

Suggested Citation: Dribbusch, Heiner (2005) : Trade Union Organising in Private Sector Services : Findings from the British, Dutch and German retail industry, WSI-Diskussionspapier, No. 136, Hans-Böckler-Stiftung, Wirtschafts- und Sozialwissenschaftliches Institut (WSI), Düsseldorf

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Trade Union Organising in Private Sector Services
Findings from the British, Dutch and German retail industry

by

Heiner Dribbusch

WSI-Discussionpaper No. 136

April 2005

Wirtschafts- und Sozialwissenschaftliches Institut in der Hans-Böckler-Stiftung, Düsseldorf
Introduction

In terms of aggregate density, trade unions in western Europe are weakest there where the bulk of overall employment is found: in the private service sector (IRS 1997; Eurostat 1998; Ebbinghaus and Visser 2000; Dølvik and Waddington 2002). Privatisation of public services and outsourcing in manufacturing will further erode employment in traditional areas of membership strength. Therefore the challenge is clear: if unions want to avoid further decline they have to organise and recruit where the potential for growth can be found.

In retail - in terms of employment the biggest single service industry - overall densities add to the picture of low trade union membership levels in private services. In 1998 only 10% of the retail workforce in Germany were in any union and HBV reached an overall density of 7.3%. In Britain the LFS reported in 1999 a trade union density of 14%. Usdaw organised about 10% of all retail employees in the same year. In the Netherlands trade union membership was weakest - FNV Bondgenoten achieved a density in retail of only 6% in 1998 (to which about 1% membership density of the Christian CNV can be added).

But as Bain and Price put it:

"The inability to produce highly detailed disaggregations sometimes results in the significance of unionism in a particular sector being obscured because [...] areas of widely differing degrees of unionization are combined to give an overall density figure [...]." (Bain/Price 1980, 9)

The aim of the paper is to take a closer look behind the curtain of low aggregate trade union densities in retail and to outline the major obstacles and problems trade union organising faces in the retail trades.

Trade union organising and recruitment is analysed against the background of a 'two hurdle model of organising' (cf. Haas 2000, Dribbusch 2003) derived from explanations on trade union membership put forward by Green (1990) and Disney (1990). Within this framework the first hurdle to be taken is the establishment of a workplace presence as a precondition for any sustainable membership development. The second hurdle is then to convince the potential members in the workplace to join i.e. the recruitment.

To perform the task of organising, the unions have to struggle with structural constraints, but they act as well as "architects of their own destiny" (Frege 1999) having a wide range of alternative policies at their disposal (cf. Heery et al 2000).

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1 All given densities for Germany and the Netherlands are net densities thus calculated on the basis of employed members only. As for Usdaw the union does not record a separate figure for unemployed members but assumes that there are hardly any. The pensioners are not included in the calculated density.
Therefore, an analysis of trade union organising attempts and subsequent successes will have to combine both "structuralist" and "interventionist" perspectives (cf. Mason and Bain 1993; Kelly 1997). As organising and recruitment is a potentially contentious issue between unions and employers, the balance of power between the two parties has to be taken into account as well (cf. Kelly and Waddington 1995, Hyman 1996).

The structural power of shop workers is weak as most of them are relatively easy to replace and the dispersion and fragmentation of the workforce make it particularly difficult to develop “associational power” (Wright 2000). The argument put forward is that despite structural obstacles organising and recruitment in retail is possible but that to successfully manage unionisation for more than a minority of workers will require institutional support through statutory protection and encouragement of trade union membership.

This paper is based on the findings of a major research study on trade union membership and organising in retail (Dribbusch 2003). The study focuses on the Union of Shop, Distributive and Allied Workers (Usdaw), the former Gewerkschaft Handel, Banken und Versicherungen (HBV) in Germany which merged with other unions in summer 2001 to build the 'Unified Union in the Service Sector' Vereinte Dienstleistungsgewerkschaft, ver.di2 and the Dutch FNV Bondgenoten (respectively its predecessor until 1998 the FNV Dienstenbond). All three are by far the biggest unions in the retail industry in Germany, Great Britain and the Netherlands.

Trade union data was used during the research to explore in some depth the development and structure of trade union membership in the retail trades. Furthermore it is based on more than 60 interviews with experts from the three unions. Those interviews included the leading national officials responsible for organising, full-time officers from the areas and districts and lay officials from different stores in each country.

**Trade union density and trade union availability**

A closer look at membership distribution and disaggregated trade union densities reveals that in all three selected countries the state of the unions is similar to the situation in British retail in the early 90s:

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2 Ver.di was established in 2001. The union resulted out of a merger of the public services and transport workers union ÖTV, the post workers union DPG, the print and media workers union IG Medien and the white collar union DAG - the latter not being affiliated to the German trade union federation DGB (Deutscher Gewerkschaftsbund) before. The union organises a wide range of employees in both public and private services and started with about 2.9 million members and 5,000 staff. Membership in retail stood at the beginning of 2001 approximately at 357,000 (including pensioners and unemployed members).
"Trade union membership, rather than being described as low, is more accurately described as highly uneven." (Doogan 1992, 38-39)

The most evident example is Usdaw where about 40% of the retail membership (including mail-order) is found within one company (Tesco). In addition, the union has a remarkable presence in some outlets of other big food retailers and still has strong membership pockets in the Co-op sector: In contrast to that, the union has no presence at all in companies where no recognition exists. This is particularly the case in the non-food sector. Densities vary accordingly. We can find in some extraordinary well organised workplaces 90% or more density and in others nil. Between those extremes there is a range of outlets with union presence. 30% density is estimated by officials to be a good average in places where the union has achieved recognition and shop stewards are active, but no explicit employer assistance for recruitment exists.

A similar picture is found in Germany. Although trade union membership is spread more evenly throughout the industry than in Britain (which is basically due to the effects of a different industrial relations framework) there are remarkable differences in workplace densities. Especially big department stores and Superstores are often very well organised with some outlets reaching the 80% margin and many others ranging around 40% union density. Membership in other workplaces is considerably lower and in a high number of workplaces without works councils densities are extremely low. Nevertheless, since the industrial relations framework allows for individual representation and bargaining coverage is not linked to the existence of works councils, individual membership in places without organised union presence is not as exceptional as in Britain.³

In the Netherlands membership is more evenly distributed than in Britain and Germany, albeit on a low level. However, remarkable differences between stores are found here as well. In particular, density in some food retail stores and some so-called variety stores is well above the average, as well as in some of the traditional department stores.

As in Germany union membership is not bound to places with organised union structures, although officials reported a positive correlation between an organised presence and workplace densities.

³ There is no figure for the total share of union members in unorganised workplaces but in a local district which was closer examined during the study it reached 25% of the total retail membership. Those were spread over a wide range of workplaces. The established way of collecting union dues through direct debit and the transferability of union membership between the unions who are affiliated to the DGB helps to maintain membership when employment is changed.
The uneven pattern of membership distribution in retail supports the assumption that the low aggregate union density is not the result of a particularly low propensity to join amongst service employees, but the outcome of an overall low union availability. Thus the problem of trade unions in retail is not the lack of demand for union representation, but the supply of it (cf. Green 1990).

The interviewed full-time officials of all three unions agreed that organised trade union presence is the precondition for any sustainable membership development. The absence of trade union representatives is therefore the main explanation for workplaces having no, or very few, members.

Commitment to organising and recruitment

By looking at trade union density at the level of the single outlet, differences can be observed between outlets which have both an organised union representation and similar employment structures. Those differences can in some cases be explained by a particular resistance to recruitment by local managers. In general, however, as has been observed in Germany, it is the personal commitment, charisma and credibility of the trade union representative in situ which makes the difference (Rozsai, 1997). Heery et al. (2000) identify the commitment to trade union growth and the existence of a formal policy of organising as a prerequisite of membership development.

Following a change in leadership Usdaw has enforced a concerted central and proactive approach to membership development. Organising and recruitment are clearly the number one priorities in trade union activity and have considerable funds allocated accordingly. In almost all union publications organising and recruitment activities are highlighted and they are regularly featured at the Annual Delegate Meetings. Activists are constantly encouraged to recruit and officials are expected to devote a considerable part of their time budget to organising activities.

In contrast to Usdaw the FNV Bondgenoten does not display such strong commitment. The union gives organising and recruitment activities a comparably low profile in its publications. Of course the union wishes to grow, but when browsing through the union magazines one gets the impression that this is to be achieved more by publicising additional membership benefits than through trade union organising activities in the proper sense. The prevalent approach seems to be widely reactive and similar to what is described by Kelly and Heery (1994) as
‘passive recruitment’. Officials agree that organising has a considerably lower profile than in Anglo-Saxon countries. This is attributed to an institutional framework which gives the unions considerable consultation and bargaining rights which are not necessarily linked to membership strength (cf. Teulings 1996).

The HBV is situated somewhat in the middle between the Usdaw and the FNV - in the sense that very active and rather passive approaches to organising and recruitment coexist. The HBV has no central organising approach comparable to Usdaw. In the union publications organising and recruitment activities are seldom featured. This is due to the federalist structure of the union which allows for a strong autonomy of the regional and local union bodies. In the end it is the commitment of the full-time officials at local and regional level that counts, they decide how expansive the union should be and where the priorities are to be set. Co-ordination and an organised exchange of experiences in organising happens only occasionally.

Structural constraints to organising in retail

The retail industry is characterised by the coexistence (albeit not always peaceful) of some economically very powerful retail companies and a great number of small enterprises. In the 1990s, 90% of retail businesses in Britain and Germany had not more than 10 employees and in the year 2000 80% of Dutch retail businesses had only one outlet (Dribbusch 2003, 64). But the market is not controlled by this large number of shop owners. Retail is marked by a concentration process which led to the emergence of oligopolies (Howe 1992; Tilaart 1993; Kirsch et al. 1999). The concentration of economic power is particularly marked in food-retail (Schüttpelz and Deniz 2001), where in 1996 the three leading food retailers had a market share of 40% in Great Britain, 43% in Germany and 46% in the Netherlands (Kirsch et al 1999, 18).

Whereas economic power is concentrated, the work force is very much dispersed and fragmented. These structural constraints are by far the biggest obstacle to trade union organising in retail (Dribbusch 2004). The fragmentation is first of all

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4 In 2000 two pilot projects were carried out in two shopping centres which the aim to do cold recruitment through a mixed team of full-time officials and lay representatives. These pilots were considered a failure so far. The employees showed interest but the project delivered no results in terms of membership.

5 The head of the FNV federation Lodewijk de Waal agreed with Teulings’ (1996) argument that it would not be desirable if the unions were be too strong as this would damage the attitude to compromise within the Dutch institutional setting (“Hoge organisatiegraad is niet goed.” in: Financieele dagblad, 30 januari 1998).

6 This trade union structure which follows the federal structure of Germany is continued after the merger in ver.di.
the result of the dispersion of the workforce across a very high number of retail outlets with relatively few employees. Even very big retail outlets rarely number more than a couple of hundred employees and many establishments employ considerably less. The retail structure in the three countries differs in detail but in principle the problems to be adressed by trade union organising are the same. In the mid 1990s, 30% of employees in the Dutch and German retail industries and a quarter of British retail employees worked for retail enterprises with less than 10 employees, but to explore the full extent of dispersion it is necessary to move away from the enterprise and to focus on the workplace, because even the big retail giants with tens of thousands of employees on their pay-roll are split into a large number of outlets and stores, which might sometimes only number a handful of employees.

In the year 1997 in British retail, 32% of employees worked at workplaces with not more than 10 employees, another 32% at workplaces with between 11 and 99 employees and about 36% in the bigger retail outlets with more than 100 employees. 2.2 million employees were scattered over 249,000 workplaces. Nevertheless, it has to be commented, that comparatively large outlets are more common in British retail than in Germany or the Netherlands.

In Germany, for which recent disaggregated data is not available, the structure of the industry in the 1990s was characterised even more by the small outlet. In 1993, 49% of employees worked in outlets or stores with less than ten employees and only 14.4% worked in outlets having 100 or more employees. Overall, 2.7 million employees were dispersed over 487,000 workplaces.

In the Netherlands in 1999, 112,000 retail enterprises had only one single outlet whereas another 9,000 enterprises owned another 37,000 outlets, so that the 575,000 Dutch retail employees were scattered over 149,000 outlets (Dribbusch 2003). In food retail the average supermarket is rather small compared with British retail and there are only very few big superstores and hypermarkets (Kirsch et al 1999).

In all three countries the retail outlets with the biggest workforce used to be traditionally the department stores. Rationalisation and restructuring, however, have lead to cuts in employment and most of German department stores now have less than 500 and often less than 300 employees (Dribbusch 2003, 65). A particular feature of many British department stores is that, according to Usdaw representatives, often only a minority of employees still works for the department store itself whereas most of the staff are employed by franchise-companies. Similar trends towards in-house outsourcing have been observed in German
retail, where often the restaurants and sometimes large parts of the food-departments are sourced out to other companies (Wirth 1999). Of major importance in terms of size of employment are now, especially in Great Britain the big hypermarkets. In Germany, however, food supermarkets usually employ fewer than 50 employees (Kirsch et al. 1999) and the outlets of the big discount-chains employ considerably fewer shop workers. The big chemist chain Schlecker, which in 1997 had 6,360 outlets, usually employs three employees per outlet, of which two are part-timers. Low staffing levels are also common in outlets of chains for stationery articles (where the shift often comprises only one employee) and in convenience stores.

In all three countries the geographical fragmentation of the workforce is the obvious pattern that makes retail a different ground for organising compared with yesterday’s strongholds of unionism in mass manufacturing. Even when trade union access is secured through recognition or legislation, the establishment of a workplace structure in retail remains difficult because it requires a high input of resources by the union as numbers of workplaces are high. The limitation of available resources usually leads to a selective approach – in general targeting the biggest of the retail outlets first and giving in-fill recruitment a priority over green field expansion. This of course fosters the uneven distribution of membership. The high number of small outlets implies the problem of prohibitive costs. Organising (and servicing) of highly fragmented workplaces may require more money than will flow back through contributions (cf. Streeck and Visser 1997). Cross subsidy of trade union organising is therefore an issue to be considered.

Not only is fragmentation a problem but also the fact that trade union activists must not only have the personal commitment and skills to represent workers but also have to be prepared to face any trouble which might occur, particularly during the early stages of an often controversial organising process (cf. Hoffmann and Neumann 1987, 294-295). The total number of activists required to build a network to cover all workplaces rises with the number of outlets, however the chance to find committed activists decreases with the size of the establishment because the potential for activists is smaller.

A regional Usdaw officer estimated that in his division, the unions had no stewards in more than two thirds of the outlets for which recognition existed. The same situation can be found in Germany where the chance to have a works council is greatest in big single retail outlets and considerably lower in highly
fragmented discount chains. Furthermore, the small size of the workplaces in retail affects the facilities available to lay officials as some may be related to the number of employees. This makes it more difficult for lay representatives to develop trade union professionalism.

Not only organising, but also recruitment, suffers from fragmentation as the workforce is not only split in the territory but also at the workplace. Extended opening hours and sophisticated systems of staffing have led to the emergence of a highly casualised workforce which is often bound to very detailed and flexible rota systems. As a consequence, usually only a small proportion of the total number of employees are present at any given time – thus making any personal approach to all employees by full-time staff impossible and a difficult task even for workplace representatives.

The structure of the industry raises the very fundamental question of whether the traditional workplace approach in organising, recruitment and servicing of members is appropriate in a fragmented industry such as retail, at least if the union does not want to stick to only the biggest outlets. The dilemma is that it is at the workplace where members are most effectively won and where they expect the union to be present in case a problem occurs. Unfortunately the high number of outlets makes this very unlikely to happen in many cases. The solution is therefore to develop some kind of trade union availability which is not in each and every case bound to the particular workplace.

**Fragmentation of the workforce**

Despite resistance from shop workers, legal restrictions on shop opening times have been relaxed over the last decade in all three countries (Kirsch et al. 1999; Dribbusch 2003). While longer opening hours would usually require more staff, retail companies have a strong interest to win a cost advantage over competitors by maintaining or even decreasing the share of personnel costs in sales (Jany-Catrice and Lehndorff 2002). This promotes an increasing disconnection of shop opening and individual working times and leads to an ever more flexible workforce (e.g. Schüttpelz and Deniz 2001). Electronic data processing allows for

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7 For the 1998 elections the HBV counted a total number of 2,300 works councils in German retail of which only 300 in Eastern Germany. These works councils have about 12,600 members of which 64% are members of the HBV. The works councils represent approximately a quarter of all retail employees.

8 In Germany the threshold to have at least one fully seconded member of the works council is at the moment at 300 employees. The government plan to reduce this threshold to 200 employees, what will have a considerable impact on the facilities in retail as many works councils have less than 300 employees in their constituency (the unions would have liked the threshold to be reduced even further to 100 employees).
real-time control of sales and stocks and helps to establish sophisticated working time regimes which adjust staff deployment as closely as possible to the fluctuation of customer flows and sales.

These working time regimes translate flexibility for most retail employees into availability to the needs of the employer and not into more choices on how to work (Jany-Catrice and Lehndorff 2002). At the very bottom of the scale are so-called ‘zero hour contracts’ as found in British retail (Usdaw 1998b). Here the employees do not know in advance when and how long they will work. Far more common in retail, however, are employment contracts which guarantee employees a certain minimum of working hours but allow for maximum flexibility when it comes to working time schedules. A German department store chain reported in 1997 that 70% of its staff were employed on the basis of such individual contracts - fixing the monthly income but not the effective working time (Hertie 1997). These schedules then often include clauses to allow for short-term changes because of unplanned staff shortages due, for example, to sickness (Groof et al. 1997; Kirsch et al. 1999).

The demand of retailers for flexibility finds further expression in the employment structures. So-called atypical employment has become the standard in much of the retail industry (Wirth 1994; Lehndorff 2001; Schüttpelz/Deniz 2001; Dribbusch 2003). Female part-time employees are the core of the workforce in most of the retail industry (with the exception of the DIY sector).

In 2002, almost half of the retail employees in Germany were part-timers (ver.di 2003) and 57% of employees in British retail and in 1998 even 66% of the Dutch retail workforce worked part-time (Dribbusch 2003, 62-63). Part-time employment is particularly predominant amongst sales staff and cashiers, but less pronounced amongst (often male) managers (e.g. Toye et al. 1993; Kirsch et al. 1999). In 1997 German supermarkets employed on average 71% part-time employees (Kirsch et al. 1999, 75). Kirsch et al (1999) found in British supermarkets often proportions of 80% and more part-time staff and in Dutch food retail full-time employees sometimes accounted for less than 10% of staff. Substantial proportions of part-time employees are also found in the big department stores.

Large groups of employees within part-time employment work comparably few weekly hours. According to the European Labour Force Survey the proportion of part-time employees in 1999 with less than 15 hours per week was 38.2% of all part-time employees in Great Britain, 37.9% in western Germany, 19.9% in eastern Germany and 51.8% in the Netherlands (Jany-Catrice/Lehndorff 2002, 511). In many of the Dutch supermarkets, however, even 50% of all employees
work less than 12 hours per week (cf. Tilaart 1993, 53; Kirsch et al. 1999) and a big department store company in the Netherlands had at the end of the 1990s almost 40% of its staff employed on this basis (see table 1 below).

**Table 1: Employment structure of a Dutch department store company**

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
<th>Full-time</th>
<th>Part-time (monthly wage)</th>
<th>Part-time (hourly wage)</th>
<th>Part-time &lt; 12h</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995/96</td>
<td>13,200</td>
<td>28.6%</td>
<td>28.3%</td>
<td>9.5%</td>
<td>33.6%</td>
</tr>
<tr>
<td>1998/99</td>
<td>14,700</td>
<td>24.8%</td>
<td>22.0%</td>
<td>14.2%</td>
<td>39.0%</td>
</tr>
</tbody>
</table>

Source: own calculation based on the employment statistic of a large Dutch department store chain.

1) Part-time employees with a fixed monthly salary based on an average weekly working time of 20 hours. The effective working time may differ between 12 and 28 hours.

2) Part-time employees, who work between 12 and 30 hours per week and are paid the hours they work.

The result of these working time and employment structures is a fragmentation of the workforce at the workplace. There is no longer any day where all employees meet. Joint tea-breaks are scarce. Some employees, such as shelf fillers who start to work before the stores open or those confined to twilight and night shifts in British supermarkets, may find it difficult to keep in contact with the other colleagues at work. The same applies to those who only work on Saturdays and Sundays.

Trade union organising is much more difficult if the daily communication is hampered by a great variety of individual working time patterns. Even if the organising process is successful it remains a problem to secure a continuous contact between members and trade union representatives. Finally, as a consequence of this fragmentation, it is hard for retail employees in general and in particular for those who work in isolation in small outlets to develop a feeling of social cohesion, let alone a sense of power.

Finally trade unions have to struggle with the staff turnover in retail (Dribbusch 2003, 64). Job tenure in retail in all three countries is considerably below the average of the economy (Lehndorff 2001, 138).

All three trade unions address part-time workers and have managed to substantially increase membership amongst them. But, according to trade union representatives, the chance to recruit part-time employees decreases with the number of weekly working hours (Dribbusch 2003). This is not a specific problem
of retail (Klandermans and Visser 1995; Visser 2000) but if, as in the Dutch supermarkets, 50% and more of shop workers are in this employment category it becomes a particular challenge for unions.

There is still some research to be done about the reasons for this low propensity to join a union amongst employees with this kind of job. It seems plausible that employees with few working hours and sometimes additionally on a temporary contract are not attracted to trade unions - which in general aim at long-term improvements of pay and conditions (Diemel 1962). But it remains a question to be examined as to whether this is really the main reason for the low membership levels amongst small part-time and often temporary staff.

There could also be some kind of mutual disregard. Despite their large numbers in some of the retail outlets, employees with precarious jobs are often not regarded as a genuine part of the workforce by workplace representatives. Trade union officials admit that these workers are sometimes not regarded as a target group for trade union recruitment, not because they would not be welcomed in the union, but because they would be rather unlikely to join (Dribbusch 2003). All of the three unions offer the full range of their services to all members regardless of their employment category.

The difficulties to recruit these employees, however, are part of the general problem all three unions face when trying to increase their share of younger members (Dribbusch 2003). In 1994, 31% of all part-time employees in British retail were younger than 25. Many of these young part-timers work only a few weekly hours. At the British retailer Sainsbury 20% of all employees in 1998 were still involved in some kind of formal education (Usdaw 1998c). In 1997 the proportion of German retail employees under the age of 25 amongst part-time employees with fewer than 15 hours per week was 37% in western Germany and 31% in eastern Germany (ISG 1997) and in the Netherlands the high proportion of employees under the age of 25 in food retail (66% in 1998; HBD 2000, 31) corresponds with the extensive employment of 'short' part-timers in the supermarkets. Apart from the general problems many trade unions face in recruiting young people (Dribbusch 2003; Freeman and Diamond 2003) it seems likely that many of these young workers regard their job in retail as a passing employment and if they are confronted with problems at work they might be more prepared to switch employment than older workers.

In the late 1980s a British study established that as many as 75% of part-time employees under the age of 25 stayed less than a year at one retail employer (Coca-Cola Retailing Research Group Europe 1989) and the high annual staff
turnover in Dutch supermarkets of 41% is to a great extent attributed to young students finishing school.

None of the three unions has yet found an ideal way of involving employees with marginal part-time or temporary contracts in the unions, but for all of them, what the then Deputy General Secretary of Usdaw stated in 1993 holds true:

"We have problems of access to those people and we have large stores where there are 100-plus working shifts. We may have difficulty persuading part-time, temporary, often casual-type jobs, to join the trade union, but we have a whole lot more problems if we cannot even talk to them, if we cannot even approach them" (Bill Connor, Usdaw ADM 1993, S. 129)

Organising dispersed workplaces

The structure of the retail industry fosters a balance of power favourable to employers and the dispersion and fragmentation of the workforce make it hard to challenge this power relationship. But against the background of the various industrial relations frameworks which are in place, all three unions have developed approaches to the problem of how to organise workers across dispersed workplaces.

Germany: Establishing workplace presence via works councils

For German trade unions taking the hurdle of organising means establishing a works council where those members of works council who are in the union act effectively as trade union representatives. To establish a works council the union is able to follow a statutory procedure. Every trade union represented in the establishment (which is legally defined as having at least one member in the establishment) has the right to take the initiative to establish a works council. For these purposes the company has to grant access to trade union representatives to the premises concerned. Usually an approach to establish a works council is only started if there is a nucleus of union members prepared to push through the procedure even against employer resistance. Within German retail there is a marked difference between employers who are used to dealing with the unions and others who are well known as union busters. As a starting point for a new
organising drive the union often takes advantage of a particular conflict in the establishment or company.\textsuperscript{10}

In Germany the trade union does not need recognition to have access to the workplaces. In case of conflict it is sufficient if the union can prove it has one member within the company in question in order to be allowed access to all workplaces. However, especially in the big German supermarket, food discount or chemist chains which sometimes have several thousands of outlets with comparably little staff, a shop by shop approach to organising would not only overstretch the personnel resources of the trade union but also involve the problem that not all of the outlets were above the legal threshold for the establishment of a works council. Ver.di tries to at least partly overcome the dispersion of the workplaces by concluding collective agreements according to section 3 of the Works Constitution Act in order to create larger works council units. It is, however, very difficult to force such collective agreements on an unwilling company. So in practice most of these agreements have been reached after negotiations by way of mutual consent.

One outstanding case, where ver.di's predecessor HBV succeeded in pushing through such an agreement against fierce employer opposition was in 1994/95 during the campaign involving the chemist \textit{Schlecker}. In this case the HBV was not only able to mobilise many employees because it could show that the company did not pay the collectively agreed rates of pay, but it managed furthermore to mount a very effective public campaign which scandalised the way in which the company prevented its employees from being properly represented (Huhn 2001).

The final collective agreement with \textit{Schlecker} defined 328 business units for which works councils could be established. Most units did not have 300 employees, some numbered fewer than 100 employees. Following this agreement some very positive examples of successful organising and recruitment showed that even under adverse circumstances such as in the case of \textit{Schlecker} considerable levels of memberships can be obtained if members of works councils are convinced that their bargaining position towards management is strengthened by membership gains and if these works council members are

\textsuperscript{10} A very effective argument used to be that certain companies did not pay the proper rates as they should have done according to collective agreements. Such conflicts allowed the union to demonstrate very quick its effectiveness as agreed wage rates are legally enforceable. Central bargaining on a regional basis is still the prevalent pattern in German retail, but since 2000 the employers federations refused to cooperate as in the past in the procedure to declare the collective agreements generally binding for all employers in the industry. This allows now that certain companies are no longer bound to the general agreements. Whether this will decentralise bargaining in the future remains to be seen.
encouraged and supported by committed full-time officials. All in all, however, the HBV found it very difficult to effectively implement this agreement for all of the 328 units. It did not prove easy to find enough members willing to be involved in works council work and some local trade union districts, which had a high degree of autonomy within HBV, also set other priorities because they considered the organising process to be too time consuming and costly, given the limited membership potential in the comparably small business units.

At the other end of the scale we find some collective agreements in food retail where the business unit for which a works council is set up is so large that it becomes a problem for the works council to represent employees in a huge number of outlets spread over a distance of several hundreds of kilometres. Here the degree of effective recruitment depends very much on the commitment of the members of the works councils and day-to-day recruitment is difficult because of the limited contact even committed works council members can establish within the single outlets.

Organising in German retail is further complicated by management strategies to convert outlets into franchises which then are no longer formal parts of the name-giving company and therefore drop out of existing agreements. Sometimes this strategy of splitting-up an existing company is even explicitly used to counter an organising strategy. The obvious answer in these cases would be to focus less on the establishing of works councils and to promote small networks of trade union lay representatives – a strategy which is being discussed within ver.di. However, the problem of finding committed activists and organising trade union support for a large number of small workplaces remains.

A particular problem to which the trade union has not yet found an answer is the fact that a considerable number of employees are concentrated in shopping malls and high streets and, in so far as they are not working in a big store, are isolated at single stalls or small outlets.

Great Britain: Organising the employer

The Usdaw approach can best be described as ‘organising the employer’ (Heery 2003). This strategy is the direct reflection of an industrial relations framework which, up to the Employment Relations Act 1999 (ERA), made it rather easy for companies to deny union officials access to their premises. This is a problem that both German and Dutch unions do not face within the legal framework they are confronted with.
The fragmented structure of the industry also makes it nearly impossible to force recognition upon an unwilling employer. Therefore, the union has made a virtue of necessity and follows a concise approach of bargaining for recognition under the slogan of "we have an interest in seeing your business prosper" (Usdaw 1998b). This approach is pursued through head-office activities and the organising of the outlets usually only starts when an agreement is reached.\footnote{An exception to that is the situation at Sainsbury where Usdaw has to win recognition store by store and the "first try" is granted by the company either to Usdaw or the T&G.} Open conflicts and adversarial campaigns are, in contrast to the German situation, not very common and have even to be avoided if the union wants to uphold its image as a non adversarial mediator of workplace conflicts.

Usdaw's prime example is certainly the social partnership agreement with Tesco. It has allowed Usdaw to secure a membership level which even exceeds that in most of the remaining Co-op societies. The problem is that by far not all retailers are willing to join in similar recognition agreements. The union has made considerable progress with some of the other big retailers in recent years but it often remains a problem to establish trade union representatives in all of the stores for which recognition has been secured. Trade union officers have to service up to several hundreds of outlets and this makes it difficult to visit each store more than once in a while despite the very high priority Usdaw gives to organising and recruitment. From time to time the trade union enters into national recruitment campaigns where full-time officers are delegated to target chosen companies where the union is recognised, in order to promote membership and to identify new trade union representatives.

Usdaw is aware that it cannot rely on employer support alone if it wants to extend its membership and the union is also aware that such support can quickly vanish if management changes or the company is sold. Even the Tesco management had considered the advantages of derecognising Usdaw despite an established relationship since the 1950s before it decided to enter into a partnership agreement with the union in 1998. Usdaw has therefore strongly invested in additional staff who are specialised in organising and recruitment and right from its start in 1998 has been a sponsor of trainees of the TUC's Organising Academy (Heery et al. 2000; 2001). The Organising Academy is a one year training programme composed of a number of courses at the TUC and practical work experience in conjunction with experienced organisers in the sponsoring union. Most of the trainees are offered jobs in Usdaw after they graduated from the Academy. They work as so-called Recruitment Development Officers i.e. as
travelling organisers with a particular emphasis on identifying and winning new lay representatives. In the meantime the trade union has also established its own organising academy. In order to mobilise additional personnel resources the trade union also tries to negotiate with employers to release lay activists for a certain period of time, in which they can be involved in recruitment activities beyond their own workplace.

However, albeit the union thinks that the new legislation since 1999 had a positive impact on the industrial relations climate and Usdaw succeeded in winning new recognition agreements, a considerable number of retailers still prefer not to deal with the union. Access becomes a particular problem in the large British shopping centres where thousands of employees work but cannot be personally addressed because even the surrounding car parks and pathways of those centres are private property.

An interesting approach to organising a dispersed workforce is called community unionism (Wills 2001). The Battersea and Wandsworth Trades Union Council (BWTUC) in London has formed an Organising Centre which has also established a working conjunction with the regional Usdaw official and entered into the recruitment of shop workers in the locality by visiting small high street shops on a regular basis. This kind of approach, however, is in western Europe only at the beginning stage, and it remains to be seen how successful it will be and whether it will be expanded.

The Netherlands: The Shopping-Centre-Project

The most far-reaching attempt to tackle this particular problem was the so-called shopping centre project (Project Vakbondswerk in de Winkelcentra, VWC) carried out by by the FNV Dienstenbond.

The starting point for FNV Dienstenbond was in 1990 when, following a high profile campaign against shop opening hours, the trade union realised that it had reached unprecedented publicity but had no organised presence in most of the retail industry - apart from some of the big retail companies (FNV Dienstenbond 1990). The question was how to reach the many employees who did not work in the big retail companies. Many of them worked in shops which were located in one of the very common small shopping centres which are characteristic for the Dutch retail landscape. The idea was to set up so-called information and service teams comprised of three lay activists (kaderleden). These teams were to regularly distribute trade union information in the stores, give advice and finally also recruit members. When the project finally started in 1992 the trade union
wanted to target all shopping centres with at least 40 shops and about 250 employees. Each centre should have at least one outlet of one of the major retailers. Finally about 400 shopping centres with together 85,000 employees met the criteria (FNV Dienstenbond 1995).

In 1995 the trade union had managed to establish teams in 122 shopping centres. The average team, however, did not comprise three but only two members. The evaluation of the membership balance was positive. Even when the hopes of 1990 to boost trade union density across retail up to 20% had proved to be completely unrealistic, membership development was above the average in those shopping centres where an information and service team had been established. The emphasis of the work of the teams, however, was on giving information and advice. Direct recruitment was, as for Dutch trade union activists in retail in general, very much regarded as a subordinated task (Dribbusch 2003).

A major problem was the high turnover in retail, which affected not only the industry but also the composition of the teams. Furthermore, research in two shopping centres showed that because of the short job tenure many employees had not experienced the trade union campaigns of the late 1980s as shop workers and consequently did not value these activities (Wijmans 1991). After a further three years, in which the project had been cross subsidised by the overall membership which could be achieved in retail in these years, it became clear that the project had reached its limits. 122 teams with 250 activists and contact persons proved that the project had been consolidated but had lost its dynamism (FNV Bondgenoten [Project VWC] 1998). The assessment identified as the main reason for this stagnation the fact that the union had not been able to mobilise more members to become activists and that it had even been hard to replace departing team members. Particular difficulties were finding members prepared to act beyond their 'own' work place and the high demands placed on the activists. A 1993 study had already ascertained that the task of a lay activist was regarded in retail as time consuming and difficult (Wijmans 1993). The setting up of a special team of three full-time officials in 1997 to identify additional activists did not result in creating more teams. As a result of this situation the project was not further expanded and became integrated in the general trade union work within retail without the further allowance of any special budget. The trade union, which had invested considerable funds in the project now set other priorities. The overall balance, however, remained positive. It was noted that compared with the
average profile of the trade union activist more women and young employees were involved in the teams.

Despite its limits, the shopping centre project proved to be the most ambitious and far-reaching approach towards establishing a continuous trade union presence for shop workers at different outlets and even in different enterprises. The activists involved effectively overcame the borders of their ‘own’ store. Considering the fact that not only FNV Bondgenoten, but also Usdaw and HBV/ver.di, experienced that it is particularly difficult to find activists for such external trade union work, the number of 250 lay activists involved in the shopping centre project remains remarkable.

In the Netherlands some kinds of works councils exist which have considerably fewer rights than their German counterparts. Although on paper they are mandatory for all companies with more than 50 employees, in fact, they only exist where there is an interest in establishing such structures. The Dutch unions had until recently kept their distances to these structures which were in the past presided over by the employer (cf. Visser 1992, 1993). Historically absent from the workplace, but heavily involved in tripartite institutions on national and industry levels, Dutch unions only started a few decades ago to build a workplace presence through networks of lay officials acting independently from the works councils.¹² The key to the development of the membership in retail is therefore to expand the lay network and not necessarily to establish works councils. As gaining access to the workplace is usually no problem for Bondgenoten officials, the main hurdle they have to tackle in unorganised workplaces is how to win new members who are prepared to get involved in lay activity. The big number of small outlets and the limited time budgets of the officials combine here to make this a difficult task. Open employer resistance has been reported in some cases, but does not seem to play the same role as in Germany or Great Britain.

**Recruitment approaches**

In Germany and the Netherlands direct recruitment of members by full-time officials is the exception. An experiment with a full-time recruiter in food retail in Germany was regarded by the union district as a success, but not applied nationally. Unlike their colleagues at HBV and Bondgenoten, officials in Usdaw are expected to devote a considerable amount of time to recruitment. The direct

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¹² The works council for Albert Hijn the biggest food retailer which covers about 40,000 employees has only 15 members which are not all members of the union.
recruitment is usually done during official visits to the outlets for which the terms are usually set within the recognition agreement. The full-time approaches to recruitment are further strengthened through the strong commitment of Usdaw to a professional training of staff for organising and recruitment tasks as expressed by its commitment to the Organising Academy of the TUC. This innovative attempt to develop the organising and recruitment culture through full-time organisers has no equivalent in the Dutch or German trade union movement.

Nevertheless the daily face to face recruitment is generally seen by all three unions as a core task of the lay officials.13

In Germany it is usually up to the trade union members of the works councils whether and how they approach the employees. The practice to enrol new employees at day one of employment which has some tradition in the metal industries is not very common in retail. The intensity of recruitment differs remarkably and not all HBV or ver.di works council members do it in a systematic way. The attitude to recruit when employees need help or advice is widespread. A traditional way used to be to recruit young employees when they entered into apprenticeships, an approach which has diminished with the number of such apprenticeships in retail. It is very common to intensify recruitment before the annual bargaining rounds. In the context of bargaining rounds the lay official may, for example together with a full-time official, do some kind of recruitment campaign in the canteen or may personally approach the unorganised employees by using the bargaining issue and perhaps the likelihood of an industrial conflict as an opportunity to recruit. As members of the works council have access to all work places and usually have their own offices, there are many ways to approach not yet organised employees if they wish to do so. The importance attached to recruitment by the works council determines to a large degree the membership level in a given constituency.14

As their German colleagues, the Usdaw shop stewards recruit when employees approach them with a problem. Furthermore the union encourages the stewards to use the induction sessions to win new employees. Many agreements provide facilities for this and although some stewards are reluctant to speak up at those

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13 Very difficult to quantify is the number of members joining because they were approached by organised colleagues. A Dutch study in retail revealed that 61% of the members of the FNV Dienstenbond in retail who were interviewed said to have at least once tried to convince a colleague to join (Inter/View 1997, 11).

14 It is inherent in the institution of the works council, which is elected by all employees and which is no trade union structure by law, that some works council members may not see the necessity to recruit as they are legally not responsible towards the union but the entire workforce. The union usually expects at least some activity in exchange for professional advice and training given to the union members in the councils.
meetings this seems to be an important recruitment channel. As the turnover in British retail is very high, organising new employees is an ongoing task, especially in the big superstores. Due to the prevalent check-off system members do usually not take their membership with them when changing employment or entering periods of unemployment. Nearly all of the stewards interviewed regarded recruitment as an important activity. The union regularly enters into special recruitment campaigns where full-time officials and lay representatives join forces to expand membership in selected companies. A distinctive feature of Usdaw recruitment approaches is that the union tries to involve the company in the activities. This usually takes the form of a jointly signed letter to the employees in which the company declares its general support for the union, but it may also go as far as adding the membership form to the job application form\textsuperscript{15}, something which is unthinkable in German retail.

It was surprising that the Bondgenoten lay officials stated in the interviews that recruitment was explicitly not an important part of their trade union work. To approach employees directly with the request to join was often seen as inappropriate. It was added by an official that this would be annoying for both the potential member and the lay official. The question of joining is obviously only raised if someone has a problem or has received some help. A widespread view seems to be that joining the union is a kind of automatic result of a good performance of the union in bargaining and at the workplace. Lay officials often attributed the daily difficulties of recruitment to image problems of the union.\textsuperscript{16} The very passive approach to recruitment contrasts with the positive membership development the union had in the last decade (albeit starting from a very low level). Part of the success must be attributed to an expansion of the workforce. The most remarkable growth rates were nevertheless realised during some industrial conflicts over bargaining issues and the extension of shop opening hours. The organised expansion of trade union presence to a great number of shopping centres in the 1990s helped as well.

"Recruiting is a skill. Like all skills it needs training for and updating." (Usdaw 1998a, 6)

This statement of Usdaw holds for the other two unions as well, but only the British shop workers union offers any specific training for the trade union

\textsuperscript{15} This is especially the case at Tesco and proved to be very effective. Officials admitted that this procedure has the disadvantage that some employees may not know they join a union.

\textsuperscript{16} This view is in contrast to most of the literature which agrees that the union is generally not a contested organisation but is widely accepted (cf. Klandermans and Visser 1995).
representatives. In the meantime the trade union has even established its own Organising Academy.

In the HBV some individual advice and help is given through full-time officials, but there is no general training on those issues. At the time of the research, the Bondgenoten did not know of any special recruitment training either.

Telephone hotlines

Telephone service hotlines are operated by all three unions. A national or local service number can be a useful tool for all people when first contacting the union and for service members - especially in workplaces with no trade union representative to speak to. Ver.di established a national service hotline in spring 2002 and in its trade union paper reported a very good start in summer 2002 with up to 2,000 calls daily (cf. *ver.di Publik*, August 2002, 20). HBV in Hamburg established that 15% of its new members in 1995 had joined following a telephone request for information or advice (Dribbusch 2003, 154-155) and in 2003 the telephone service centre of ver.di in Hamburg was responsible for 20% of new members.

A telephone hotline which is not properly working is a major nuisance, be it that it is most of the time occupied or not available or be it that the persons in charge cannot handle the specific requests of the caller. This is what the FNV Bondgenoten learned when they sourced their membership service out – a decision which finally had to be revised (Dribbusch 2003).

Telephone hotlines which are operated effectively are a good tool to improve overall trade union availability, just as the possibility to contact the trade unions via the Internet. The experience of trade unions so far has not shown that even the best hotline can finally be a substitute for the personal contact. Many problems facing employees and trade union members require a detailed and personal knowledge not only of the collective agreement in place but also of the employer and the workplace.

The Internet offers new possibilities to distribute information and to make the union known to employees. Unions offer prospective members the possibility to join by filling in an electronic form and it will be interesting to see how successful this method of joining a union will be.

The challenge in retail is to organise and to service a dispersed work force. However, it remains to be seen to what extent the success of approaching employees via the web and telephone hotlines will be and whether it will replace
the personal face to face contact between trade union representative and employees on a large scale.

**Prospects**

Trade unions in retail certainly have one of the biggest potential memberships. There is not only hope, some success stories can also be told. Nevertheless this is all far from sufficient to get a real influence in the industry.

With regard to the high membership levels which trade unions have been able to secure in parts of the retail industry, it is obvious that there is no specific anti-trade union resentment amongst retail employees. Despite adverse external conditions trade unions still have a potential for growth in the industry and it is up to the trade unions to set the priorities and implement appropriate strategies to organise and recruit (cf. Dribbusch 2003).

Given the huge number of employees in retail, however, even a moderate increase in overall density requires the organising of large numbers of new workplaces and the enrolling of tens of thousands of new members.

The dilemma is that those employees in low pay services who probably depend most on a union because their market power is limited, can simultaneously mobilise only the lowest funds to enable organising activities. Under these circumstances organising and to some extent even the servicing of members in retail will always have to rely to a great extent on lay commitment. Again there is a dilemma that this commitment is difficult to develop under the conditions of dispersion and fragmentation. This fragmentation of the workforce is the main obstacle to be overcome when organising in retail. If availability is at the root of the problem, then the future of trade unions in retail depends on whether they succeed in building an organised presence in a highly fragmented territory. Access certainly is a big problem, but as can be seen in Germany and the Netherlands, access alone does not automatically lead to a sustainable membership development. Organised union activity is required and it can be demonstrated in the case of all three unions that this makes the difference.

On the other hand: voluntarism alone does not solve the problem of limited resources. The problem of prohibitive costs becomes even more important when we take into consideration the servicing of a dispersed workforce. Under these circumstances cross-subsidising amongst trade unions is an option, but difficult to translate into action. Even if this happens, organising -and to some extent servicing -members in retail will always have to rely to a great extent on lay commitment.
A best practice model made up of elements from all three unions would consist of the German provisions for works councils, the commitment to organising as demonstrated by Usdaw plus the Organising Academy of the TUC, and the shopping centre approach of the FNV Bondgenoten.

The experience of other unions is of course not easily transferable. The organising culture is linked to a certain institutional framework and the influence of unions on the development of the latter is limited. But it seems to be worth not taking every tradition for granted and to think about options unions have. When discussing the future of unions in a united Europe a combination of much of the continental institutional framework with the Anglo-Saxon emphasis on organising which has emerged in the last decade could perhaps offer a perspective for trade unions. To put it simply, the motto could be: ‘works councils plus Organising Academy’.

Finally, the problem to organise a highly fragmented workforce is not only a challenge in retail, but in almost all private services, especially in the low pay sector. This becomes evident if one examines, for example, the hotel and catering industry, or the newly emerging highly volatile call-centres. As for the latter the additional problem arises that jobs can be quite easily relocated to avoid unionisation. It is therefore hard to imagine that the task of organising private services will be successfully managed for more than a minority of workers without some institutional help through statutory protection and encouragement of trade union membership.

The future of trade unions in low pay services will therefore depend on whether modern societies are prepared to protect the human right to organise in a trade union in a way appropriate to the problem – a right that is de facto denied to growing number of employees. This would require legal provisions which effectively allow unions access to every worker at the workplace and secure encompassing rights of individual and collective representation.
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