Working conditions in the retail sector

Executive summary

Introduction

This report describes current working conditions in the retail sector. It highlights the most relevant issues, outlines industrial relations structures and looks at the involvement of the social partners in finding ways to improve the quality of work and sustainability of the sector. The report is based on contributions from the European Working Conditions Observatory (EWCO) network of correspondents in the EU27 countries and Norway.

The sector has expanded considerably and undergone a massive transformation over the past two decades, triggered largely by technological innovation and regulatory change, especially at sectoral level. Large retailers have reaped most of the benefits, at the expense of small and micro businesses, due to their ability to exploit economies of scale, increase productivity and offer lower prices.

Employment trends reflect this structural change. While overall employment in the sector increased by 12% at EU level between 2001 and 2010, especially female employment (from 60.1% in 2001 to 62.3% in 2010), self-employment declined by 10.5%. Apart from some of the newer Member States with large migratory outflows, extended opening hours and part-time work have been the main contributors to this trend, with large retailers hiring part-time workers (mostly young people and women) for the longer opening hours. This has led to the inevitable decline in small retail outlets, once so characteristic of the sector.

The higher productivity of the retail sector resulting from its transformation has resulted in lower prices and generated new demand for higher skills. The sector offers an entry point for young workers and women returning to work after raising a family. However, the changes in the sector have raised concerns about social and local cohesion, with the disappearance of small shops from city centres and small villages in favour of out-of-town retail parks and malls, which makes it difficult, especially for elderly and disabled people, to access primary goods.

Policy background

The 1990s liberalisation phase was followed by a re-regulation in the 2000s. A new liberalisation phase began in 2008 as a short-term response to the economic crisis, raising concerns in some countries about the impact on work–life balance and the sustainability of small businesses. A number of company-level agreements promoted self-managed working times in order to improve autonomy and to cope with the crisis.

Both labour market and sectoral regulations have played a key role in shaping the pace of such change. Although several Member States are continuing the liberalisation process, in a few countries there are calls to limit the process due to its impact on workers’ health and also on social cohesion.

At EU level, the Commission’s retail market monitoring report ‘Towards more efficient and fairer retail services in the internal market for 2020’ (COM(2010)355), adopted on 5 July 2010, identified a number of problems that are affecting the performance of retailers in the internal market. Following the adoption of this report, the European Parliament adopted an own-initiative report on a more efficient and fairer retail market. It called on the Commission to prepare, in consultation with the retail sector, a comprehensive European retail action plan with the aim of designing a strategy, building on achievements and addressing outstanding issues, with sector-specific recommendations. The action plan will set out a list of actions that would help, through a coordinated and systemic approach, in solving the problems that the retail sector is facing.
pressures over the pace of work, variability in working times, widespread feelings of uncertainty and exposure to customer misbehaviour can give rise to musculoskeletal disorders, stress and psychosocial-related health problems.

- The risk of robberies, investigated in few countries, is on the increase; the main countermeasures are the introduction of video surveillance and cashless payments. Preventative training and psychological support are among the most successful measures promoted by social partners and social security institutes.

- Social partners and government agencies have implemented, either separately or jointly, various initiatives to help tackle psychosocial factors and robberies, with tools ranging from guidelines to post-trauma support.

### Policy pointers

Sectoral and labour market liberalisation has greatly increased non-standard employment. Opening hours and opening days is by far the most sensitive issue as it affects employees’ work–life balance, the sustainability of small retailers and cohesion at a local level. Social partners and governments need to devise more balanced approaches to employment patterns.

New career paths need to be designed in order to fill skills gaps and overcome the dual labour market of a low-skilled shop floor workforce (though qualified) and technicians and professionals working in logistics, marketing activities and ICT.

The Finnish sectoral collective agreement and the good practice in some large retailers in Belgium, France, Poland and Slovakia may be a promising way to tackle the skills shortage in the sector and to increase career opportunities, with a positive impact on job and income security.

The 2007 EU framework agreement on harassment and violence at work paved the way for a wide set of interventions used to tackle psychosocial risks from third parties. These have received a favourable response by large retailers but require a more tailored application by small businesses.

### Further information

The report, *Working conditions in the retail sector*, is available at [www.eurofound.europa.eu/ewco/studies/tn1109058s/index.htm](http://www.eurofound.europa.eu/ewco/studies/tn1109058s/index.htm). For further information, contact Maurizio Curtarelli, Research Manager, mcr@eurfound.europa.eu.