CASE STUDY REPORT

January 2024

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Introduction

The *Team Hub!* project is a two-year project supported by the European Commission, Directorate-General for Employment, Social Affairs, and Inclusion, receiving funding under the call for proposals SOCPL-2021-IND-REL aimed at improving expertise in the field of industrial relations. Running for 24 months (August 2022 – July 2024), *Team Hub!* combines desk and empirical research, as well as mutual learning and networking activities, in order to analyse features and challenges of the e-commerce supply chain in a set of selected countries, namely Belgium, Estonia, France, Finland, Germany[1], Greece, Italy, Poland, Spain.

The Project brings together a trans-European consortium of universities, research institutes and trade unions from nine EU Member States, i.e., Italian Federation of Transport Workers (FILT-CGIL), Fondazione Giacomo Brodolini (FGB), Belgian Transport Federation (ABVV-BTB), Hellenic Foundation for European and Foreign Policy (ELIAMEP), University of Jyväskylä (JYU), University of Tartu (UTARTU), NOTUS – Applied Social Research, Institute of Public Affairs Foundation (IPA/ISP), Institute for Economic and Social Research (IRES)[2]. This consortium jointly engaged in addressing the complexities and challenges of e-commerce supply chains, especially with regard to storage and delivery activities, through a set of desk and field research, training, and networking activities and the development of policy recommendations. The aim of *Team Hub!* is to analyse the implications of the e-commerce boom, following the COVID-19 pandemic, and to equip trade unions with the knowledge and skills necessary to propose a sustainable reshaping of business models and work organization in the supply chain, also in view of the digital revolution and environmental sustainability objectives.

The first phase of the project "**Study**" consists of a preliminary literature review aimed at producing country-level background analysis of the e-commerce and logistics national panorama. The goal is to identify and assess information and data about key trends and features in the e-commerce supply chains at national level, with a particular focus on key market players and dominant business models, working and employment conditions, social partners activities, and the geography of the supply chains in the covered countries. The output of this activity is the publication of nine **Country Fiches** offering country-level analysis of the e-commerce and logistics national panorama in the nine countries[3]. Assessing and comparing the analysis conducted at national level provides an overview of the situation at European level. To this end, the **Background Report**[4] illustrates key trends and ongoing dynamics in the e-commerce supply chain, outlining the issues deserving major attention by unions at national and EU level, and identifying key geographical areas for the storing and delivering of goods traded by major e-commerce companies.

The second phase "**Focus**" consists of empirical qualitative research aimed at delivering a number of national case studies illustrating key features of selected business models, trade unions' practices and achievements and collective bargaining examples in the e-commerce and logistics supply chain. This **Case Study Report** consists of a collection of the 27 case studies carried out by the national level project partners and organised by country.

[1] The three German case studies included in this report were carried out by a researcher from Fondazione Giacomo Brodolini with the involvement of the German trade union Ver.di.

[2] Full list of TeamHub partners is available here: https://team-hub-project.eu/partners/

[3] TeamHub Country Fiches (February 2023) are available here: https://team-hub-project.eu/resources/

[4] TeamHub Background Report (June 2023) is available here: https://team-hub-project.eu/wp-content/uploads/2023/07/TEAM-HUB-background_report.pdf

Methodology

In order to deliver this Case Study Report, a common methodology was shared by the 9 project partners, for the delivery of 3 national case studies for each country, in order to obtain 27 homogeneous final case studies that allowed a certain degree of comparability.

This was possible through the identification of three thematic areas (scopes), with respect to which each national partner should have identify and deliver three national case studies. The three thematic areas selected during the drafting phase of the technical proposal, and subsequently confirmed by the partners, are:

1. Business model: Organisation of work in the e-commerce supply chain by leading companies, both concerning direct workers and relationships with external providers;
2. Union practices: Policies and measures by unions to affiliate and organise workers in the e-commerce supply chain, across different employment statuses and companies;
3. Collective bargaining: Negotiations and agreements regulating collective and individual relations in e-commerce companies, possibly addressing also working conditions in outsourced services.

In order to guarantee the homogeneity of the contributions, a template for each thematic area was provided to the national partners. The table below shows the structure of the templates.

	BUSINESS MODELS	UNION PRACTICES	COLLECTIVE BARGAINING
Scope	***Organisation of work in the e-commerce supply chain by leading companies, both concerning direct workers and relationships with external providers***	***Policies and measures by unions to affiliate and organise workers in the e-commerce supply chain, across different employment statuses and companies***	***Negotiations and agreements regulating collective and individual relations in e-commerce companies, possibly addressing also working conditions in outsourced services***
Context	Size, geographical area and range of traded products Recent trends in employment, sales, investments, turnover and revenues Key long-term changes following COVID-19 Degree of horizontal and vertical integration and relations with suppliers Characteristics of workers affected (gender, age, nationality, occupation)	Size and scope of involved union(s) Key features of the companies affected by the practice and their relations with unions[5] Key long-term changes following COVID-19 Main concerns Characteristics of workers affected (gender, age, nationality, occupation)	Size and scope of involved organisations Key features of the companies affected by the practice and their relations with union Key long-term changes following COVID-19 Main concerns Characteristics of workers affected (gender, age, nationality, occupation)
Description	Overall company mission and Human Resource Policies Job quality[6] and health and safety in key e-commerce related storing and delivering activities Differences among employees, non-standard/self-employed workers and workers in outsourced activities and/or other categories of workers as relevant (e.g., in terms of gender, workplace, occupation nationality) Aims and key effects of investments in digitalisation on growth and profitability, employment and working conditions Aims and key effects of investments in environmental sustainability on business growth and profitability, employment and working conditions	Actions implemented to change working conditions and policies Key Job quality dimensions and health and safety issues addressed in e- commerce related storing and delivering activities: concerns and claims Approach developed to affiliate/mobilise employees, non-standard/self-employed workers, workers in outsourced activities and/or other categories of workers as relevant (e.g., in terms of gender, workplace, occupation nationality) Concerns and claims concerning investments in digitalisation Concerns and claims targeting environmental sustainability	Key provisions concerning working conditions and sustainable business growth Key Job quality dimensions and health and safety issues addressed in e-commerce related storing and delivering activities Specific provisions addressing non-standard/self-employed workers, workers in outsourced activities and/or other categories of workers as relevant (e.g., in terms of gender, workplace, occupation nationality) Concerns and provisions concerning digitalisation of work Concerns and provisions targeting environmental sustainability
Outcomes and commentary	Current impact of business policies on employment, working conditions and social dialogue (also in terms of measurable variables, e.g., staff turnover rate, employment growth, remuneration change, union members, workplace assemblies, strikes, signed collective agreements) Expected future developments in employment, working conditions and social dialogue Possible alternative business models and closing commentary	Current impact of union's activities on employment, working conditions and union presence at the workplace (also in terms of measurable variables, e.g., staff turnover rate, employment growth, remuneration change, union members, workplace assemblies, strikes, signed collective agreements) Expected future developments and impacts of the practice on unions' strength, and working conditions Possible unions' alternative approaches and closing commentary	Current impact of collective bargaining on employment, working conditions and social dialogue (also in terms of measurable variables, e.g., staff turnover rate, employment growth, remuneration change, union members, workplace assemblies, strikes, signed collective agreements) Expected future developments and impacts of collective bargaining on business policies and working conditions Possible alternatives and closing commentary

5 In line with the approach and clusterisation developed by Eurofound on the basis of findings from the European Company Survey, the case studies shall describe relations with unions in terms of: (i) extensive or limited involvement in decision-making, and (ii) trusting or conflictual relationships.

6 The Eurofound Job Quality Framework will be used to investigate working conditions, including to the following dimensions: Physical environment; Work intensity; Working time quality; Social environment; Skills and discretion; Prospects; Earnings.

Partners were asked to fill the templates integrating information from semi-structured interviews with stakeholders (addressing especially company managers and HR, unionists, workers, local policy makers, etc.) with available grey literature and official sources when available, like press releases, financial reports, administrative data, scientific papers etc.

The information collected through the three templates compiled by the nine national partners was then reviewed and organized in this Report, which includes a section for each country with the illustration of the three national case studies, each organised according to the following structure:

i) Context
ii) Description and key features
iii) Outcomes and commentary
iv) References

Case Study Report

1. National Case Studies – Belgium

Author(s): Jens Cassiers (ABVV-BTB - Belgian Transport Federation)

Case Study 1 (Business model): Coolblue Belgium: from a pure e-commerce to a hybrid-model with a self-owned delivery and installation company

I. Context

Coolblue is by origin a Dutch e-commerce company. The company is quite unique in the fact that it started as a pure e-commerce player (without physical locations) that later noticed the positive side of having some physical stores as an extra service appreciated by their customers. At the moment Coolblue is active in 3 countries: The Netherlands, Belgium and Germany. This Case Study focuses on its operations in Belgium.

The Belgian Coolblue website/store is available in Dutch, French and English. The company also has an app which is available in Dutch, French, English and German. Home delivery is available for the full Belgian territory, the physical shops (8) are located in the region of Flanders and the region of Brussels. The company has a wide selection of products, mainly covering electronic products and direct derivatives and accessories. Product categories are the following: Computers & tablets; Display & sound; Telephony; Household & home; Kitchen; Sports & care; Photo & video; Navigation, travel & fashion; Garden & chores.

The company consists of **two separated corporations**: the stores and sales part (Coolblue) and the delivery and installations' part (Aan Huis NV). During the period 2017-2022, Coolblue almost doubled its revenue from 311 million euros to 538 million euros, while Aan Huis grew even more exponentially.

The employees under Coolblue fall under the joint committee 200 (white collars), while the employees of Aan Huis register under either joint committee 226 (white collars) or joint committee 140.03 (blue collars)[7]. Official publicised data in Belgium do not include details about the gender, age or nationality of the workers.

Both companies saw a steep incline in employees between 2017 and 2022 (the last available data) as well as a high turnover of staff.

7 In a Belgian joint committee, representatives of employees and employers, each with an equal number of seats, from a given sector, sit together to make agreements for the sector. Most agreements are turned into CBAs that apply to all employers and employees in the sector concerned.

Coolblue (BE 0867.686.774)					
Financial year	*Revenue (code 70/76A)*	*Profit (code 9903)*	*Staff (FTE) on average*	*Staff In (FTE)*	*Staff Out (FTE)*
2022	€ 538.570.790	€ 2.197.781	394,8	407	391,1
2021	€ 564.642.232	€ 2.242.831	346,3	238,2	206,4
2020	€ 553.122.387	€ 2.353.984	258,3	290,6	121,3
2019	€ 373.839.801	€ 1.801.485	182,1	109,2	88,5
2018	€ 351.329.331	€ 1.702.969	177,4	92	65

Aan Huis (BE 0666.618.147)					
Financial year	*Revenue (code 70/76A)*	*profit (code 9903)*	*staff (FTE) on average*	*staff In (FTE)*	*staff Out (FTE)*
2022	€ 15.389.281	€ 336.913	253,9	384,1	336,5
2021	€ 14.219.994	€ 298.455	237,4	284,3	285,5
2020	€ 11.761.449	€ 251.633	204,1	142	88,8
2019	€ 9.164.886	€ 232.022	138,3	143,5	62,4
2018	€ 7.871.499	€ 195.136	106,2	70	30

The increase in revenue and personnel clearly show the boost that e-commerce got from the **COVID-19** pandemic in Belgium. Because of the pandemic and the resulting closure of traditional stores and shops, many customers went in search of alternative methods to buy the products they wanted and got acquainted with e-commerce suppliers. However, long-term changes in policy as a result of COVID-19 are not immediately apparent. Apart from increased sales (and probably) a larger market share than before the crisis, no radical changes in policy can be identified. As a (relatively) young company that was founded in the age of digitalization, the company has focused on customers familiar with online shopping. The COVID-19 pandemic enlarged the group of users, which proved to be an excellent source of growth in revenue. The company enlarged its revenues and was able to maintain a profit through the years in a very competitive segment of retail.

With regard to the integration of the **supply chain**, Coolblue has no third-party vendors. This means that all products are sold under direct supervision of Coolblue and through their warehouses. With regard to the last part of the supply chain, Coolblue has a **self-owned delivery service** falling under Aan Huis. Coolblue cooperate as well with B-Post as external parcel supplier.

II. Description and key features

As for the **human resource policy**, the personnel of Coolblue and AAN Huis receives regular contracts, which means workers have employed status and receive all minimum protection, rights and remuneration as determined by national and sectoral collective agreements. The vast majority of contracts are open-ended, while fixed-term or interim contracts are proportionally less common in the figures of these companies.

On top of that, there is social dialogue within the company which can allow to negotiate company-level collective agreements. The structural social dialogue is covering both companies and has appointed union delegates (shop steward), a safety committee and a workers' council.

Both the safety committee and the workers council are regulated by Belgian Law and CBA's. In particular, when a company has 50 employees (for a safety committee) or 100 employees (for workers council), which is the case of Coolblue, it has to organise elections every 4 years, and the recognised unions can submit a list of candidates. The safety committee and the workers council are jointly composed, and for workers' delegation there are different lists with representatives from blue-collar workers, white-collar workers, and young workers. As for the future of working conditions, the consolidated union presence and the obligation to organise social elections (next ones in May 2024) due to the size of the company can be considered positively.

The well-known issue of poor contractual and **working conditions** and excessively long working days impacting on occupational **health and safety**, normally affecting the delivery services in this sector, does not play a role in Coolblue and Aan Huis, thanks to the presence of social dialogue and the preference for employed status. The part of delivery activities subcontracted to B-post ensure good working conditions as well, as workers of this company enjoy the employed status mostly with open-ended contracts. However, if smaller subcontractors will be involved in the supply chain, less control may be granted.

No great **differences among workers** can be found in the company, considering that outsourced activities are very limited and that regular open-ended employment contracts are preferred, compared to non-standard or self-employed status. Looking at specific working conditions in the delivery part of the supply chain, Coolblue and Aan Huis's workers enjoy the application of the same collective agreements. As for deliveries subcontracted to B-post, which is a public company, workers are covered by a different sectoral collective agreement. Collective agreements applied to Coolblue and Aan Huis on the one hand, and to B-post on the other hand, are not entirely overlapping and may, depending on the subject, be to the advantage or disadvantage of the employees being compared – even if nothing relevant deserves to be quoted here.

Looking at investments in **digitalisation**, it should be recalled that Coolblue started its business as a pure player in the e-commerce sector, without physical stores, which were introduced afterwards to increase the service to customers. This means that the whole system has been built in a digital world from the very beginning. Every time a new technological improvement is introduced, national collective agreements require it to be discussed in the consultation bodies present at the company. Due to the fact that unions are active within the company and there is structured social dialogue through the safety comity and the workers council, investments and changes in digitalisation are well monitored at Coolblue.

As for the **environmental sustainability** of the company, the business' delivery arm, Aan Huis, not only provides for additional services such as installation, but also for delivery activities by bicycle couriers in urban areas, depending on the products ordered. Moreover, it shall be recalled that the parent company is based in the Netherlands, where legislation about introduction of zero-emission zones in cities and municipalities is already imminent. Lessons learned from the Netherlands will be available for the Belgian company, which will accelerate and facilitate responsible deliveries in Belgium too.

III. Outcomes and commentary

The COVID-19 pandemic had a clear positive **impact on business and employment levels** at Coolblue. The sustainability of this growth and the economic impact of the Russia-Ukraine will become clear only in the coming years. After the peak measured during the pandemic, in 2022 a decline in revenue were measured, but this didn't negatively affect profits and employment levels. This could be due to several factors, such as the reduced need for investments, the ability to operate at higher margins, and the increased efficiency of the supply chain. However, the staff turnover rate is high particularly in the delivery services.

All the workers of Coolblue and Aan Huis benefit from the national and sectoral CBA's. On the topic of remuneration, this is partially defined by a national law that sets a maximum percentage for the improvement of wages outside of the obligatory indexations. For the period of 2023-2024, the percentage is 0,0. Negotiations on a sectoral, and afterwards on a company level, of a one-time purchasing power bonus of maximum € 750, are still ongoing.

With regard to expected **future developments**, the company continues to experience growth which is expected to remain stable in the coming years. Decrease in employment level is not expected, which means that all possible consultation bodies at Belgian level will remain in place to actively exercise social dialogue. Company-level agreements are expected to be negotiated in this framework. A possible break is the high turnover among staff, which makes it difficult to find enough candidates for the social elections and to ensure a good functioning of the union.

Coolblue takes up a unique place with its business model: a digital player that extended to mortar and brick stores, with its own delivery company (Aan Huis) for a part of the deliveries, and that doesn't use any bogus contracts or bogus self-employed personnel. This choice is partly justified by the fact that Coolblue focuses on a certain type of products (mostly electronic) and is not a purely open marketplace. This means that Coolblue is not completely subject to the very competitive and price driven market as other online platforms. At the moment, Coolblue is positively demonstrating that it is possible to exploit a digital based selling platform without resorting to the exploitation of workers.

IV. References

www.coolblue.be

https://www.coolblue.be/nl/ons-assortiment

https://www.werkenbijcoolblue.be/

https://kbopub.economie.fgov.be/kbopub/toonondernemingps.html?ondernemingsnummer=867686774

https://consult.cbso.nbb.be/

Case Study 2 (Union practices): BTB-ABVV Trade Union practices in the e-commerce and logistics sector

I. Context

BTB-ABVV (Belgische Transport Bond) is a **Belgian Transport Union**, which represents blue colour workers active in the following economic sectors: Freight transport (trucks, vans, bikes, etc.); Fuel distribution; Passenger transport (Busses, coaches, taxis, carriages, water taxis, etc.); Logistics; Removals; Airport ground handling; Ports (dockworkers); Internal shipping; Merchant shipping; Sea fishing.

In the various sectors, BTB-ABVV represents more than 50.000 members. The Union is active over the whole Belgian territory and supports European (ETF) and International union federations (ITF). The Headquarters are located in Antwerp and more than 13 offices are spread out across Belgium to support members. A staff of about 70 persons are employed, from the first line staff engaged in individual complaints, to Union secretaries and specialists engaged in representing the union in social dialogue and negotiate agreements.

BTB is a member of ABVV (Algemeen Belgisch VakVerbond). This National federation is composed of 6 Divisions, each specialized in the representation of different sectors. The 6 divisions are: BTB-ABVV, ABVV-Metaal, ACOD, AC, BBTK, Horval. Combined, these represent workers in every sector and activity in Belgium, with more than 1,5 million members.

The **affected companies** by BTB-ABVV activities are all (at least partially) active in the sectors listed above. The practices are set in national collective bargaining agreements, but each company has its own flow and handling. The industrial relations vary between very good to ice cold, depending on the company, the timing and the economic events happening at that time. In the logistics sector in particular, the most important aspects for BTB-ABVV are health and safety, work scheduling and wages. Due to due to a lack of grounds for logistics centres and labour market tightness in Belgium, there is an accelerated adoption of technological solutions such as robots, mainly because higher warehouses can be built and less space is needed between the counters, and therefore larger storage capacity is available. This is currently not leading to job losses yet, as there is a shortage of employees in the sector, but this issue is also being addressed by the union.

Many of the workers in the sectors being represented by BTB are mobile workers. This means it is difficult to reach them and to get them together. To give information and talk to workers of the sector, it is important for the union to meet them on the road. In the light of this structural difficulties, during **COVID-19** lock downs and social distancing made it even more difficult to get information out and to support workers and members with their questions and problems. Depending on the specific part of the transport and logistics sector, there was a different impact. Ground handling on airports saw a big decline in employment, while most other parts of the sectors remained stable or grew up. All activities surrounding e-commerce and parcel and food delivery had an immense growth during COVID-19 in terms of number of employees. In line with this, BTB's membership figures have been on an upward trend for years and have continued to rise during COVID-19 and thereafter.

BTB's **main concerns** are preserving and strengthening the purchasing power of all workers in the sectors represented and protecting workers' social rights by fending off continuous attacks and proposals meant to diminish their rights. Efforts are focused on drafting, advocating and making collective agreements that strengthen and improve the terms and conditions of employment and working conditions of workers in the sector. At sectoral level, this way, a maximum number of workers will be protected by the collective agreements, including those working in small enterprises and mobile workers without direct union representation. This is certainly important in the context of e-commerce and logistics, as many companies in these sectors try to get out from under their responsibilities in every possible way. This includes, among other strategies, greater use of subcontracting involving several small companies.

The smaller the companies and the fewer the workers, the more difficult it is to organise unionisation[8]. Subcontracting chains are becoming so long that, at the bottom of the chain, all working rights are under pressure, facilitating abuses. Others, in turn, use bogus self-employed workers or self-employed workers who are presented with strangling contracts. Sectoral collective agreements and rules are therefore more important than ever to protect all workers in the e-commerce supply chain.

The **workers population** in the sector is very diverse in terms of types of employment and assignments (including by transport methods), origins and languages understood by workers. This results in not all employees being equally well versed in their rights, but also in the fact that the step to quickly requesting union support is sometimes greater. In terms of gender, there are very few woman (about 6.7% blue collar) active within the sector, and the workers population of the sector, especially the truck drivers, is old.

The last social elections were in 2020 and BTB candidates gained, for the sectors within 140.01, 140.02, 140.03, 140.04, 140.05 and 127.00 sectoral joint committees, more than 800 mandates in safety committees and workers councils in more than 300 different companies. The companies that are active in in the logistics sector (and whose main activity is transport or logistics) are concentrated within the joint committees 140.03 (transport & logistics) and 140.04 (airport ground handling – including Cargo). In those two sub-sectors more than 650 mandates were elected in more than 260 companies. Due to the rules for appointing union delegates or organising mandatory social elections, it is primarily the larger companies where there are union militants actively present on the shop floor. In smaller companies with only a few employees, very few delegates are present on the shop floor. This does not mean that workers in small companies or self-employed cannot become union members, but the lack of a union delegate at company level deprives them of initial support, and these workers have to come straight through the union offices, which requires in most cases a bigger effort than talking informally to someone in the company.

II. Description and key features

Actions implemented to change working conditions in Belgium occur through union representation, which exists on different levels: the main are the National level (NAR: National Workers Council), the Sectoral Level, and the Company level. Union representatives are also present in both official and informal structures from the government, where advice is given to the government and the parliaments.

At **national level**, ABVV represents BTB in the "group of 10". The group of ten is the highest joint consultative body between workers representatives (5 seats) and employer representatives (5 seats). The National Workers Council (NAR) has the power to make binding collective bargaining agreements for the whole private sector. Many of the CBAs on this level create a regulatory framework that must be detailed on a sectoral or company level.

At **sectoral level**, sectoral joint committees with the participation of employers and workers' representatives are in place in Belgium. At the moment, in most sectors, these are still divided in sectoral joint bodies for blue collars and white collars. BTB represents blue collar workers in the following sectoral joint committees: 139.00 (internal shipping); 316.00 (Merchant shipping); 143.00 (Sea Fishing); 301, 301.01, 301.02, 301.03, 301.04, 301.05 (Ports); 127.00 (Fuel distribution); 140.00, 140.01 (busses & coaches), 140.02 (Taxi's), 140.03 (road haulage & logistics), 140.04 (Airport airfreight handling), 140.05 (removals).

8 In Belgium, where a company with 50 employees or more is obliged to organise social elections every four years. Below these thresholds, there is less obligation for union involvement. The rules for appointing shop stewards vary from sector to sector and it is more difficult to find candidates and harder to build a proper functioning involvement.

In Belgium, there are 3 levels of union representation at **company level**, each with their own assignments:

- Union Delegate directly appointed in companies by the representative union organisations. The general rule is that this is possible in companies counting more than 20 workers, but each sector has its specific agreements. For example, in the sector of freight transport and logistics, the representative unions can appoint a union delegate when there are at least 30 workers and 25% of them ask for union representation.
- CPBW (committee of prevention and safety at work) elected at company level in companies with more than 50 persons (including temporary workers). Every 4 years, mandatory social elections are organised in Belgium. Workers can be candidates through one of the three national representative unions or their federations.
- Workers council (OR) elected at company level in companies with more than 100 persons. As above, this happens in the framework of mandatory social elections and workers can be candidates through one of the three national representative unions or their federations.

Looking at the **logistics sector in particular**, several company-level collective agreements have been agreed, for example around scheduling working time options, which is one of the key issues for BTB. For example, within these frameworks, it is possible to work 12-hour shifts per day on weekends and public holidays. Employees who step into this system thus do a full working week on 2 days combined with the 10 official public holidays. Thanks to the latest sectoral agreement, new principles have just been approved, and an opening was made to work longer weekdays, but these have yet to be transposed into company level collective agreements.

Key job quality dimensions addressed by the unions monitoring are different in e-commerce related storing and delivering activities:

- For workers involved in storing activities, attention is put on a health and safety to promote a safe work environment (e.g., safety gear and the protective tools).
- In delivery activities, the key concerns are related to long working hours and attached driving hours. The obligations stemming from the EU rules for driving and resting time are still limited at the moment to carriers of more than 3,5 tonnes, to be reduced to 2,5 tonnes by 1st July 2026 for international transport. The challenges for the sector are dependent on the specific part of the e-commerce trajectory:
    - Truck drivers: before distribution, the goods are mostly transported by traditional means (ships, planes and trucks), for these parts there are lots of (international) rules, laws and CBAs established. The main challenges here are the correct application of all agreements and obligations, tackling social dumping and improving wage and working conditions by negotiating better collective agreements at sector and company level.
    - Logistics aspect: there are already applicable agreements for this segment as well, due to the specific demands of e-commerce, created by the companies such as delivery the day after order and delivery at all possible days and hours, working conditions and thus wages are under pressure in this field. There is a huge pressure on workers towards flexibility in favour of the companies without forms of compensation. This pressure on working conditions is already visible: the sector fails to find enough candidates in the tight labour market, jobseekers choose other sectors where working conditions are better.
    - For the last stage of the supply chain, the parcel delivery most commonly referred to as the last mile, the (inter)national players use small company's or independent drivers. Because of the pow-

er of the big players towards their subcontractors, there are a lot of problems within this part (undeclared work, excessive working hours, illegal child labour, unpaid overtime, poor training, fatigued drivers, etc.). As this concerns dozens of very small businesses, it is very difficult to amend the situation in advance by union actions.

Considering the **different status of the workers involved**, where the sector already requires a special union's approach due to the high mobility during the work and high turnover rates, these are magnified within the last miles of e-commerce. The affiliation of non-standard and (bogus) self-employed workers demands a different approach. These workers are not only very mobile, but most of them don't have a workplace where they meet, therefore getting in contact with these workers and find locations where union officials can hand out information is a timeconsuming practice. On the one hand, for those workers with a regular labour contract, the difficulty lies in getting to meet them and informing them. They are covered by sectoral CBAs, but one of the major concerns is that the companies do sometimes not apply CBAs, and in this case the union can only help workers when they directly contact the union with a complaint. On the other hand, for those workers who are (bogus) self-employed, the union activity is more difficult. In Belgium, self-employed workers are not covered by CBAs. In this case, the unions can support them in courts, where the wrong employment status needs to be proved, which is a long and difficult path. Moreover, companies that make use of (bogus) self-employment mostly refuse to speak with union representatives, claiming that the dispute is of commercial nature.

Increasingly, delivery staff in logistics is being managed **digitally** and through **algorithms**. This increases the risk of excessive time pressure, non-logical decisions and a difficulty in consulting around orders. On a national level, CBA states the Workers Council should be informed of all new technologies and software programs. In the case of logistics, most likely the safety committees will be involved on matters of safety measures linked to digitalisation. From a union point of view, digitalisation and algorithms should not lead to inhuman management and the impossibility of providing feedback and suggesting improvements. Innovative technologies should always be discussed on a company level with the elected union members and official consultative bodies. All employees should receive the necessary training in use and safety training to handle the new technology. It has already been adequately proven that the employees are often best placed to help guide, advise, and evaluate improvements and changes.

From a trade union perspective, when adapting working methods to make the e-commerce and logistics sector **ecologically sustainable**, it is important at the same time to also focus on remaining socially sustainable. Too often, changes for the sake of better environmental sustainability are used to undermine social protection and sustainability for staff. New developments should never lead to social breakdown. Currently, BTB often sees attempts to break down social protection and social rights being wrapped up in narratives of technological progress and environmental sustainability. At the national and international level, BTB is not reluctant and advocates for measures that make transport and logistics greener and more sustainable. For instance, BTB very clearly calls for the development of innovative urban hubs, from which urban distribution can be done in an ecological way via cargo bike or van. The possibilities of modal shift (shifting goods flows from road to rail and water) and the construction of the necessary infrastructure at national, regional and local level should be addressed, as far as BTB is concerned. In the context of making parcel services more sustainable, BTB links this issue to the imposition of control mechanisms so that workers can claim their rights and inspection services can monitor them. This topic of environmental sustainability is mainly part of qualitative agreements and discussions at a sectoral level and with the various public authorities involved.

III. Outcomes and commentary

The biggest **impact of BTB activities** in the sector are negotiations and the achievement of collective agreements at sector level, setting minimum workers' rights that companies must meet. At company level, where there is effective union representation, the biggest impact achieved via collective agreements is about health and safety measures, work and working times organisation, and economic bonus. In terms of remuneration, this is largely fulfilled at sector level: on the one hand, there is automatic wage indexation in Belgium; on the other hand, the government imposes the maximum wage increase (for 2021-22 this was 0.4% filled in at sector level; for 2023-2024 this was 0.0%). Therefore, the only margin at the moment are forms of bonus negotiated in the company-level collective agreements.

BTB-ABVV currently continues to grow both in members and in results during social elections. This means the union is in a strong position both at sector level and in some companies, where requests and demands will be put forward and are expected to become topics for social dialogue. With regard to **expected future developments** in this highly competitive sector, the first challenge will be to continue to reach good agreements at sector level so that working conditions remain guaranteed, avoiding that the big companies' competitive advantage is sought in workers' poor working conditions. A second challenge is to ensure that innovative companies stay within the laws and existing sectoral collective agreements. This will be done through a combination of new laws, more checks by labour inspection and the creation of a level playing field with minimums that every company must adhere to, where the union will be strongly involved. This means that BTB will work with the companies to develop methods to integrate new technologies while respecting workers' rights. On the other hand, this also means speaking with political actors to jointly address negative and undesirable forms of labour exploitation. Union efforts will be put on the following issues:

- Advocating comprehensive rules for the entire transport sector in order to combat social dumping;
- Advocating stricter legislation around labour relations to eliminate false self-employment as effectively as possible;
- Defending the existing sectoral agreements for wage and working conditions;
- Coupling companies demands for flexibility with (wage) compensation;
- Signing the best possible sector CBA to ensure a level playing field with better conditions for all contracted workers;
- Pushing for strengthening labour inspectorates to inspect companies to check compliance with collective agreements;
- Taking to the road to inform delivery workers of their rights and collect new union's memberships.

In conclusion, for BTB to be effective, the union needs not only members, but members who dare take action. Collective organisation is proving to be very difficult especially in a sector - as the one discussed - where workers have few direct colleagues and even fewer colleagues that they know and meet regularly. Seeking alternatives is mainly related about the way the trade union engages with workers in the sector. Increasingly, this requires us to use a combination of modern communication technologies and meeting workers old-fashioned on the road.

IV. References

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Case Study 3 (Collective bargaining): A view of the transport and logistics sector in Belgium: the Joint committee 140.03 and the Social Fund

I. Context

Joint committee (Paritair Comité) 140.03 for blue collar workers for transport and logistics sector is the subject of this case study. This joint committee is a subcommittee from the Joint Committee 140, entailing 5 subcommittees in total. The composition of the Joint Committee 140.3 is as follows:

- Workers side: BTB-ABVV (3 seats) and ACV-Transcom (3 seats). These are nationally recognized unions in the sector. The third nationally recognized union, ACLVB, has no seats.
- Employers side: Febetra (2 seats), UPTR (2 seats) and TLV (2 seats). These are national level employers' organisation reflecting their representation of the companies of the sector.

The Joint committee meets at least once per month, under the guidance of a chairman and secretary working for the Federal Public Service in the Employment, Labour and Social Dialogue Department. In this framework, social partners discuss a broad range of themes and problems encountered in the sector and negotiate **sectoral Collective Bargaining Agreements** (CBAs). This is also the place where minimum wages, which are annually indexed, are checked and confirmed. In the lap of the joint committee, there is also the appeal committee for the application of the sectoral job classification of driving personnel. Sectoral functions are also available to classify staff into the correct function, with corresponding minimum wage. These exist for both non-driving staff (warehouse staff) and driving staff. All represented organisations in the joint committee have to sign a CBA before it is legal and applicable.

Many of the CBAs signed in the past are reflected in the benefits employees and employers get from the sectoral **Social Fund** and **Pension Fund**. Both are jointly constituted with the same social partners involved. The Social and Pension Fund are **direct results of collective bargaining agreements form the sector**. The collective bargaining agreements on a sectoral level can have measures that have to be implemented at company level or can be arranged at the sectoral level. These funds are the vehicles through which many of the agreed matters are implemented and carried out. New collective bargaining agreements can add (or deduce) the assignments carried out by these funds.

A detailed focus on the Social Fund is offered below.

The benefits of the collective bargaining agreements (and their implementation through the two funds) are applicable to all logistics and e-commerce **workers** registered under Joint Committee 140.03. it should be highlighted that e-commerce is not in itself a separate sector and the workers who are counted as part of this 'sector' (depending on the method) are spread across many different joint committees, depending on their employer's main activity. Depending on which joint committee the individual employee belongs to, there are different arrangements and benefits. On the other hand, all the companies that reside under the Joint committee 140.03 are covered by the agreements negotiated in this framework as well as by the Pension Fund and the Social Fund. The companies are represented through their sector federations. Companies are, in particular, **transport companies, logistics companies, and warehouses**. The total number of companies is around 9.000.

Main concerns from the employer's point of view at the moment is work organisation and working schedule that can be used. In the employer's view, as much flexibility as possible without excessive compensation would be preferrable, as well as long shifts (up to 12 hours) and night work. Moreover, the difficulty in finding sufficient and properly qualified staff, which already existed before COVID-19, has been exacerbated. Indeed, the combination of pay and working conditions (shifts, lots of time away from home, etc.) make it difficult to find sufficient qualified staff. On the other hand, for unions, the main concerns are remuneration, compensation for atypical working hours and flexibility, the work-life balance, health and safety and training, and the use of the right status for employees in case of (bogus) self-employment. There is also a concern that workers are registered in the right joint committee, from which the application of the correct collective agreement derives.

Looking at the **workers population**, the sector is characterised by a predominantly male workforce whose average age is increasing. Especially in the truck driver category, we see an increasingly older population of workers. In terms of nationality, we see a wide variety of both European and non-European workers.

II. Description and key features

Key provisions concerning working and social conditions agreed in the framework of the joint committee 140.03 are collected in the **Social Fund** for the sector (created in 1973). This social fund performs various tasks for the sector and is managed, through a board of directors, by the social partners from the joint committee. To finance the fund, an 8% employer's contribution is collected by the National Social Security Office (NSSO). This contribution is calculated on the wages of workers whose benefits are passed on to the NSSO (in category 083). This money is used to undertake various actions to support workers and companies and to promote the sector.

Benefits for workers:

- End-of-year bonus: The gross end-of-year bonus is 5% of the full gross salary declared to the NSSO by the employer(s) during the reference period.
- Sectoral supplementary pension fund (Pensio TL) that guarantees all workers in the transport and logistics sector, whose employers belong to Joint Committee 140.03, a supplementary pension on top of the statutory pension. This pension plan is fully financed by a patronage contribution from the employers concerned.
- Trade union fee: A union fee is an allowance that partially covers the cost of membership in a recognised trade union. Since 2020, the union fee has been €145.
- Supplementary sickness benefit: Workers in the transport and logistics sector are entitled to additional benefits in case of long-term illness or accident. Occupational diseases and accidents at work are covered by a different regulation.
- Compensation in the event of a fatal industrial accident or death at work: The person who bears the funeral expenses is entitled to the compensation (€4,000).
- Compensation for loss of or damage to personal property: The Social Fund provides compensation in case of damage to personal belongings due to a traffic or workplace accident and in case of fire or theft with break-in during service movements with a company vehicle. Personal belongings are all those items you take with you for personal use including items of clothing or objects you wear. Per claim, there is a financial intervention of up to €1,993.96 for claims from 01 01 2023.
- During COVID-19 pandemic: a supplementary allowance for temporary unemployment (in 2020, 3 € gross per day, with a maximum of 150 € gross in total).
- Comprehensive hospitalisation insurance for the employee with the possibility of family members

joining at their own expense. Hospitalisation insurance also applies abroad.

- Assistance insurance for professional travel, including abroad (Europe).
- Psychological counselling for traumatic events at work (Aggression, assault, road accident, burglary, fire, etc.).
- Training and tools: Workplace guidance Formations; mentoring; ergonomically guidelines (for truck drivers).

Benefits for employers:

- Refund to the employer who has granted a farewell bonus to a worker who retires. The employer pays this premium directly to the worker. The Social Fund reimburses the employer a lump sum of €175. This amount covers the gross farewell premium of €116.44 and the employer's charges due on it.
- With regard to the Unemployment System with company supplement (formerly conventional early retirement), the Social Fund refunds the gross company supplement to industry employers.
- Financial contribution to the employer's costs for obtaining or renewing the medical screening with a view to the validity of the C/CE driving licence of blue-collar workers belonging to NSSO category 083 of the transport and logistics sector. The Social Fund intervenes for a maximum of €104.
- Intervention in the purchase of the driver card for the digital tachograph. For driver cards issued in Belgium, the contribution amounts to €53.72. For driver cards issued abroad, the contribution amounts to a maximum of €65.
- Under certain conditions, the employer has to pay compensation to a truck driver who is dismissed as a result of the final loss of medical screening. In this case, the employer can apply to the Social Fund for reimbursement. The compensation is up to € 5,000 for those working full-time.
- Every year, the Social Fund allocates a training budget to each employer in the transport and logistics sector. This budget can be used to recover the cost of training followed by blue-collar workers in NSSO category 083.
- Grants for ecological and safe transport.
- Formations for workers: Workplace guidance; Training programmes; Mentoring.
- Members of works councils, prevention and protection committees and trade union delegates may participate in trade union training courses. Their wages will continue to be paid. An employer in the transport and logistics sector may request a financial intervention for his/her workers for this purpose.
- Financial intervention for the expenses of the legally required basic training at a driving school for the C and/or CE driving licence, for the statutory tests and/or for the group C initial qualification in professional competence.
- Intervention for ADR training for staff who must have a legal ADR certificate to perform their duties.
- Support in implementing HR policies or mandatory collective agreements to be worked out at company level, among others.

Collective agreements negotiated by the joint committee, as well as the Social Fund, are **applicable** to **direct employees of the companies covered by the joint committee 140.03 only**, and not to non-standard/self-employed workers.

Health and safety issues in e-commerce related storing and delivering activities are addressed in the Social Fund described above. In addition to what is ensured by the Social Fund, which applies to all workers in the sector, health and safety aspects are regulated through **safety committees** elected at company level, in line with a national legislation that all companies must comply with. These committees help monitor the legislation and the Social Fund enforcement at company level and can take measures and negotiate specific agreements with the employer.

In terms of **digitalisation**, the biggest sectoral challenges are detected in the area of tracking technology that can be misused, cooperation between humans and robots (mainly in warehouses) and, in the future, self-driving and self-flying vehicles. The latter will require the retraining of staff although it is difficult to estimate when exactly this change will be introduced. These topics will be monitored by the joint committee, even if no collective agreements were signed in this area yet.

For the changeover to more **ecologically** sound ways of working, questions to the Government were jointly submitted by the joint committee. Social partners in the joint committee expect the Government to share what legislation will be introduced and when, and what is its potential impact. No collective agreement intervened on this issue by now.

III. Outcomes and commentary

The **impact** of the negotiations in the framework of the joint committee, as well as the Social Fund, can be assessed as a positive example of social dialogue. The added value of these consultation structures is that they apply to all workers in the sector, without exceptions. It seems important to continue this practice in the future and get the highest possible level of protection at national and sectoral level. In this way, the largest possible group of workers will be correctly protected.

The discussion **in the coming period** in the framework of the Joint Committee will focus on the issues of flexibility in work scheduling and labour contracts, which is linked to remuneration. In addition, for parcel services, new legislation will normally become active during 2024 increasing controls on companies in this sub-sector with the aim of reducing abuses. The impact of this law is still unclear, as the final texts are still being written and it remains to be seen whether the purpose of the law will be effectively achieved. Optimistically, this law will bring improvements to the working conditions of van drivers as the application of the rules will become verifiable. The joint committee will monitor this process.

Going forward, it is expected that minimum conditions and rules will apply across Europe so that unfair competition can be limited. Only with comprehensive European protection the social dumping in the transport and logistics sector can be limited.

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2. National Case Studies – Estonia

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Case Study 1 (Business model): The case of the shipping and logistics company DPD Estonia

I. Context

DPD Estonia represents one of the major shipping and logistics companies active in the country, alongside Estonian competitors like Omniva (Estonian Post) and other multi-nationals such as DHL. They are currently active all over the EU and Europe and deliver to all but the smallest islands in Estonia, including depots on the islands of Saaremaa and Hiiumaa. Roughly one third of their clients are business to business, with the other two thirds representing business to consumer operations. This business to consumer interaction is the focus of this case study, since virtually no Estonian e-commerce brands handle their own logistics (Supermarkets are the only notable exception, and they are certainly not considered e-commerce firms first and foremost). In this sense, DPD will represent the logistics arm of Estonian e-commerce, and the business model of DPD will be examined.

According to Annika Oruaas, the Head of Human Resources and Sustainability and coordinator for Baltic HR at DPD Estonia, the breakdown of the roughly 200 employees at DPD Estonia is nearly 50-50 between office and sorting centre positions. Additionally, there are approximately 350 sub-contracted couriers currently working with DPD Estonia as "partners." In the past they have worked with self-employed, "man-with-a-van" style couriers, but their partners are all currently contracted through larger organizations. Interestingly, Oruaas noted that there are currently seven fully-employed couriers on staff at DPD Estonia, but they are used more often as testers for new initiatives or policies that can then be applied to contracted couriers—currently there is no plan to expand the number of employee couriers. Differences between the treatment of employees and contractors are mainly administrative, as explained by Oruaas: the recruitment, employee administration, and scheduling are handled by the contracted partners. However, DPD still trains all of their partner couriers using an e-learning system and expects them to adhere to certain DPD policies and processes. Further, DPD partner couriers use DPD equipment and software to complete their delivery tasks.

In recent years, the business has accelerated—mainly as a result of the **COVID-19 pandemic** and subsequent lockdowns. E-commerce in general and home-deliveries in particular obviously saw a huge uptick as people remained confined to their homes, even among those segments of the population who previously did not utilize such services (notably, the elderly). Following the relaxing of restrictions, the demand for services remained higher as people had apparently gotten used to the convenience of home deliveries. DPD Estonia doubled the size of their parcel locker network during this time, as well as added 50 or so positions during the COVID-19 years of 2021 and 2022 (previously they were growing by a rate of about 10-15 people per year). Oruaas estimated the e-commerce sector accelerated by about five to seven years ahead of their projections during this one- or two-year period.

As an outsourced service of the e-commerce supply chain, DPD works closely with their clients in what Oruaas described as a "partnership." As a large, established company, DPD can clearly act as a sort of advisor or consultant to their clients in the e-commerce field. It is still quite the norm for e-commerce retailers to use multiple logistics and delivery suppliers, as this market is quite tight in Estonia. This is further exacerbated by the current contraction of the Estonian economy as a whole and the none-to-optimistic projections for the future. Retailers are cutting costs where they can, and the first step is always to look at your outsourced sectors.

II. Description and key features

DPD's **mission** is divided into 5 "commitments," with two of these specifically applying to employees and partner-contractors (the other three apply to other stakeholders). These internal mission commitments are used to guide and shape their employee evaluation systems as well as the general roadmap for the development of the company. Further, DPD is currently developing a human rights policy, which will expand their commitments to all their stakeholders. Oruaas highlighted their **human resources policy** programs that designate DPD as an "Employer of Choice" and "Partner of Choice." These programs incorporate open and detailed accounting of DPD's employee and contractor policies that might make them more attractive as an employer or partner. For example, their commitment to workplace safety and working hours.

The **key differentiator between regular employees and contracted workers** at DPD is location: the employees work in their offices and sorting centres, while their contracted workers are couriers working out of depots and their delivery vehicles. A close second in terms of differentiation is gender balance. While the employees are almost exactly 50-50 (although there are more women in the office and more men in the sorting centre), the couriers are overwhelmingly male. They also tend to be younger on average. All these discrepancies Oruaas attributes to the more physically demanding nature of courier and sorting centre work. Although there is no obvious reason (Oruaas suggests the increase of other casual employment for international student workers, who previously accounted for the bulk of non-Estonian labour), the variety of employee nationalities in Estonia has decreased in recent years. Currently most employees are Estonian nationals, with a fair amount of them being ethnic Russians and Russian speaking. There are three working languages in the office and sorting centres: Estonian, Russian, and English. Couriers, by contrast, are mostly Estonian, with an increasing cohort of Russian-speakers. Ukrainians are also starting to join this pool, no doubt a result of the influx of Ukrainian refugees Estonia has experienced.

At DPD, there is a huge **focus on digitalisation**—although it is already a quite digitalised entity. Oruaas cites the development of new optimization software as the key digitalisation initiative currently happening at DPD. The desired result of this will be day-before instead of day-of planning and customer notification, easier and quicker sorting and packing, and therefore more efficiency at all parts of the process. This, of course, will result in less complicated or time-consuming work for the couriers and more successful deliveries to pre-notified customers.

Further, less trips leads to less **environmental impact**. DPD has prided themselves on carbon neutral deliveries since 2013, largely through the use of carbon offsetting. By 2040, they plan to offset only the final 10% of the carbon produced after reducing it by 90% from pre-2013 levels. Increased efficiency is the core of this program, including the use of parcel lockers which result in far fewer trips. But There are also more tangible assets, such as electrified fleets that are contributing to it. Obviously, this comes at a cost to the company, but that is at least partially offset by increased efficiency. Further, Oruaas contends that the image of a company that commits to sustainability is more attractive to clients and potential employees both.

III. Outcomes and commentary

The interviewee, who has served at DPD in an HR context for 15 years, has no knowledge of any union or social dialogue examples occurring at any point, nor any expectations of it occurring in the future, outside of health and safety employee representatives and a representative for Estonia at a company level at the European Works Council. There is also no collective agreement in place.

As far as union or organized labour activity in general, not only was there no sign of it at DPD, but Oruaas said she had not heard of anything like that happening within the logistics or e-commerce industry (or even other industries she was familiar with).

The interviewee was not sure of the specific reasons for lack of union involvement in Estonia in general, and even expressed that she had a lack of familiarity with how they would even operate in a company like DPD. She also mentioned the size of the country and smaller size of Estonian enterprises might be a mitigating factor in the widespread adoption of organized labour activity—there is no critical mass of people who might feel strongly enough to enact such a radical change.

There is no plan to proactively change their current non-existent relationship with social partners, though the interviewee mentioned they would "take it in stride" should something like unionization talks occur. However, this did not seem like something with any realistic possibility of happening.

DPD's use of contracted couriers does limit their ability to fully-ensure the safety, working hours, and general treatment of these workers. But even so, there seems to be a concerted effort to account for this in their partnerships with sub-contractors where they can exert some influence over the contracted companies' treatment of their workers. Increases in efficiency, while greener and potentially easier for workers, can also be seen as an opportunity to eliminate labour costs as the processes become more automated. The lack of social dialogue is not surprising given the norm in Estonia, nor is the lack of awareness of union activity in general. The attribution of Estonia's small-country status to this phenomenon is interesting, although it is likely that this reflects the homogenous culture and relative lack of dissenting opinions more so than any actual size or population related effects.

IV. References

Interview with Annika Oruaas, Head of Human Resources and Sustainability and coordinator for Baltic HR at DPD Estonia

DPD Estonia website: https://www.dpd.com/ee/en

Sustainability Report for GeoPost/DPD Group (2022): https://www.dpd.com/wp-content/uploads/sites/235/2023/06/Geopost_Sustainability_Report_Final.pdf

Case Study 2 (Union practices): Estonian Trade Union practices: a case of lack of involvement in the e-commerce and logistics sector

I. Context

In contrast to the customs of many European countries, the practice of social dialogue among social partners and with the government is not rooted in Estonia. The trade unions believe that by solving the problems of the Estonian labour market together, it would be possible to offer much more constructive solutions that take into account all parties equally than by acting alone. The trade unions have reached a preliminary dialogue with both the employers' organisations and the government, but at the moment the official tripartite negotiation process has not started yet.

There are four kinds of workers' representatives in Estonia:

- Trustee of employees: employee chosen to represent the interests of all employees by the employees' general meeting, and acting as intermediary between the employer and the employee;
- Trade union: union created by the employees, the main goal of which is to protect the rights of its' members;
- Working environment representatives: members selected by the employees who represent the employees in questions related to occupational health and safety;
- Representatives of employees at community-scale undertakings: employees who have been chosen to represent the entire personnel at the general board.

Proportion of employees in Unions is appr. 7% (in organisations with five or more employees) in Estonia, i.e., 38,100 members in 2015.

The main trade union confederation in Estonia is **EAKL**. Membership of EAKL is declining from more than 21,211 members in 2016 to 14,331 in 2022. EAKL remains the only trade union umbrella organisation in Estonia which meets internationally recognised criteria for national confederation.

The **Estonian Trade and Service Workers' Union** was founded on 4 April 1990 and is the legal successor of the Estonian Trade and Consumer Cooperative Union of Trade Unions. The Estonian Trade and Service Employees' Trade Union unites employees and their associations working in the service sector or students studying for a profession. At the moment there are about 500 members, 6 members of the board and 1 paid employee. Even though the Estonian Trade and Service Workers' Union would be the entity entitled to negotiate for workers in the e-commerce and logistics sector for the protection and promotion of their rights and working conditions, there is no specific focus on this category of workers at all, according to the union representative interviewed Elle Pütsepp. Generally, e-commerce workers and logistics workers are regarded the same as any other workers in Estonia.

During the **COVID-19 pandemic**, many companies went down the road of e-commerce, but the working conditions of their e-commerce workers are no different from those of their conventional workers. In the aftermath of the COVID-19, people who were made redundant from the trade sector did not return to the sector because they had already found another outlet. This means that at the moment, there are many new people in the trade sector who are new to the job and not actively participating in the union's activities.

II. Description and key features

[Disclaimer: since there are no specific practices and measures put in place to affiliate and organise workers in the e-commerce supply chain, an attempt has been made to give a general account of the few activities put in place by Estonian trade unions at the moment.]

At national level, the **bodies governing unemployment and health insurance** bring together the unions, employers and government. This is where unions like the EAKL tend to do most of their work, i.e., monitoring the harmonisation of working conditions among those companies with collective bargaining agreements and offering policy advice to policymakers.

Legislation provides for the possibility to negotiate **collective agreements** at three levels: national, sectoral, and company. In 2015 18.5% of employees in organisations employing five or more are covered by collective agreements. The collective bargaining coverage is declining, generally speaking, while is reported to be much higher in the public and voluntary sector. For the majority of employees in Estonia, working conditions, and in particular pay, are fixed in **individual labour contracts** between the employer and the worker. The benefits of trade union membership are particularly noticeable in situations where the employer wants to change the terms of the employment contract, for example by reducing pay. In such cases, trade union members can authorise a trustee who has received specific training to deal with the employer on their behalf and who can be assisted in negotiations by a trade union lawyer. In the case of a trade union in the establishment/company, the trade union trustee has priority over other workers' representatives for collective bargaining and the conclusion of collective agreements covering all workers. In any case, the vast majority of the industry level trade unions are lacking resources, both human and financial, to effectively perform their major functions, including employing officers to recruit new members and experts to cover issues professionally.

With regard to **occupational health and safety issues**, the Employment Health and Safety representation is provided through separately elected representatives. The employer is responsible for compliance with all health and safety requirements at the workplace and should consult with workers or their representatives in advance on all issues relating to the working environment A working environment representative is mandatory in all companies with at least 10 employees. All companies should either employ a working environment specialist (someone knowledgeable in the area of health and safety), or use external specialist service, however the ultimate employee health and safety responsibility lies with the employer.

As far as the impact of **digitalisation** on the field, Union Representative interviewed was yet unperturbed. As the field becomes more automated and innovative, it also grows as a whole, resulting in a net neutral employment landscape according to the interviewee.

III. Outcomes and commentary

While **no specific trade union practice or measure are dedicated to the e-commerce and logistics**, sector, it can be recalled that the logistics sector is covered by minimum wage agreements that the unions participate in negotiating at the national level. There are no other special regulations or interventions within the logistics sector. It shall be noted that, in September 2020, the EAKL and Estonian Employers' Confederation agreed to keep the national minimum wage unchanged at the amount of 584 EUR/month for 2021, while this was raised to 654 EUR/month as of January 2022.

With regard to the retail sector, the parliament adopted amendments to the Employment Contracts Act in November 2021, based on the tripartite agreements as of April 2021 (TLS-s 15.12.2021 jõustus pilootprojektina eriregulatsioon „muutuvtundidega tööleping jaekaubanduses" - flexible hours working contract in retail). This regulation provides opportunity for retail sector employers to conclude so called "variable hours agreements" with part-time employees. This provides an option to the retail shops to let their employees work for up to 8 hours a week more than the hours agreed in the employment contract, hours that are not considered overtime and not paid extra. This flexibilization applies to the e-commerce workers as well.

The Union Representative interviewed places the union in an advocacy position when it comes to the e-commerce sector. Although the unions do not have much direct involvement with the companies themselves, they do have certain concerns to be negotiated and discussed with the government regarding specific tax regimes for e-commerce (i.e., VAT payment) and the proliferation of suitably qualified workers on the IT side of the market. This can be achieved through policies related to public training and education.

Ideally, however, the interviewee sees a need to move to a Finnish-style system of social dialogue, with industry level agreements in place for workers—though this extends well beyond the realm of e-commerce. In Estonia, there are simply more urgent targets for the Unions, considering their lack of resources.

Overall, the interviewee sees a **lack of interest in unions and other forms of organized labour in the Estonian labour market, especially in the field of commerce** where employment tends to be more fluid, transitional, and undervalued. Those workers who view the work as temporary do not see a need for a Union, and those who do not lack the professional qualifications or specialized training to leverage their positions above being easily replaced. The elastic nature of employment in commerce leads employees to change jobs if they encounter poor working conditions, rather than attempt to improve them where they are currently employed. Post-COVID-19 era has led to an influx of new employees in the sector, again leading to a new cohort of individuals with little desire to change current conditions. This limits the effectiveness of the union at virtually every level.

IV. References

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Estonia Trade Union Monitor, April 2022, FES Briefing, Harri Talga

Interview with Elle Pütsepp, Board Member of the Estonian Trade Union of Service and Trade Workers

Case Study 3 (Collective bargaining): The Baltika Group outsourcing process and the lack of social dialogue and collective agreements regulating labour relations in e-commerce in Estonia

I. Context

Baltika Ltd. is Estonian fashion house operating retail chains throughout the Baltic States – Estonia, Latvia, and Lithuania. The Company is registered on Nasdaq Tallinn stock exchange. Total number of employees is 143 (at the end of 2022), which is –30 people (18% reduction) compared to the previous year, due to a reduced number of stores. E-commerce shop IvoNikkolo.com is seen as both, a retail channel and a connection to the Brand. The company aims to create an omni-channel experience for the customer. In 2022 sales on the e-commerce channel was € 943,000, which is 10% of total Group sales (9,613,000 euros). In 2022 the e-commerce shop was visited by 1.1 mln unique users, and total visits were 2.1 mln. In 2023 the company strategy is to grow e-commerce sales in Baltics and Finland. In addition, the company aims to enter international marketplace-type platforms to increase the penetration of Ivo Nikkolo brand.

In 2021 and 2022 the company consolidated the e-commerce business from two distinct brands Monton and Ivo Nikkolo to Ivo Nikkolo only. In 2022 the company focused on improving efficiency of the supply and logistics chain and **outsourced the logistics service**. The warehousing, picking and packing activities were outsourced to "**Logistika Pluss"** in 2022. Previously the warehouse operation was done in-house. With outsourcing logistics operations, the employees were offered work at "Logistika Pluss", and the ones who took up work at "Logistika Pluss" left within a few months.

The **delivery service** is provided by three external companies: Itella, Omniva, DPD. The e-commerce campaigns information is shared in advance to the "Logistika Pluss" so that they can allocate workforce for the increased picking and packing work.

II. Description and key features

Baltika Group has managed to **reduce** its operation and **direct employees** from 975 people in 2018 to 143 people in 2022, by reducing the number of stores in Estonia, Latvia and Lithuania, **without any social dialogue.** Indeed, **neither trade union presence nor union representatives were detected at company level**, which is common in Estonia.

Looking at workers population by country, the number of employees is a: Estonia 43, Latcia 27, Lithuania 36. Number of people employed in the head office is 38. The average age of the employees is 47 and the average tenure at the company is 6.8 years.

The company states in the annual report of 2022 "The group cares about its employees and has made their valuing a strategically important issue. The Group's goal is to ensure that the social and environmental principles and requirements set by the Group are monitored throughout the supply chain."

As for **working conditions**, Baltika values **transparency in the logistics chain** and has developed a Supplier Manual based on the International Code of Ethical Trading Initiative, that was established by the International Labour Organisation. The principles include regulating working time, safe and hygienic work conditions, fair pay for work, ban on discrimination, ban on using child labour. The focus is primarily on suppliers. The working conditions at the e-commerce service providers is not in the scope, however a Standard Operating Procedure is agreed with the warehouse service provider "Logistika Pluss". This whole process did not involve trade unions.

According to the Head of E-Commerce Baltika interviewee, Elis Püvi, the sustainability angle is much incorporated in the procurement and in the Baltika collection, with a focus on **digitalisation and environmental issues**. The delivery in "Low imPACK" boxes made of recycled textile waste is offered. Delivery in regular packaging free of charge or delivery in Low imPACK box for a EUR 3 deposit is offered to the customer. The EUR 3 deposit will be returned to the customer after the customer delivers the box to the collection point. The renewed Ivo Nikkolo retail outlets are equipped with Click&Collect lockers where clients can quickly and conveniently retrieve the purchase. The orders are picked and packed at the warehouse and delivered to the stores ready for the Collect lockers. For possible future developments in omni-channel automation, Elis Püvi mentioned self-service checkout at the stores, digital tools to provide product information at the stores. For e-commerce sustainability the company is looking into eco-friendly packaging options for the customers outside of Estonia.

III. Outcomes and commentary

The Baltika Group case study is a good illustration of an Estonian company trying to survive in a changing business environment, establishing an image of a responsible employer and environmentally friendly company**.** The company focuses on both technology and business process innovation, while the interests of the employees seem to be not accounted for.

At the time of the **outsourcing process** of logistics operations in Baltika, in-house warehouse's **employees didn't organise collective bargaining to negotiate new working conditions or the collective redundancy process**. This may indicate that employees in the warehouse felt undervalued and felt it easier to change the workplace rather than try to organise a social dialogue. The low paid jobs are easy to fill, as no specific qualifications or language skills requirements are needed. This tracks with the Estonian Trade Union of Service and Trade Workers' reasoning about the specific nature of this type of work in Estonia, which is simply too elastic. And with a relatively hot labour market in recent years, gainful employment in commerce or warehousing has not been difficult to come by.

This case provides an insight into the reasons for the **lack of social dialogue and trade union involvement in Estonia.** This remains an open question, though Estonian economist Raul Eamets attributes this to four main reasons:

- "Industrial relations are often employer-dominated and stricter legislation on the participation of employees is required for any improvement in the situation of industrial democracy.
- The low level of activity of labour organisations is also a result of the relatively bad financial circumstances of the trade unions, and the qualification of trade union staff also needs to be improved.
- Society is not informed enough about trade union activities and their overall negotiating power is not very high.
- The decline in membership has been affected by general economic changes similar to those in the old EU members, such as structural changes in the economy, the growth of the service sector, growth of SMEs and self-employment, and increases in atypical labour". (Eamets 2013)

The fourth point seems to go the furthest in explaining the sharp decline: in the year Estonia's independence was restored, trade union participation in the labour market sat at over 80%, which is not surprising considering labour union participation was mandatory in the Soviet Union. During the transition, however, union participation dropped dramatically, decreasing to the 5-8% range where it sits to this day (Eamets 2013). While this marker of transition is presented as purely economic by Eamets, there is also a strong undercurrent of anti-Soviet thought in Estonia. It is perhaps not a leap to suggest that—while not the main reason for lack of union activity—the perception of unions as a tool of a former occupier might explain the general lack of interest among the public.

This, coupled with Eamets' four assertions, explain much of the distinct lack of union involvement and labour organization in general, and in the e-commerce sector in particular.

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Interview with Elle Pütsepp, Estonian Trade Union of Service and Trade Workers

3. National Case Studies – Finland

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Case Study 1 (Business model): Inex Partners Oy warehouse as part of S Group e-commerce chain

I. Context

S-Group is a customer-owned Finnish network of companies in the retail and service sectors, with more than 1,900 outlets in Finland. **Inex Partners Oy** plays an important role in the logistics of daily (mainly groceries) and customer goods (toys, sport equipment, hardware, amongst others). During COVID-19, e-commerce grocery shopping became popular, whereas after the COVID-19 pandemic era, e-commerce shopping of consumer goods has become more popular. These are stored and distributed by Inex Partners. Its warehouse centre is located in Sipoo, Southern Finland and it is currently the second biggest building in Finland. E-commerce customer goods are packed and distributed either directly to parcel points in some of the S-group local shops by Inex Partners or delivered to Posti's parcel points for the customers.

In 2022, the **turnover** grew from 433 261 000€ (12/2021) to 467 384 000€. Instead, the operating profit has decreased somewhat from 1 072 000€ (12/2021) to 1 063 000€ (12/2022). No specific numbers for e-commerce sales have been given. The decrease can partly be explained by personnel costs caused by an increase of employers from 1254 (12/2021) to 1306 (12/2022)[9]. In 06/2022, Inex Partners had in total 1303 workers of which 800 comprised of logistic workers in daily goods and 300 working at customer goods, and of 150 professional managers. In addition, 150 workers were hired, and 200 workers were sub-contracted. The majority of them worked for daily goods. During COVID-19 there was a peak of online sales, i.e., there was a need for temporary workers, whereas today (Q3/2023), partly because of increased inflation, sales of costumers goods have decreased and the need for hired and sub-contracted workers has decreased. During sales peaks, Inex Partners aim to maintain the number of their employees stable by increasing the number of temporary workers either through their subcontractors or through temporary work agencies[10].

COVID-19 pandemic era did not cause any long-term changes to the logistics, because much of the work is based on automatization. During COVID-19, the demand for both groceries and customer goods increased manifolds and the need of workers in warehouses increased as well. Additionally, Inex Partners and their subcontractors hired some temporary workers, but otherwise, thanks to automation, everything kept on going at a more or less regular pace. The shop steward pointed out the importance of having committed employees who are familiar with the digital programs and automation.

Several of the working tasks have been replaced by automation. During 2016-2019, Inex Partners moved gradually to bigger locations and started to use automatization particularly in collection and packing of customer goods. The interviewee was sceptical about the improvement of temporary agency workers' working conditions. There is a risk that S group and its subcontracting companies will choose their temporary workers based on the cheapest agreement offered by a temporary agency worker. A potential

9 The numbers are based on information received from the interviewee and can deviate somewhat from the formal numbers provided by Inex Partners. (Link: https://www.kauppalehti.fi/yritykset/yritys/inex+partners+oy/0807892-9).

10 Interview with the shop steward 30.08.2023

risk of dismissal of temporary workers with a short notice was mentioned, in case diverse stages of the e-commerce supply-chain will not require as much resources as expected. The latter is very likely to happen, because the current government plans to dismiss employees, or hire them only on temporary bases.

The S group has many indirect acquisitions, but the Inex Partners is free to make their own contracts. Temporary hired work is bought at a certain coefficient and paid at a certain coefficient. The salary of temporary workers can vary between 1.3 to 1,7 coefficients. The cheapest can be calculated with a 1.3. coefficient, (approx. 13 euros/hour), whereas the more expensive one with coefficient 1,7. The competition is fierce and there is a risk of using the cheapest temporary workers. Inex Partners also require that everyone complies with their terms and working conditions, but in practice they cannot monitor the subcontractors or temporary workers.[11]

The **workforce** can be characterised by decreased number of workers because of automation, but those who have remained have been working for a long time at Inex Partners. According to the shop steward, they "*have long working careers, low turnover, (in comparison to our domestic competitor), work is perceived as meaningful, automation has brought more meaningful work tasks. Before [automation] voice commands were used, and the work was more monotonous*". The nationality of workers is mainly Finnish in the daily goods department, whereas in the consumer department there are more subcontracted workers, who have been hired. Several of them have a migrant background. Finnish and English are used in the warehouse, the automation is in English. The number of women in leadership positions is still small, but the company has not yet found any solution to increase the motivation to look for leadership positions.

II. Description and key features

Inex Partners mission and **human resource policy** is to offer long-term contracts for their employees with an opportunity for a promotion. Currently, automation offers both opportunities and challenges. It has made the working tasks more diverse and increased the employees' working motivation. At the same time, the management is aware of ageing workers, and tries to find a solution on how to improve their digital skills, amongst others. According to the shop steward, Inex Partners values motivated workers with a "right kind of attitude" than their educational background. Today it has become harder to find permanent staff, even if their salaries are competitive, i.e., it varies between 3200-4200 euros/month for employees working at the warehouse for daily goods, whereas the average salary for workers in customer goods is less than 3000 euros/month. In particular, it's challenging to find young workers who could stay long-term because the younger generation values their free time more than the context of the work.

Inex Partners organise **cooperation negotiations** four times a year, as well as weekly meetings between the management and the employees. During the weekly meetings employees have brought up occupational safety and health issues and management of working time, such as suggestions for improvement of the ergonomics and changes to work shifts. Constantly organised meetings, not only with the management level, but also with the staff, are in line with the updated Cooperation Act (L1333/2021, amendments up to 91/2023 included).

The Cooperation Act highlights the employer's obligation of continuous dialogue between the employer and personnel's representatives. With the obligation, they must strive for an open discussion in matters related to the company or the community and the personnel, e.g. the personnel must know how much temporary labour is used in the company, how much of the employment contracts are fixed-term and what kind of changes are possibly coming in the near future'(L1333/2021). Well organised time management

11 An interview with the Inex Partner shop steward, 31.09.2023.

and occupational safety and health are also crucial for a seamless function of e-commerce and logistics, i.e., interruptions caused by accidents or sick leave would have an immediate effect on the e-commerce logistics. The shop steward interviewed also acknowledged: *"We have been able to influence flexibility with different working time solutions, some morning, others evening shifts. The fact that you can influence people's wishes".* He also pointed out the importance of investing in good leadership. The company has invested in finding the right kind of personality to management positions, i.e., persons who listen and activate staff to plan and discuss OSH topics, amongst others. The company is aware of possible problems with temporary workers who work in Inex either through subcontractors or temporary agencies. According to the shop steward, it is common for temporary agencies not to provide OSH training to the workers before these are sent to the customer. In this way these companies can save some money, but at the same time there is a risk that these workers, who may or may not be aware of their potential OSH risk, have to do tasks or work in a work environment not suitable for their health[12].

Looking at **differences among workers**, packing of goods is done either by Inex staff or by their subcontractors' staff who are not coming from temporary agencies, because these work tasks require know-how of automation and this is seldom taught for temporary, short-term workers, such as temporary agency staff. Instead, the latter are hired to do so-called "dirty" or "less attractive" work, such as cleaning. Temporary workers who are hired either through subcontractors' companies or temporary work agencies do not necessarily have the same kind of local collective agreements for their workers as Inex Partners has for their permanent staff. According to the shop steward*, "the employee safety and employment contract law is no longer the same as it once was. Every now and then comes up, e.g., cleaning cases done by labour migrants whose working conditions are not in order. These workers are hired by our sub-contractors, and we cannot do anything about the problem, as long as we are not informed about it.* During 2016-2019, Inex Partners moved gradually to bigger locations and started to use automatization particularly in collection and packing of customer goods. *And, if there is a problem, the temporary agency gets rid of him because he is not a member of the union".* At the same time companies are using subcontractors and temporary workers more than ever before mainly because of fierce competition in the commerce sector.

S-group is currently investing in the **digitalisation and automation** of its retail chain. The idea is to improve the effectiveness of a good delivery, by investing in automation. Modernisation increases the collection speed many times by replacing the humans doing physically slow work. According to the interviewed, it is unlikely that the current workers would be in charge of these tasks, because they are currently hired as temporary workers who either work for a subcontractor or are sent by a temporary work agency. Automatization and use of new digital programs also require training of the employees. There is also a concern how quickly aged employees (more than 50-years of age) can learn to use new digital programs and equipment.

In cooperation with their transport companies, Inex Partners try to find suitable solutions to reduce emissions and improve **environmental sustainability**. For example, they have modernised their transport engine technology, increased their filling rate (of fuel), and replaced these with renewable and alternative fuels. In addition, Inex Partners and collaborators have expanded the use of long trucks. The company also uses reusable pallets, plastic and roller boxes. Additionally, plastic fractions pawned drink packages, amongst others are transported with the return loads[13].

12 An interview with the Inex Partner shop steward, 31.09.2023.

13 https://inex.fi/vastuullisuus/#kuljetuspaastot

III. Outcomes and commentary

As the business policy is pushing toward digitalisation and automation, the warehouse management has become aware of the importance of having experienced and skilled workers who are familiar with different programs used in logistics. In order to retain workers, in 2018, approximately 5% wage increase was negotiated followed by some refinements. This usually happens in the framework of so-called "locally agreed extras" collective agreements, playing an important role in wage negotiations. The company also tries to increase its efficiency and productivity by investing in employees' training and technology.

Looking at the future, both S group and Inex Partners are aware of the competitive importance to invest in digitalization and automatization. Increased automation will most likely decrease the current number of employees. At the same time, S group and Inex Partners are looking for solutions to update the digital skills of their current employees, which remain the main challenge. In the future, Inex Partners will invest even more in e-commerce. Currently, it is not economically profitable for the S group, because products are picked up by hand in the daily goods storages. When this task will be automatised, employees will be needed mainly in the automatised storages for e-commerce.

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Interview with the Inex Partners Oy shop steward, Mr. Heikki Laakkonen (31.09.2023).

Case Study 2 (Union practices): Service Union United PAM

I. Context

The **Service Union PAM** in the Finnish trade union representing mainly service sectors, consisting of commerce, catering, real estate management and the security sector, and some smaller ones. The primary task of PAM is to negotiate collective agreements for workers in service sectors. Trade sectors is represented in form of workers in charge of sales, also including e-commerce. The latter is not separated from the trade sector, i.e., an employee working in commerce can also work with e-commerce even if this is not separately stated by companies. While PAM represents commerce/e-commerce workers working in sales or warehouses, the delivery, distribution and transport workers are represented by other unions, e.g., AKT or PAU, and are not covered by this case study.

PAM has 190,000 members. The unions represent mainly female-dominated fields, i.e., the majority of PAM's members are women (71%), and 30% of the members are less than 25-years of age. Several of the members are young people in their access to employment. The members represent more than 200 different language groups: the union has been called the "biggest immigrant organization". PAM strives to make the interaction and communication as easy as possible for its members, both online and via local offices in the biggest cities. These offices have become popular particularly among members with a foreign background.

Since the **COVID-19 pandemic**, more attention is given to *ad hoc* situations. For example, during the lockdowns caused by the pandemic, several employees experienced sudden **economic insecurity**. The Service Union PAM focused on delivering rapid information and guidance to the members about their rights and possible access to allowances, amongst others. In some cases, the union also gave vouchers for some of the members who could not afford to buy daily groceries. Considering that during the pandemic lockdowns many employees working in the trade sector in Finland did not receive any kind of compensation, the main concerns of the union is that workers receive compensation instead of unemployment allowances, the latter meant for a different kind of situation.

II. Description and key features

During the Finnish parliamentary elections in spring 2023, the Service Union PAM raised as its core issue **workers' right to compensation caused by pandemic restrictions**. The union has not raised any specific claims focusing on e-commerce, because the latter is not separated from the trade sector in Finland.

Looking at **working conditions**, the Service Union PAM denounced that work absorption has decreased since 2008 in the trade sector, and that both physical and mental burden has increased in the field of commerce. The work is often physical and heavier in the warehouse where several young employees work, often through **temporary work agencies**, which means that they enjoy worse terms and conditions of work when compared with direct employees of the company. As the highest number of accidents at work is recorded among temporary workers, PAM is engaged in reducing this trend, even if they are seldom members of the union, contributing in different ways (e.g. through information and education) to make sure that adequate attention is paid to induction training for temporary agency workers.[14]

Previous studies have shown how particularly in the service sector 'the need to work in a hurry, irregular working hours, and demands for flexibility regarding working hours have increased. There are shortcomings in communication at workplaces. Also, the possibilities to influence working times have reduced, and the polarizing short- and long-term effects of the COVID19-pandemic show widespread uncertainty ' (Turunen & Lindholm, 2023).

14 https://www.pam.fi/en/in-society/pam-influences-society/the-working-environment-and-health-and-safety-at-work-2/

PAM has also raised a concern about the **role of digitalization** in the service and trade sector. The union has stressed the importance to include a separate section about how digitalization could be faced by occupational skills mismatch, structural changes in the workforce and with providing sufficient working hours in the 'Government report on the future of the retail sector'[15]. PAM also takes part in the WORK2030[16] development program, whose objectives are to make effective use of technology in workplaces, reform operating practices, and create working life innovations.

Environmental issues are not directly connected to collective bargaining, instead more is done through employee training.

III. Outcomes and commentary

The collective agreement of trade employees, as well as e-commerce employees, has agreed on the minimum working conditions for jobs in the trade sector. The primary salesperson and the warehouse worker look for the type of paid time or sick pay in the contract. However, these terms are minimum terms. So far, there has not been any discussions about separating e-commerce from the trade sector.
PAM highlights the **importance of re-skilling and training** its members partly as a consequence of digitalization and environmental challenges. Currently, training organised by the union focuses on highly educated employees, while employees with jobs requiring a lower level of education and providing lower wages are excluded from continuous learning opportunities. Equality and equal opportunities in education is at the core of PAM's goals[17]. PAM is also trying to highlight the shortcoming of the exclusion from educational rights of temporary agency workers (some of them work with zero hours contracts) which has become normal.
Looking at the future challenges for the union, the research director of PAM stated that "*work is becoming more fragmented, this means that the professions are not organized in the same way as before. It is a big challenge for the unions [to find members]! Last year, there were more part-timers than ever, almost 400,000 in Finland. Part-time work is more common in Finland than in other EU countries. We have a number of people who do two or more jobs at the same time, i.e., part -time work is polarized between the service sector and experts*".

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15 https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/164509/VN_2022_76.pdf?sequence=1&isAllowed=y
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Case Study 3 (Collective bargaining): Automatization and the Future of Working Conditions in Posti

I. Context

Posti company has a dominating position in the Finnish logistic services, having also extended its services to Sweden and the Baltics. Its core business can be divided into the following sections: distribution services, e-commerce, postal services and warehousing and logistics.

The **collective bargaining** in this sector takes place between the employer, POSTI, and two employee unions, PAU (The Finnish Post and Logistics Union) and PRO (Trade Union representing mainly executives). Biggest collective bargaining agreement to place in November 2019 after a long strike (see below more details about the agreement).

Warehousing and logistics services include receiving, handling and storing goods, picking and delivery of orders as well as of warehouse accounting. The biggest **logistic centre** is located in **Tikkurila, Vantaa**, whereas a smaller sorting centre functions at the **Helsinki-Vantaa airport**. The current case focuses on both centres: the former provides an insight to how parcels are handled in big logistics warehouses; the latter represents a small, modern unit where international and domestic packages are handled. The online packages ordered by customers go also through one or both logistics centres. Logistics should be seen as a crucial part of the e-commerce chain, i.e., all improvements done there have also an effect on the entire e-commerce business chain.

Looking at the key features of the Posti's logistics centres mentioned, Tikkurila warehouse has a big sorting centre comprising of 200 employees, whereas the Helsinki-Vantaa airport sorting centre consists only of thirty employees. In comparison to the central logistic centre, the working day at the sorting centre consists of a daily security of the staff by an X-ray. At the Tikkurila warehouse, about 40% of workers are of nationality other than Finnish, whereas all workers at the Helsinki-Vantaa centre must have a Finnish nationality because of security reasons. The majority of the employees at the Helsinki-Vantaa centre are, while at the Tikkurila warehouse the gender division is more even (no exact numbers given). According to the interviewee, the turnover is low at the Helsinki-Vantaa centre due to the good working conditions and atmosphere, while at the Tikkurila warehouse the number of employees is manyfold bigger as well as their turnover. Occupational safety and health related issues are rarely registered at Vantaa-Helsinki airport centre, while workplace accidents or harassment have taken place in the central warehouse and were reported by the union members, and later solved by conciliation.

Posti's activities increased tremendously during the **COVID-19 pandemic**: the number of packages sent and received by customers increased and caused a need of more workers in the logistics sector. During the high peak of COVID-19, the lack of staff was solved by temporary internal placement of staff from the sorting centre, amongst others, and by hiring temporary workers. According to the OSH representative[18], rapid organisational changes have not caused problems to the sorting centre thanks to its small number of employees, whereas in the central warehouse more time was required for planning and coordination of staff. Later on, 50 temporary workers got full time contracts from Posti. After COVID-19during the first half of 2023, the staff has decreased by around 400 people. Despite the temporary hectic work and changes in the work organisations caused by COVID-19, no bigger long-term changes have taken place.

II. Description and key features

The main unions and employees' concern in Post is **salary development** (the median salary in the postal industry is approx. 3300 €/month). In 2022, the trade unions received 40-50 complaints about salaries by members of PRO trade union and upper executives at Posti. Indeed, competitive salaries are important

18 Interview with the Occupational Safety and Health (OSH) representative, (24.08.2023).

if the company intends to maintain skilled employees and avoid a high turnover. The biggest complaint is related to the working conditions of **temporary workers**. As the interviewed pointed out, even though temporary workers do the same work as Posti's employees, they don't get the same salary. The majority of temporary workers are young or migrants and seldom belong to a trade union, and this is the reason why it is difficult to obtain an improvement in their working and economic conditions.

The **largest collective bargaining** took place in 2019. The Finnish Post and Logistics Union (PAU) commenced a **strike** against Posti in November 2019, as a consequence of the Finnish government decision to move 700 employees working with packaging and e-commerce into the collective agreement of the Finnish Media Federation and the Industrial Union (SAK, 2019). The change of collective agreement would have led to a **wage weakness** of 30-50%. Almost 10 000 Posti's workers adhered to the strike, blocking all paper mail delivery in the country. The gridlock continued over a few weeks and followed by a solidarity strike by several other unions. The Finnish government still refused to come up with a solution and the strike escalated further including handling of cargo. In addition, the Finnish Seafarers' Union threatened to stop all passenger and cargo vessels. After receiving overwhelming public support, PAU finally won a victory. On 27th November, "the government announced it would not re-classify the 700 workers and would keep them under their current collective bargaining agreement, protecting their wages until at least 2022" (APWU). The strike negotiations were followed by the resignation of the Prime Minister Antti Rinne, replaced by Ms. Sanna Marin. **After this massive strike, only minor changes in the collective agreement have been made**. (APWU 2020, Helsinki Times 2019). During the strike, several executives were then transferred from PAU under PRO's collective agreement. According to the interviewee, the collective bargaining was not as successful as wished, and considerable weakening from an economic point of view took place, such as the loss of %-based disadvantage compensation and the loss of the salary bonus.
On the other hand, the **occupational health and safety** of employees been taken seriously into consideration by Posti, but implementation of successful innovations varies between the big warehouse and the small sorting centre, where it is easier to intervene. During the last years, employees' opportunities to influence their own job security and work environment have increased in the sorting centre. The staff can make risk assessments and corrective ergonomic suggestions by using the occupational safety program "Falcony". Additionally, employees can report about an environmental observation, an accident, or a so-called near-miss accident. In 2022, the program made more than 60,000 observations (before Falcony, the number was about 10,000 observations per year), and registered a decline of the rate of accidents at work (record of more than 750 days without an accident).
Additionally, Posti has become aware of the importance to invest on the **training** of their employees and in updating of their skills. Employees, who are members of a union, e.g., PAU, can also participate in diverse kind of training organised by the union, such as organizational training, digital skills as well as training for Guardians of the worker's interests. These courses are arranged by an external association, the Workers' Educational Association WEA Finland.
Automatization and digitalization have speeded up work at Posti's centres, e.g., in distribution and package side. In the warehouse, so called "fingerprint readers" are used, which technically allow the employer to monitor the quality of the work done by workers, such as the number of packages scanned and if the package is in the right unit. Nevertheless, the interviewee is not aware if this surveillance technology has been used. Posti's e-commerce is depended on both high-skill knowledge and technology.

Environmental sustainability has been taken seriously by Posti, which proved to be the first Finnish company and globally the first company in its industry to have its net-zero targets approved by the so-called Science Based Targets initiative (SBTi). Posti's own emissions fell by 10 % in 2022 compared to the previous year. Since 2011, Posti's emissions in Finland have fallen by almost 60%[19]. By 2030, Posti's target

19 https://www.posti.com/en/media/media-news/2022/postis-science-based-net-zero-targets-approved-as-the-first-finnish-com-

is to reduce its total emissions 50% from the 2020 level, and the company aims to achieve zero-emission for its own operations and 100% fossil-free emissions for road transport[20]. At the same time, Posti has become aware of an increased raise of competition in form of rise of international stores, with large volumes and cheap prices[21].

III. Outcomes and commentary

The growing demand for faster and more efficient delivery of packages has increased the use of digital technology in Posti's e-commerce chain. E-commerce plays a significant role in the services of Posti, particularly in form of customers' orders of packages. However, Posti has not separated e-commerce tasks (sorting, packing, and delivering) from its other tasks, neither is e-commerce dealt separately in the collective agreements of Posti's employees or executives. Still, the two core unions, PAU and PRO, strive to improve the working conditions and collective agreements of their members, even if the most recent experience of collective bargaining and labour conflict led to strike has rather avoided worsening workers' conditions than achieving real improvements.

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20 See further details: https://www.posti.com/en/sustainability/environment/postin-paastot/

21 Posti E-commerce Index 2023.

4. National Case Studies – France

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Case Study 1 (Business model): The Amazon e-commerce business model in France

I. Context

207,000 e-commerce sites were active in France in 2022 (FEVAD), with Amazon by far the leading site (38.3 million average unique visitors/month), which corresponds to 45% more than No. 2 Leboncoin. Taking all sites together, the top three types of products purchased online are: fashion/clothing, footwear, and hygiene/beauty. Cultural products come forth.

Main players in e-commerce logistics in France are: La Poste, DPD, Colissimo, Chronopost, Stuarrt (2/3 of the market); express operators (DHL, UPS, etc.), consignment relay points (Mondial Relay, Relais Colis, Colis Privé). Amazon recently developed its own transport activities in France (see details below).

In 2022, Amazon was France's favourite retailer in the "multimedia and domestic appliances" and "cultural products" categories (NetMedia Group survey). In 2021, the Top 5 best-selling product categories on Amazon were: items for the home, health and well-being, cosmetics and beauty, toys and groceries. Whereas in 2003, only 3% of the business volume of the French Amazon.com site came from the marketplace, this percentage was 55% in 2021.

Amazon was set up in France in 2007. The first activity was that of large logistics warehouses to store products, those of sellers using the platform, and pack them. From 2016, the company launched small delivery agencies to organise part of the last-mile service. The first activity comes under Amazon France Logistique, the second under Amazon France Transport. **Amazon France Logistics** has 8 distribution centres in France, and the last one was inaugurated in 2021 in Metz. These warehouses concentrate logistics activities. Amazon France Logistics has 12,000 full-time equivalent employees. **Amazon France Transport** covers the courier network. These are dispatching activities carried out in small warehouses. Packages arrive and are dispatched throughout the country. In all, Amazon has some forty warehouses in France, serving Belgium as well, which has no Amazon warehouses in the country. Amazon France Transport has around 4,000 full-time equivalent employees (sources: interview of the author with a representative of the Fédération Sud Commerces; Amazon France website).

By 2022, Amazon France's sales will total €10.5 billion. This figure includes Amazon's three key activities in France: sales and support activities (logistics), commission on sales made by third parties on its marketplace, and cloud activity (Amazon Web Services). French companies present on Amazon exported €600 million worth of goods abroad in 2021. The breakdown between the three activities is not known. Amazon France transport is growing in importance: this is due to the fact that, over the last five years, Amazon has deployed a strategy of internalising parcel transport (see below).

According to e-commerce specialists, Amazon's e-commerce activities are not profitable, and could not have developed without the group's support (sources: France Stratégie 2021[22]; interview of the author with P. Moati). It is the other related activities (logistics services, cloud) that are driving growth. Commerce

22 France Stratégie, février 2021 : « Pour un développement durable du commerce en ligne », https://www.strategie.gouv.fr/publications/un-developpement-durable-commerce-ligne

is seen as a predatory activity, sometimes even at a loss. “Clearly, there is no limit to Amazon’s ambitions. The ambition is to put us, consumers and citizens, in a web where all our needs would in fact be covered by Amazon” (interview P. Moati).

Product sales in e-commerce as a whole are expected to fall in 2022 (-7%), after the strong growth seen in 2020 (+32%) and 2021 (+8%) (source : interview of the author with e-commerce specialist of Groupe Alpha). The express parcel market is expected to shrink for the first time in 2023 (-6% to -8% expected). Amazon’s sales growth contrasts with these trends: +16% in 2022 for sales in France. However, these trends cover all of Amazon’s activities in France (sales, marketplace, logistics, cloud). The development of Amazon’s activities in France has gone hand in hand with strong growth in the workforce: 10,000 permanent jobs created over the last six years, 4,000 by 2021.

As regards investments, Amazon’s strategy is to increase the density of its warehouses in France, in order to increase subscription to Amazon Prime and 24-hour delivery. At the same time as it was re-internalising transport and logistics (see below), Amazon began to invest directly in ‘Cross Dock’ dispatch warehouses. These are warehouses where there is no storage: parcels arrive on one side, are unloaded from a large vehicle and then leave in vans or cargo bikes. These are the last hubs, the closest to the delivery rounds and the recipients. Amazon now decides where they are located and how they are managed. This is a major change. As a result, Amazon has invested in real estate. In the Paris region, for example, Amazon has 4 or 5 cross docks (particularly in Nanterre and Bonneuil). Amazon also rents bus depots from the RATP, which are used by Amazon Transport’s service providers. For a few hours a day, Amazon’s service providers (but also Chronopost’s) use these depots (source: interview of the author with e-commerce and logistics Gustave Eiffel University specialists Pétronille Rème-Harnay and Laetitia Dablanc).

After the growth for e-commerce products as a whole, linked to the COVID-19 lockdowns, a slowdown was observed in 2022, as there was a renewed appetite to return to shops. This has helped to redress the balance. But Amazon escaped this downturn, with very strong growth in its business, although it is not possible to distinguish between e-commerce and other activities.

As regards **subcontracting in logistics**, an estimate for the Ile de France region gives: 100% for Amazon, 85% for Chronopost, 100% for Colis Privé, 100% for GLS France, 75% for UPS, 100% for DHL, 71% for Geodis, 100% for La Poste (Roissy), 75% for DB Schenker, 100% for Gefco (source: interview of the author with Pétronille Rème-Harnay). The use of subcontracting has accelerated recently, in the context of rising transport costs (supply crises), and the anticipation of major investments to be made in the context of the multiplication of low-emission zones, but also the prospect of goods transport being subject to CO2 emission quotas in the context of the European green deal (gradual abolition of free quotas from 2026). This trend towards accelerated subcontracting would be particularly strong at DHL, La Poste and Fedex in France. Amazon has recently undergone a major change of strategy in terms of **vertical integration** (source: interview of the author with Pétronille Rème-Harnay and Laetitia Dablanc). Up until five years ago, Amazon relied mainly on external service providers for parcel management (La Poste, UPS, DHL, etc.). According to some observers, Amazon had even become La Poste’s biggest customer. Around five years ago, Amazon began to “internalise” its transport operations via its subsidiary AMAZON France Transport. Amazon terminated some of the contracts it had with UPS or the Post Office (Colissimo). The strong growth of e-commerce has masked these developments on a global scale, but logistics groups now hold only half of Amazon’s market. This has major implications for companies like La Poste. However, Amazon’s internalisation of express delivery activities is limited: 100% of Amazon’s express delivery activities are outsourced to service providers. In particular, Amazon takes advantage of the standard subcontracting agreement (see CASE STUDY 3).

With regard to the **characteristics of workforce**, Amazon France Logistics has 12,000 full-time equivalent employees. Amazon France Transport has around 4,000 full-time equivalent employees.

In the warehouses, the majority of (permanent) employees are men (60%). Amazon recruits among lower classes. At the Brétigny warehouse (the nearest to Paris), many are "suburbanites". The foreign population can be overrepresented. The permanent workforce is fairly stable. Most are full-time. Some are able to progress in a highly pyramidal structure ("associates", supervisors called "links", then team leaders). Permanent employees work shifts, Saturdays, Sundays and nights. Four shifts are possible: morning, afternoon, evening and night. Amazon warehouses operate 7 days a week, 24 hours a day.

As regards urban logistics, the activity is subcontracted to the so-called "deliveries services partners", which are small subcontractors like coursier.fr or Top chrono. Last mile deliverers are predominantly self-employed.

The business is totally organised by Amazon, with a very high level of dependence on Amazon. Qualitative surveys show that delivery drivers are predominantly male. Until recently, the average age of delivery drivers was 40. It was therefore an ageing profession. Employees are even older, but among the self-employed, they were already quite old. Recently, we've seen a sharp rejuvenation, in the 20-30 age group.

II. Description and key features

Looking at Amazon's **human resource policy**, Amazon resorts to flexible work[23]. In 2019, for example, 44% of the workforce recruited by Amazon France was temporary. This figure rose to 64% for the most arduous and dangerous jobs, namely receiving or shipping goods in warehouses. There is considerable variability in the number of temporary workers in the warehouses during Christmas and Black Friday, for example. Temporary workers are more disadvantaged and downgraded[24].

As regards **wages**, Amazon claims to pay 20 to 25% above the legal minimum wage (SMIC). In the current context of high inflation, the SMIC has been raised sharply (10% between 2021 and May 2023 https://www.insee.fr/fr/statistiques/1375188), but wages at Amazon have not followed suit. As a result, there is a strong feeling of downgrading in the warehouses, which has led to a significant wave of strikes. One of the major difficulties is that strikes are not synchronised between sites. There is always the possibility for Amazon to circumvent the effects of the strike, at both national and European level.

Working conditions for employees are difficult, especially in Amazon warehouses, can be synthesized as follows: occurrence of overtime, increase in night work, physical constraints linked to the carrying of heavy loads and repetitive movements. More than a thousand work-related accidents were declared by Amazon France Logistics in 2019, i.e., nearly three accidents per day, a figure that is largely underestimated according to union representatives (source: report by Progexa for Amazon works council[25]).

A specific **subcontracting contract** exists in France. This "standard contract" was negotiated by the courier groups in 2001(see Case Study 3). It protects the principals by considering elements that could be associated with subordination as specific to a specific transport system. This contract is described as an

23 France Stratégie (2021). *Pour un développement durable du commerce en ligne*. Accessible at : https://www.strategie.gouv.fr/publications/un-developpement-durable-commerce-ligne

24 At Bretigny warehouse, it is common to see people walking 3 kilometres between the station and the site, sometimes at 5 a.m., at night or late at night on scooters. The public transport offer is not up to scratch.

25 https://strategieslogistique.com/Un-rapport-denonce-les-conditions,13644

“anti-requalification weapon”. Because of the existence of this standard contract, **e-commerce logistics subcontractors have virtually no collective representation**. The use of subcontracting by self-employed workers transfers obligations and responsibilities to subcontractors. This enables courier groups to make savings on holiday pay, employer contributions, redundancy costs, works councils, etc.

With regard to **investments in digitalisation**, a recent trend has been reported by the e-commerce and logistics experts interviewed (Pétronille Rème-Harnay and Laetitia Dablanc), with a sharp increase in the use of small autonomous vehicles in Amazon’s warehouses. These are large vehicles and small vehicles, which pick up the shelves from the racks. The order picker, who is still human, will take the goods from the shelf and put them in the parcel, while the small robot leaves and puts the shelf back where it belongs. The development of bigger pick-and-place robots is also in place. These robots have been described as “very impressive” (interview of the author with Pétronille Rème-Harnay and Laetitia Dablanc), as they climb very quickly up the huge mezzanine floors, fetching the products. According to the experts interviewed, Amazon, having pursued an external growth strategy with the acquisition of Kiva, is now tending to internalise its R&D in automation. The impact on employment is potentially very high, with a reduction in jobs.

A trend is also being highlighted by the experts interviewed in the **delivery software used by drivers**. Route optimisation algorithms are one of the key trends in the delivery driver business. Delivery drivers receive notifications. The app notifies them when they arrive at the platform. They are given the time available to leave the platform with the parcels. Drivers also have to report their lunch break. In the particular case of Amazon, this type of software records a huge amount of information. According to the qualitative survey conducted by the expert Pétronille Rème-Harnay with drivers, Amazon delivery drivers say they feel that everything is being done to ensure robots will eventually deliver in future and that the software is designed to move in this direction.

As for efforts in **environmental sustainability**, Amazon France is making subcontractors responsible for the electrification of its urban delivery fleet. Amazon also requires certain subcontractors to use cargo bikes, particularly in Paris and other major cities.

III. Outcomes and commentary

At Amazon, the two trends highlighted above are automation in warehouses and algorithmic management and autonomous delivery in last-mile delivery. The internalisation of delivery is threatening traditional players such as La Poste. The use of delivery subcontractors severely limits the scope for collective organisation in the delivery sector. Collective organisation is also hampered in warehouses due to the fragmentation of sites.

The current trend is likely to continue. In particular, because of Amazon’s strategy of dominating the e-commerce market. The experts interviewed emphasised that “we haven’t seen the restructuring of the sector through to the end”. According to one of the experts, Amazon’s long-term aim is to “automatically supply the home with all everyday products”, to “be a partner in people’s daily lives in all areas, with tremendous efficiency”. This domination would also benefit from a generational effect on the customer side, with the proportion of older, resistant customers tending to shrink.

For the time being, alternative business models are limited. Small producers and small specialised or local marketplaces can be seen as an alternative. Interoperability is a potential lever for these alternatives. In France, an initiative led by a number of players, some of them close to the trade unions, supports this alternative[26].

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26 https://sharersandworkers.net/2e-evenement-du-cycle-le-web-apres-les-plateformes-asseoir-la-confiance-dans-leconomie-de-proximite-16-novembre-2021/

Case Study 2 (Union practices): SUD Commerces et Services Trade Union's practices at Amazon France

I. Context

While the characteristics of Amazon France and its workforce have already been described in CASE STUDY 1, in its Amazon Logistics and Amazon Transport components, the trade union activity deserves a closer look.

Union Syndicale Solidaires is a French trade union Confederation created in 1981, claiming over 100,000 members. The acronym SUD (for "solidaires, unitaires, démocratiques") designates some of its national member federations, such as the **Federation SUD Commerces et Services**, which is the object of this case study. The Federation Sud Commerces et Services was created in 2014. It brings together several local unions spread across France and in the following companies: Adopt, Aldi, Amazon, Auchan, Biocoop, Burberry, Carrefour supply chain, Deliveroo, Nike, Intermarché, Monoprix, Nocibé, among others. sectorsThe reason why the retail branch is involved in union action at Amazon is explained by the nature of the collective agreements that have been successively applied by the company. In France, there is no collective agreement for logistics, and the collective agreement for mail-order sales has never been applied at Amazon. Before 2020, the collective bargaining agreement that applied at Amazon was that for non-food **retailing**. In autumn 2019, as a result of labour litigation initiated by the CGT[27], among others, the company decided to optimize its labour relations by changing its collective bargaining agreement to the less advantageous collective bargaining agreement for **road transport** and related activities[28].

Prior to 2020, Amazon was therefore under the full scope of the Federation SUD Commerces et Services. Since 2020, the Federation has passed through the Union Syndicale Solidaire to avoid being challenged and continue to operate at Amazon, amending its articles of association and expressly added that it covered employees in the **retail, service and logistics sectors**.

Federation SUD Commerces et Services, which was not representative at Amazon France Logistics in 2014, became so in 2017, and again in 2019[29]. At national level, Federation Sud Commerces et Services became the second most representative organization out of five in 2019 with 25.64% of votes, behind CFDT[30]. In 2020, Sud Commerce was the leading organization. The results of the works council elections for the Amazon France Logistics warehouses in 2023 were mixed, with a declining audience of Federation SUD Commerces et Services (18.14%)[31].

The union's main concerns with respect to Amazon workers are, in summary, as follows: working conditions, occupational health and safety, remuneration and supervision (see more details below).

II. Description and key features

Amazon's first logistics centre in France was set up in 2007 in Saran near Orléans. This is the first Amazon warehouse built before the 2010s. The move started with one site, and the union is now present in 6 of the 8 warehouses. Amazon is, according to the union, a place where mass unionism can be developed,

27 https://www.miroirsocial.com/bip-bip/changement-de-convention-collective-damazon-la-cfdt-reflechit-une-riposte-en-droit-europeen

28 https://code.travail.gouv.fr/convention-collective/16-transports-routiers-et-activites-auxiliaires-du-transport

29 Prior to 2008, Solidaires was not one of the five French employee union confederations benefiting from an irrebuttable presumption of representativeness at national level. The Representativeness Act of 2008 opened up opportunities for development, particularly in the private sector. All trade unions must now meet the criteria set out in article 2121-1 of the French Labor Code. For the record, the representativeness threshold is set at 10% of votes in companies, and 8% at professional branch level. Sud Solidaires is still not a representative union in either the road transport or retail sectors.

30 https://solidaires.org/IMG/pdf/amazon_.pdf?20491/2fc0f841318e36808f79442100f44b279db200df

31 https://www.sudcommercesetservices.org/post/sud-solidaires-amazon-comment-transformer-l-or-en-plomb

considering the big concentration of workers, even if there is a significant proportion of temporary workers. On the Brétigny site there are 250 members, a considerable number. It takes a long time to get workers to join the union, and one of the difficulties in organizing workers lies in the fact that the warehouses are fragmented.

Looking at **actions implemented by Sud Commerces to change working conditions** at Amazon, a major action by the union was conducted at the time of the first COVID-19 lockdown in 2020. In the early days of lockdown, Amazon continued to operate at full capacity, even though all activities were at a standstill. Fears grew that the warehouses would become breeding grounds for the virus at the time, against a backdrop of very scarce information. Sud Commerces, inspired by an action taken by Sud PTT against La Poste, took action against Amazon. The union lodged an application for interim relief with the Nanterre court. It demanded the closure of Amazon's warehouses on the grounds of the ban on gatherings of more than 100 people. On April 14, 2020, the court handed down its ruling and ordered Amazon to restrict its activities to food, medical and hygiene products, under a fine of 1 million euros per day and per infringement observed[32]. Amazon appealed this decision. But on the 24th of April 2020, the Versailles Court of Appeal upheld the decision of the interim relief judge of the Nanterre court[33]. The Versailles Court of Appeal simply extended the catalogue of products authorized for delivery. The authorized catalogue represented approximately 50% of the catalogue. Amazon tried to get around the "blockade" by transiting goods through Germany. The government refused to allow short time working. The trade union obtained wage maintenance for warehouse employees. The result achieved in France had beneficial effects at other sites, even as far away as the United States.

Another very concrete result at the time of COVID-19 was that a certain number of employees made use of what is known as the right of withdrawal. Amazon considered that the right of withdrawal[34] was unjustified and therefore proceeded to withhold wages. Sud Commerces, the CGT and the CFDT Unions took the case to the industrial tribunal. Amazon was obliged not only to regularize the situation of the employees who had taken the matter to the industrial tribunal, but also to acknowledge after the fact that, in the presence of the COVID virus, the employees had been right not to rush to their workstations and to stay at home, as the measures put in place by the company were not protective (no masks, etc.).

Key Job quality dimensions and the union practices:

- **Wages**: this is an important dimension targeted at Amazon by the union, but without success. Amazon has never given in on wages, even when strikes have gained momentum. Amazon claims to pay 20 to 25% above the legal minimum wage (SMIC). In the current context of high inflation, the SMIC has been raised sharply (10% between 2021 and May 2023)[35], but wages at Amazon have not followed suit. As a result, there is a strong feeling of downgrading in the warehouses, which has led to a significant wave of strikes. One of the major difficulties is that strikes are not synchronized between sites. There is always the possibility for Amazon to circumvent the effects of the strike, at both national and European level.

32 https://www.lesechos.fr/economie-france/social/coronavirus-la-justice-impose-a-amazon-de-reduire-drastiquement-son-activite-1194834

33 https://blog.leclubdesjuristes.com/amazon-la-cour-dappel-confirme-mais-allege-le-jugement-de-premiere-instance/ ; https://www.cours-appel.justice.fr/sites/default/files/2020-04/Communiqu%C3%A9%20de%20presse%2024%20avril%202020%20-%20AMAZON_0.pdf

34 Right of withdrawal: when a work situation presents a serious and imminent danger, i.e., an event that may result in serious or fatal illness or accident within a short space of time, the employee must immediately alert the employer and may also leave the workstation or refuse to take up the post without the employer's agreement. https://www.service-public.fr/particuliers/vosdroits/F1136. Labor Code article L4131-1 to L4131-4, L4132-1 to L4132-5.

35 https://www.insee.fr/fr/statistiques/1375188

- **Occupational health and safety**: Working conditions at Amazon are very difficult, with major impacts on health and physical condition. Dramatic cases have been reported (e.g., at the Brétigny site, for example, a 62-year-old temporary worker died of a heart attack on site). The regional federation Sud Commerces Ile de France region runs a legal hotline, which regularly receives employees from the Brétigny warehouse in the Ile de France region. When it comes to health and safety in the workplace, Amazon creates a whole host of obstacles. This is particularly the case when it comes to declaring employees injured in the workplace and ensuring that they receive compensation. Sud Commerces has taken several legal actions to ensure that employees receive compensation. Amazon systematically refuses to practice subrogation, i.e., to advance compensation to employees on sick leave or in the event of a work-related accident, pending reimbursement by the social security system (source: interview with Solidaires Sud Commerces national responsible). This option means that employees do not have to wait 15 days for social security to pay their benefits. Amazon puts a lot of pressure on its employees. By refusing to advance compensation, the company is making it clear that this "must not happen again" (source: interview with Solidaires Sud Commerces national responsible). Some employees find themselves in dramatic situations. This contributes to turnover. In the case of resignations, the company frequently does not pay the balance of all accounts. According to the union, Amazon tries to conceal work-related accidents when people are broken by their work. When they can nevertheless be reclassified, the company makes no particular effort to do so. Occupational medicine recommendations are not fully applied.
- **Surveillance technology**: Work at Amazon is highly standardized and monitored. Employees have to sign in regularly, even when they go to the break room, for example. There has been some controversy about losses and broken items. Major question raised by the union were: What do we do with goods? Should they be destroyed? Do employees have the right to take them home without being accused of theft from company stock? (source: interview with Solidaires Sud Commerces national responsible).

III. Outcomes and commentary

Results of the Sud Commerces' actions at Amazon Frace are mixed. Real progress was made during COVID, with implications that extended well beyond French territory. The union is taking numerous legal actions on occupational health and safety issues. The aim is for the multiplication of judgments to have a long-term impact on company practices. The impact of unions activities is clear in terms of presence at the workplace and working conditions. So far, on the wages front, progress has been much more mixed, with the company benefiting from the fragmentation of its warehouses and the ability to have parcels delivered from warehouses in other countries. Information of the union's activities relating to other dimensions is very difficult to measure. No collective agreement was signed by now with the employer.

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Case Study 3 (Collective bargaining): The Standard Subcontracting Contract: a pro-subcontracting and anti-qualification weapon for e-commerce delivery drivers

I. Context

No collective agreement for e-commerce logistics activities is in place in France, although several trade unions (including the CGT) are arguing in favour of negotiating a specific collective agreement for this sector. As a result, most e-commerce activities come under either the wholesale and retail trade collective agreement[36] or the collective agreement for road transport and ancillary transport activities[37]. Since 2001, distance selling (APE code 47.91) has had a collective agreement. However, this collective agreement mainly covers companies that have been decimated by the arrival of the internet (e.g. Les 3 Suisses, Damart). Given the absence of a specific collective agreement in the e-commerce logistics sector, a case study about the specific standard subcontracting contract is proposed, which has been widely debated and used by companies in the sector, limiting *de facto* collective representation and bargaining.
A specific subcontracting contract exists in France. This standard contract was negotiated by the courier groups in 2001. It protects the principals by considering elements that could be associated with subordination as specific to a specific transport system. This contract is described as an "anti-requalification weapon". Details about the nature of this standard contract can be found in the following section.

Courier services are organised around a network of platforms (Geodis, Chronopost, DPD, La Poste, DHL, Fedex, UPS, Gefco, Heppner, Dachser, Ziegler, DB Shenker, Kuehne and Nagel, Amazon Transport). Urban rounds are carried out from the branches in light commercial vehicles. Specialising in small, frequent shipments. This type of transport organisation is particularly well-suited to just-in-time delivery, relying on a network of agencies (also known as platforms, warehouses, or depots) throughout the country. Local rounds are made from these agencies. This sub-sector generates low (or even negative) profits (Rème-Harnay 2022). Some of the giants, such as Sernam and Mory Ducros, went bankrupt in the wake of the 2008-2009 crisis. They are also at a disadvantage compared with the major retail, e-commerce and industrial groups that are their customers. Courier groups are entirely dependent on demand from their customers, who operate by issuing invitations to tender. The large express delivery groups therefore have a strategy of **intensive use of subcontracting**, encouraged by the protection afforded to them by the standard subcontracting agreement. The sector is indeed characterised by a remarkably high level of subcontracting. An estimate for the Ile de France region gives: 100% for Amazon, 85% for Chronopost, 100% for Colis Privé, 100% for GLS France, 75% for UPS, 100% for DHL, 71% for Geodis, 100% for La Poste (Roissy), 75% for DB Schenker, 100% for Gefco (source interview Pétronille Rème-Harnay). Subcontracting local tours reduces the costs associated with employment contracts (employers' contributions, payment for hours of absence, redundancy costs) and emancipate from the 35-hour working week set by the national collective agreement for road haulage. An actual tour required 45 hours on average for the Ile-de-France region in 2015 (Rème-Harnay, 2018).

Subcontractors are either very small companies (with fewer than 5 employees) or self-employed. Only 10% of delivery drivers are employees of courier groups. 55% of local goods transport companies are micro-enterprises (independent workers). Characteristics of the workforce is poorly covered by statistical surveys. Qualitative surveys show that delivery drivers are predominantly male. Until recently, the average age of delivery drivers was forty. It was therefore an ageing profession. Employees are even older, but among the self-employed, they were already quite old. Recently, we've seen a sharp rejuvenation, in the 20-30 age group. Small subcontractors tend to be male, in their forties, dynamic, keen to do something and build a business.

36 https://www.legifrance.gouv.fr/conv_coll/id/KALICONT000005635085
37 https://code.travail.gouv.fr/convention-collective/16-transports-routiers-et-activites-auxiliaires-du-transport

Because of the existence of this standard contract, **e-commerce logistics subcontractors have virtually no collective representation**. On the **trade union** side, none of the transport federations (FNTR -Fédération Nationale des Transports Routiers, OTRE - Organisation des Transporteurs Routiers Européens, SNTL - Syndicat national des transports légers) have as members self-employed people working alone or companies with fewer than 5 employees. Yet not only is subcontracting increasing in the express delivery sector, but very small companies predominate among subcontractors, and the proportion of self-employed workers is high, particularly at the end of subcontracting chains (see below). However, trade union action is beginning to develop for delivery drivers in e-commerce, whether they are self-employed or not. CGT and Sud are behind a number of disputes at La Poste, for example[38]. Following the death in 2012 of a delivery driver employed by a Chronopost subcontracting company, Sud trade union and the driver's family filed a complaint. At first instance, Chronopost was ordered to pay a fine. In the second instance, the fine was halved. On appeal to the Supreme Court, the case was quashed. Due to the existence of the standard subcontracting contract, there has so far been no court decision. This has helped to annihilate unions' battles and protests of the last twenty years.

II. Description and key features

Nature of the contract:

In the early 2000s, a number of subcontractors, particularly from two major courier groups (Extand (now GLS) and Exapaq (now DPD)), went to court to demand that they be reclassified as employees. Over a period of several years, the cases went through a number of different courts. For fear of these lawsuits, the major courier groups got together with various public bodies (regional directorates for equipment and the interministerial delegation for combating illegal employment) to adopt a standard contract applicable to delivery drivers (annex to decree no. 2001-659 of 19 July 2001, decree no. 2003-1295 of 26 December 2003). This contract applies to public road haulage performed by subcontractors, setting out the rights and obligations of the parties in the subcontracting relationship (Annex IX, Article D3224-3 of the Transport Code).

The contract stipulates that the subcontractor sets his own rates, which he then negotiates each year, that the principal must not impose on his subcontractor the choice of a supplier or type of equipment, or interfere in his financial management, and that the penalties imposed on him must be proportionate, "otherwise the subcontractor would be placing himself in a situation of dependence on the transport operator". In return, the subcontractor waives the right to pass on to the client any default by the client. The principal may request that the subcontractor's personnel and/or equipment wear its colours and brand or those of one of its customers. In the event of breach of contract, no compensation will be paid. The principal may ask the subcontractor to equip itself with geolocation equipment or beacons placed in the middle of the parcels or any other means of detection. Exclusivity clauses are authorised. The fact that subcontractors' vehicles or uniforms are painted in the customer's colours does not constitute grounds for reclassification, even though an exclusivity clause is one of the most important criteria for such a measure.

The contract does not therefore rule out the subcontractor's economic dependence on the principal. In France, however, there are no official thresholds for defining economically dependent workers, unlike in Germany or Spain. Economic dependence cannot therefore be invoked to reclassify a commercial contract as a contract of employment. For the reclassification of the contractual relationship into a labour contract, case law uses three main criteria for subordination.

This framework contract constitutes a considerable obstacle to the protection of e-commerce delivery drivers, as it encourages subcontracting and makes it very difficult to requalify independent subcontrac-

38 https://www.mediapart.fr/journal/economie/120218/la-poste-est-menacee-de-proces-pour-abus-de-sous-traitance

tors, and therefore to conclude collective agreements likely to cover and protect them. This contract has been described as an “anti-requalification weapon” (Tilche, 2015). The use of subcontracting by self-employed workers transfers obligations and responsibilities to subcontractors. This enables courier groups to make savings on holiday pay, employer contributions, redundancy costs, works councils, etc.

The table below (Rème-Harnay 2022) compares the situation of an **employed delivery driver** and a **self-employed driver subcontracted** under a standard subcontracting agreement:

Employee delivery driver	*Independent delivery driver*
1.Accidents at work and illnesses for which the employer is responsible 2.Hourly wage 3.No obligation to achieve results 4.Distribution of tasks: rounds close to the agency/ in Paris/ with few kilometres/ built around the 7-hour working day	1.Accident and health cover provided by the workers themselves 2.Paid at the point of delivery or according to a fixed day rate; Scale of penalties; Unpaid overtime (even in “model” companies) 3.Obligation to achieve results 4.Distribution of tasks: denser rounds, further away, longer
National collective agreement: road transport of goods.[39]	No national collective agreement.

According to a survey carried out in 2015 (Rème-Harnay 2020) among courier subcontractors in the Paris region (50% of self-employed workers), only 10% of them can access freight without going through a courier group. 90% make 100% of their turnover as subcontractors for a transport group. More than half have just one principal, and the average turnover with their main principal is very high: 78%. The average number of principals per subcontractor is only 2.6. This reflects an **economic dependence** that is very unfavourable to subcontractors. This is reflected in the large number of contract terminations, generally decided by the principal. The calls for tender issued by courier groups to subcontractors are regularly renewed over a period that generally varies between 1 and 3 years (much shorter for Amazon’s specific chain).
Regarding **optimisation algorithms** in the delivery driver business, the considerations specified in the previous cases remain valid.
Regarding the environmental impact of the sector, a shift in responsibility from the contractors (large groups) to the subcontractors (small subcontracting transport companies and/or self-employed drivers). As autonomous subcontractors are responsible for purchasing and/or hiring their transport vehicles, the replacement of diesel-powered vehicles with electric vehicles, and/or the deployment of autonomous electric vehicles, are being seriously undermined by the subcontracting chain, which relies on weakened players who do not dispose of the resources to replace old vehicles with a negative environmental impact.

III. Outcomes and commentary

Due to widespread use of the standard subcontracting contract, the e-commerce logistics subcontractors have virtually no collective representation, and no collective agreement is in place covering this workforce. The trend is not positive: against a backdrop of very high levels of subcontracting, encouraged by the protection afforded to large courier groups by the standard subcontracting agreement, working conditions are set to deteriorate sharply with the development of artificial intelligence and route optimisation software.

Alternatives to the standard subcontracting contract have been proposed, for example:

39 https://www.legifrance.gouv.fr/conv_coll/id/KALICONT000005635624

Redefining economic dependence

There are proposals to redefine the criterion of economic dependence (Rème-Harnay 2023). In case law, only the criterion of substitutability has been used to define economic dependence, i.e., the impossibility for a customer or supplier to find another equivalent customer or supplier. In the case of courier services, a subcontractor's ability to multiply its partners is limited by certain clauses in the standard contract. For example, the use of the subcontractor's personnel or equipment by the principal may prevent substitutability between principals. The subcontractor's ability to multiply the number of principals is limited by the practical incompatibility of routes. It is possible to adopt another definition of substitutability, based on the subcontractor's ability to multiply the number of principals. Three criteria can be used: general dependence (the obligatory role of intermediaries), the concentration of trade flows (the proportion of turnover accounted for by the main contractor) and essentiality (the number of contractors per subcontractor).

Public action in favour of subcontractors

A new mechanism that can replace the abuse of economic dependence is also available. It is called "significant imbalance". This is a collective concept, whereas abuse of dependence is individual. Another avenue lies in the reform of the Labour Code. Marie-Anne Dujarier (2018) proposes introducing the concept of "working under the dependence of others". Dependent and subordinate workers could then be described as outsourced employees for whom the principals would be considered as employers. Trade unions also use the concept of "co-employment". This makes it possible to consider that a subcontractor's employer is not only his boss, but also the principal. Even if this option is very interesting, it remains applicable to employees only.

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5. National Case Studies – Germany

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Case Study 1 (Business model): Amazon Germany business model

I. Context

Amazon is the most important player of the expanding e-commerce industry in Germany.
The company currently is number four among the ten biggest companies of the world in terms of sales and market value. Germany is the most important foreign market for Amazon with a share of total sales of 6.5% in 2022. At the same time, **Amazon is by far the biggest e-commerce company and the market leader in Germany** with a market share of approximately 50%. In 2020, the company became the largest US-firm in Germany (Fuchs et al. 2021). The COVID-19 pandemic has boosted sales and profits at Amazon. Comparing the first quarters of 2021 and 2022, sales rose by 44% and profits even tripled in that period (Der Spiegel 2022). At this time, Amazon announced plans to build up new fulfilment and distribution centres in Germany with around 3.000 employees. In 2022, around 28.000 employees were employed by Amazon in Germany.
E-commerce is a subsector of the retail industry, which is with around 3.17 million **employees** one of the most important industries in Germany in terms of employment. The retail sector is characterised by a high share of part-time employment of about 56%. Approximately 815.000 employees in the sector are marginal part-time workers. The share of temporary employment is about 6.7%, which is in line with the average of the German economy. Temporary agency work only has a share of 0.7%, about half of the German average. In contrast, the share of female employment with 68% is much above the national average (Handelsverband Deutschland 2023a).
Within the retail sector, the subsector of e-commerce plays an increasingly significant role. Market shares of e-commerce firms within the retail sector have increased from 0.4% in 2001 to 13.4% in 2022. At the peak of the **COVID-19 pandemic** in 2021, the market share of e-commerce even has risen to 14.7%, from 10.8% in the pre-COVID year 2019 (Handelsverband Deutschland 2023b). The share of employment in e-commerce is lower; about 220.000 employees – 7% of the workforce – of the retail sector were employed in e-commerce firms in 2022. E-commerce is less labour-intensive than the stationary retail business.
At the same time, **qualification structures** of the employees between stationary retail and e-commerce differ significantly. Whereas in traditional retail 18% of the employees are low qualified, 72% are skilled workers and 10% are high qualified, in the e-commerce sector the structure of qualification is much more polarised with 37% unskilled workers, 41% skilled workers and 22% high skilled workers (Fuchs et al. 2023). This structure of qualification reflects the separation of physical treatment of goods, which takes place in logistic centres with a higher share of low qualified work, and the interactive selling, which takes place online where goods are presented and sold based on high advanced IT-programs (Apicella 2021).

II. Description and key features

E-commerce is Amazon's core business field. It is based on three different pillars: firstly, **Amazon retail**, where Amazon sells and delivers products as a retailer; secondly, **Amazon marketplace**, where Amazon offers the placement of goods on its website for other retailers against charges; and, finally, **Amazon Prime**, where customers can become members for a fee and get special offers – films, music or the promise of fast delivery of products within 24 hours.

Amazon has more than one hundred establishments in Germany which are structured along the value chain of e-commerce and show a **growing vertical integration of the company** (Fuchs et al. 2021):

- The Munich headquarter with the corporate office and support functions;
- Five R and D centres – TechHubs – that develop software and hardware both for the platform and for Amazon products;
- Two service centres for customer enquiries with call centres included;
- A central logistics centre – Inbound Cross Dock – in Dortmund, where goods are distributed among all the logistic centres in Germany and parts of Europe;
- About 18 – the number is in flux because of the expansion of the company – fulfilment centres in which goods are stored and orders are processed;
- Five sorting centres in which orders are sorted according to their final destination and loaded on vehicles in order to speed up delivery;
- Around 76 distribution centres mainly in urban regions where orders are prepared to be delivered on the "last mile". Goods are distributed directly on vehicles after they have been delivered to the centres, there is no storage of goods on this level.

The **fulfilment centres** with between around 800 to 2.000 employees each are much bigger than the sorting and distribution centres, the former with 400 to 600, the latter with about 150 to 200 employees. However, all types of centres are organised as legal autonomous entities in the form of limited liability companies. This is why Amazon states that it is does not form a corporate group in Germany.

Sorting and distribution centres have been established only since 2019 when Amazon started to increase vertical integration and to organise delivery on the "last mile" to the customer. This process was driven by the promise of 24-hours delivery for its prime customers and the goal to guarantee fast delivery.

Vertical integration also included parcel delivery. Delivery to and from the fulfilment centres is carried out by big parcel delivery and logistics specialists like DHL or Hermes. Delivery from the distribution centres in urban regions, however, is organised according to a new concept, the delivery service partners. Delivery service partners are networks of small parcel delivery firms with about five to 40 employees which cluster around one distribution centre. In most cases, these firms operate for Amazon only, based on contracts with a duration of one year. That is why Amazon has some control over the capacity planning within the network; delivery by these firms follows the flow of goods set by Amazon. At the same time Amazon keeps the performance pressure on the firms on a high level as contracts have to be renewed every year. The **delivery firms** within these networks **are integrated in two forms**. In the first and older form, the delivery firms operate with their own personnel – be it permanent employment, temporary employment or temp agency workers – and their own vehicles; in the second form, which is newer and step by step replacing the former one, they rent vehicles from Amazon. This strengthens the already close relationships between them and Amazon. However, the advantages for Amazon to still outsource these activities and not to take over the delivery might be less administrative and management work in an unknown terrain on the one hand and, on the other hand, the shift of risks to the subcontractors to achieve costs targets given by Amazon and the opportunity to further reduce costs because of lower wage levels of the suppliers.

However, the majority of workers is employed in the fulfilment centres. These – as well as the delivery centres – have flat hierarchies with several levels which at the same time are forming the wage levels: level

one composed of employees executing simple tasks; level two – which is mostly empty – of employees higher potential; level three of foremen supervising work and of qualified employees like technicians or commercial employees caring for technical or administrative tasks; and levels four to six IT-specialists and management from department to the head of centre management. Within the centres, there are four main areas of activities coping with the flow and storage of goods: receiving the incoming goods; stowing the goods in the warehouses; picking them from the warehouse in case they are ordered; and packing them so that they can be delivered to the customers by vehicles.
These activities are organised in the form of simple tasks with advanced forms of digital support and control, a combination that has been labelled in the debate as "**digital Taylorism**" (Staab/Nachtwey 2016). Simple tasks go along with a high degree of division of labour and repetitive work that is, at the same time, physically demanding. The workers work in teams, however, without being integrated in teamwork but working alone for most of the time; the teams are organisational units headed by a superior that is informing, motivating and controlling the team (Schulten 2022).
Standardisation is complemented by **automation**. In the areas of stowing and picking, employees have to use hand-scanners which inform them – via symbols and in different languages – what to do next and guide them to the right places to stow or pick the goods, showing them the shortest ways to get there. The employees have to register at each station digitally with their badges so that the flow of work is represented digitally. Stowing is chaotic; only the technical system knows where to find the respective goods. However, the goods are classified by the technical system according to their form, size and volume so that they can be stowed and picked in an optimal way. Different from stowing and picking is packing, which takes place at assembly lines. Employees get more or less uniform performance standards; in a case illustrated by Apicella (2021), pickers have to move 150 goods per hour and packers have to pack 400 parcels per hour. At the same time, the company tries to increase the level of automation, especially in the area of stowing and picking. Under the label **Amazon Robotics**, robots have been developed which stow and pick goods after they have been loaded or unloaded by employees. Automation works well with standardised and smaller goods. This is why Amazon has specialised the fulfilment centres and divided them into those storing and processing standardised goods and those dealing with heavy or oversized goods, with Amazon Robotics installed in the former centres.
Digital support at the same time is used as an **instrument of digital control**. By digital devices, badges and scanners, the work process of the employee can be controlled and breaks, talks or toilet visits can be monitored in the same way as the performance in terms of the number of goods stowed, picked or packed. Failures to meet the standards can be sanctioned in feedback-talks with the superiors comparing target numbers and real performance. Studies report that labour turnover and sickness rates are high (Schulten 2022).

However, the high share of simple tasks has effects on the **HR strategy of Amazon**. In general, there are three categories of workers in the areas of low qualified work. The first category are temporary workers; all workers in these areas are hired on the base of temporary contracts. That is why Amazon has placed many of its fulfilment centres in regions with high unemployment where workers are willing to agree on temporary contracts. After two years, these contracts have to be converted into permanent contracts for legal reasons. Hence, the share of employees with permanent jobs is higher, the older the fulfilment centre. These workers with permanent contracts form the second category of workers. A third category, finally, are seasonal workers who are employed mainly before Christmas time, from October or later until the end of December, on temporary contracts with very short contract terms. Deviating from the practices of the retail sector, the share of part-time work is low, and marginal part-time is nearly absent. The employment shares of women and men seem to be balanced, so that the share of women is lower than in the retail industry as a whole.

As unemployment levels have decreased in the last years, Amazon has started efforts to recruit migrant workers and workers with disabilities on a larger scale. The company advertises with cultural diversity and with offering career perspectives regardless of the origin of workers. That is why the share of migrant workers in the fulfilment centres is reported to be high (Apicella 2021). However, this tendency is much more pronounced in the distribution centres. For these, shares of 80% of migrant workers or more are reported in the interviews. The attractiveness of migrant workers is increased by the fact that German language skills are not required for the labour process as the tasks can easily be understood and the work is guided by digital equipment which is working with symbols and in different languages.

As reported in the interviews, employment in the distribution centres is characterised by a mix of contractual forms. As one of the interviewees stated with respect to one of the centres, workers work – in more or less equal shares – with temporary contracts, permanent contracts and, deviating from the practices in fulfilment centres, as temp agency workers, which is another pool of recruitment. However, the continuous influx of workers willing to accept work and working conditions seems to be a precondition for the sustainability of Amazon's model of digital Taylorism.

With regard to investments in **environmental sustainability**, in 2019, Amazon has signed, together with other companies, the "Climate Pledge" on ecological sustainability. The pledge includes goals like to build all activities to 100% on renewable energy from 2025 onwards, to deliver all orders carbon free with a milestone of 50% reached in 2030; to organise all activities carbon free from 2040 onwards; to buy 100.000 electrical vehicles for its vehicle fleet; and to invest in climate funds. This includes the improvement of ecological efficiency in the server and computer capacities of Amazon Web Service. According to the company, ecological sustainability has to be accompanied by social sustainability. Integration and Diversity in terms of gender or ethnicity are the core goals described by the company, coupled with efforts to improve organisational health and safety and to control social sustainability in the supplier networks (Amazon 2020).

III. Outcomes and commentary

E-commerce is a growing segment of the retail sector in Germany. The COVID-19 pandemic has accelerated this development. However, today it seems to be difficult to foresee the future perspectives of growth of the segment; further growth seems to be possible as well as a consolidation path with only minor increases of the volume of sales. Nevertheless, e-commerce with Amazon as the market leader has changed the structure of the industry in profound ways: by separating online sales interactions from the flow of goods; by reorganising the process of delivery; by developing new models of the labour process; and by changing the structure of employment in the sector.

Amazon is a trendsetter in all these respects, based on a new business model of platform commerce combined with new forms of customer relationships like Amazon prime. These customer relationships have, at the same time, motivated the company to increase vertical integration and to organise the "last mile" to the customer itself.

Amazon's business model is going along with profound changes in the way delivery is organised in Amazon's main logistic plants, the fulfilment centres. Digital Taylorism combines repetitive and simple – but at the same time physically demanding – tasks with digital guidance and digital performance control. Additionally, automation is increasingly gaining ground in parcel stowing and picking.

This model of the labour process is connected with **precarious forms of employment** like temporary employment, both based on longer contract terms for regular activities and on very low durations of contract terms in seasonal work. In the delivery centres also temp agency work seems to play an important role. Precarity is mitigated by the fact that temporary employment in the areas of regular activities is converted into permanent contracts after a certain period of time. However, this does not apply to workers in the delivery networks Amazon has created to organise delivery. These workers are employed by small subcontractors in precarious employment forms.

Amazon's business model is based on a **continuous influx of employees** due to market expansion, working conditions and labour turnover. However, the strategy to locate establishments in areas of high unemployment does not work any longer since unemployment rates decrease. That is why the company tries to attract new groups of workers like migrant workers and workers with disabilities. High shares of migrant workers in the distribution centres indicate that this strategy is quite successful, and Amazon was able to position itself as an attractive employer for people who are looking for first entry jobs or have little German language competencies.

However, it seems to be an **open question** whether this strategy remains successful under conditions of a possible further tightening of the labour market, which would increase the competition between firms to recruit workers. Such a competition could force the company to rethink its HR strategy and to improve working conditions in order to compete successfully for workers. Further automation might relieve this pressure as far as it goes, reducing at least partly the need for new recruitments of personnel. Another factor still to be explored is trade union pressure on improvements in working conditions; this factor will be analysed in the following case studies.

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Three guideline-based interviews with trade union organisers and experts.

Case Study 2 (Union practices): Ver.di Trade Unions' strategies at Amazon Germany

I. Context

Trade union practices at Amazon Germany are characterised by conflicts of recognition and the attempt of the trade union to organise members and to institutionalise trade union structures within the company. **The trade union responsible for Amazon is Ver.di**, which organises members in the sector of private and public services. Ver.di was established in 2001 by a merger of five different service sector unions. It is member of the German Trade Union Federation as the by far most important umbrella association of trade unions in Germany; the member trade union members are characterised by organisational domains along industry structures and a lack of explicit religious or political orientations. Ver.di today has about 1.9 Mio. members of whom more than 50% are women due to the higher share of female employees in the service sector. The trade union structure is dominated by regional units – the Landesbezirke – with local subunits – the Bezirke – and functional units – the Fachbereiche – which represent different industries within the service sector like financial services or public services.
Amazon as an e-commerce company falls within Ver.di's organisational domain. However, there are two different Fachbereiche which are responsible for Amazon. The retail part of Amazon's business with the fulfilment centres as most important units in terms of employment is organised by the Fachbereich "Retail" responsible for the retail sector, whereas the logistics part of Amazon, the sorting centres and the distributions centres as well as Amazon's logistic supplier network, are organised by the Fachbereich "Postal Services, Transport and Logistics". As Amazon's logistics activities started much later than its commercial activities, it was the Fachbereich "Retail" which for a long time organised the activities of the trade union concerning Amazon. The Fachbereich "Transport and Logistics" entered only in 2020 after Amazon has built up its first storing and distribution centres and developed its new logistics strategy.
Labour relations at Amazon are rather **conflictual** and characterised by a company strategy which can be labelled as "smart union busting". This strategy aims to avoid the recognition of the trade union and to undermine its presence at the workplace, based on campaigns, disadvantages for trade union activists and the fragmentation of works councils.

The **impact of COVID-19** on trade union activities is ambivalent. On the one hand, there are no long-term effects on labour relations related to COVID-19. Ver.di's strategies in terms of organising and collective bargaining have not been affected directly by the pandemic and are marked by continuity (Kassem 2022). On the other hand, however, the trade union was facing limitations to organise strikes and to communicate with the workforce due to legal contact restrictions. Moreover, the pandemic has been an issue of labour disputes at Amazon. According to Ver.di, Amazon has been reluctant to implement adequate measures of infection protection. In a brochure on the topic, the trade union stated that 300 of the 1,800 employees at the fulfilment centre near Augsburg have been infected by COVID 19, whereas in the fulfilment centre in Koblenz the whole night shift had to be quarantined because of the high number of infected employees (Verdi 2020). At the same time, the company worldwide benefited strongly from the pandemic and the shutdowns with an increase in sales of about than 40% and a triplication of returns.
From Ver.di's point of view, these failures in organisational health and safety are symptomatic for a lack of sustainability at Amazon. The trade union takes a critical look at the sustainability activities of the company questions the seriousness of the efforts and complains about vehicle fleets, energy intensive servers, the destruction of returned goods and the support of oil and gas companies to explore new reserves (Ver.di 2022). At the same time, the trade union criticises the use of digital technologies for performance controls of employees. At the fulfilment centres in Frankenthal and Kaiserslautern the trade union started a campaign in summer 2023 which is headed with the title "we are no robots". In this campaign, Ver.di complains about the application of psychological pressure on employees by confronting employees with

digital performance data in personnel interviews with superiors (Verdi 2023).
Campaigns like this are core measures on the way to unionise the workforce and to develop associational and institutional power at Amazon which are important goals for the trade union because of the relevance of Amazon within the e-commerce and the retail sector in terms of market shares and employment. At the same time, the activities at Amazon have an important symbolic function for the trade union as a sign to stop the downward trend of trade union associational power within the retail industry, to show the ability to unionise a company which does not accept trade unions and to strengthen collective bargaining which suffered from a rapid decline in coverage in the last two decades.

II. Description and key features

Trade union activities at Amazon started in 2011. At that time, it was a decentral initiative by the regional Landesbezirk of Ver.di in the German Federal State of Hesse. The Landesbezirk decided to start an organising project at the Amazon fulfilment centre in Bad Hersfeld, which was the first fulfilment centre opened by Amazon in Germany at the end of the 1990s. The fulfilment centre – in fact two centres, because Amazon established a second centre in Bad Hersfeld some years later – had around 2500 to 3000 employees at that time. Ver.di installed two project secretaries for two years to initiate and support the process of organising.
At the start, the organisers faced several **difficulties** (Schulten 2022): firstly, the workforce was unorganised to a large extend except a rather small group of trade union members, and the works council, which was elected several years before, neither represented the trade union nor showed willingness to support the organising project. Secondly, the organisers knew little about the workforce, the labour process and potential grievances of the employees. And thirdly, the reaction of the company on the organising project was difficult to foresee.
At the beginning, the two organisers have been little successful to identify grievances of employees and to arouse interest for the trade union, not at least because their canteen talks in the fulfilment centres were supervised by superiors. The organisers then changed their strategy and started to contact employees at the entry gates of the fulfilment centres. At that time the presence of the organisers was accepted by the company.
The organisers also managed to develop more intense relationships with the works councils, based on the fact that the works councils benefited from the professional expertise of the organisers who were able to help the works councils by giving advice and support. This was important, because the institutionalised power of the works council offered the possibility to give talks on the works meetings of the works council which take place four times a year in front of management and the whole workforce (in different shifts). In this way, the organisers had the opportunity to present themselves and the strategies and advantages of the trade union to a wider audience of employees.
The attempts of the organisers have been rather successful. Within the two years of the organising project, about 650 of the about 2000 employees of the fulfilment centres became members of the trade union, another 400 employees joined the trade union in the year after. Moreover, the organisers could establish a circle of activists who tried to develop issues and strategies on their own. After the end of the project, these activists took the responsibility and continued to represent the trade union. Afterwards, the activists organised elections for shop stewards – Vertrauensleute – as official representation of the trade union members in the establishment. About forty employees became active as shop stewards.

However, the activists and, later, the shop stewards faced some challenges (Schulten 2022). Firstly, they had to develop competencies to be visible on the shop floor, to be able to offer advice to the union members and to be recognised by management. Secondly, when the strike movement started in 2013, the activists had to be able to manage and organise the strikes; thirdly, they had to enter networking with oth-

er activists from other fulfilment centres; and fourthly they had to organise campaigns on the shop floor during the elections of works councils which use to take place every four years. In the elections of 2018, the Ver.di list for the first time became the strongest among the competing lists. Recruitment numbers for trade union membership went down significantly after the first years of organising. However, trade union density in the establishment remained more or less stable until today. The reason is that most of the employees today have permanent contracts and, therefore, the level of fluctuation of the workforce is low.
When the development in Bad Hersfeld proved to be successful, Ver.di started organising campaigns in other fulfilment centres of Amazon like in Leipzig (Bartels 2023). In these later cases, the organising efforts were coordinated and supported in terms of resources by the trade union headquarter. Until today, trade union structures could be established in 10 of the current 18 fulfilment centres. This is why the trade union in these centres is able to conduct strikes for collective bargaining agreements. However, keeping pace with the growing number of fulfilment centres seems to be one of the most important challenges for Ver.di`s organising strategy, as resources of organisers have to be provided continuously.
Another major challenge for the trade union was and still is the **low unionisation of works councils in the fulfilment centres**. Up to now, Ver.di was able to organise the majority of the works councils or even the list with the highest share of votes only in a small number of cases. In most of the works councils, many lists coexist with no clear majority, among them in many cases also company friendly lists. This fragmentation of works council committees makes it much more difficult to develop common strategies and a common stand vis-á-vis the employer. At the same time, a distance in terms of orientations and strategies exist between the works councils and the Ver.di shop stewards in many cases. Moreover, because of the legal organisation of the fulfilment centres as limited liability companies, there is no legal basis to install a general works council which would be a common representation of the single works council committees at the level of the company.
The distribution and service centres Amazon founded to better control the "last mile" of delivery to the "Prime" customers are facing a very different situation. Today five service centres and 76 distribution centres exist. As Amazon started this strategy first in 2016, these centres are newer than many of the fulfilment centres, they are much smaller, and the workforce is much more heterogeneous in terms of nationalities and employment status. Service centres have about 400 to 500 employees, distribution centres about 100 to 200 employees. As it was reported in one of our interviews from a distribution centre in Berlin-Mariendorf, the share of migrants in the first generation among the workforce is about 80% or higher; about one third of the employees has permanent or temporary contracts or is hired from temp agencies respectively.

Ver.di has started an organising process for service and distribution centres recently in two Landesbezirken, in Berlin and Lower Saxony. In each of these Landesbezirke, one project secretary was installed to start organising in the service and distribution centres of Amazon. Organising was aggravated by the employment structure, as it has proven to be very difficult – an experience made already in the fulfilment centres – to organise temporary workers and, moreover, temporary agency workers because workers with precarious contracts worry about being replaced easily. Additionally, the high share of migrant workers aggravates these problems as it is more difficult for the organisers to communicate with them and to explain the German system of labour relations and to argue for the advantages of a trade union membership. In this situation, contact to employees who were able to act as multipliers and to translate and communicate with the workers in their native languages has proven to be a key to successful organising under these conditions. At the same time, these multipliers might be part of in ethnic communal or regional networks in which employees from other Amazon centres might integrate, which would give the organisers an entrance to these centres as well. Moreover, Ver.di usually translates flyers and notices in several languages. Despite these challenges, in both Landesbezirken the organising strategy achieved some success. In both regions one service centre could be organised, including the election of works councils and a majority of the trade union list within them. According to the expert interviews, about two or three other service centres in each region are close to starting the process of works council elections. The precondition the organisers have is that before starting the elections the trade union density should have passed a threshold of 30% as then a victory of the trade union in the elections seems to be feasible. However, there have also been cases in which employees asked Ver.di to help to organise elections for works councils; in these cases, the trade union made use of this opportunity to become an active player in the respective centre and tried to organise the works councils and the workers in a second step.

These practices serve as a **model for other Landesbezirke** of Ver.di. Following the model, in regions like North-Rhine Westphalia or Bavaria project secretaries are installed currently in order to start organising within Amazon's service and distribution centres. However, taking into account the sheer number of service and distribution centres, one additional secretary per region seems to be a rather modest investment of the union. This reluctance could be related to the fact that the strike movement within the company has not been successful in the last 10 years.

Anyway, **organising efforts are not extended to the activities of parcel delivery organised by subcontracting companies.** These companies with about 10 to 40 employees each are too small, the share of migrant workers is even higher than in the delivery centres, and the economic pressures enormous, as each of the subcontractor companies could be easily replaced by another in case, they do not fit with Amazon's expectations any longer.

Trade union activities are impeded by what has been called the "smart union busting" strategy of Amazon (Schulten 2022). This strategy is based on several elements which, in combination, are an important reason for the limits the trade union activities are facing in the company. Firstly, the company embraces the works councils in the fulfilment centres in the sense that it motivates employees to install works councils and, at the same time, to organise their own lists so that many lists compete in the elections and no list is able to win a majority. The consequence is a full coverage of works councils in the fulfilment centres which are, in most cases, internally fragmented. Secondly Amazon seems to be reluctant to give the works councils the information on economic or social affairs which is obligatory according to the works constitution act. Thirdly, Amazon developed counter-campaigns like "Pro Amazon" which was to create the impression of Amazon being a good and successful employer, in contrast to Ver.di's emphasis on negative aspects; and fourthly, activists and shop stewards of Ver.di are facing disadvantages in terms of work and career perspectives, like being allocated to the area of picking of goods which is usually not very popular among the employees.

The company strategy to embrace works councils does not extend to the smaller service and distribution centres. Here the company does not support the establishment of works councils actively. One of the reasons here is that, as it was assumed in the expert interviews, these centres are much smaller than the fulfilment centres and that therefore the capacities of management to cope with works councils are much less advanced, so that management does not support the establishment of works councils. Furthermore, it would be, because of the employment structures, much more improbable that employees would develop initiatives to establish works councils on their own, so that management has less incentives to become proactive.

III. Outcomes and commentary

Ver.di's activities at Amazon have developed in a **hostile environment**, because the company does not accept trade unions as bargaining parties and tries to weaken trade union representation in its establishments. The company follows a strategy of "smart union busting", based on individual disadvantages for active unionists in terms of work and career perspectives, on fragmenting works council structures by supporting a plurality of lists of candidates, and on refusing to negotiate with the trade union on collective bargaining issues.

Given this, **trade union activities have been successful at least partly**. This refers to the organising strategy of the trade union, which managed to build up trade union activists and trade union structures and, at the same time, to increase trade union density on a stable level of 20 to 40% in several fulfilment centres. Organising has proven to be more successful the older the fulfilment centres are. The reason is that in these centres the share of permanent employees is higher, and these employees are much easier to organise than employees with precarious labour contracts.

Moreover, the trade union achieved first successes in the new area of service and distribution centres which are even more complicated to organise. Here, the share of precarious workers is higher as well as the share of migrant workers which are more difficult to attract because of language barriers and cultural heterogeneity. Nevertheless, the trade union managed to organise workers, to initiate works council elections and to win a majority of seats within the works councils. These successes motivated the trade union to invest in a more encompassing organising strategy. However, parcel delivery workers working for small delivery subcontractors are not included in this strategy, because they work on a precarious base, the companies are very small and the share of first-generation migrants is close to 100%, which makes organisation perspectives uncertain.

In many fulfilment centres, the trade union did not manage to become the list with the most votes or even the majority list within the works councils. This is why worker representation by works councils and by the trade union is only weakly linked. The works councils are said to be rather "company friendly"; however, some of them succeeded in making agreements to improve working conditions for instance concerning issues of digital control of work.

In general, whereas in the service and the distribution centres new dynamics of organising seem to develop, in the fulfilment centres union activities seem to be at a stalemate, with rather stable trade union structures on the one and little progress to colonise works councils on the other hand. Moreover, here the organising activities of the trade union are facing the problem to keep pace with the expansion of the company and the establishment of new fulfilment centres.

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Three guideline-based interviews with trade union organisers and experts

Case Study 3 (Collective bargaining): Ver.di Trade Unions' campaign for collective bargaining at Amazon Germany

I. Context

The development of collective bargaining at Amazon takes place against the background of a substantial erosion of collective bargaining in Germany's retail sector. Until the end of the 1990s, collective bargaining agreements in the sector used to be declared generally binding by the Federal Ministry of Labour. Therefore, collective bargaining coverage in the sector was about 100% in this period. From the middle of the 1990s onwards, however, the employers' associations – there were two at that time in the sector organising different companies – wanted to get rid of the general binding effect and implemented so called associations without collective bargaining coverage ("OT-associations") which were to organise companies that receive the services of the employers' associations but were no longer obliged to adopt collective bargaining agreements (Haipeter 2016). As many companies, also some bigger retailers, joined these new associations, the share of employees covered by collective agreements in organised companies decreased rapidly and fell under the threshold of 50%, which was a legal precondition for the Federal Labour Ministry to declare the agreements of the sector generally binding.

After the Labour Ministry stopped the declarations in 1999, the decline of collective bargaining coverage continued rapidly to about 28% in 2021 (Ellguth/Kohaut 2022). Based on these figures, **the retail sector is one of the sectors with the weakest collective bargaining coverage in the German economy.** Apart from the initiatives of the employers and their associations, Ver.di as the responsible trade union has proven to be too weak to force companies to remain in or to get back to collective bargaining coverage. There are no exact figures of union density in the sector; according to estimations the figure might be around 10% or below.

The weakness of both actors of collective bargaining – which is self-imposed in case of the employers' associations – did also contribute to blockages of reforms of the collective bargaining processes and structures. In terms of processes, it can be said that negotiating compromises for wage agreements seems to be increasingly difficult, leading to long and conflictual periods of negotiations. In terms of structures, the collective bargaining actors up to now failed to negotiate a new wage framework agreement, which was announced as a big reform project more than a decade ago. Conflicts about how to classify certain activities like cashiers in the wage groups have proven to be insolvable (Haipeter 2017).

The development of e-commerce seems to aggravate the decline of collective bargaining. Collective bargaining coverage in this new segment of the retail sector is even weaker than in the rest of the industry; the only bigger player covered by collective bargaining is Otto which has a long tradition as a mail order company. In this context, **Ver.di's campaign for collective bargaining at Amazon was regarded as a symbol for the capability of the trade union to re-strengthen collective bargaining and to enter the new segment of e-commerce**.

II. Description and key features

Ver.di started its **campaign for collective bargaining agreements** at Amazon in 2013, two years after the start of the organising campaign. The goal was to get the company to recognize the collective bargaining agreements of the retail sector. These agreements are negotiated within the regions of the Landesbezirke. The wage increases are the same in all these agreements, however, there are some differences in working time regulations and the structure of wage groups which might lead to different wages for the same work in the different regions. The recognition of collective agreements would mean, therefore, that the respective establishments of the company would adopt the collective agreement of the respective regions where they are located.

The process started with negotiations between Ver.di and the Amazon company management in Germany. However, the company soon stopped the negotiations and refused to continue the talks with Ver.di. As a consequence, this meant that the company was no longer willing to recognise Ver.di as a partner in collective bargaining. Ver.di's answer in spring 2014 was to start **strike activities** in those fulfilment centres in which the organising process was on the way and where a solid membership base has already been achieved like in the Bad Hersfeld establishment.

The **focus** of mobilisation for strikes was on the **wage issue**. Ver.di presented comparative data to show the wage differentials between the wages paid by Amazon and the wage levels of the collective bargaining agreements of the retail sector which amounted to, depending on the wage groups and shift, several hundred Euros per month. However, the strikes did not motivate the company to move back to the bargaining table. In this situation Ver.di decided to continue strike activities. Strikes were scheduled several times a year in periods of high demand like Eastern, Black Friday or Christmas time.

At the Bad Hersfeld Fulfilment Centre, in the years 2013 to 2019 strikes took place between 18 and 43 days a year, and about 500 employees on average participated in the strike activities (Schulten 2022). These data show a rather stable support for strikes despite the fact that the goal of re-starting negotiations could not be achieved as this was denied by Amazon. At the same time, Schulten (2022) observed a growing gap between the strikes oriented on wage demands and the grievances expressed by the employees which, according to a Ver.di survey among employees from 2016, focused much more on working conditions like insufficient recovery times, problems of respect in the relationships with the superiors, insufficient career perspectives or monotonous work. In 2017, Ver.di reacted to these results and developed a **new demand**, the negotiation of a collective bargaining agreement on **health issues** which should include regulations on health protection (Verdi 2017). **Amazon's reaction** to the strike strategy of the trade union was built on three measures:

- The first measure was to increase wages faster than before the strikes. Between 2011 and 2019 the basic wage or "Level 1", which is composed of employees doing simple tasks, was increased by 21% (Schulten 2022). Moreover, in 2013 a Christmas payment of 400 Euro was introduced for this wage group. Based on these wage increases Amazon argued since then that the wage levels are oriented on the collective bargaining agreements for the logistics sector – which are also agreed by Ver.di with the logistics company and which defines wage levels below those of the agreements for the retail. This interpretation triggered a dispute about the question whether Amazon is a retail or a logistics company. At the same time, Amazon argued that a collective bargaining agreement is not needed, whereas Ver.di argued that the wage increases were an indirect effect of the strikes.
- A second measure by the company was the initiative "Pro Amazon" which aimed at strengthening the identification of the employees with the company. The company distributed T-shirt with the slogan Pro Amazon, Pro-Amazon groups made statements in social media and employees declared their distance to the strikes officially (Schulten 2022). Although this was a temporary phenomenon in the early phase of the strikes, it showed that there is a division between Amazon workers according to their willingness to engage in conflicts.
- Finally, the company developed measures to cope with the effects of strikes by shifting orders within and between fulfilment centres. During strikes, orders were replaced to fulfilment centres where no strike actions took place, either within Germany or also to centres in other countries near the German

border. At the same time, Amazon was able to replace workers on strike within the fulfilment centres by shifting workers within the centres to areas on strike or by new recruitment of temporary employment. This is possible because delivery from the centre is not time-critical so that longer delivery times were acceptable.

The countermeasures by Amazon have proven to be effective in the sense that the **strikes did not produce an economic threat on the company.** Given this, the strikes have developed in a routinised and, according to one of the interviewees, ritualised way as minority strikes without having the perspective to force the company to negotiate with the trade union. This raises the question of the strike motivation and willingness of employees. A survey among employees at the fulfilment centres in Leipzig and Rheinberg from 2014 (Leipzig) and 2016 (Rheinberg) revealed that the motivation to strike depended on the contractual status of the workers with permanent employees showing a higher motivation to strike, on the trust in the trade union, on the individual perception of stress and control and, finally, on the desire to have a say and to strengthen participation (Apicella 2021).

Today, according to the statements of the experts interviewed, Ver.di is ready to strike in about 10 of the 18 fulfilment centres. The situation is different at the service and distribution centres; here, strikes as an instrument to enforce collective bargaining agreements are future options only that could become relevant if the organising process just started will be successful. The preconditions for this are different from those in the fulfilment centres as was argued in the expert interviews. On the one hand, the higher share of temporary workers might reduce the willingness to strike, and also the higher share of migrant workers without language competencies in German might be an obstacle. On the other hand, the potential to disrupt processes and to produce negative economic effects for the company could be higher. The reason is that no storage is taking place in the distribution centres and that the handling of goods is time-critical, as Amazon promises to deliver them within one day to its Prime-customers. A strike would disrupt the logistic process immediately. However, even if the union would be able to develop a readiness to strike, an open question will be the definition of goals. Besides the recognition of the agreements of the retail sectors, other goals could be a unitary collective agreement for the company or local agreements negotiated on a more decentral level.

However, **collective bargaining is not considered as an option for the parcel delivery activities outsourced to the networks of small delivery companies**. The employees in these companies are assessed as difficult to organise as they work in very small companies, have precarious contracts and are overwhelmingly migrant workers with little German language competencies. Without organising, labour conflicts are impossible to conduct. Hence, Ver.di has developed **another strategy** which focuses on changing the legal conditions of work. This strategy is based on a **political campaign addressed to the Federal Government and the government of the Federal States**, which is labelled "fair delivered instead of being at the mercy".

The central idea of the campaign is to decree a new law which is to complement and extend an already existing law to protect parcel couriers from 2019, in which subcontractor liability in terms of social security payments for principals is fixed. According to Ver.di, this law is proven to be insufficient to cope with the current practices of subcontractors, which, according to the union, include violations against the legal requirements documented by the public authority "Financial Control of Undeclared Work", which is responsible for controlling compliance with the law. Moreover, subcontracting in parcel delivery is regarded as a way to shift the responsibility for working conditions to the subcontractors and the workers, who usually do not have an official representation in the form of works councils. There are **three demands developed by Ver.di** to include into the law (Verdi 2023): firstly, to prohibit the use of external staff in parcel delivery – sorting and delivery of parcels – in order to prevent subcontracting chains; secondly, to improve occupational health and safety by defining an upper limit for the weight of parcels of 20 kg; and, thirdly, to improve the effectiveness of controlling by building up more staff in the public authority "Financial Control of Undeclared Work".

While the success of the campaign is difficult to foresee, a study of Amazon's subcontracting network in one of the distribution centres has confirmed Ver.di's critique of the working conditions in parcel delivery. According to this study (Boewe et al. 2022), several violations against legal regulations can be observed: Lump-sum wages fixed for a day or a month are based on long working times so that the wages fall short of the national minimum wage per hour; parts of the wages are paid cash in order to reduce social security contributions; liability risks are shifted to the workers; wage payments and orders to workers are blocked if they lose parcels or get bad ratings by clients.

III. Outcomes and commentary

Collective bargaining at Amazon failed due to fundamental conflicts about the recognition of the trade union as an actor of collective bargaining by the company. As Amazon denied recognition and Ver.di has proven not to be strong enough to enforce it, collective bargaining until today is **without outcomes in the form of collective agreements.**

However, the story is not quite that simple, as there are some **indirect effects** of the conflict on collective bargaining to be observed. One of these effects is the fact that **wages increased** more rapidly after than before the strikes initiated by Ver.di. In this way, wages reached roughly the level of the logistics collective bargaining agreements agreed between Ver.di and the employers' association of the logistics sector. Although Amazon presents the wage increases as a voluntary initiative by the company, there is little doubt that they are one of the responses of the company to weaken Verdi's collective bargaining campaign and, therefore, an indirect effect of the campaign. Another indirect effect is related to **Verdi's presence and position in the fulfilment centres**, at least those centres, where the trade union was able to organise members and to install trade union structures. Although the strikes did not lead to collective bargaining agreements up to now, they nevertheless show the presence of the union and the capability to organise and coordinate collective actions within the company. This might have contributed to the stabilisation of trade union membership and structures at Amazon.
However, due to Amazon's ability to react to the strikes by relocating orders between fulfilment centres and by replacing personnel within the centres, the strikes did not develop the economic effects necessary to force Amazon to return to the negotiation table. In this stalemate, strikes have become more and more an instrument of routine and ritual with little prospects to lead to negotiations. Against this background, Ver.di's organising efforts in the distribution centres could, if successful on a larger scale, become a kind of game changer. In these centres, the relocation of orders would not be an adequate strategy of the company as here goods are not stored but just distributed to be delivered as fast as possible. This could give the trade union a much more effective leeway to disrupt logistic processes.

However, this seems to be a long way to go. Moreover, this strategy would not include the activities of parcel delivery. Here, organising and collective bargaining do not seem to be realistic goals because of the structures of companies and employment. Hence, the trade union relies on a political campaign to restrict subcontracting and to improve working conditions in the parcel delivery sector. This can be regarded as a clear indication that the **capabilities and resources of the trade union** – and, maybe, German trade unions in general – **are not sufficient** to institutionalise labour relations in sectors in which deregulation and precariousness of work are as advanced as in the parcel delivery industry and that **political re-regulation is needed to improve the conditions for collective bargaining**.

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6. National Case Studies – Greece

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Case Study 1 (Business model): Papageorgiou transport logistics (PTL)

I. Context

In Greece, in most business sectors, there is an abundance of small and very small ("micro") enterprises, except for air and sea transport, banking, construction, and very few other sectors where there are large domestic and mostly international companies. In detail, 94% of all Greek business enterprises employ between 0-9 employees, while about 5% of all enterprises employ between 10-49 employees (Statista 2023). While some of the "micro" enterprises may have started a process of digitalization of their operations and services, in practice they operate in an underdeveloped technological environment, meaning that Greece lags other EU Member States in digital development. Moreover, the availability of ICT specialists is still relatively low (EU Digital Skills and Jobs Platform 2023).

The **sector of transport and logistics** is apparently on the rise in Greece (Country Fiche Greece 2023). Its dynamism has been noted and is also testified by the annual organization of nationwide trade-fair exhibitions by the companies of the sector (the annual "logistics fair"). This year's fair took place in Athens on 30 September-2 October 2023, and around 300 companies participated in it (Logistics Fair 2023). Logistics companies are disproportionately located in the greater Athens area, while the rest are in Thessaloniki and very few other large cities. Small and medium enterprises (SMEs) in the transport sector also carve out their clientele by region, with very few companies covering the whole country. Overall, in most companies, there is a mixture of old style and digitalized methods of management and work. In smaller companies, digitalization has not progressed a lot, owing to the lack of financing opportunities and digital skills. Digital transformation is usually lagging in such companies (Tsakanikas et al. 2014, Katsikas and Gritzalis 2017, Yannopoulos 2023).

The "**Papageorgiou Transport Logistics**" (PTL) company is the object of this case study because it is an **example of a company undergoing digital transformation**. It is a freight transport company that was first established in 1950 by a truck driver, Mr. Papageorgiou, who owned only one truck. Based in the city of Arta, in Western Greece, close to the coast of the Adriatic Sea, he had clients in small cities in Western Greece. Mr. Papageorgiou used to transport wheat and other agricultural products as well as animal feed. Today, the company transports goods under controlled temperature (chilled, frozen, deep-frozen) as well as dry freight. The products, which trucks carry, range from bottles of water to refrigerated meat, but also other products not related to food or beverages. PTL is a company active in the land transport/shipping business and particularly so in the "**middle mile**". It sells its services to suppliers of the aforementioned goods who want to deliver the goods to shopkeepers.

The company went almost out of business during the Greek economic crisis of the 2010s. It started expanding in 2017 and gradually introduced digital systems in its operations. It recovered during the **COVID-19** crisis because of the hike in demand, namely the rise in demand for products delivered by suppliers to consumers (last mile) during 2020-2022, owed to the Greek government's restriction measures to manage the pandemic. The company's growth may also be owed to two other reasons: first, to the opening in the autumn of 2017 of a new, national, high speed, highway connecting Central Greece with the largest Northwestern Greek city (Ioannina) and the Greek border with Albania; second, to the relatively high economic growth of Greece as a country in 2022 (5.9% growth in 2022 over the previous year, Eurostat data); and third, the willingness of the company's management over the period 2017-2023 to expand outside the place of origin of the company (the city of Arta), establishing two logistics centres in two other major cities of Western Greece (Corfu and Ioannina) and introducing digital systems to link all the company's branches.

II. Description and key features

The **mission** of the PTL company is to provide top quality services in transporting goods under controlled temperature (chilled, frozen, deep-frozen) as well as dry freight. The company aims to combine high quality services to its customers (e.g., supermarkets), while abiding by the health and safety regulations enforced in Greece.

By international standards, the company, which counts about **40 truck drivers**, some of whom drive their own trucks, is small. However, the PTL is one of the largest companies in its business sector in Western Greece. The company has a corporate fleet of 16 sliding door trucks, 11 refrigerator trucks, and 34 cooperating trucks (personal interview with company owner and research at the company's website).

Looking at the **human resources policy**, the company employs fewer than ten employees at its headquarters, involved in administrative activities. Other workers usually work outside the company's headquarters. They are all self-employed**,** including truck drivers, accountants, and computer support staff. They work on a project basis, having signed contracts with the company. As for the characteristics of the workforce, the majority of salaried employees and self-employed truck drivers in the company are Greek men, coming from towns of Western Greece (e.g., the city of Arta where the company's headquarters are located). The profession of truck drivers is anyway male dominated. The labour contracts of the employees are covered by the National General Collective Agreement signed between representatives of Greek employers (primarily the Association of Greek Industrialists – the SEV) and representatives of GSEE, i.e., the General National Confederation of Workers of Greece (GSEE 2022). Salaried workers and office employees receive the monthly salaries and social insurance contributions stipulated by such agreements, signed between the above partners, every two years, after rounds of social dialogue overseen by the government. On the other hand, in their negotiation with the PTL company, truck drivers are not represented by a union. While a monthly salary is paid to the truck driver, no insurance contributions are made to his pension fund, as they are not in salaried employment but classified as autonomous workers. This is a typical trend in the labour market of Greece, intensified over the last few years (Huliaras and Sotiropoulos 2020).

The owners of PTL company today actively pursue the **digitalization** of company operations. The company has a management information system to receive and process orders, although deals with producers are still often negotiated and closed over the phone (personal interview with company owner). See below the company's plan for further digitalization.

Regarding **environmental sustainability**, the PTL company has started using natural gas in its trucks. The company also has plans to measure its carbon footprint and aims to reduce carbon emissions (PTL 2023).

III. Outcomes and commentary

PTL is an example of a company that undergoes transformation, rapidly moving away from an old-fashioned business model. The company will probably remain a family-based one, and labour relations will continue to depend on personal trust with administrative employees and self-employed truck drivers who have been with the company for a long time. The primary concern of the PTL company is to keep its own truck drivers who may be lured by competitors offering larger monthly salaries. The competition does not come only from other transport companies in the mainland of Greece, where the PTL company is active. New, menacing competition is the result of booming tourism in the islands of the Aegean Sea, facing Turkey. On the coastline and the islands of Greece, during the long Greek summer season, there is increased demand for truck drivers who are paid very highly to transport goods from ports to Greek islands.

PTL managers have plans to **change parts of the business plan**, regarding the assigning of tasks to truck drivers and the monitoring of the flow of work. In detail, they want to digitise such tasks offering their truck drivers an easier-to-work environment, while they also want to expand their business, not only to other regions of Greece, but also to neighbouring countries. Plans for the future of the PTL company include the modernization of a distribution centre in the city of Arta. It is a cross docking facility for trucks, a building of 400 square miles. In the future, the facility will include digital systems to register incoming and outgoing freight, the arrival and departure of trucks and the monitoring of trucks on the way to their destination and back, after installing apps which truck drivers will use through their cell phones. This **plan for further digitalization** will be a development over the current situation.

The PTL company has already "equipped its trucks with telematics monitoring systems and temperature recorders manufactured by BK Telematics" (a small Athens-based company offering support for digital systems; see PTL 2023). The company has a computer network already, linking its operations in the three cities mentioned above (Arta, Corfu, and Ioannina), while all documents are stored in I-cloud. Plans for further digitalization of the company are under way for the first trimester of 2024 (personal interview with company owner). Starting in early 2024, the company will proceed with the computerized use and transfer of all documents, improving on the so-called "dematerialization" process. This change will affect the flow of work and assignment of tasks to administrative employees and truck drivers because the company will adopt the "electronic consignment note" (or "eCMR"). This is a transport document in digital format already in use in some EU Member States, as the Baltic States, Belgium and the Netherlands. It "facilitates the digitalization of road transport and can be used not only as a proof of delivery, but also as a contract of carriage between the carrier, the shipper and the freight forwarder" (Levieil 2023). In view of the above, truck drivers working for the company will soon have an application on their personal phones with a QR code to be used, among other operations, when loading and delivering products. It is expected that the PTL's workers who are over 40 or 45 years old (e.g., older truck drivers) will take time to adapt to the company's digital transformation. However, this new digitalized process will help truck drivers and the company's management to save time, speed up invoicing and payments, centralize the management of transport documents, avoid losing documents, and eliminate paper consumption, thus reducing the company's environmental impact. The eCMR is in line with the European Commission's Regulation "electronic Freight Transportation Information - eFTI (European Commission 2020).

To conclude, if PTL will succeed in expanding its clientele in Western Greece, the company is planning to expand the transport of freight between Greece and Croatia using the new highways currently under construction in neighbouring, West Balkan countries. If this infrastructure becomes available, the PTL will carry freight between Greek cities (Arta, Ioannina) and Zagreb or other cities in the Balkan peninsula. Finally, the company plans to differentiate its freight, by buying trucks which will allow it to transport live fish to destinations in Greece and the Balkans.

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Case Study 2 (Union practices): Union Practices at the Piraeus Port Authority (PPA)

I. Context

Piraeus is the largest port of Greece and one of the largest ports in Europe (7th largest). The port is managed by the **Piraeus Port Authority** (PPA; in Greek: OLP). Since 2008, a Chinese company named **COSCO** has gradually acquired ownership and management control of the PPA. COSCO benefited from the fact that successive Greek governments were looking for foreign investment in a period of grave economic crisis after 2008. Eventually, instead of selling the PPA to different companies, Greek governments converged on the policy choice to create a private monopoly between 2008-2016, selling the port to just one buyer, the COSCO company (Chlomoudis 2023). This government decision deviates from the way ports are privatised in other cities of the EU and made the government (and the port) hostage to a single foreign investor (personal interview with Professor of Shipping Studies at the University of Piraeus).

Nowadays, the Piraeus Port is divided into **three piers** (Piers I, II and III). All piers are under Chinese control, while the Greek State still holds a minority stake in Pier I where the Piraeus Port Authority is located. The Chinese company bought more shares of PPA as time went by. Since 2016 most shares of PPA (67%) have passed to the hands of Chinese investors who now control all three piers. The Greek government still owns 16% of the shares of PPA. Two subsidiaries of COSCO, the "**D-Port Services**" and the "**Piraeus Container Terminal**" (PCT), are the Chinese companies which manage Piers II and III on behalf of COSCO, which proved to the profitable over the years. Likewise, PPA is a highly successful enterprise. In 2022 PPA's total revenues reached 195 million Euros, a 26% increase over 2021. Its profits after taxes reached 53 million Euros, a 44% increase over 2021 (Papastathopoulou 2023).

Before privatization of the Piraeus port, there used to be several occupation-based **labour unions**. The unions were organized along the lines of occupational specialty of different categories of workers and participated in the nationwide federation of employees of the Greek ports, the **OMYLE**. In the Piraeus port this federation includes two OLP-based labour unions, i.e., **OLP's Association of Permanent Employees** (the EMY-OLP, representing office workers) and the **Association of Technicians** (the ETXY-OLP, representing the skilled manual workers). The two unions represent those who work in Pier I of the port, roughly 700 employees together. The OMYLE federation is entitled by the unions to sign collective agreements with COSCO. The OMYLE signs collective agreements also with the rest of private owners of other Greek ports (for instance, the Port Authority of Thessaloniki, owned by the Russian-Greek businessperson Ivan Savvidis).

As for the **characteristics of workers,** most of the posts of middle and upper management of the PPA are staffed by Chinese employees. On the other hand, most of the rest of employees and workers are Greeks, in fact residents of Piraeus and neighbouring towns. Most of the dockworkers are men, mostly skilled workers. There are female employees in the company's offices, where one also finds administrative personnel and computer technicians.

During the **COVID-19** pandemic office employees mostly worked from home. At the time, their primary concern had to do with the tendency of the company's managers to ask for excess work, beyond the 8-hour long shift, while they were at home. Employees were also concerned with the possibility that management could monitor their communications through the company's computer system (personal interviews with union representatives at PPA).

II. Description and key features

The Chinese business policies on employment proved to be less transparent than those of other European and Greek private companies. The management hierarchy and competences of different managers, most of whom are foreign (Chinese) nationals, are not clear to employees and unions, most of the members of which are locals (Greek citizens). Lack of transparency and room for labour law violations are more ample in Piers II and III, where employees provided by subcontracting companies are not represented by unions belonging to the nationwide General Confederation of Workers of Greece (the GSEE; see case study 3 below). On the other hand, Pier I is primarily staffed by office workers and dock workers who used to work for the once-state-owned PPA, who have retained their own, old, local labour unions.

Labour unions claim that, owing to sub-contracting, the Chinese owners have contributed to increase in the **precariousness** of jobs in what, before the privatisation, used to be secure employment in a state-owned enterprise (PPA). However, the Chinese view as well as the view of associations of Greek chambers of industry and commerce and Greek shipping companies are different. Because of the Chinese investment, there have been 3.000 new direct jobs and 10.000 indirect jobs created in Piraeus (Xinhua 2022). It is true that, under conditions of soaring unemployment during the Greek economic crisis (27% unemployment rate in 2013 in Greece; Eurostat data), the Chinese investment in Piraeus may have prevented a major social crisis among the ranks of dockworkers and employees in the port.

However, major challenges to **job security and the health and safety of workers** remain to this day. The type of employment is often precarious. In Piers II and III, in particular, employment is controlled by sub-contractor companies which have contracts with the Chinese subsidiaries of COSCO "D-Port Services" and PCT. Because of the prevalence of subcontractors in the port of Piraeus and the less-than-transparent nature of the company management, it is difficult to collect reliable data on staff turnover rate, employment growth, and remuneration change. Skilled manual workers working on the docks are primarily concerned with **health and safety**. Industrial accidents are rare but, given the large weights carried by cranes and transferred by vehicles in the port, unions have protested to COSCO's management about health and safety conditions at the port (personal interviews with union representatives at PPA in Piraeus).

As for the **capacity of the union to affiliate** employees, subcontractors have been able to limit the influence of the OMYLE federation in the sections of the port (Piers II and III) in which they operate, usually using precarious labour contracts, on behalf of the Chinese management of the port. By contrast, the OMYLE federation has been able to affiliate workers who have standard, fixed-term or open-ended, indefinite-term contracts in Piers I, because the federation and the unions which it includes were already organized before the port was privatised.

Digitalization of work has not progressed yet in the Piraeus port. Unions have voiced concerns about the possibility of introducing automation in the routine parts of. Nowadays, the port of Piraeus does not yet rely on automated systems. However, the company's management may be tempted to introduce such systems in the future. Union representatives recognize that in the future automation may change the nature of their work. While not rejecting that perspective, they are concerned to be involved and consulted with respect to this transformation in the work processes and will work to ensure that employment levels are maintained (personal interviews with union representatives in PPA at Piraeus).

III. Outcomes and commentary

Labour union representatives in the Port do not have the organisational strength to influence the Chinese company policies. There are rare instances of dialogue with the company's management. The unions' assemblies are primarily dedicated to larger issues of work compensation and fears of further privatisations in the port, rather than the impact of work automation and digitalization on industrial relations. Neither the unions have been able to elicit support from the Greek state, which is still a shareholder of PPA. Greek state authorities, regardless of which party is in government, have been reluctant to pursue labour inspections on site (Bali 2022). The Chinese investment in Piraeus seems too important for Greece's economy and Greek-Chinese foreign relations. Such relations are rarely influenced by "voices from below" (workers and employees in the offices and the docks).
As a final commentary, it worth mentions that the fact that a single foreign company, representing the interests of a non-EU state (China), fully controls a major port in the EU poses a **geopolitical challenge**. Foreign control of national infrastructure creates a source of uncertainty for security policy and also reveals the lack of a national or EU-level policy on managing major infrastructure in the concerned country (Greece) and the EU as a whole (Bali 2022). On the other hand, admittedly, the Chinese investment modernised the port and saved jobs in a period of economic downturn for Greece. Indeed, the COSCO company has tried to rationalise and modernise the port through modern management methods. Before privatisation took place, management decisions used to be governed by political considerations (e.g., hiring personnel that were redundant, solely on political patronage criteria). The PPA revenue was controlled by the government, as was the case with all State-Owned Enterprises (SOEs) while expenses were not rationalised. Workers exercised political pressure on the government-appointed managers, while salary levels were not commensurate with actual working hours but were actually much higher and very generous (Bardounias 2005).

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Case Study 3 (Collective bargaining): Negotiations and collective agreements in the Piraeus Port Authority (PPA)

I. Context

In Greece there is a historical legacy of fragmentation of representation of workers' interests. While there is a general confederation of workers employed in the private sector, namely, the **GSEE confederation** consisting of federations of labour unions and city-based labour centres, **at the enterprise level and the local level there are usually more than one labour unions** (Friedrich Ebert Stiftung 2000, Zambarloukou 2020). Labour unions are occupation-based and usually represent the interests of workers and employees based on their very detailed occupational profile (e.g., manual workers having skill "X", office workers having skill "Y", etc.). While the GSEE and its member federations negotiate with employers nationwide and sector-wide collective agreements, employers may carve out agreements with enterprise-based unions. The agreements may recognize particular rights and benefits, valid for union members at the enterprise.

In the case of Piraeus Port Authority (PPA; in Greek: OLP) described above, which is largely controlled by the Chinese enterprise COSCO, the situation reflects the above patterns. Unions are based on the occupational specialty of workers, for example office workers and dock workers.

There are two OLP-based labour unions, i.e., OLP's Association of Permanent Employees (the EMY-OLP, representing office workers) and the Association of Technicians (the ETXY-OLP, representing the skilled manual workers). Both unions belong to the panhellenic federation of workers at Greek ports, the **OMYLE Federation**. Nowadays, a three-year long collective agreement is in place, signed in 2021 between PPA (in Greek known as OLP) and the OMYLE federation. The process and contents of this collective agreement are described in the next section.

However, within OLP there are additional unions which emerged after the privatisation of the port of Piraeus took place. One example is the **OLP Association of Foremen ("Syndesmos Epopton-Archiergaton")**, i.e., the older or more experienced workers overseeing the rest of dock workers, which signed its own collective agreement with OLP management in June 2022 (Efsyn 2022). Another example is the **OLP Workers' Association ("Enossi Ergaton")**. This is the labour union of dockworkers which has forged its own relations with the employer, including the signing of separate collective agreements. The last one, signed on 23 January 2023, provides for gradual salary increases over a three-year long period (Oikonomikos Tachydromos 2023).

The above constellation of trade unions and collective agreements concerns salaried workers employed at the oldest part of the Piraeus port, i.e., the **Pier I**. See details below.

After the Greek government granted COSCO the management of the port, the Chinese built two more piers in the same port, **Pier II and III**, in which the bulk of containers is processed. In these two piers, workers are hired by sub-contractors rather than by the Chinese management itself. The trade union **ENEDEP**[40] claims to represent workers at the new Piers II and III. Compared to the unions of Pier I, the ENEDEP, which is influenced by the Greek Communist Party (KKE), is more politicised and far more radicalised. It engages in periodic negotiations with COSCO and participates in workers' mobilisation in support of industrial action in other sectors (e.g., transport) and the nationwide labour movement (e.g., the general strike of 9 November 2022 and the annual strike that takes place every year on the 1st of May in

40 http://enedep2014.blogspot.com/

Greece). Another trade union, the "**Association of Workers in Companies Active at Piers II and III of Piraeus" (SEEDP)**[41], targets the same groups of workers at the two Piers II and III. Relations between the ENEDEP and SEEDP are tense, but the two unions also cooperate in negotiating a collective agreement for all workers at Piers II and III and some other instances, as explained in the section below. Finally, there is a nationwide trade union, the **"Association of Employees of Greek Ports" (ENELE)** which frequently allies itself with the SEEDP.

ENELE, SEEDP and ENEDEP signed in May 2022 a collective agreement with the company "D-Port", a subsidiary of COSCO, that represents Chinese interests in Piers II and III of the Piraeus port. See details below.

II. Description and key features

Collective Agreement between PPA (OLP) and OMYLE federation, concerning workers employed at the Pier I of the Piraeus port:

The c**ollective agreement** between PPA (OLP) and OMYLE federation starting in 2021 was the result of a long process. The previous agreement lasted for two years (2018 and 2019) and expired on the last day of 2019. That agreement provided for an **entry-level salary** of 1100 euros (gross) for a newly hired employee. The highest salary, provided for employees with 33 years of service, was 2700 euros (gross). The company offered welfare benefits and health insurance coverage on top of these salaries, as well as additional benefits for supervisors or specialized technicians.

While negotiations for a new collective agreement had started in October 2019, no progress had been made until the **COVID-19** struck Greece, as many other countries, in February 2020. The labour unions accused the Chinese owners of OLP of prolonging the negotiations under the pretext of the pandemic which had caused restrictions in production and physical movements of all sides (Papastathopoulou 2020). Government measures to protect workers and employees in the country as a whole, as the pandemic slowed down economic activity, included the prolongation of the collective agreement by government fiat.

The OLP's representatives claimed that under the pandemic the company faced an economic downturn and suggested that the OMYLE and the two unions accept a prolongation of the previous collective agreement. This proposal was rejected by union representatives who claimed that the OLP had accumulated large profits before the pandemic struck. They requested that this higher economic performance of the company be reflected in increased salaries in a new collective agreement. The COSCO company (owner of OLP) replied that it would keep the terms of the expired agreement and would not reduce salaries after its expiration. While negotiations dragged into the second half of 2020, salaries and benefits of employees did not change. The collective agreement between OLP and OMYLE and the two associated labour unions was eventually signed in November 2020 (personal interviews with union representatives at the PPA in the port of Piraeus)

The signing of the collective agreement did not mean that it was fully implemented. For instance, in July 2022, more than one year after the collective agreement was signed, the unions (OMYLE) accused the management of OLP of refraining from implementing the agreement evenly across all categories of the OLP personnel. The unions threatened the COSCO management with industrial action (Imerisia 2022).

Collective Agreement between trade unions ENELE, SEEDP, ENEDEP and the company "D-Port", applicable to workers in Piers II and III of the Piraeus port:

41 https://web.facebook.com/profile.php?id=100032389374678&_rdc=1&_rdr

After negotiations among trade unions and "D-Port" (COSCO's subsidiary), a new, three-year long collective agreement started on 1 June 2022 providing for salary increases between 10-11.64% for all employees on monthly salaries up to 2000 euros and smaller increases for employees with higher salaries. The agreement also provided for turning 250 part-time work contracts into full-time ones in 2022 and the same for another 100 part-time contracts for the coming years, if the volume of work does not decrease. The agreement also offered health insurance coverage for all employees at private clinics (Euro2Day 2022).

The labour unions have accused their employer of not implementing a part of the collective agreement of 2022 that concerned higher social security contributions to the pension fund of the workers. Government legislation was required for a full implementation of the agreement, as higher contributions were due, if associated with the type of work ("work under arduous and unhealthy conditions"). Recently, in June 2023, the three labour unions agreed with the Chinese management to demand from the government the classification of workers at the two Piers as being employed in an "arduous and unhealthy occupation". The government's response is still pending. If successful, this new arrangement will mean that workers will also receive additional allowances and will have earlier retirement opportunities.

To sum up, the content of all above mentioned collective agreements is primarily related to **salary levels and pay increases**. Such **agreements do not usually contain clauses on digitalization or environmental sustainability** and there are no separate collective agreements on these topics. The emphasis on salary levels reflects the concern of workers with the living standards of themselves and their families, in view of the fact that Greece underwent a severe economic crisis in the previous decade.

III. Outcomes and commentary

Several labour unions are active in the Piraeus port, signing different and separate collective agreement with the employers.

The extreme fragmentation and politicisation, which was indicated above, was compounded by historical contrasts among workers with different occupational profiles, but also by the political preferences of union representatives. Greece's major political parties of the Right, the Centre-Left and the Left have actively pursued a policy of colonising labour unions since the transition to democracy in 1974 (Matsaganis 2007, Sotiropoulos 2019). There are no large confederations, each affiliated with one political party, as in France, Italy or Spain. But there are political party-dominated factions within the single national-level confederation, the GSEE, as there are corresponding party-dominated factions within federations and local unions.

Depending on which political party influences the leadership of a union, based on the electoral strength of its party-dominated faction in union elections, a union may be more recalcitrant or more conciliatory towards company management and towards the government of the day. There is, however, no absolute dependence of unions on political parties. Unions had distanced themselves from political parties by the 1990s and fought against successive governments which implemented austerity policies in Greece during the economic crisis of the 2010s. For instance, today, at the PPA, the unions are not directly controlled by political parties, but are influenced by some of them, particularly by parties of the opposition. Therefore, the political party-related composition of the leadership of unions and the balance of power among political party factions within unions have effects on union strategy and the conduct of negotiations with company management on collective agreements.

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7. National Case Studies – Italy

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Case Study 1 (Business model): Business model and work organisation of Amazon Logistics Italia

I. Context

Amazon.com, Inc. is an e-commerce company which ted its operations in the USA in 1994 and as of today has operations worldwide with hundreds of warehouses around several countries. In Italy, Amazon established more than 55 warehouses. Amazon's core business is linked to the e-commerce sector and to the logistics for delivery of products (e.g., electronics devices, books, clothes, etc.) sold on its website directly or by third vendors. On top of it, Amazon offers cloud services and entertainment services as well developed by its teams.

According to the Amazon Logistics Italia's Employees Relations Manager interviewed, Amazon **employees** in Italy, as of 31st December 2022, were more than 12.000. Although Amazon announced that it will not open new sites in Italy for 2023, since 2010 has **invested** more than €12.6 billion in Italian businesses. This includes both capital expenses (e.g., infrastructure, logistics centres, corporate offices, and cloud infrastructure), and operating expenses (such as salaries). In 2021 alone, Amazon invested more than €4 billion in Italy to try to be even closer to its customers and improve its services, but also to continue to support the more than 20,000 small and medium-sized businesses that sell on Amazon. According to a new study by The European House - Ambrosetti[42], which analyses large companies in Italy, Amazon is among the top five foreign private companies that have invested the most in terms of capital expenditure in Italy in the period 2019-2021. In 2021, Amazon paid an average of €35.8 million per month in salaries to Italian employees. A substantial increase compared to €24.5 million per month of 2020. According to a recent study by Keystone Strategy, thanks to the indirect effects of our investments, more than 48,000 new jobs were created in Italy in 2021, for example in the construction, logistics and services sectors. The total number of indirect jobs reaches a record figure of 108,000, including the 60,000 jobs created by Italian small and medium-sized enterprises that use Amazon services to grow their business and export Italian products to the world. In 2021, the total revenues of Amazon's activities in Italy were more than € 8.75 billion (+21% compared to 7.25 billion euros in 2020). Amazon's investments amounted to €4 billion (+38% compared to 2.9 billion euros in 2020). Total investments include €609 million (+66% compared to 367 million euros in 2020) as capital expenditure (i.e., infrastructure: distribution centres, offices and data centres). Amazon's total tax contribution – combining direct and indirect taxes - was more than €751 million (+118% compared to €345 million in 2020).

Amazon managed to modify some of its processes following **COVID-19 pandemic** and the related regulatory framework designed. These processes have now been reverted as normal following the release of restrictions. The most evident change driven by COVID pandemic is the new "Work From Home" policy, which is applicable to the employees whose job can be performed remotely, and consent to agree on two days per week of work from home.

42 L'impatto economico di Amazon in Italia: i progressi del "Piano Italia 2022" (aboutamazon.it)

Amazon makes use of **external suppliers** to support its activities like the delivery of packages to the customers through delivery service providers, or the security of its buildings. Specific teams from Amazon liaise with external suppliers in order to provide them with the relevant information, but those companies are always autonomous and independent from Amazon. Amazon offers to suppliers the possibility to use the available technology to support their operations; the suppliers and the suppliers' employees are free to use this technology or not.

As reported by the Amazon manager interviewed, all Amazon **jobs** are aimed to all genders and all workers categories. Amazon is committed to ensuring that all its **workers** are treated fairly without any discrimination on the grounds of skin colour, race, religion or belief, nationality, ethnic or national origin, gender, sexual orientation, marital status, disability, age, trade union affiliation or for part-time or fixed term work reasons, with regard to: hiring; training and development; promotions; evaluations; pay and benefits. Among the total Amazon workforce as of 31st December 2022 around 90% were warehouse operators (38% women and 36% older than 40 years). Amazon employees in Italy come from 100 different countries and around 25% of the employees are originally from abroad countries. Amazon guarantees that all decisions related to hiring and/or career advancement are not discriminatory of any kind. As reported by the interviewed, the company encourages a working environment aimed at diversity, equity and inclusion and there is a dedicated team globally dedicated to these types of initiatives. The main roles in Amazon buildings are: warehouse operators, who carry out loading, unloading, receiving, storage, picking and packing actions; team leads who are in charge of operations coordination process during the shift; area managers who are responsible for managing shift planning, coordinating resources and solving technical and organisational problems.

II. Description and key features

Describing the company mission and **human resource policy**, the Amazon manager interviewed reported that "at Amazon, we hold ourselves and each other accountable for demonstrating the Leadership Principles through our actions every day. Our Leadership Principles describe how Amazon does business, how leaders lead, and how we keep the customer at the centre of our decisions. Our unique Amazon culture, described by our Leadership Principles, helps us relentlessly pursue our mission of being Earth's most customer-centric company. One of the most important leadership principles for our workers states "Strive to be Earth's Best Employer", Leaders work every day to create a safer, more productive, higher performing, more diverse and equal work environment. Amazon leaders lead with empathy, have fun at work, and make it easy for others to have fun."

The Amazon manager interviewed reported that "**health and safety** are a priority and a value for Amazon and consequently has a dedicated team that deals with the implementation and verification of issues related to Legislative Decree n.81/08 in terms of: assignment of Company doctor and health and safety responsible (RSPP); risk assessment (specifically, noise, manual handling of loads, microclimate, vibrations and related work stress) and drafting of risk assessment document (DVR); health surveillance with annual medical visits."

RLS (workers' representatives for safety – Rappresentanti dei Lavoratori per la Sicurezza) are nominated/elected at each site and are directly involved in all the Health and Safety activities. At site level local leadership maintains routines to review with RLS processes and safety measures in order to improve safety levels.

On top of the legal provisions Amazon provide a number of additional measures such as:

1. the "safety briefs" which are safety training pills that are shared and implemented by workers at the beginning of each work shift and after returning from the break;
2. the "safety Gemba" which are visits to the various operational work areas, carried out by the site leadership to check the actual status of the processes, actively involve the workers, and identify possible improvements;
3. the "Phoenix program" which is a program for the reintegration into the company of workers who have been absent following an accident by making them participate for a consecutive week in daily safety audits to reinforce knowledge and application of Amazon's Operational Safety Rules and "working well huddles" which are an experimental training program on how to perform effective stretching that involves all workers on a monthly basis, to prevent muscular-skeletal injuries.

The manager interviewed reported that "in Amazon's warehouse we have only direct employees and temporary workers hired through staffing agencies. The economic Terms & Conditions are the same both for staffing agency employees and for Amazon workers; however, the CBAs (Collective Bargaining Agreements) are different as that staffing agencies are ruled by their own CBA (Assolavoro). In our sites we outsource activities that are not part of the core business, in this case employees of the service providers are directly managed by the supplier, being the employer, and a "preposto" (manager) is present on site in order to coordinate the workers."

The **technology** underlying the operation of the Amazon sites has been installed since day 1 (i.e., the systems themselves are born with a predefined and built-in destination since the first day of operations of the site). The manager interviewed reported that the technology used in the Amazon sites is for the total benefit of the workers to help them in the receipt, storage, collection, and preparation of the parcels, but does not replace the need for staff to carry out the individual processes. Therefore, the employment trend in 2022 and the organisation of work were not affected by the introduction of modern technologies or digitalization. The availability of advanced technology tools and software enabled employees to be able to work from home during the COVID-19 pandemic and is enabling now the 2-days per week "Work from Home" policy.

As for investments in **environmental sustainability**, the manager interviewed reported that Amazon is the first signatory of the Climate Pledge, co-founded with Global Optimism in 2019. This is a commitment to achieve net zero CO2 emissions by 2040, 10 years earlier than the goal set by the Paris Agreement. Amazon is working to achieve this goal by taking immediate action to decarbonize its activities, whether they are energy use, transportation, or packaging. The manager reported that Amazon is investing in wind and solar energy to achieve 100% renewable energy in its global operations by 2025. According to Amazon's 2021 sustainability report, the company has achieved 85% renewable energy in all operations. And the progress in decarbonizing operations is reflected in carbon intensity, which has fallen by 1.9%. In Italy, Amazon announced the first two off-site solar projects in Sicily: these are two innovative agro-photovoltaic plants that combine clean energy and agricultural crops. Thanks to a third off-site solar project soon to be built, the total production capacity in Italy will reach 106 MW. In 2022, Amazon stopped using single-use plastic bags as packaging for products within our supply chain in Italy. In addition, as part of Right Now Climate Fund, Amazon is investing in nature-based projects to improve environmental conditions in the communities in which operate in Europe: in Italy is supporting Parco Italia, an urban afforestation program that aims to plant 22 million trees - one tree for every inhabitant of the city - in 14 Italian metropolitan areas, as part of a reforestation and research program supported by the Italian Society of Forestry and Forest Ecology, the AlberItalia Foundation and Stefano Boeri Architects. The Parco Italia program will receive 2 million euros to support the strategic planning of the program and the initial planting of trees.

III. Outcomes and commentary

The Amazon Logistics Italia's Employees Relations Manager stated that "Amazon business policies fully comply with Italian law regulations on employment and are not impacting working conditions or social dialogue. Amazon leadership is nurturing the relations with workers representatives in order to prosecute the collaborative approach defined at national level with Industrial Relations protocol of 15th September 2021. Amazon's employment trend saw a stable increase over the years matched by an increase of the remuneration that saw Amazon salaries at the top of the logistic sector."

In 2023 Amazon did not plan to open new warehouses, however in January 2023 the company began the works for the construction of a new site in the Marche region, while a site in Piedmont is being evaluated. According to the manager, "both investments will help Amazon in strengthen Italian and European logistics network and improve the service to our customers". Amazon has not shared any plan to change the business model. The company is continuing to invest in Italy, improving the level of health and safety performance, introducing modern technologies to support the work and to offer new growth opportunities to the employees, as reported by the manager interviewed.

IV. References

Interview with Floriana Caltagirone, Employees Relations Manager at Amazon Logistics Italia (13/09/2023).

Case Study 2 (Union practices): FILT-CGIL's practices to affiliate and organise workers in the Amazon supply chain in Italy

I. Context

FILT-CGIL (*Federazione Italiana Lavoratori dei Trasporti* - Italian Federation of Transport Workers) is the Federation of CGIL (*Confederazione Generale Italiana del Lavoro* - Italian General Confederation of Labour, the biggest Italian trade union) that affiliates and organises workers in the sectors of air transport, sea and port transport, land transport (rail and road), roads and motorways, auxiliary and complementary services to transport activities. Currently, as stated by the union, about 160,000 workers are FILT-CGIL members in total, of which about 75,000 belong to the freight and logistics sub-sector.

E-commerce supply chain workers in Italy are targeted and monitored by the Logistics Freight Transport and Shipping Department of FILT-CGIL. About 50% of jobs in this sector belong to the Amazon Italia supply chain, amounting to about 45.000-50.000 workers. For this reason, FILT-CGIL has put a lot of effort in recent years to try to increase the protections of Amazon's workers, developing a specialisation and training officers specifically to handle the dynamics with this company. Estimations provided by FILT-CGIL with respect to the section of the supply chain and the type of contractual relationship between workers and the company are as follows:

- Last-mile delivery: drivers are almost all subcontracted: approx. 14.000-15.000.
- Storage (hubs): logistics workers are distributed as follows:
    - Direct employees: approx. 16.000;
    - Temporary agency workers: approx. 12.000;
    - Subcontracting: approx. 1.500.

Concerning the extent of FILT-CGIL's presence at Amazon Italia, the trade union secretaries interviewed reported the following estimates:

- Last-mile delivery: about 2,500 FILT-CGIL members.
- Storage: lower union presence in logistics hubs compared to last-mile delivery, due to two main factors: 1) direct employees (around 60%) are subject to direct relationship with and closer control by the company (about 1,000 FILT-CGIL members); 2) temporary agency workers (around 40%, to deal with seasonal peaks) follow out of the scope of FILT-CGIL, as they are targeted and monitored by NIDIL-CGIL (a CGIL federation representing atypical workers).
- Workplace Union Structures (*Rappresentanze Sindacali Aziendali* – RSA[43]): FILT-CGIL has established more than 150 RSA within Amazon, which can be considered a rather high number.

Amazon is the key player in the e-commerce market in Italy, acquiring a dominant position thanks, on the one hand, to its user-friendly marketplace, user profiling algorithms, and tailor-made customer service and, on the other hand, to the control of the entire logistics chain ('omni-channel' model), ensuring the best customer experience. **Key features** of the company affected by the FILT-CGIL practices relates to the freight and logistics part of the supply chain (shipping/storage activities), leaving other parts of the

43 According to Law 300/1970, Art. 19, RSA in Italy may be established on the initiative of workers, in companies (and production units) with more than 15 employees, within the framework of trade unions that are signatories (or have participated in the negotiation) of collective labour agreements applied in the company/production unit.

supply chain to the competence and monitoring of other union federations, i.e. SLC-CGIL (Telecommunications sector, in particular for workers employed in call centres, customer services, marketplace management, etc.) and FILCAMS-CGIL (Tertiary, Distribution and Services sector). The **relations** between FILT-CGIL and Amazon, applying the approach and clusterisation developed by Eurofound, can be synthetically described as follows: (i) limited union involvement in company decision-making; (ii) trusting relationships with careful use of union conflict to exert pressure on the company in key negotiating phases. The methods and results of collective bargaining are described below.

Amazon debuted in Italy in November 2010, but before the **COVID-19 pandemic** erupted in 2020 no trade union relations had been built at company level. It was during the pandemic that working conditions at Amazon began to receive closer attention, starting with the fight against the spread of the COVID-19 virus in the workplace. In spring 2020, FILT-CGIL and other unions signed company-level agreements with Amazon at individual production sites level in order to set up the so-called 'COVID-19 company safety committees', implementing occupational health and safety (OSH) measures in compliance with the 'Shared Protocol regulating measures to combat and contain the spread of the COVID-19 virus in the workplace'.[44] Since that experience, Amazon has consolidated its focus on OSH in logistics sites (hubs) by involving the trade unions, while it seems more difficult to engage in collective bargaining in the area of drivers' OSH. This was an opportunity for trade unions to build a claims platform in the second half of 2020, to organise a strike in 2021, to sign a Protocol for the definition of a shared system of industrial relations and to further negotiate, thus establishing lasting relations with the company following COVID-19.

In the short term, the major and most urgent FILT-CGIL's **concerns** are as follows:

- Maintaining employment levels and protecting jobs: while until 2022 no employment issues existed, and an increase in jobs at Amazon was observed in the wake of the e-commerce boom during the pandemic, from 2023 the decline in purchase volumes, caused by rising costs (inflation and energy costs due to the war in Ukraine) and low consumer wages, caused the union concern about the impact on the supply chain in terms of job redundancies[45];
- OSH issues linked to work rhythms and workloads, with particular reference to the repetitiveness of gestures in the storage warehouses (physical risks; musculoskeletal disorders) and the tight delivery times imposed on drivers (stress related to the speed of rhythm and absence of breaks);
- Consolidation and deepening of union relations, in order to broaden the involvement of the union at company-level and to obtain space for collective negotiation of more economic and regulatory elements at the supply chain level.

In the medium term, FILT-CGIL aims to mitigate job insecurity in the supply chain, through the progressive internalisation of temporary work agency workers and subcontracted workers.

Generally speaking, FILT-CGIL attempts to reach all Amazon workers with its actions and claims. Regarding the **characteristics of the workers**, it can be said that Amazon is a representation of the Italian logistics market, which implies, according to the union estimates, a presence of 30-35% of foreign workers (the

44 'Protocollo condiviso di regolamentazione delle misure per il contrasto e il contenimento della diffusione del virus Covid-19 negli ambienti di lavoro', signed by the Government and the social partners on 14 March 2020, supplemented on 24 April 2020 and last updated on 6 April 2021. The 'Comitati aziendali di sicurezza COVID-19' were joint bodies with company and union representatives set up to monitor and update the implementation of the 'Covid-19 National Emergency Management Protocol'.

45 A few cases of job redundancies already occurred in storage warehouses established during the pandemic that risked closure in early 2023, e.g., the storage warehouses in Villamarzana. See Ciaramitaro, S. (2023). *Geodis, a un passo dalla chiusura*. In Collettiva.it. 28/03/2023. Available at https://bit.ly/3qbFYsB. Last access 02.08.2023.

majority in delivery), a low female presence due to the physical effort associated with the tasks (very few women in delivery; a little more regarding storage in warehouses), and a high presence of young people due to the high turnover and the precariousness of the employment relationship. With regard to the type of occupation, see the first paragraph for details about the categories of workers over which FILT-CGIL has the greatest access and influence.

II. Description and key features

FILT-CGIL, together with other confederal trade unions, has built a **claims platform** in support of Amazon's workers in the second half of 2020. In that framework, Italian workers in Amazon and the supply chain demanded: decent working conditions, including control of the workload and paces imposed in the Amazon supply chain; verification and negotiation of work shifts; proper professional and occupational status classification; reduction in the working hours for drivers; meal vouchers; adequate amount for travel expenses allowance; social clause and automatic staff hiring in the event of a change of procurement; productivity benefits; COVID-19 allowance; accident compensation for drivers; OSH training; transition to open-ended term contracts for temporary workers and fixed contracts.

The company's unwillingness to engage in dialogue with trade unions and establish a fair and transparent system of industrial relations led unions to choose the use of conflict and to call a **general strike** of 24 hours on 22 March 2021[46]. This was the first time that a general strike of Amazon's direct employees and supply chain employees, temporary agency workers and delivery workers of subcontracted companies took place. The strike put pressure on the company allowing the following **results** to be obtained **from collective bargaining**:

- September 2021: Protocol for the definition of a shared system of industrial relations – signed by Amazon Italia and CGIL, CISL and UIL, in the presence of the Minister of Labour and Social Policies;
- February 2022: Second-level national collective agreement for delivery companies belonging to Assoespressi (employers' organization) operating in the last-mile delivery for Amazon Italia – signed by Assoespressi and the three confederal unions, in the presence of the Minister of Labor and Social Policies (*see Case Study 3 for further details*);
- June and October 2022: First negotiations (and minutes) between Amazon and CGIL, CISL and UIL about possible improvement of working and economic conditions with respect to the minimums set in the first-level collective bargaining agreement for the Logistics, Freight Transport and Shipping sector. It has not yet been possible to sign a second level agreement with the company at national level.

The **key job quality dimensions** at Amazon Italia correspond to work rhythms and workloads, an issue that directly relates to health and safety in storing and delivering activities. FILT-CGIL's OSH-related concerns can be summarised as follows:

- Storing activities: repetitiveness of gestures in the storage warehouses often results in physical risks and musculoskeletal disorders;
- Delivering activities: tight delivery rhythms imposed on drivers and the absence of breaks often results in work-related stress and fatigue. This condition, combined with road traffic and adverse weather

46 Collettiva.it (2021). *La prima volta di Amazon: è sciopero*. In Collettiva.it. 11/03/2021. Available at https://bit.ly/3YkL4iX. Last access 02.08.2023; Sbordoni, G. (2021). *Amazon, la mappa degli scioperi*. In Collettiva.it. 22/03/2021. Available at https://bit.ly/47fCzJJ. Last access 02.08.2023; ETUC (2021). *ETUC Statement on Amazon Strike. Statement approved at the Executive Committee 22-23 March 2021*. In Etuc.org. 22.03.2021. Available at https://bit.ly/3ODrie7. Last access 02.08.2023.

conditions, may also increase the risk of road accidents.

These risks are considered by the union among the most urgent issues to be discussed with Amazon in the new negotiation phase for the renewal of the second-level national collective agreement.

In terms of **union practices**, FILT-CGIL applies a classic approach to engaging, retaining, and unionising Amazon supply chain workers. This approach consists, firstly, in a constant physical presence in the workplaces (storage warehouses, delivery stations, etc.) through trade union delegates and Workplace Union Structures (RSA), to ensure direct contact with members and to mobilise and unionise non-members. The practice of "union assemblies"[47] is also widely used by FILT-CGIL in this sector. During union assemblies, the union collects the workers' needs and expectations, which then nourish the design of the claim's platforms, on which collective bargaining with the company is always based. Assemblies are also used to call on workers to mobilise and strike in cases of blocked negotiations. The results of the negotiations (so-called 'hypothesis agreements' between the company and the trade union), before being definitively signed, are again submitted to the workers for approval, through the practice of the "referendum"[48]. Both trade union assemblies and referendums are conceived by the Workplace Union Structures (RSA). This approach was successfully used by FILT-CGIL during the mobilisation and bargaining process described above and remains the main method applied.

FILT-CGIL closely monitors the **impact of digitisation** on working conditions and employment at Amazon in Italy. As far as warehouse work is concerned, the union's position is twofold. While on the one hand the automation of storage warehouses is appreciable, because it allows humans to engage in fewer repetitive and alienating tasks, on the other hand the replacement of human labour with robots can produce potential negative impact on employment levels, i.e., job losses. However, storage warehouses in Italy are currently not undergoing excessive automation creating particular concerns. Digitalisation in delivery, on the other hand, raises greater concerns by the union. The drivers involved in the last-mile delivery are subject to constant control and monitoring by the company, characterised by such an invasiveness as to arouse the suspicion of violation of the Workers' Statute, which defines the limits for the employer in the use of audiovisual systems and other control instruments[49]. The drivers' remote monitoring is not intended for the mere control of the worker, but for the use of the resulting data in order to constantly streamline all journeys to obtain the best possible performance throughout the day. The intense rhythms of work and the resulting absence of breaks are a matter of concern for the union, as already illustrated.
FILT-CGIL shares the requests for **environmental sustainability** and the fight against the climate crisis, which are certainly impacted by the emissions originating from the vehicles used in last-mile delivery. To favour the ecological transition of the sector, the type of means of transport used by the drivers is subject to negotiation with Amazon, even though it is not a matter of priority. Indeed, the adoption of electric vehicles, undoubtedly less polluting (external positive effect), would also guarantee a better quality of work performance (internal positive effect) according to the union.

47 Law 300/1970 (so-called "Workers' Statute", introducing important innovations in Italy regarding workers' rights, relations between workers and employers, and trade union representation, which still nowadays, following additions and modifications, constitutes the basis of many statutory provisions on labour law), Article 20, guarantees the rights of assembly, i.e., the right of workers to meet outside but also during working hours, for a maximum of 10 (paid) hours per year, which can be increased by collective agreements. Union assemblies are convened, individually or jointly, by Workplace Union Structures (RSA).

48 Law 300/1970, Article 21, guarantees the right of referendum, i.e., the right of workers to participate in votes organised by Workplace Union Structures (RSA), within the company and outside working hours, on matters relating to union activity.

49 Law 300/1970, Article 4, establishes the limits to the employer's power of remote monitoring and control of workers. Audiovisual systems and other instruments from which the possibility of remote monitoring of workers' activities also derives may only be used for organisational and production purposes, for work safety and for the protection of company assets and may be installed subject to a collective agreement between the company and the Workplace Union Structures (RSA). In the absence of an agreement, the above-mentioned equipment may be installed subject to authorisation by the National Labour Inspectorate.

III. Outcomes and commentary

FILT-CGIL's **performance** in relation to Amazon's supply chain in Italy can be assessed positively. The positive **impact** of trade union activities is represented by several factors, including the growth in employment levels, the economic satisfaction of workers (wage increases and general high wage levels) and the progressive improvement of other working conditions. Success, appreciation, and trust for union action are testified by the union membership increase in recent years, the high number of Workplace Union Structures (RSA) established, the high rate of workers participation in union assemblies in the workplace, and the high rate of participation in strikes both at local and national level[50].

FILT-CGIL's **expectation** on industrial relations with Amazon consists in the continuity of the good practices established so far, for these to be consolidated and deepened. This would allow the trade union, on the one hand, to increase its presence in workers' daily lives, and on the other, to acquire more and more involvement and influence in company's decisions regarding working conditions. However, it should be emphasised that the developments in the relations between FILT-CGIL and Amazon do not only concern the dynamics at the company level, but also the national collective bargaining in the sector, of which a new phase will open in autumn 2023 for the renewal of the national collective bargaining agreement for the Logistics, Freight Transport and Shipping sector. In the context of these negotiations, any tensions and worker mobilisations that will take place could have an impact on relations with Amazon, which is the key player in the sector.

The **traditional approach** described above remains the primary approach by which FILT-CGIL intends to continue its activities at Amazon, both in terms of the relationship with workers in the workplace and in terms of the architecture of collective bargaining with the company. However, the union is aware of the possibility that the company decides to change its mission and its role on the Italian market, which would impact on the organisation of the supply chain and on the organisation of work. This would force the union to adapt its activities, modifying both the techniques of contact and mobilisation of workers and the model of collective bargaining. The union is aware of having to **constantly adapt** its claim model, mediating between the national collective agreement and the second-level collective agreements, depending on how the supply chain changes and which other players emerge on the market. Alongside the unionisation, mobilisation and collective bargaining activities, FILT-CGIL underlines the importance of training[51] and research to face the transformations of this sector of the world of work in Italy, functional to support its traditional activities.

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Interview with Monini Danilo, Staff Member, FILT-CGIL, Logistics Freight Transport and Shipping Department (11th November 2022).

50 For example, on 22 March 2021 75% of Amazon drivers took part in the general strike declared by FILT-CGIL. See Collettiva.it (2021). *Sciopero Amazon, adesione al 75%*. In Collettiva.it. 22/03/2021. Available at: https://bit.ly/3QgU46C. Last access 02.08.2023.

51 FILT-CGIL has recently launched the training course 'La Contrattazione nelle Piattaforme Digitali" to offer union representatives the tools to deal with the functions of algorithms in the organization of work. See Ciaramitaro, S. (2023). *La contrattazione nelle piattaforme digitali*. In Collettiva.it. 08/06/2023. Available at https://bit.ly/45c5HA4. Last access 02.08.2023.

Case Study 3 (Collective bargaining): Second level national collective agreement for companies member of Assoespressi operating in Amazon Italy's last mile delivery

I. Context

The subject of this case study is the second level national collective agreement[52] for companies member of Assoespressi operating in Amazon Italy's last mile delivery.

Social partners involved in the negotiations and signatories of the collective agreement are the following:

- Trade Unions: **Filt-CGIL** (Federazione Italiana Lavoratori dei Trasporti - Italian Federation of Transport Workers), **Fit-CISL** (Federazione Italiana Trasporti - Italian Transport Federation), **UILtrasporti** (Sindacato del Lavoratori dei Trasporti e dei Servizi - Transport and Service Workers Union). These are the three sectoral federations for the transport and logistics sector part of the three most representative trade union confederations in Italy (CGIL, CISL, UIL).
- Employers' organisation: **Assoespressi** (Associazione Nazionale Corrieri Espressi Ultimo Miglio ed E-commerce - National Association of Last Mile Express Couriers and E-commerce). Assoespressi is part of Confetra (Confederazione Generale Italiana dei Trasporti e della Logistica - Italian General Confederation of Transport and Logistics). Assoespressi represents almost all the companies that exclusively or mainly carry out deliveries for Amazon Italia (see details about the companies below).

The Italian **Ministry of Labour** played an important role in this agreement because, after the strike on 22 March 2021, it convened the parties and requested precise commitments for the negotiation to be completed, stimulating the parties to bargain and facilitating discussion. After the signature of the collective agreement, reached on the 23 November 2021, the Ministry of Labour convened the social partners to publicly seal and endorse the agreement on 22 February 2022, having long supported its finalisation. This act represents an informal good practice because it consists of an institutional verification and validation, at the highest level, of the agreements reached.

The **companies affected** by the agreement are all members of Assoespressi. These are about one hundred companies active in the e-commerce supply chain and specialised in the last-mile delivery activities all over the country. As for the legal form of the companies, both corporations and cooperatives can be found in this group. By means of "transport contracts" (art. 1376, Italian civil code), these companies ensure the final delivery to the consumer of the goods purchased via Amazon in Italy. With regard to the size, these companies range between 100 and 600-800 workers (drivers) across Italy. The average total employment of all these companies is around 13,000 drivers, rising to 15,000-16,000 drivers in peak periods. The **relations** of these companies with unions takes place through the Assoespressi membership, as well as through the application of the first level national collective agreement for the Logistics, Freight Transport and Shipping sector and the second level national collective agreement Assoespressi analysed here.

It was precisely in early 2020, during the period of the **COVID-19 pandemic**, that the e-commerce phenomenon grew exponentially in Italy, and with it the phenomenon of the last mile delivery. This led to a strong increase in employment in the sector, but also to an increase in the intensity of the rhythm and workload, with a consequent worsening of working conditions. This situation has made clear the need to

52 The second level agreement is a collective agreement that insists on another first level collective agreement negotiated at sectoral level.

give consolidated and uniform rules, rights, and treatments throughout the national territory to drivers who deliver for Amazon.

On this basis, in December 2020, the three main unions developed a **claims platform** as a starting point for collective negotiation, which was followed by the national-level **strike** in March 2021 allowing, also thanks to the intervention of the Ministry, to improve the negotiations. However, in October 2021 there was a further slowdown of the negotiation process with Assoespressi. This led the unions to a confrontation with their delegates in the assembly, which gave the mandate to declare a strike on November 26 (Amazon's Black Friday). The threat of the use of union conflict enhanced the negotiations with Assoespressi and allowed the reaching of a hypothesis of agreement on 23 November, thus leading to the revocation of the strike. This hypothesis of agreement was then confirmed by the workers' assemblies, and **the second level national collective agreement officially entered into force on 1 January 2022**. In line with its premises, the **main concerns** that receive attention in the collective agreement under analysis are the following:

- extraordinary development of e-commerce determined by technological innovations and new purchasing habits, accelerated by the pandemic, and impact on the working conditions of the personnel dedicated to the delivery of goods;
- the growth of the market has caused an increase in employment which needs to be consolidated, to prevent fluctuations in volumes from impacting on the precariousness of employment;
- improvement standardization of the economic and contractual treatments of the personnel of companies operating in Amazon's last mile distribution throughout the national territory;
- changes in the organization of work must be carried out with respect for the people who work, with particular reference to the following issues: schedules, rhythms and workloads, work-life balance, employment continuity, occupational health and safety (OSH), salary increase, privacy protection.

Characteristics of delivery workers in Italy (now targeted by the Assoespressi collective agreement) are as follows: vast majority of men (women are about 10-15%), very young (under 35) and foreigners. The exception is a percentage of Italian men between 45 and 55, who came out of other employment sectors. Since driving a van does not require any special training or certification other than an ordinary driving licence (type B), most workers in the industry have only a high school diploma. The unionisation rate of workers in the sector is high (e.g., about 4,000 workers are members of FILT).

II. Description and key features

Amazon's last-mile delivery drivers in Italy are all outsourced workers not directly employed by Amazon, but by the transport companies. They may be employees of these companies or temporary agency workers, but they do not have any contractual relationship with Amazon Italia. The Assoespressi collective agreement analysed applies to all workers, regardless of the type of contractual relationship, hired by companies operating in Amazon's last mile delivery, which makes it a very innovative agreement.

The **most interesting contractual provisions concerning drivers' working conditions** in the Assoespressi collective agreement under analysis are the following:

- Workloads (article 4): reduction of maximum working hours from 44 to 42 hours of work per week;
- Travel allowance (article 6): drivers who travel outside their municipal area to carry out their deliveries are due a daily increase in pay;

- Recording of working hours (article 8): electronic working time recording systems must be implemented in every company, which will make available the monthly timetable of each worker;
- Cancelled routes (article 9): the worker called to carry out deliveries, in the event that he/she is informed of the lack of the load that same morning, will still be regularly paid;
- Communication channels (article 12): definition of specific rules for convening meetings between the company and the unions regarding loads, rhythms and work shifts;
- Limits to fixed-term and part-time contracts (article 13): in consideration of the accentuated fluctuation in the volumes of the activity carried out and the non-programmable work peaks, with reference to the total permanent staff, fixed-term contracts can reach a maximum of 41% and part-time contracts a maximum of 48 %;
- Hiring (article 15): in the case of new hires, priority must be given to workers dismissed by other companies operating in the last mile delivery of Amazon Italia;
- Change of supplier (article 17): in the event of a change of transport service contracting company, the outgoing company will include in the takeover contract the direct transfer of all drivers employed for at least 6 months, who will be hired by the incoming company maintaining all the salary treatments and rights acquired previously (employment continuity);
- Performance bonus (article 18): introduction of a bonus of a maximum amount of €1,100 per year for each worker, established at a collective (delivery station) level, measured with both collective and individual parameters;
- OSH measures (article 21): improvement of training courses on technological innovation, safety, safe driving, and medical visits functional to the work activity;
- Work tools (article 25): The use of mobile phones/devices (digital devices) equipped with GPS for geolocalisation, although necessary for the organization of work/production, cannot be used to control the work activity of the driver, and the data collected by these tools cannot be used for disciplinary purposes against drivers.

The agreement does not include articles on environmental sustainability of the delivery sector.

III. Outcomes and commentary

In general terms, **the impact of trade union and negotiation activity** with Assoespressi has led to the following **results** for the category of drivers:

- Reduction of working hours and consequent increase in employment;
- Job stabilizations: trend of transition from temporary agency work or fixed-term work to permanent work;
- Slight decline in workforce turnover;
- Improvement of economic conditions: average salary between €1700 and €1900 per month to which the annual performance bonus is added.

The union effort has gained recognition from drivers, evidenced by the following indicators:

- Increase in union membership;

- Establishment of numerous (about a hundred) Workplace Union Structures (*Rappresentanze Sindacali Aziendali* - RSA);
- Good attendance at trade union meetings organized during working hours;
- Good attendance at the strike organized in March 2021.

The Assoespressi collective agreement is to be renegotiated starting from 1 January 2024 because it will expire at the end of 2024. **Expected future developments** and impacts of collective bargaining concern the following topics:

- Verification of working hours compared to the reduction already obtained;
- Attempt to reduce workloads through union intervention upstream on the algorithm used by Amazon for organizing deliveries (very complex ambition);
- Financial protection tools for drivers with respect to deductibles and any damage caused during the delivery of goods. Establishment of a technical commission responsible for identifying these tools (already provided for in article 19 of the collective agreement, which remained unimplemented);
- Increased OSH aimed at softening the physical stress linked to the pace of deliveries and the frequent changes in temperatures caused by exiting the van, especially in the hottest hours.

The negotiation method undertaken so far has been assessed as virtuous and will continue unchanged. The effort to unify the demands of Amazon's direct and indirect workers is particularly positive and successful, compared to the company's efforts to outsource and individualise the workforce.

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8. National Case Studies – Poland

Author(s): Barbara Surdykowska (IPA/ISP - Institute of Public Affairs Foundation)

Case Study 1 (Business model): Allegro: the largest e-commerce platform originating in Europe

I. Context

Allegro (Allegro.pl, Allegro.cz, Allegro.com) is a Polish e-commerce platform operating in six countries of Central and Eastern Europe. Allegro is the largest European e-commerce marketplace in terms of the number of visitors. Allegro is an online trading platform where medium and small companies as well as large brands sell their products. It is also possible to list items for sale by its users within Allegro Locally, a platform for occasional sellers, usually offering second-hand items.

Allegro was founded in 1999 in Poznan, founded by the Surf Stop Shop company. The idea came from Dutchman Arjan Bakker, inspired by the American auction site eBay. The creator of the first software and the company name was Tomasz Dudziak. The company's first headquarters was a basement in a hardware warehouse run by the portal's founders, and the first auction offered a USB camera. A few months after the launch, the company was acquired by QXL Ricardo, a British group specialising in building auction sites, for USD 75,000, leaving the founders in charge of the company.

In 2016, the number of transactions on Allegro reached nearly 14 million per month, and three investment funds (Cinven, Permira and Mid Europa Partners) acquired the platform for $3.25 billion. In October 2020, Allegro.eu made its debut on the Warsaw Stock Exchange. In June 2021, Allegro began building its own network of One Box parcel machines (see below), and in October 2021 Allegro bought courier company X-press Couriers, which was merged with Allegro on 1 April 2022.

In November 2021, Allegro announced the acquisition of, among others, the Czech Mall Group, a regional e-commerce platform, and WE|DO, a logistics company based in the Czech Republic. This transaction, the largest in the company's history, was finalised on 1 April 2022, increasing its area of operations to six countries in Central and Eastern Europe. In February 2022, the Allegro.com domain was launched, which allows people to buy and sell on Allegro within the European Union. The website is available in English, Czech and Ukrainian language. In May 2023, the Allegro.cz platform was launched in the Czech Republic.

At the end of 2022, Allegro employed 7,840 people in six countries. Disaggregated data about the characteristics of workers are not available.

To sum up, Allegro is a marketplace-type platform, benefiting from strong network effects. Allegro's business model is better contrasted with Mercado Libre or Amazon than with eBay.

Allegro does not appear to have been affected by the COVID- 19 pandemic in any way specific to this company. It is possible to speak of an increase in online shopping practices during the pandemic which was maintained afterwards. However, this is a sector-wide phenomenon.

II. Description and key features

Allegro is a company that cares about **good public relations policy**. In its corporate social responsibility reports, one can find information indicating that diversity, equality and inclusivity are important themes for Allegro. In 2022, Allegro achieved a target of less than 5% for the gender pay gap. 85% of employees see Allegro as a workplace where everyone is respected regardless of gender, age or any other dimension of diversity. In 2022, 92% of employees had attended at least one training course.

In November 2022, Allegro became one of only five major Polish companies whose **climate targets** have been validated and approved by the global and prestigious Science Based-Target Initiatives (SBTi). In 2022, Allegro reduced emissions across its value chain by 10.4%. Thanks to guarantees of origin, already 23% of the energy used by Allegro comes from renewable sources. They are also expanding their sustainable packaging offering - Allegro launched 3.7 million of these in 2022. There are also some development courses for individual sellers (individual sellers who visited the e-learning platform Allegro Academy - 480 000 in 2022). In social responsibility reports we can learn that waste from Allegro magazines is 98% recycled. The range of Allegro's practices related to the greening of e-commerce processes is extensive and thoughtful.

As **Allegro does not have its own last-mile logistics**, the company is developing different services in partnership with other transport and shipping companies, which are part of the **supply chain**.

First, the company is developing the possibility of using parcel machines of the **InPost company**, among others, through the following service for Allegro shoppers: **Allegro Smart**. It enables unlimited and free delivery of the purchased goods to InPost parcel machines and personal collection points throughout the country. By purchasing access to Allegro Smart service (the service is paid and activated for a month or a year), one also gains the possibility of free return of goods to the seller and use of limited special offers (discounts for goods sold on the site).

The second service being developed is the expansion of Allegro's own parcel machines: **One Box by Allegro**. The logistic partner of the One Box by Allegro service is **UPS**. This is an investment with a high impact in terms of **digitalisation and environmental sustainability**. All units are powered by green energy from renewable sources and the structure supporting the vegetation consists of up to 90% recycled wood. According to Allegro's assurances, the parcel machines have facilities for the deaf and visually impaired, air quality sensors, a silent locker closure system, and motion sensor-activated lighting and are adapted to the surrounding infrastructure to provide easy access for wheelchair users and secure unloading areas for couriers. There are many green solutions linked to the construction of the parcel machine network: after picking up the first parcel, the customer can send used electronic equipment to the machine for free, which will be recycled. After every tenth parcel received (and by the end of 2021 after the third), Allegro plants a tree with a personalised dedication on behalf of the customer. Allegro indicates the following green characteristics of their parcel machines:

- powered by electricity as part of their connection to the traditional electricity grid. Allegro purchases energy that has certificates of origin from the supplier. These certificates indicate that a procured volume of wind and/or water energy has been fed into the grid to cover the demand needed to power the *One Box by Allegro;*
- equipped with air quality sensors - if anyone uses the Allegro app can add information about the air quality in the area;
- vegetation - wherever possible, the back wall of the parcel machine is exposed and planted with

greenery, which Allegro intends to look after regularly. Plants are planted on one, two or three sides of the machine - depending on what is possible in the location. Therefore, each vending machine is different, and plantings are tailored to each location. Allegro indicates that more than 90% of the *One Boxes* have been planted with greenery after one year of launching the service;

- care about the quality of delivery - Allegro indicates that it cares about the way couriers work around the machine and precisely designates the unloading locations;
- thoughtful design - Allegro worked with urban movements, disabled people's organisations, the Polish Association of the Blind, experts and local government representatives to create the design for the parcel machines.

Thirdly, Allegro is embarking on the development of the **One Fulfilment service**, and the development of this model inherently involves a **gradual increase in the number of people employed in warehouses**. Allegro's first logistics centre is located near Warsaw and will eventually employ 1,200 people. With the One Fulfilment service, Allegro plans to further reduce delivery times, lower costs and improve predictability for customers thanks to digitalised systems. Customers will also eventually be able to buy from multiple suppliers from a single warehouse and have their order shipped in one parcel, which is both more cost effective and environmentally friendly. One Fulfilment by Allegro is a **comprehensive logistics service** in which Allegro warehouses products, prepares products for shipment, organises the delivery of orders to customers via the One Box by Allegro service in conjunction with courier companies, answers buyers' questions about order fulfilment and provides sellers with information about the status of stock supply. This service is an example of the **vertical integration** of Allegro's supply chain, which enables the company to control the entire sales and delivery process.

Time will tell what extent the Allegro's business strategy will be accompanied by a **decent work** policy in the logistics centres. Even if the employment element is highlighted in the social responsibility strategy of the company, information about actual working conditions, health and safety measures and differences among employees, non-standard workers and self-employed in warehouse and delivery services are not available.

A **trade union** was established at Allegro at the end of April 2023 and functions as a committee of the Workers' Initiative trade union. The trade unionists put forward nine demands, including a transparent pay scale and terms and conditions of employment, a change in the employee evaluation system or the introduction of equal rules for all employees. In July 2023, in front of Allegro Group's headquarters in Poznań, members of the Workers' Initiative organised a picket to bring about a second meeting with the management and the start of talks on the union's demands. So far, their demands have been ignored.

III. Outcomes and commentary

With regard to the **impact of business policies on employment and working conditions**, the trade union was established at Allegro only in 2023, so it is impossible to determine the dynamics in terms of collective bargaining. There is no collective agreement in force at Allegro. However, this should be seen with the knowledge of the very low number of employees in Poland covered by collective agreements. It is difficult for the author to provide a likely scenario of how the situation will develop. The trade union points out that practices at Allegro are beginning to resemble those at Amazon which, among other things, they explain by several managers who worked at Amazon before joining Allegro. The trade union considers practices 'taken' from Amazon extremely critically. Trade union expects Allegro first and foremost to enter into talks, dialogue and treat representation subjectively. In November 2023, the recognizable Polish weekly magazine Polityka published an article on the corporation's generally anti-union policy in which the author of the text also referred to Allegro as an example, pointing out that the current bone of contention between the employer and the union is the confidentiality agreement. Indeed, too little time has passed since the union's inception to be able to prejudge how its relationship with the employer will develop, and to what extent Allegro's declarations about being a responsible employer that respects the subjectivity of employees and their right to associate will be confirmed.

Finally, it is worth noting that Allegro is the clear leader in terms of the number of products offered, which is where most Polish customers start their shopping. Summing up the development so far, it can be said that Allegro has not been intimidated by the American Amazon and has also survived the frenzied attack of Singapore's Shopee. Allegro is currently being challenged by the new Polish platform Wszystko.pl. As mentioned above, Allegro is embarking on an **international expansion**. Allegro sees its debut in the Czech market as a model from which it hopes to gain as much knowledge as possible, which can then be applied to further international expansion activities. As Allegro representatives pointed out, "as in most Central European countries outside Poland, consumers in the Czech Republic are not yet familiar with the marketplace model. We want to learn as many lessons as possible from the launch in the Czech Republic in order to develop an action plan that will allow us to enter new markets more quickly in the future within the MALL segment operation".

New trends linked to the e-commerce market and consumers expectations will be the next challenges for Allegro: shopping via mobile devices; personalised costumer experience; second-hand trade.

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Case Study 2 (Union practices): Collective dispute in Amazon in Poland

I. Context

Amazon has been operating in Poland since 2014. It currently has **10 Logistics Centres** in Sady near Poznań, Sosnowiec, Kołbaskowo near Szczecin, Bielany Wrocławskie, Łódź, Pawlikowice near Łódź, Okmiany near Bolesławiec, Gliwice and Świebodzin. Amazon also has a corporate office and a web service branch in Warsaw and a few Technology Development Centres in Gdansk, Krakow and Warsaw. An obvious consequence of the **COVID-19** pandemic is the increasing role of e-commerce due to changing consumer habits. In the case of Amazon in Poland, it seems that it can be hypothesized that labour costs in Poland's neighbouring countries will be key to the development or not of further logistics centres[53].

The subject of the case study is a description of the actions aimed at obtaining a wage increase in the 10 Amazon's Logistics Centres in Poland, where approximately 20,000 employees currently work, through the initiation of an **industrial dispute**, i.e., a procedure necessary in the Polish legal system to carry out a strike.

Two polish trade unions mainly operate in Amazon: **Inicjatywa Pracownicza** (the Workers' Initiative, IP) and the **NSZZ Solidarność**. There is also an alternative form of employee representation at Amazon, the so-called **Workers' Forum**. IP is the largest union, with about 1,000 members at Amazon, while the NSZZ Solidarność has about 600 members. The size of other unions (Solidarność 80, Kontra) allows to describe them as marginal.

As for the **relationship between the company and the unions**, this can be described as conflictual with very limited involvement of unions in decision-making. According to Amazon, trade unions represent a small part of the workforce and therefore have a very limited capacity to represent their interests. Amazon indicated a preference for all forms of individual consultation with the employees, preferring it to their collective representation. The employer pointed as well to the functioning Workers' Forum as an appropriate, non-union representation.

The unions' main concern at the basis of the industrial dispute described below was Amazon's **refusal to enter into wage negotiations**, treating wage decisions as fully independent decisions of the employer. As a background, it is important to remember the rapid increase of the minimum wage in Poland, which has a nationwide character, and is calculated with the participation of public authorities). In such a situation, the trade unions are taking action to raise the wage at Amazon even slightly in relation to the nationwide minimum wage.

With regard to the **peak periods** during the Christmas and New Year period, the trade unions were able to enter into discussions with the employer. In October 2023, the company organisation of NSZZ Solidarność of Amazon Poland discussed a peak bonus and as a result the "Peak Bonus Regulation" was adopted, which will be in force from 12 November 2023 to 4 February 2024. NSZZ Solidarność pointed out that an increase compared to the previous year and an extension of the bonus period for each location from three to five weeks. A bonus of PLN 5 will be paid for every hour worked, including overtime.

Other **trade union concerns** and **demands** are currently related to working conditions. The unions are accustomed to carrying out inspections with the help of the State Labour Inspectorate, but there seems

53 The author of this case study, despite numerous attempts, did not manage to have an in-depth conversation with Amazon's employer representative and therefore it is difficult to make a judgment on the company's future strategy in Poland.

to be no experience of collective bargaining on working conditions. The process is limited to the fact that if the State Labour Inspectorate finds an irregularity, Amazon makes some limited changes in the area concerned to formally meet its demands.

As for the **characteristics of Amazon's workers in Poland**, external workforce (temporary agency workers) occasionally supplements the work of permanent employees. This is largely temporary in nature and is linked to the seasonality. At the very peak of the season, there may be a temporary doubling of the number of employees in some Logistics Centres. While there is no public disaggregated data available, the following conclusions can be drawn from trade union observations:

- the gender split: the number of women and men working is comparable, although there are some departments that are more feminised (packaging) and others that are more masculine (loading/unloading);
- the age split: there is a range of ages among employees, with temporary agency workers generally being younger;
- the citizenship split: workers employed directly by Amazon are almost exclusively Polish, while migrants are employed through temporary work agencies. The consequence is that agency employment is more often used in Western Poland (Świebodzin, Kołbaskowo) because the market is more "drained" and there are no potential employees with Polish citizenship;
- the location split: the vast majority of employees come from small towns and cities. Being unable to recruit workers in close proximity, Amazon Poland has organised an extensive network of free shuttles to connect these areas with the Logistics Centres.

II. Description and key features

The industrial dispute between the IP trade union and Amazon Poland deserves to be described.

As a starting point, it should be underlined that the Remuneration Regulation at Amazon Poland does not contain wage spreads and, according to the Polish law, it requires consultation with trade unions to be amended, which hasn't happened since 2014. The employer's position is that changes in remuneration are individual in nature and depend solely on the employer's decision, refusing to enter into wage negotiations with trade unions.

According to the last employer's decision, Amazon's warehouse workers will earn 26 PLN per hour gross from 1 October 2023. After one year of work, they will receive 26.50 PLN, after two years the amount increases to 27.50 PLN per hour. For comparison, these are amounts oscillating around the polish minimum wage[54], from which additional components of remuneration are excluded.

Early 2022, a **petition** signed by 2,777 Amazon's employees across several offices and establishments was addressed to the Amazon's regional operations director for Central and Eastern Europe. The company did not respond to the petition for a long time, and to subsequent reminders by letter from trade unionists, Amazon replied that wages are reviewed wages every year in the second and third quarters of the year. However, in early July 2022, Amazon informed employees that year's salary review had been frozen.

For this reason, IP submitted an official letter on 13 July 2022, entering into a **labour dispute** with a single

54 The minimum hourly rate with the start of the second half of 2023 increased from 22.80 PLN to 23.50 PLN gross. From 1 January 2024, the minimum hourly rate will be 27.70 PLN gross, and from 1 July 2024. - 28.10 PLN gross.

demand: an increase in workers' wages by 6 PLN for each working hour (i.e., approximately 1,000 PLN per month for the lowest-level warehouse worker). The day before the negotiations (4 August 2022), Amazon raised hourly wages by 1,50 PLN. This caused dissatisfaction among the workforce. However, formally the **negotiations** did take place, where the union demanded that wages be adjusted for inflation and the company refused, signing a protocol of divergence. This was followed by a **mediation** process involving a mediator appointed by the Ministry of Family and Social Policy which took place on 7 September 2022, which also ended in failure.

Therefore, in accordance with the Polish Labour Disputes Resolution Act (Ustawa o rozwiązywaniu sporów zbiorowych), the IP union conducted a **strike referendum**, which, in order to be valid, had to be held at company level, i.e. at Amazon Fulfilment Poland. Covering the entire company proved to be an organisational challenge for the union, which has 10 warehouses in several provinces. On 25 September, the union started with a protest to inform workers about the mediation process and the planned referendum. Later, from October 2022 to December 2022, union representatives collected votes in six Amazon warehouses. However, in early 2023, Amazon restricted access to other warehouses by not allowing the referendum in the canteens (obstructionism).

The strike referendum was attended by 4.978 workers of Amazon Fulfilment Poland, of which more than 95% voted in favour of the strike. Under Polish law, however, a strike requires a referendum in which half of the workforce must participate, of which half must be in favour of the strike. It is irrelevant how many votes were cast at individual warehouses, because what matters is the total number of employees in the company. To sum up, approximately 25% of the total workforce voted (not including agency workers), i.e., trade unions are not able to achieve the required attendance among workers, failing the strike.

As union representatives (who were workers of Amazon, employed at different sites) were not allowed to enter some warehouses to guarantee the referendum procedures, IP perceived this to be an unlawful obstruction of a labour dispute and organised protests in front of the workplaces. Members filed notices to the public prosecutor's office on suspicion of an offense (wykroczenie). In April 2023, the public prosecutor's office in Świebodzin decided to initiate an investigation.

III. Outcomes and commentary

The entire attempt to organise strike action described above did not affect the wage and working conditions of Amazon's employees in Poland. In the author's opinion, as a result of the actions taken to organise strike action at Amazon, the dysfunctionality of Polish law with regard to the obligation to hold a strike referendum emerges very clearly.

The industrial dispute presented above raises the following general issues for analysis:

- The inability of the trade unions at Amazon to exceed the scale of organising employees beyond 10% of the workforce;
- The impossibility of resolving, even with the assistance of the Labour Inspection, or Court, or political mediation, the fundamental issue concerning the lack of correct (and required by Polish law) provisions in the Remuneration Regulation resulting in the formal removal of trade unions from the possibility of conducting wage negotiations, and therefore the necessity to use the collective dispute mechanism;
- Passivity of the Polish legislator as regards adjusting regulations in the area of strikes to the ILO Conventions binding Poland. It may be pointed out that in the Polish legal order, we are also dealing with

far-reaching limitations to the right to strike in the public sphere - this issue is the subject of the NSZZ Solidarność motion to the Constitutional Tribunal, which has not been resolved for over 10 years;

- Media interest in the attempt to conduct a strike at Amazon was minimal, even if according to IP representatives met the interest of the world of politics (presence of MPs from the Razem party, a left-wing party).

In the author's opinion, the situation at Amazon demonstrates the general problems of the Polish trade union movement, consisting in the **lack of strategic action on organising** by the representative central trade unions (NSZZ Solidarność, OPZZ and FZZ). Actions mainly takes place spontaneously, and while spontaneous employees organising works to some extent in classic production centres, it is completely inadequate in the area of logistics and delivery, which is highly fragmented. What the author wants to point out is the lack of well thought-out, top-down strategies and serious attempts of implementation.

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Case Study 3 (Collective bargaining): Poczta Polska - The collective agreement covering the largest number of employees in Poland

I. Context

The activity of ***Poczta Polska*** **(Polish Post Office, PP)** and the **parcel delivery service** it offers **- Pocztex** - makes it possible to create some comments around e-commerce having some connection with the area of collective bargaining. PP is a state-owned national operator and performs action as a "designated operator", providing universal access to postal services in Poland.

PP employs more than 62,500 employees (including 20,000 postmen and 3500 courier) and has a network of 7,600 outlets, branches and postal agencies. The number of couriers who are self-employed and work with the Post Office is 2,500. As can be seen, the number of self-employed (2,500) in relation to the total workforce (62,500) is not significant.

The PP is an extreme example of the **fragmentation of the trade union movement**. There are dozens of trade union organisations in the company. The largest of these are the NSZZ Solidarność (NSZZ Solidarność is a unitary union) and those affiliated to the OPZZ (OPZZ is a federation). There are also trade union organisations that are not part of any of the three representative Polish trade union centres (3 trade unions in Poland are nationally representative and are members of the Social Dialogue Council: *Forum Związków Zawodowych* (FZZ), NSZZ Solidarność and OPZZ (*Ogólnopolskie Porozumienie Związków Zawodowych*). These dispersed trade unions form joint trade union representations depending on the situation.

Relations between the individual trade union federations (including relations between the NSZZ Solidarność and the OPZZ) in the PP have varied. The NSZZ Solidarność trade union has been perceived as having closer relations with the postal central management because of the generally closer relations between the NSZZ Solidarność trade union and the PiS party, which has formed the government for the last eight years. There have, however, been numerous instances of NSZZ Solidarność criticising the actions taken by the central management of the PP during the period when the PiS party was in power. The extreme fragmentation of the trade union movement in PP produces several consequences. Firstly, it makes the relationship between central management and the trade unions more difficult, and secondly, weakens the power of employee representation. However, it must be taken into account that some of the trade union organisations have very few members and have a *de facto* local role. The final dialogue between the PP central management and the trade unions takes place among a smaller number of trade union organisations.

Because of **COVID-19 pandemic**, the role of e-commerce has increased and so Pocztex (i.e., the service run by PP for parcel delivery) importance has also increased. In the period of COVID-19, in the public and political perception, a debated and controversial issue was PP's participation in the organisation of the presidential election, which was to be organised with the help of postal letters (it was not organised in the end, the election was held traditionally in polling stations). It seems that the thesis that the necessity of the development of the Pocztex service as consequence of COVID-19 cannot be put forward - the fact that this service is increasingly crucial for PP is simply a result of the decrease in profitability of running classic postal service (letters), the number of which is drastically decreasing due to the digitalisation of various economic and social processes.

The poor financial situation of the PP (as discussed below) and the ongoing collective bargaining disputes with the unions operating in the PP form the background to this case study. In a situation where more than 70% of PP employees earn the lowest national salaries, **the main concerns and demands of trade**

unionists relate to salary increases. Individual trade union organisations expect a pay rise of between PLN 800 and PLN 1000. However, there is another demand that is directly related to the Pocztex parcel delivery service. This is the demand that this service be provided by PP employees and not by cooperators (self-employed). In general, the trade unions are protesting against the **reduction of employment** at PP, which is achieved by not concluding new employment contracts when a temporary contract expires and by not filling positions when an existing employee retires. PP has a **collective agreement** in force, which is the largest collective agreement in Poland, i.e. it covers the largest number of employees. The development (or lack of development) of the Pocztex parcel delivery service will have an impact on the situation of PP's employees as a whole, including the future renegotiation of the provisions of the collective agreement. The case of the Pocztex service will be analysed in the light of the trade unions' expectations regarding the development of PP. NSZZ Solidarność criticises PP's central management for its **inability to build a network of parcel machines**, as explained in detail below.

II. Description and key features

The origins of the Pocztex service date back to 1997, when PP started to deliver courier parcels in a door-to-door system. Currently, Pocztex parcels are offered by PP to both businesses and individuals across Poland in three delivery channels: to the door, to the point and to the parcel machine. As PP's management points out, the development of courier services is an important part of PP's strategy for 2021-2023, which aims to strengthen the company's position in the market. While PP is constantly developing the delivery option Pocztex PUNKT (currently, parcels can be collected in over 17 thousand locations throughout the country), the company is **unable to build a network of its own parcel machines**, even if the Polish market of parcel machines is one of the largest in Europe.

Trade unionists from Solidarność have sent a letter to Deputy Prime Minister Jacek Sasin, who is in charge of treasury assets, protesting against a 'pathological situation' in which two state-owned companies are 'destroying each other'. The trade union referred to PP and Orlen, which quietly ended their logistical cooperation in September 2022. Orlen's competitive activities with PP is growing in an "sector" that PP considers to be its domain, as the number of Orlen's parcel machines in November 2022 was more than 1,500 devices, compared to just 200 a year earlier. On the other hand, PP continues to lag behind: its network of parcel machines numbers around 200 machines - the same number as it had in 2021. The announced target of 2,000 new machines in 2022 was never reached.

PP's operation as the so-called designated operator brought the state-owned company a net loss of as much as PLN 192 million in 2021. The company's losses on the so-called universal service alone in the years 2021-2022 are expected to amount to more than PLN 0.8 billion, PP revealed in a report to the Office of Electronic Communications in 2023. PP has made no secret of the fact that it is waiting for the government to cover the losses it has generated by acting as a so-called designated operator. If the European Commission notifies such aid, PLN 191 million for 2021 and PLN 593 million for 2022 will be transferred from the state budget to the Post Office. For the time being, however, the European Commission has not given the 'green light' for compensation of the net loss on universal services. PP also points out that **until the transfer of the indicated funds from the state budget, it is not in a position to hold negotiate with trade unions regarding salary increases**, blocking the renegotiation of the provisions of the collective agreement.

Looking at the collective agreement in place, signed on 13 September 2010, it is possible to point to a few provisions contained in the text that exceed the Labour Code standard with regard to **economic conditions**:

- Seniority allowance. This allowance amounts to 3% of the salary base, increasing by 1% with each year, and the employee becomes entitled to it after working for three years. It is capped at 20% after 20 years of service with PP.
- Jubilee bonuses. After 15 years, the employee is entitled to a one-off payment of 100% of the monthly salary; after 20 years, this grows to 150%, and every 5 years the bonus increases by 50% of the monthly salary, up to 400% after 40 years of work.
- Increase in the amount of severance pay that an employee receives on retirement, compared to the Labour Code: after 15 years of service, it correspond to the 150% of monthly salary; after 20 years of service, it corresponds to 200%, and for every 5 years of service the severance pay increases by 50% of the monthly salary, up to 350% after 35 years of service.

It can be pointed out that issues related to digitalisation and environmental sustainability are not raised by the trade unions in the context of the development of the Pocztex service. The lack of satisfaction with the wages level and a demand to reduce self-employment among those performing parcel delivery services within Pocztex are unions' main concerns.

III. Outcomes and commentary

The case described above concerned, on the one hand, the inability of PP management to build a large and competitive parcel delivery service and, on the other hand, the criticism of this situation by trade union organisations. This criticism grows primarily out of PP's overall poor financial situation, which translates into wages and bargaining stalemate during ongoing collective disputes. The dragging out of industrial disputes has also been influenced by waiting for the end of the election campaign in Poland, as elections to Parliament took place on 15 October. Undoubtedly, there will be personnel changes in PP's central management as a direct consequence of the parliamentary elections, which brought victory to the parties so far in opposition. However, it is difficult to predict whether the next change of PP management will be able to develop network of parcel machines, to restore the public company's financial losses, and to return to the negotiating table with the trade unions to secure wage increases.

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9. National Case Studies – Spain

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Case Study 1 (Business model): Mercadona Online: an e-commerce business model based on the integration of the whole supply chain

I. Context

Mercadona is the largest supermarket chain in Spain, representing 15.5% of the Spanish market in terms of sales surface. According to the company's annual report (2022) Mercadona employs 95.500 employees in its 1.637 supermarkets along Spain. Recently (2019), the company has extended its operations to Portugal and, in 2022, it employed 3.500 workers in 39 supermarkets. The number of employees has grown to 3.200 during 2022 (2.200 in Spain and 1.000 in Portugal), due to the opening of 63 new supermarkets and the building of new logistic premises. The sales in 2022 accounted for 30.304 M€ in Spain and 737 M€ in Portugal, while the investments in Spain reached the amount of 783 M€ and in Portugal 140 M€, with a global revenue of 2,5%. Those investments include the purchase of new premises, the renovation of already existing supermarkets and, as an important item, the building of logistic premises, as the Logistic Blocs (whose function focuses on the supply of the supermarkets) and Hives (to serve the Mercadona Online business).

Regarding the characterization of its **workforce** (including supermarkets, logistic blocks, delivery and ecommerce), 61% of them are women and 39% are men. 82% of them are employed in supermarkets, 12% in logistics (which include the ecommerce branch) and 6% in administrative issues. The most important age groups of the staff are 40-49 years (that accounts for 40% of the total workforce), 30 – 39 years (30%), 50 or more years (16%) and less than 29 years (14%).

In 2018 Mercadona launched its **e-commerce sales channel, Mercadona Online**. The online channel is based on technology developed by Mercadona Tech, the technology development branch of the company. In 2022, Mercadona Online had a 325 M€ turnover, accounting for 1% of the total revenue of the Group and employed 2.000 workers. The professional profiles of these workers were mainly pickers (working in the Hives, the logistic areas devoted to ecommerce supplies) and truck drivers (for the delivery of goods to clients). Furthermore, Mercadona Tech employed another 187 workers with a technology development profile (as app developers, IT engineers and similar).

As a result of **COVID-19**, the online sales channel has received a boost, and the company plans is that this channel will account for nearly 5% of the total company revenues in the next few years. Nowadays, from 9.000 to 8.000 orders are processed every day in this channel. The trend in terms of employment creation is positive in this branch, due to the increase of online sales, the building of new logistic facilities to supply and the increase of workforce needs for the last mile delivery. This trend is in line with the national data on Mass Consumption sector trends, according to the Observatory of Innovation in Mass Consumption of the Instituto Cerdà. E-commerce in this sector has moved from a market share of 1.9% in 2019 to 2.9% in 2021 (Kantar, 2022), so that in 2022 33% of Spanish consumers made purchase both in the online channel as well as the physical one (ASEDAS, 2022).

The **logistics system developed for Mercadona Online** is different from the one established for the supply of the company's supermarkets. The latest is based in 16 logistic blocks covering all the national territory and the delivery to supermarkets is carried out by large trucks on daily bases. On the other hand, the logistics for the ecommerce branch has a twofold approach:

- For areas with high concentration of potential clients, the company builds and runs specific Hives, highly mechanised stores only dedicated to supply the online channel. In 2022 the fifth Hive was opened in the city of Seville. The other four are located near València, Madrid, Barcelona and Alicante. It is foreseen the opening of a new Hive in the city of Málaga for the next few years. From these hives, the supplies are delivered to clients by a fleet of small – medium size trucks, partially powered by liquefied gas and electric engines. Both pickers and truck drivers are directly contracted by Mercadona Online and no significant subcontracting has been reported in these areas.
- For areas of lower demand (basically, medium and small size urban areas) online orders are prepared in the nearest supermarket with adequate facilities and by supermarket workers and afterwards delivered by the same truck fleet.

According to Miguel Calatrava, Responsible for Delivery in the company, this **integration of all the logistic chain** is essential in the company's model: "*for us this is differential, even assuming the greater flexibility and cost impact that more outsourcing-based models could provide. In our vision, having total control over operations is key to guaranteeing service quality to our clients*" (Business Insider, April 2022).

II. Description and key features

The **company's mission** is identified as "Achieve a sustainable agri-food chain, which people want it to exist and feel proud of, led by Mercadona and having the client as a beacon". In order to develop its mission, the company established a Total Quality Model (TQM) based on 5 pillars representing the stakeholders and being "The worker" one of them. The others are the client, the supplier, society and the capital.

The company claims to apply a **human resources policy based on permanent** (excluding seasonal hiring and temporary replacement) well paid **contracts** and **avoiding the use of subcontracts and bug self-employed workers**. The long-life learning of the workforce is also claimed as a key point in the overall company human resources policy. 100 M€ were allocated in 2022 to training and capacity building activities, having as a result 3 million of training hours during the same period (Mercadona Annual Report, 2022). Following the company's policy, **workers of all parts of the value chain covered by Mercadona Online (including logistics and delivery) are directly employed by the company**. There are no non-standard or self-employed workers.

The **labour conditions** of the e-commerce workers in Mercadona Online are regulated under the **Collective Agreement** signed by Mercadona SA and the Unions Comisiones Obreras (CC.OO) and Unión General de Trabajadores (UGT) in December 2018 and covering the period 2019 – 2023. The Collective Agreement established the following 3 staff categories: Manager A (less than 3 years of experience); Manager A (more than 3 years of experience); Manager B (qualified tasks with a certain level of autonomy); Manager C (Coordinator).

The **salary** tables in Annex I of the Collective Agreement establish a base monthly salary of 1.049€ for the lower category (Manager A with less than 3 years of experience) and 1.643€ for the higher category. This salary will be increased considering CPI inflation during the period 2019 – 2023 unless the revenue rate of the company falls under 1,5% of the total income. Therefore, in 2022, net monthly salary for the lower position in 2022 amounted to 1.282€ (20% higher than the minimum inter-professional salary) in Spain and 915€ (28% higher than minimum inter-professional salary) in Portugal. Moreover, a one-month salary extraordinary payment will be issued in case that "the annual objectives of the company are achieved".

Focusing on the professional profiles in the ecommerce branch (Mercadona Online), the job offers section of the company web shows the work conditions and salary offered to workers in the positions of pickers (in the hives) and truck drivers. In both cases:

- Permanent work contract;
- Weekly working time is 40 hours for full day work and 22,5 hours per week for part time work (the latest, only for pickers);
- Split shift for full day work, morning shift for part time work;
- Salary: 1.507€/month (gross salary). For part time work, the salary amounts for 847€/month.

Besides, the Collective Agreement regulates the working time and compensations on Sundays (art. 22) and bonus hardship and night working time (art. 17) specifically for Mercadona Online workers.

In Article 39, the Collective Agreement defines an **Observatory** to analyse the design and implementation of new techniques and methodologies aimed to increase the productivity and competitiveness of the company and to identify how these innovations and the sectoral trends can impact on work conditions. The Observatory is managed by a Joint Committee with the participation of 2 members of each one of the signatory parts of the agreement. One of the first items tackled by the Observatory has been the improvement in the work time organisation and the promotion of work–life balance. Due to this work, from 2020 Mercadona has established the 5–2-week model (5 days of work followed by 2 rest days) in all the supermarkets (thus, affecting workers involved in the preparation of supplies for the delivery through the ecommerce channel, in low density urban areas). Moreover, the new organisation includes at least 8 long weekends (including Monday) per year.

Occupational Health and Safety is regulated under Article 29 of the Collective Agreement and monitored by the Joint Inter-centres Commissions (defined by the Article 35.4 of the Law for the Prevention of Labour Hazards) in which main Unions take part. The September 2022 Joint Committee discussed, among others, the following concerns by Unions regarding health and safety in logistics:

- Thermic stress in logistic areas especially during summer. As a result of the discussion, industrial fans were set up in corridors and previously non covered areas in a pilot block in order to assess improvements in environmental conditions. Furthermore, the proposal of limiting activity during the central hours of the day in summer was posed to the company.
- Tight timings for the last mile delivery.

According to the company plans, the e-commerce channel will grow in the next years up to 5% of the total company business. This trend is the result of the **digitalisation strategy** initiated by the company from 2017 with the setting up of the new ecommerce channel (which substituted the old company's web page) and importantly boosted since the COVID19 pandemics. The company declares that nowadays the online channel is already cost-effective and there are plans to open new Hives to cover the online demand in new urban areas. Therefore, it is foreseen an increase of direct employment both in logistic areas and last mile delivery. On the contrary, the increase of the ecommerce channel could have an impact on the employment in physical shops and supermarkets in the future. Nevertheless, this impact does not seem to be close, as the current trend is to expand the territorial scope and to create new employment in physical shops too.

The current **environmental sustainability** investments in the ecommerce branch are twofold. On one hand, in the energy efficiency in logistic areas and hives mostly by the installation of solar energy plants in the facilities. The consolidation of a low carbon emission last mile delivery fleet. Electric and gas-powered trucks are the base of these fleets.

As initial investments are supported by European funds (as Repower EU and NGEU) and considering the high price of energy this could have a positive impact on the company's profitability in the medium term.

III. Outcomes and commentary

The e-commerce Mercadona Online is likely to continue growing in the next future, leading to an increase of the work available in logistic areas, hives and delivery fleets. This means that specific attention should be paid to working conditions (as environmental conditions of the workplace and time planning in the delivery) in the next collective bargaining which started to be negotiated in October 2023.

The business model developed by Mercadona for its ecommerce branch seems to be defined by the inclusion of all the value chain in an integrated framework. Unlike most of the Mass Consumption operators that have set up ecommerce channels (like Carrefour or Dia which have established strategic agreements with delivery companies as Glovo or Uber Eats), Mercadona Online integrates:

- The design, development and management of the technological tools for online sales (Mercadona Tech).
- The ownership and direct running of specific logistic areas (hives) integrally dedicated to supply the ecommerce business in large urban areas.
- In smaller urban areas, the preparation of supplies is carried out in Mercadona's premises (the supermarket) and by Mercadona's workers.
- The ownership and direct running of a truck fleet.
- The direct hiring of pickers (in the logistic areas) and truck drivers, avoiding subcontracting and bogus self-employment and, thus, keeping the control of the human resources strategy.

The general contracting policy prioritises permanent contracts and leaves short term contracts for seasonal purposes, temporary replacements and unexpected issues.

Working conditions of workers of the ecommerce branch are covered by the overall company collective agreement. Social dialogue seems to be a key factor in the development of the company's human resources strategy, including the online branch Mercadona Online. Main achievement of this social dialogue during the last period are:

- The signature of a Collective Agreement by the two main unions and the company.
- The setting up of an observatory for the monitoring of its implementation and the impact of the new business model in the working conditions (the work in the hives, among them).
- The implementation of the 5+2 weekly work model, ensuring 2 days of rest per week and 8 long weekends per year.

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Case Study 2 (Union practices): Trade Unions' strategies in Amazon Spain

I. Context

Amazon started to operate in Spain in 2011 and has become one of the biggest companies in Spain and the most important company in the e-commerce sector. According to the Ecommerce Guide of Spain 2021, **Amazon is currently the main player in the Spanish ecommerce sector**, where it employs more than 18.000 workers in their 130 storage platforms and pick-up points (owned by the company or subcontracted).

As in other activities and sectors mediated by digital platforms, Amazon has had a very **controversial relationship with Spanish trade unions**. First, unions have claimed and litigated against company practices based on the miss-classification of delivery driver workers as independent contractors rather than employees, shifting responsibilities and risks onto workers who have been forced to operate under marketized relationships lacking protection. Those workers' demands have been recently confirmed by Court decisions. Second, there have also been disputes with regard to the inclusion of some of the Amazon workers into the scope of the sectoral level bargaining of the transport sector and the relocation of workers within establishments. At the same time, unions have been able to get some recognition through the establishments of work councils, although the level of extension of unions in the company work centres is still quite low.

Compared to other sectors of the platform economy where both alternative (including social movements such as Riders for Rights - R2D) and mainstream unions have developed strategies to represent workers (Arasanz and Sanz de Miguel, 2023; Sanz de Miguel et al, 2023), in the case of Amazon main actions have been developed by most representative unions: the **General Workers' Union – UGT** and the **Workers' Commissions - CCOO**. There is however one alternative union which has also played a role in different mobilisation strategies and has also become part of some company work councils: the **General Confederation of Labour (CGT)**. In terms of characteristic and size of main unions involved, it is worth noting that CCOO and UGT are the most representative trade unions at cross-sectoral and sectoral level (transport and delivery). In accordance with article 6 of Law 11/1985, trade unions with more representativeness at state level are: those that certify they have obtained, at state level, 10% or more of the total number of representatives or members of the works councils and of the corresponding bodies of the Public Administrations. The number of members of a trade union is not used to determine representativeness in Spain, since there is no objective mechanism for measuring representativeness, but each organization determines its own criteria for counting its members. As a result, there are not density or membership figures publicly available. With regard to the trade union CGT, this union does not have the representativeness status at national or sectoral level. However, it has members in several work councils of Amazon. In terms of main changes following COVID-19 crisis, it appears that trade union landscape has remained very stable in Spain in terms of membership and structures.

According to Unions, **main characteristics of the employment** provided by the company is temporality of workers hired directly and the extensive use of temporary agencies. Bogus self-employment has been also an extended practice affecting delivery drivers. Regarding socio-demographic characteristics, there is not available quantitative data. While there is not information on the socio-demographic profile of the workers employed in Amazon, it can be argued that they are very similar to those found in the main sectors in which amazon operates (transport and logistics), which is a male-dominated sector. In the field of transport delivery, a high proportion of migrant workers is also expected (Sanz de Miguel et al., 2023).

II. Description and key features

Spanish trade unions have developed **four main types of practices and strategies** aiming to improve Amazon workers' working and employment conditions: (a) litigation against bogus self-employment; (b) work council developments; (c) company social dialogue and collective bargaining; (d) workers' mobilisation.

a. Litigation against bogus self-employment

The digital labour platforms' employment model has been subject to multiple judicial disputes in Spain, with nearly fifty rulings on the misclassification of riders' employment status. Indeed, Spain appears at the top of European countries in terms of court rulings and court decisions in this area (Hießl, in press). In the case of Amazon, unions have also developed litigation strategies against workers miss-classification as self-employment.

In this case, the target of the trade union action was the so-called Amazon Flex employment model. Under this model, the company's delivery drivers were forced to work with their own vehicle to deliver packages using a company app that told them how to work. The trade union UGT brough this case to the Court of Madrid. Finally, the Court of Madrid has established in February 2023 the recognition of those delivery drivers as employees. It has applied the doctrine of the Supreme Court decision on September 2020 which established the recognition of a former Glovo rider as an employee (Todolí, 2021).

Following this decision, UGT published a note in which it stated that the union *'will continue to fight for the rights of workers who provide services on digital platforms to be respected, so that their work is provided in minimum conditions of safety and dignity, avoiding situations of labour exploitation that, unfortunately, occur very frequently in these new forms of business"*[55].

b. Work council developments

Trade unions have also developed strategies aiming to improve Information and Consultation rights (I&C) through the establishments of work councils. The first work council was set up in the warehouse of San Fernando (Madrid) in 2015. Since then, trade unions have managed to set up 14 work councils in the 130 work centres that the company currently has in Spain. Work councils have been set up in work centres located in Madrid, Sevilla (Dos Hermanas), Catalonia (El Prat, Castellbisbal) and Toledo (Illescas) . Those work council work independently with no coordination as there is not any national work-council (La Información, 2022).

According to some sources, main reasons behind difficulties for setting up work councils lie on the employer policies. In particular, the extensive use of subcontracting practices hinders trade union representation. For instance, in the 33 subcontracted centres, trade unions have not managed to set up a work council (La Información, 2022).

c. Collective bargaining and company social dialogue

Unions are also attempting to regulate working conditions through collective bargaining. However, at the time of writing, little progress has been made towards the collective regulation of working conditions in Amazon through a company collective agreement. Indeed, according to the Collective Bargaining National

55 https://www.ugt.es/amazon-es-condenada-por-emplear-repartidores-como-falsos-autonomos

Register[56] there is only one company collective agreement currently in force which is applied in one established in Madrid.

Currently, some of the workers (mostly warehouse staff) of Amazon are covered by the provincial multi-employer agreements of transport and logistics. This means that workers employed in different provinces are subjected to different working conditions. This fragmented collective bargaining landscape is favouring social dumping strategies within the Spanish territory. For instance, in January 2023 Amazon announced the closure of its logistic centre in Martorell (Barcelona) and the relocation of those workers to the logistic centre of Zaragoza. According to the trade unions, the company will save around 15% in wages through this relocation because of the differences in the wages collectively agreed in each province[57].

Moreover, it is worth noting that not all the workers of Amazon are covered by the transport and logistic collective agreement. Indeed, delivery drivers are generally excluded from the scope of this agreement. This staff is mostly external (working under subcontracting companies) and is either covered by company agreements of the subcontracted companies or by the sectoral agreement of the courier sector, which apply worst working conditions compared to transport and logistic sector (Esteve Segarra, 2023). According to some scholars, this should be considered as an irregular or fraudulent practice because most of the transports used by these companies fall within the scope of the transport and logistic collective agreements (Esteve Segarra, 2023).

In terms of social dialogue practices, the main trade union achievement has been the agreement of the so-called equality plans within Amazon Spain Services S.L.U - ASS-, signed in 2021 with CCOO and UGT[58]. This plan includes measures to favour the access of women to the company, to advance in the professional promotion of women, to attend to the victims of gender violence, to facilitate conciliation and co-responsibility and to ensure that the remuneration is not discriminatory between women and men. Together with the Equality Plan, a Protocol for the prevention of sexual and/or gender-based harassment has also been signed, which is aimed at making the company a place free of harassment and violence for the people who work in the company. Moreover, the plan includes a Monitoring Committee integrated by company and trade union representatives (CCOO) to ensure that the plan is implemented as agreed and that progress is made towards real equality between women and men in Amazon Spain Services.

d. Mobilisation strategies and industrial conflicts

Mobilisation has been also a strategy followed by CCOO, UGT and CGT in order to improve working conditions and claim for the recognition of collective rights. Mobilization strategies have been developed at local level with no coordination at national level.

The most important conflict and mobilisation actions occurred between 2018 and 2021 in the biggest warehouse centre in Spain, which is located in Madrid (San Fernando de Henares). The conflict was driven by the company decision of leaving the company collective agreement and applying the regional sectoral agreement of the courier sector, which provide worst conditions. In this context, trade unions CCOO, UGT and CGT leaded several strikes and demonstrations which mobilised more than 80% of the workers[59]. The conflict ended up in 2021 once the company and the trade unions CCOO and UGT agreed a new company collective agreement, which was supported by 56% of the workers (CGT did not sign the new agreement). The agreement, which is the only company collective agreement currently in force in Spain within Amazon,

56 https://www.mites.gob.es/es/sec_trabajo/ccncc/c_registro/c4_requisitos_ficheros.htm

57 https://www.elperiodicodearagon.com/aragon/2023/01/19/plantilla-centro-amazon-plaza-cobrara-81369277.html

58 https://www.ccoo-servicios.es/plandeigualdad/html/56503.html

59 https://www.telemadrid.es/noticias/madrid/Exito-Amazon-San-Fernando-Henares-0-1996000419--20180321122411.html

extends the temporary disability leave (it is recognised since the fourth day instead of the sixteenth day); reduces the number of working hours; set up work-life balance; and consolidates a seniority supplement payment[60].

Other topics

On the contrary, it appears that Amazon's investments in **digitalisation** and has not been the focus of trade unions' strategies and actions. Similarly, trade unions have not developed any action targeting **environmental sustainability**, which is an issue still only addressed by peak-level organizations. In relation **occupational health and safety** (OSH), this has been only indirectly addressed through litigation against bogus self-employment, because employees are granted OSH rights which must be guaranteed by the companies, as opposed to self-employed workers.

III. Outcomes and commentary

As described under the previous section, trade unions have developed different strategies and practices aiming to improve working conditions through litigation, the mobilisation of institutional resources (collective bargaining, work councils, social dialogue) and mobilisation strategies (industrial actions).

Those actions have been mainly developed at the local level with barely any coordination at national level. In several cases, trade unions have achieved very **significant outcomes**: they have favoured the recognition of the employee status for delivery-drivers; they have ensured that some workers are covered by favourable sectoral collective agreements; they have been able to set up work councils and negotiate equality plans and at least one collective agreement.

It is expected that the actions described will contribute to institutionalise industrial relations in the company and tackle fraudulent practices. Nevertheless, significant challenges remain. In this regard, the main problem is related to the fragmentation of employment and working conditions among different centres and workers' categories (warehouse staff vs. delivery drivers; workers directly hired by the company vs. subcontracted workers). Coordination among unions and work councils should be enhanced with a view to counteract social dumping practices of the company and avoid segmentation of working conditions within Amazon workforce.

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Case Study 3 (Collective bargaining): Collective bargaining in the Department Store sector in Spain 2023 -2026: Implementation in El Corte Inglés

I. Context

The large distribution sector in Spain employs more than 235.000 workers in Spain. 81,6% of their employees are covered by a permanent contract (7% beyond the overall national rate). In 2021 the global revenue of the sector increased by 9,6% compared with the previous year and reached the amount of 40.049 M€. According to the ecommerce report of the National Commission for Market and Competence (CNMC), the share of ecommerce on the total revenue reached in 2022 was 7%, with an increase of 25% compared with the previous year.
The **collective agreement of the Department Store sector for the period 2023 – 2026** was signed by the National Association of Large Distribution Companies (ANGED) representing employers and the Unions FETICO, CC.OO, Valorian and UGT.
On the employers' side, the **National Association of Large Distribution Companies (ANGED)** is a national professional organisation, made up of the most prominent retail distribution companies, in sectors such as food, household appliances, fashion, DIY, bookstore, toy store, gift, furniture, IT and electronics, among others. The organisation joins 21 of the most important companies of the sector, namely: El Corte Inglés, Carrefour, Leroy Merlin, Alcampo, IKEA, Tendam, Obramat, MediaMarkt, Conforama, EROSKI, C&A, Costco, Apple Retail, FeuVert, Sarton Canarias, Toys R Us, Aurgi, Norauto, Dufry and Action.
On the workers side, several trade unions were involved in the negotiations:

- **FETICO – Confederación Sindical Independiente** is the main union in the companies included in the collective agreement. In the elections held in November 2022, the Union obtained 54% of the elected delegates;
- **Valorian** is a union of workers members of the European Confederation of Independent Trade Unions (CESI). It has more than 41.000 affiliates and 2.000 delegates. It is the first trade union in some large companies included in the agreement, as El Corte Inglés;
- **CCOO – Comisiones Obreras** is the largest Union in Spain. In 2019 it obtained 97.086 delegates out of 273.955 considering all sectors;
- **UGT – Unión General de Trabajadores** is the second largest trade union in Spain (87.633 delegates in the 2019 elections).

The scope of the collective agreement includes the following: department stores; hypermarkets; specialised commercial stores. Supermarkets are not included in the scope of the agreement. As for the workforce composition, 65,6% of the workers affected by the Collective Agreement (Department Stores, including in site and online business) are women.

Most of the **main operators** in the sector are immersed in the **process of adapting their business model to the rise of e-commerce** and, thus, implementing online sales channels and developing logistic strategies for the supply of this branch. The number of online sales has doubled since the outbreak of the **COVID-19 pandemics**. According to ANGED, in 2021 the sector companies invested around 889 M€ in the digitalization of their processes and the implementation or improvement of online sales channels.

In 2022, the Union Comisiones Obreras (CCOO) analysed the situation of the sector and the **main challenges** to be faced in the following years. Following this report: "*more than 100,000 people will have to change their occupation to avoid being expelled from the labour market in the next decade*" due to the new practices and changes in purchasing, especially the online sales. Besides, "*jobs with the lowest wages will be* *most affected by this forced transition to new occupations that require new skills and competencies*" stated the report. Main demands expressed by the unions in the framework of the collective bargaining included:

- An increase of the base salary of about 18% in order to tackle the effective decrease of the purchasing power of the sector employees in recent years.
- The need to increase the training and capacity building in the areas of digitalization and online sales, in order to enable the upskilling of current sector workers to the sectoral trends.
- Reduction of the working time and a limitation of the openings on Sundays and bank holidays.

As an example, **the main player in the department store sector, El Corte Inglés, can illustrate this trend**. In March 2022 El Corte Inglés transferred all the resources associated with its logistics to a **new branch** named "**Logística Avanzada**" which would work as an independent company within the El Corte Inglés Group. The resources transferred included 3.500 workers whose workplace is based in the logistic areas and "dark stores" (stores which are located next to the shops and which supply both the shops and the online demand) of the company. The company announced that work conditions would not change for these workers as they would still be covered by the collective agreement signed by the Group "El Corte Inglés" (ECI). Logística Avanzada would from this moment onwards take responsibility for the ecommerce area. In this regard, the company established different agreements with last mile delivery companies (as Llewo) for the delivery of its products. The **segregation of "Logística Avanzada" has been the last step of a strategy for the multi-channel approach** launched by ECI in 2019. 300 M€ were invested between 2016 and 2019 in the transformation of the supply chain, including the setting up of 100 fulfilment centres (the dark stores) in their main shops, the development of an owned online marketplace, the implementation of new picking equipment and the integration of delivery partners.

II. Description and key features

The **collective agreement** was signed in May 2023 by ANGED, representing employers, and the Unions FETICO, CC.OO, Valorian and UGT. The following **provisions** can have a **major impact on those workers covered by the agreement and working in logistics or e-commerce activities**:

- Article 21 defines a complement to the salary for night work amounting for 20% of the value of a regular hour.
- Article 30 limits the number of working Sundays and bank holidays to promote work-life balance. The workers will enjoy in 2026 at least 9 free weekends including Sunday and Saturday per year (10 in special areas of non-restricted opening calendar). This number will progressively increase from 6 in 2023 to the previously mentioned amount.
- Article 31 limits the number of working Sundays and bank holidays. Work can be compulsory in 50% of the working Sundays and bank holidays (if these count for 15 or less per year), 40% (if they are from 16 to 25 days in the year) and 30% in the case of more than 25 working Sundays and bank holidays per year.
- Transitory provision number 6 defines the system to develop new ways of commercial activity. Literally "Companies and Workers may agree to modify the work system to adapt it to the new demands of trade, distributing the annual working day in a maximum of 224 working days per year, guaranteeing rest with respect for legal and conventional regulation". Workers developing his/her activity in call centres, logistics and ecommerce activities are explicitly excluded from this possibility to adapt the work system.

In Article 1, the agreement states that it "will also affect those companies that, belonging to the same business group as the Large Distribution companies included in ANGED, regardless of the activity they carry out, whether provide their services mainly in the physical space in which the main activity is carried out, or its activity contributes or complements the main one". Thus, **workers of storage logistic branches** of the representing companies (as those of Logistica Avanzada) **are covered** by the agreement. This is not the case for **delivery workers**, as delivery activities are highly externalised or subcontracted. The agreement does not contain any provision for workers in outsourced activities.
5th Transitory provision of the collective agreement foresees the setting up of a sectorial Observatory as a social dialog forum and its activities will include *"joint analysis of the sectoral reality, of the changes brought about by digitization and the consumer trends that occur in it, of competitiveness and its evolution, of the positioning of companies in the market, the improvement of working conditions and the quality in employment, training and equal opportunities, occupational health, employment pension plans, gender violence, adaptation to functional changes, digital skills and employability of the workforce in the new positions that may be created".*
In this framework, Union's concerns have focused on the impact of **digitalization** in the current workers positions, as it is foreseen that shop workers will have to adapt to the shift from physical to only purchase trends. Therefore, the upskilling of shop workers in e-commerce techniques so that they can take advantage of the new – modified positions is promoted. On the other hand, references to **environmental sustainability** were not made in the collective agreement.

III. Outcomes and commentary

The new collective agreement of the Department Store sector was signed in May 2023; therefore, its impact will be assessed only over the next few years. Nevertheless, the process of collective bargaining has been positively assessed by companies and trade unions. In June 2023, CCOO qualified the collective agreement as a "landmark" mainly due to the following issues: increase of wages (up to 18%) during the agreement duration; reduction of working days on Sunday and holidays; salary compliments for telework; establishment of a minimum of 80% for the permanent contracts, 10% for non-continuous permanent contracts and 10% for temporary hiring.
The 2023-2026 collective agreement, despite positively assessed by social partners, especially concerning remuneration and working time, will have to show its capacity to adapt to a changing environment where the continuous rise of prices, the change of consumers purchasing habits and the uncertainty of the global economic situation will be key issues. In this changing environment, the role and effectiveness of the Joint Observatory seems very relevant to manage, for instance, the up-skilling of sector workers to the new realities. This will affect mainly to shop workers and, focusing on ecommerce, to storage and logistics workers which are mainly covered by the Collective Agreement, as this applies to all workers of the signing companies, regardless of their activity, while delivery activities (highly externalised or subcontracted) are not covered.

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