

## Linda Palmetzhofer @ LIV Congress 2023-10-19

### ***The Nordic Union Committee for the Commerce Sector (NHK)***

The Nordic trade unions in the commerce sector have a mutual responsibility to work for the interests of commerce workers. For this goal, the unions have founded an organization with the task to:

- act as an arena for Nordic cooperation and mutual support;
- work together in order to build the Nordic commercial unions' strength and influence, within society as well as within UNI Global Union;
- be an active social partner to the Nordic employers and to multinational companies that are present in our countries.



The Nordic commerce unions celebrated 100 years of cooperation in 2018 – we have worked together for a very long time. In January 2022, we established a new organization called the Nordic Union Committee for Commerce Sector (NHK). Handels and LIV are members of the committee, which also includes trade unions from Finland, Norway, and Denmark.

The purpose of the organization is to act as a forum for collaboration and mutual support. We want to build on our joint strength and political influence, in our countries but also within the international trade union movement.

We often talk about the “Nordic labor market model”, but of course, there are differences between our national systems. The relationship between collective bargaining and legislation differs between countries. Some are members of the European Union and directly affected by the European social policies. But – there are common issues that unite us. We can learn from each other's experiences and find solutions that work with our labor market models.

Another aim of the organization is to be an active social partner to Nordic employers and multinational companies in our countries. The commerce sector plays a distinctive role in Europe but also globally – many of largest retail chains in the world are European. Some of them are from our own countries. The Nordic trade unions are among the strongest in the world and how we interact with employers, the kind of pressure we can exert on them – to bargain collectively, to respect labor laws and workers' rights – can have a direct effect on trade unions in other countries. And not just in the other Nordic countries – our work can

improve the situation for workers globally. That is another reason why our Nordic cooperation and mutual support is so important.

One example of our work is the newly established skills network, which consists of researchers and negotiators from our different unions. The skills network met in Copenhagen in November 2022 to talk about access to skills development within the different unions and countries. The discussions touched upon work-based learning, the right to skills development, and the future skills needed in our sector.

Trade unions, employers' associations, and governments alike all seem to agree – on paper – on the need and benefits of up-skilling and re-skilling of employees in commerce. But as one of the colleagues said during the meeting: “everybody agrees but nothing happens”. Many trade unions are working hard to ensure that members have access to training and skills development, sometimes without the necessary support from employers and politicians.

### ***The Political Situation and Trade Union Rights***

- Attacks the right to strike in Finland
- Health and safety representatives in Sweden
- 2024 European Parliament elections

**#PAINAVASY**  
**#VÄGANDESKÄL**  
**#SERIOUSGROUNDS**

Right now, we are seeing some alarming developments in some of our Nordic countries. In Finland and Sweden, right-wing, conservative governments are now introducing a range of measures with detrimental effects for our members and our organizations.

In Finland, right-wing conservative Orpo-Purra government's program contains numerous cuts and reductions that will affect employees and the unemployed in the service sectors. Actions affect people's livelihood and their entire lives. The government is going against the basic principles of labor legislation, make it difficult to protect the interests of employees and weaken their rights.

Concerning the basic rights of employees, the government is restricting the right to strike as one of their first actions. Fines for illegal strikes will increase significantly if the government gets its way. The highest fines would go up to 150,000 euros. The lower limit would be 10,000

euros, which means that a minute's silence at a work site when a collective agreement is in force would mean a minimum fine of 10,000 euros for a union branch. For example, PAM commerce sector members organized demonstrations like that at the end of last year when the Finnish Commerce Federation did not agree to negotiate on wage increases. An employee could also be sentenced to a fine of 200 euros if he or she participates in a strike declared illegal by the court.

The government also plans to reduce the protection against dismissal. Today, an employee can be dismissed only for a valid and serious reason, but in future a valid reason alone would be enough. A shorter notification period for lay-offs is also included in the government's program: the notification period is currently 14 days; in the future it would only be 7 days. Furthermore, the re-employment obligation in the Employment Contracts Act would be removed from companies and organizations employing fewer than 50 persons. An existing employee would no longer have to be re-employed for the same or a similar job even if the company's financial position improves rapidly after the lay-off.

A few days ago, the government published the budget for 2024. The combined effect of social security cuts, which are included in the budget, hits low-income families and part-time workers. The reductions in earnings-related unemployment benefit and housing allowance tend to apply to the same households. Removing child increases from unemployment benefits will hit families with children the hardest, and the staggering of unemployment benefits increases the total cut to up to 700 euros per month when the second adult in the family becomes unemployed.

Cuts in benefits will also weaken the livelihood of tens of thousands of part-time workers. In retail up to 45 percent of the employees worked part-time in 2021. Almost 20 percent of retail salespeople received housing allowance (2018), and part-time salespeople often need to supplement their low income with unemployment benefit as well.

The Finnish trade union movement is fighting against the policy measures and cuts planned by the government against workers, the unemployed, and the most disadvantaged people in society. They have organized political strikes and collective actions all over Finland for the past three weeks, under the banner #SeriousGrounds.

We, of course, support our Finnish colleagues in their fight against the attacks on the trade union movement and basic labor rights. We are also aware that what happens in Finland today can happen in our own country tomorrow.

In Sweden, our center-right government is ruling with the support of the Sweden Democrats – a nationalist and right-wing populist party. The government has launched initiatives that will weaken the trade union movement and worsen the situation for many commerce workers.

All parties in the government have said that they want to weaken or completely remove the union's connection to the safety representatives. The government recently asked the Work Environment Authority to examine how to increase the number of safety reps. This is something we all can get behind. The problem is that the government is asking the Authority

to map how to achieve this, without the representatives necessarily being designated by the unions and workers. We fear that this could lead to safety representatives being appointed by management. A safety representative should be elected by his or her colleagues and has only that trust to manage, backed up by strong legal protection and the support of the entire trade union to maintain the integrity required by the role. The government has already taken steps to weaken the link between unions and safety representatives and more is likely to come. We need to fight against these changes, to ensure that health and safety representatives are backed by the unions. If a safety representative does not have the support of the union, it will be very difficult for them to stand up to the employer and demand improvements in the work environment.

Those are just a few examples from our own countries, of how governments are now introducing policies that will harm workers and weaken trade unions. And as you are aware, this is not just an issue in the Nordic countries. In June 2024, the citizens of the European Union Member States will go to the polls to elect a new European Parliament. After a legislative period of 2019-2024 where the European trade union movement managed to position its priorities in the European debate, the trade union movement must now mobilize again to make sure that the voice of workers is present in the European institutions.

We don't know the results of the election yet, but we do know that there is growing pressure on the center-right group in the parliament to create a right-wing alliance, seeking alliances with the far right. Our Nordic countries have different relationships with the EU. Nonetheless, we are all affected the developments in Brussels and the rest of Europe. For the past four years, we have had a Commission with great ambitions for the green transition, a fair and inclusive digitalization, and social rights. The question is now if this approach will have continued support in Member States where the far right is gaining momentum.

This is the political context in which we are operating. And it can be tough, at a moment in time when we need ambitious action to combat the challenges in the changing world of work – be it increasing inequality, new technology or the climate crisis. That makes it even more important for us as trade unions to step up. In some cases, this means lobbying politicians and influencing policy. More often, collective bargaining is the tool to address and overcome the issues that commerce workers face. It is a key element of democracy, making society fairer and combatting inequality. It assures a just transition, better working conditions, and makes the sector more attractive. We all need to work hard to secure and strengthen the right collective bargaining. And at core of this is organizing. Historically, the Nordic trade unions have been some of the strongest in the world, and our strength is rooted in the workplace. It starts with members who know their rights and stand up for them. This is how we uphold the value of our collective agreements. And the agreements are often our most important tool to tackle the challenges that our member are facing.

## ***Challenges in the Commerce Sector***

- Precarious work: the case of H&M in Sweden
- Violence and harassment at work:



A few months ago, the working conditions for retail workers made headlines in Swedish media. And one company and in particular was in the spotlight: fashion giant H&M. The reason was the recent restructuring at many H&M stores. During this process, Handels members received an 'offer' from the company: keep doing the same job at the same workplace, but for fewer hours a week. And see your income reduced accordingly. And if you don't accept the offer, then you would be made redundant. The actions of H&M made headlines in the Swedish media, but nothing in what H&M is doing is news to Handels. We have been wrestling with this reality for a long time. What stands out about H&M is the extent of the reductions of hours on the contract. And the cynicism with which it is implemented.

Almost 3 out of 10 shop workers have a temporary job. Three out of four of these are called in as needed or work by the hour. These are the most precarious forms of temporary employment. Many do not know whether they will have a job next month, next week, next day.

7 out of 10 work part-time. One in four have less than 20 hours a week on their contract. So, retail workers have an average wage income of 1500 euro - before tax. A secure job with a living wage is therefore considered a privilege for retail workers - a privilege that often takes years to earn.

At H&M, many long-term employees were forced to choose between a wage they could not live on and unemployment. Meanwhile, H&M is making huge profits and paying dividends.

For everyone to be able to live on their wages, wages need to be raised. But that is not enough. The right of part-time employees to increase their hours must be strengthened. And - as the case of H&M clearly shows - the hours already in the contract must be protected.

Strengthening the protection for contracted hours and increasing employment security was one of Handels' main priorities in the collective bargaining process this year. And we achieved some results. The new agreement for the retail sector stipulates that employers shall

avoid cutting hours on contracts. They must consider other alternatives during a restructuring process. If they still go ahead with the reduction of hours, the employees are now entitled to a prolonged adjustment period. Their contracted hours are protected for several months.

The collective bargaining agreement also stipulates that, is possible, an employer should try to ensure that employees with permanent contracts are offered work for at least 30 hours per week.

Protecting contracted hours and ensuring that full-time, permanent work is the norm is also important in order to combat violence and harassment at work.

A worker must be able to make a living wage and feel secure at work and in their employment. Fixed-term contracts are especially problematic: we have seen how this type of insecure jobs creates a culture of silence in the workplace, as employees do not dare to report sexual harassment or poor working conditions for fear of losing their jobs.

The Swedish Work Environment Authority has published a report on violence and harassment at work, that shows a clear link between the experience of sexual harassment and type of employment.

Among women in temporary employment, it is twice as common to have experienced sexual harassment at work compared to women in permanent employment. We know that women in blue-collar work are especially vulnerable. They are more likely than their male colleagues to be employed on a fixed-term contract. And our members in retail are also exposed to third-party violence by customers. During the pandemic, we saw violence and harassment against retail workers skyrocket. Although our members were finally recognized as essential workers by governments and the general public, many retail workers were verbally and physically abused by customers.

This is not just an important issue in Sweden, we know that almost every trade union in the commerce sector is – or should – be working on this. We have worked together with UNI – our global federation – and unions in other countries, to draw attention to the problems with violence and harassment in our sector. For the past few years, UNI and their member organization in commerce have carried out a joint project, to exchange best practices and together find new ways to improve the safety and wellbeing of our members. One of the results of the project was a toolkit for trade unions on how to address violence and harassment at work.

So, international cooperation matters. What we are fighting in our home countries and at the workplace is often the exact same issues that trade unions in other countries are facing. We need to ensure that workers have the right to fair working conditions and a safe work environment, no matter where they are employed. We have a range of tools at our disposal. We must always ensure that our own organizations are strong, and that our collective agreements are upheld. International conventions and agreements support what we do at the national and local level. And the Nordic cooperation between our unions is essential in this work.