Union Power in Retail: 
Contrasting cases in Australia and New Zealand

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Abstract
Retail employees form a large number of the most vulnerable workers in neoliberal market economies. Employment relations and unionism in retail is, however, a neglected area of academic research (Tilly and Carré 2011) despite retail workers’ prototypical status as part of the ‘precariat’ (Standing 2011). This paper addresses a gap in the literature by contrasting the strategies and success of the relevant unions in Australia and New Zealand (NZ) by thematically analysing material from interviews with officials and organisers, and documentary evidence. We argue that there is a need to ‘go beyond’ descriptions of the Shop, Distributive and Allied Employees Union in Australia as a ‘business union’ and the FIRST Union in New Zealand as a ‘campaigning union’, and to use the literature on union power in order to explain how and why unions use different bundles of strategies in different contexts, and to examine the outcomes. We draw upon Kelly’s (2011) analysis of the concept of union power, and on Levesque and Murray (2010) who use the concepts of union resources and capability to analyse the sources of power. It emerged from the study that the FIRST Union has a strongly militant, campaigning, ‘struggle-based’ approach, based on a set of ‘collective action frames’ and ‘a coherent narrative’ that focuses on developing shared senses of grievances amongst workers. In contrast, the ‘collective action frame’ of the SDA is about patient and persistent advances that draw on official and organiser agency, and on relationships with senior company officials, but to a much lesser extent than the FIRST Union on member agency. We conclude that despite the well-articulated mobilising frame of the New Zealand union, it struggles for traction in a highly unfavourable neoliberal industrial relations (IR) regime. It is, in the end, institutional features that matter most for these two unions that both operate within a similar industry context. The Australian union derives its greater effectiveness from the the country’s IR institutional framework, and from its sheer size, which gives it a much larger base of most resources, and greater influence levels, than the New Zealand union.
Introduction

Retail employees, amongst the lowest-paid workers in post-industrial economies, comprise a sizeable proportion of the workforce. In Australia, 11 per cent of employees are located in retail, as are 12 per cent in NZ. Retail workers thus form a significant component of the ‘precariat’ (Standing 2011) in both economies – a growing number of people across the world who live and work precariously, usually in a series of short-term jobs, without recourse to stable occupational identities or careers, or relevant protective regulation. Their unions are in the precarious territory of ‘services unionism’ where militancy – one source of power – is declining (Kelly 2011). Despite this, employment relations and unionism in retail are neglected areas of academic research in Australia, as they are worldwide (Tilly & Carré 2011).

This paper addresses a gap in the literature by contrasting the strategies and successes of relevant retail unions in Australia and NZ, by means of interviews with officials and organisers, and documentary analysis. The paper draws from work by Kelly (2011), and by Levesque and Murray (2010), to examine the relative power positions of the two unions. The research questions are: what are the two unions’ strategies with respect to recruiting, bargaining, campaigning and organising; what are the outcomes; and how are strategies and results to be understood using the lens of union power?

This paper clearly takes a comparative approach, and thus makes a wider contribution to the literature than would a single-country study. As Hyman (2001) notes, there is little research that truly evaluates union strategies across nations, and where there is, it is generally at the level of the union movement (Frege & Kelly 2003; Baccaro, Hamann & Turner 2003), or is a by-product of international industrial relations system comparisons (Bamber & Lansbury 1998). Moreover, comparative research tends to focus on quantitative variables such as union density or industrial action across nations, or on explanations of different union structures and types (Hyman 2001). In-depth, qualitative analysis of union strategy that might be used to build theory is sparse. We therefore argue that a qualitative analysis of strategy across country borders can, as comparative theorists assert (e.g. Bean 1994), uncover new insights.

The foci of interest are the main retail unions in Australia and NZ: respectively, the Shop, Distributive and Allied Employees Association (SDA) and FIRST Union (until 2011, the
National Distribution Union). The first section examines the literature on union mobilisation and power. The second compares the context of the two countries, both in terms of the industry and the IR legislative context. In the third section, we report on our findings, comparing the similarities and differences in union strategy and outcomes. The fourth section analyses the findings using the literature on union power. While unions do exert agency, as illustrated by the different strategic choices of the two union cases in respect of organising, bargaining and other key elements of growth, strategy and revitalisation, the respective country’s institutional supports for unionism, bargaining and industrial relations, remain highly important for union success.

**Union power**

To assist us in our comparison, we draw upon Kelly’s (2011) dissection of the concept of union power, and Levesque and Murray’s (2010) detailed analysis of its components. Kelly (2011) draws upon Lukes’ (2005) seminal work – largely neglected within industrial relations scholarship (cf. McBride 2001) – which emphasises that power is not merely about achieving one’s aims, but also controlling the agenda, and challenging the hegemony of powerful, taken-for-granted ideas.

Kelly (2011) highlights five ways of analysing power, in terms of: markets; union resources; institutions; the labour process; and mobilisation capacity. His work highlights the importance of asking (for any given union strategy or package of strategies) the following questions: what are union strategies actually doing? How are they doing it? What is the interplay between context and (union) agency? Levesque and Murray (2010) tease out further the power resources of unions, with varying degrees of capacity and willingness to mobilise or exercise their agency in particular ways in order to focus on ‘the fault lines of social change’ (Levesque & Murray 2010; Murray 2010). Union power resources comprise the following quartet: internal solidarity; network embeddedness (or external solidarity), narrative resources (which frame union understandings and actions); and infrastructural resources (material and human). Resources however are insufficient, hence Levesque and Murray’s notion of strategic capabilities or ‘resourcefulness’ (Levesque and Murray 2010, citing Ganz 2000); that is, the capacity and willingness of an actor to put power resources to work. Capability comprises: intermediating (including activating social networks, including cross-border and more localised alliances); framing (putting forward an agenda that may be
used to justify new practices and mobilise members and others); articulation (of different levels of action over time and space); and learning (the capacity to learn from change to alter future events, rather than remaining ‘a prisoner of its own history’; Levesque and Murray 2010: 344). These concepts allow scholars to turn the focus away from union density and collective bargaining coverage as measures of union power, and analyse with more coherence and precision the issues of how unions are strategising and exerting agency.

**Background: The Retail Industry and its Unions**

Differences in country size are reflected in retail industry size. Australia’s retail market is eight times larger than NZ’s, and more geographically dispersed, but similar in that the largest industry subdivision includes supermarkets, fresh produce and liquor (Albertson 2010; Pech, Nelms, Yuen & Bolton 2009). Retailers can be very large employers, such that the market power of multiple retailers displays elements of oligopolistic behaviour (Baret, Lehnordt & Sparks 2000) and increasingly they are international. In Australia, Coles and Woolworths dominate the supermarket sector with over 75 per cent of the market (Griffith & Wright 2009). Woolworths Australia, which operates under a range of brands in NZ, had 43 per cent of that grocery market in 2007, with the NZ firm Foodstuffs taking the rest (Speedy 2007). While some sectors of retail have suffered during the global financial crisis, supermarkets and food have continued to experience growth (Productivity Commission [Australia] 2011; Statistics NZ 2011d). Thus, supermarket chains are key sites for union recruitment.

The labour force is gendered, youthful, part-time and, in Australia, casual. Women represent around 56 per cent of the retail workforce in both countries, and around 30 per cent of employees are aged less than 25 years (Productivity Commission 2011; Statistics NZ 2011; 2011c). Part-time work is common, although more so in Australia than in NZ (47 and 34 per cent respectively) (Pech et al. 2009; Statistics NZ 2006). One notable contrast is with respect to the proportion of casual workers. In Australia, 45 per cent of retail workers are casual (Pech et al. 2009), compared to NZ, where only nine per cent of retail and wholesale industry workers are casual or temporary workers (Statistics NZ 2008).

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1 The NZ Census scheduled for 2011 was postponed after the devastation of the ongoing Christchurch earthquake activity, so these are the most current statistics.
As is widely appreciated by IR scholars, Australia and NZ had similar IR legislation through much of the twentieth century. However, the path to neoliberalism in NZ commenced earlier and was more radical, contributing to the two countries’ now quite different contemporary IR systems. NZ’s minimum wage is NZ$540.00 for a 40 hour week or $13.50 per hour, while Australia’s is AUD$606.40 for a 38 hour week or 15.96 per hour.\(^2\) NZ has no underpinning system similar to Australia’s industry-focussed ‘modern awards’, which are of particular significance for the low-paid (and their unions). For instance, Australia’s minimum wage in retail and the floor for collective bargaining in the industry, set out in the General Retail Award, is currently $666.10 – around 10 per cent above the minimum wage. Further, Australia’s compulsory arbitration system continues (although somewhat attenuated) and, since reforms under the *Fair Work Act 2009*, now explicitly fosters collective bargaining (Creighton 2011) – somewhat reversing laws put in place under the 1996-2007 Conservative government – thus providing a much more solid process for collective bargaining than in NZ. Collective bargaining coverage is thus much higher in Australia than NZ. In Australia, collective agreements apply to 43 per cent of the whole workforce, and 37 per cent of retail (Peetz & Price 2007), while in NZ overall collective bargaining coverage is only 13 per cent, and a mere five per cent in retail (Blumenfeld, Ryall & Kiely 2011).

Constraints around union organising and industrial action, implemented by both countries’ governments from the mid-1990s onwards, persist. The *Fair Work Act 2009* now provides better protections around collective bargaining than was the case prior to 2007, making it easier for Australian unions to carry out this core union function (Creighton 2011; Fenwick & Howe 2009). In NZ, the trajectory is the reverse; 2011 amendments to the *Employment Relations Act 2000* limited the rights of unions to workplace access. However, industrial action in Australia remains highly constrained (McCrystal 2009), more so than in NZ where a decade-long run of falling industrial action figures appears to have come to an end (Parker, Nemani, Arrowsmith & Bhowmick 2012).

Both countries’ labour movements have suffered declines in the past generation. Union membership in NZ was decimated under the highly neoliberal *Employment Contracts Act 1991*, falling from over 40 per cent in 1985 to 17.4 per cent in 2011 (Department of Labour 2011). Unionism in Australia has suffered a similar decline; overall density is currently 18

\(^2\) As at 28 September 2012, $AUD1.00 = $NZ 1.25.
per cent, having fallen from 43 per cent in 1992 (ABS 2012). The union movement in both countries, like others around the world (Gall & Fiorito 2012), is highly concerned about this decline, and has been focussing on a range of revitalisation strategies, including more effective organising and alliance-building (Peetz & Bailey 2012; Parker 2011).

Given these contextual factors, and the differences in country size, the two unions not surprisingly present a sharp contrast. The SDA’s national membership exceeds 200,000 employees (SDA 2011a; SDA 2011b). The SDA is a quintessential ‘industry union’ focused almost entirely on retail, not needing to amalgamate partly because of its sheer size (it is currently Australia’s largest union). At 16 per cent, it has one of the highest levels of union density in the private sector in Australia (ABS 2011b). FIRST Union has around 25,000 members, only 10,000 of whom are in retail (Department of Labour 2011; First Union 2012).

Union density in NZ retail was 5.1 per cent a decade ago (May, Walsh & Otto 2003) and is thought to be around six per cent now – lower than NZ’s overall union density for the private sector of about nine per cent (Statistics NZ 2011b). FIRST Union is increasingly a general union, covering retail but also transport and logistics, wood, textiles/clothing/laundry/baking and, since 2011, banking, insurance and finance. In contrast with the SDA, FIRST Union has the strategic advantage of coverage rights for workers across the entire supply chain: distribution centres, retailers and transport providers, potentially providing the union with enhanced bargaining power (see Behrens et al. 2004). Both unions’ membership strongholds are in food retailing (ABS 2011b; First Union 2011). Hence, supermarkets are a key focus of both unions’ organising efforts, although other large non-food retail chains are also important.

The unions’ politics are in stark contrast. The SDA’s alignment to the right wing of the ALP (McCann 1994; Warhurst 2008) has its origins in Australia’s strong Irish, working-class heritage. That influence is still felt today, in unions and in politics. The SDA’s predecessor unions were mostly aligned with the Catholic ‘Groupers’ of the 1950s, who sought to rid unions of communist influence, and the union has a conservative social ideology. For example, the SDA lobbies parliamentarians to adopt conservative positions on conscience votes regarding issues such as abortion and gay marriage (Warhurst 2008). The SDA exerts

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3 Official figures are not available, but the new FIRST union’s website says it has 28,000 members.
4 Based on Blumenfeld et al. (2011) private sector union coverage figure and Statistics NZ’s quarterly employment survey data (March 2011 quarter).
political influence in various ways: as a large voting bloc within both the ALP and union peak bodies such as the ACTU; and via ex-SDA officials who are now members of parliament. As part of this bloc, the SDA has exerted influence over IR reforms put in place by the national ALP government since 2007, particularly the Fair Work Act 2009. The SDA has long been known for its moderate ‘business unionism’ approach (McCann 1994; Game & Pringle 1983), which relies on assumptions about the ‘conservative’ nature of the membership and, prior to 1996 when the laws changed, resulted in a closed shop with major retailers (Mortimer 2001). In contrast, FIRST Union leaders’ political affiliations tend to the socialist Left, with a few ex-officials having in the past held parliamentary positions, and exerted significant influence over the public policy agenda. Moreover, the union’s campaigning history, discussed in the findings, indicates that it is willing to ‘upset’ employers, as evidenced by a recent community campaign for more pay at the Levin New World supermarket (NDU 2011).

Method

In order to explore the strategic choices of the two unions’ in respect of organising, recruiting, bargaining and other key elements of strategy using the lens of union power, we draw upon interviews with union officials and organisers. The data form part of a larger international, comparative study of union strategy in the retail industry in Australia, NZ and the UK. In this paper, we report only on the Australian and NZ data. Interviews with 12 SDA officials and 19 SDA organisers at different levels and in disparate geographical locations were conducted over 2009-11. In NZ, interviews were conducted in 2011 with two officials and five organisers, from two of the three regional areas of the union. All interviews and focus groups were digitally recorded and transcribed. The data were coded using NVivo, based on key themes that emerged from the data and the extant literature. Union policy documents were also used to validate the empirical data.

Findings

Structure and fees

First Union is very flat, meaning that the national retail secretary remains in close proximity with ordinary members, including directly carrying out training of members. In contrast, the SDA has a more hierarchical structure with a head office and state branches. However, a key
challenge for FIRST union is fees. The union has a ‘flat fee’ structure, which arguably disadvantages lower paid members such as retail workers (recalling it is a conglomerate union covering a variety of industries). By contrast, the SDA has a fee structure based on hours worked. FIRST Union is attempting to move towards a ‘percentage of wage’ structure, but have not done so yet (First Union Official, July 2011).

Recruiting

Given the background sketch in the previous section, if members are the cornerstone of union activity, then recruiting is vital to both unions’ activities. Recruiting links with other union activities and strategies: individual servicing; partnership with employers; and organising (including the links between organising and bargaining) (Heery, Simms, Delbridge, Salmon, & Simpson 2003). In both countries (as elsewhere in this industry, e.g. Parker 2003) high employee turnover in retail means that ‘recruiting simply to stand still’ is a reality and a priority. Indeed, in Australia, the SDA needs to sign up 70,000 retail workers annually, or around 30 per cent of its membership, simply to maintain aggregate membership.

The two unions have quite different recruiting environments. Although Australian retailers are moving away from large-scale, on-site inductions to personalised, on-line inductions, there are still a sufficient number of retailers for this to be seen as a prime mechanism for recruiting members. Each state branch contacts store delegates and managers weekly to check for new starters (SDA lead organiser, 2009). Such a luxury is not possible in NZ; there are few opportunities for on-site inductions where the union can reach more than a handful of potential members. SDA officials and organisers continually cited induction opportunities as a huge plus for recruiting (SDA national official 2011; State Organiser, 2011) while FIRST Union officials wished they had the same opportunity: ‘The SDA can do some things that we can’t, that I really admire, that I’d love to do that we can’t do’ (FIRST Union national official 2011). However, the NZ union has reversed haemorrhaging retail union membership, increasing its retail membership (albeit from a low base) by 50 per cent (from 6,800 to 10,300) over the last five years (2007-11), reflecting a more rigorous approach to campaigning and intensive recruitment in preparation for bargaining. (It has been noted above that the NZ industry has a higher rate of full time employment and lower proportions of casual employment and transient young workers than does the Australian industry.) In

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5 However, the union had 30,000 members under the award system in the 1980s.
contrast, the SDA has lost members in the same period, but from a much larger base (from 220,000 to 202,000) (SDA 2007, 2011b).

Both unions develop strategic plans that address recruitment. FIRST Union has engaged in strong, centralised planning and target-setting only since 2007, so its second strategic plan (they are developed every four years) is now rolling out, with annual plans for the term of the strategy. The union describes itself as moving from a reactive approach to a more proactive, target-setting approach, where new (‘greenfield’ or un-unionised) retailers are targeted annually. Currently, the retailers Bunnings, Briscoes and Rebel Sports are in the union’s ‘firing line’. The three regions are required to establish growth targets, which in theory cascade down to the level of organiser, although there are mixed views about how this approach is working. The retail secretary would like the targets to be more strongly enforced; one regional secretary described them in more ‘aspirational’ terms. Some FIRST Union organisers like targets and would like to see a stronger approach to enforcement, as there are no ‘strong’ consequences for unmet targets, which frustrates some officials. Some in the union are uncomfortable with a ‘KPI approach’. This divergence was openly discussed with the interviewers. As highlighted previously, one potential opportunity for FIRST Union is its complete coverage of the supply chain (in contrast with the SDA, which has coverage of warehouses within the major chains, but not the transport companies that move goods), suggesting a strategy of organising in the ‘flagship’ company and then targeting smaller companies below. Such a strategy seems to be used in Progressive Enterprises where the union has its highest density (estimated to be 33 per cent) in its supermarkets (FIRST Union national official 2011).

The SDA likewise has a set of performance targets which cover recruiting and are reviewed every six months. As a national official (2011) explained:

You’ve got to keep referring back to recruitment. It’s got to be the total focus, you have to get people to report back all the time, you have to set targets, objectives. If people don’t meet their targets, and even if they do, you have to sit down with them regularly and review how they’ve gone and where they might improve, where the weaknesses are.

Some SDA state branches consider the nationally-set targets unachievable in the short term, and set their own performance targets (State branch official, 2009). Performance targets also vary across individual organisers, based on the geographical area or companies that they are
responsible for. As is the case in NZ, there are no drastic consequences if SDA organisers fail to reach their targets. Rather, what could be described as ‘performance management’ occurs:

….we have a culture that places an emphasis on reaching target. So if you don’t reach target, if you – well you reach target you get a big pat on the back. We have a weekly meeting and everyone reports their results and so forth and those people that do well get comment and those that don’t reach their target, we’d like to know why. We don’t set targets that are I think are particularly outrageous or unachievable but if someone is – if we have an employee who’s not consistently not making target then we sit down and work through that with that individual…not having membership decline in their respective area of responsibility, it’s part of the inherent requirements of the job (SDA State branch official, 2009).

Individual servicing is important for both unions. In the SDA, the emphasis on growing the membership means servicing is a demanding and daily reality for organisers, with implications for the union’s deployment of resources:

it’s appropriate and necessary for the organisation to place an emphasis on growth. I don’t think we should be doing that necessarily at the expense of service delivery, but you can’t do service delivery unless you actually have a membership base to service (SDA state branch official, 2011).

The SDA continues to emphasise the value of ‘consumer services’, offering cheap leisure tickets and textbook vouchers to part-time student members – in a context where other Australian unions have moved away from the ‘free set of steak knives with union membership’ approach (Lynch, Price, Pyman & Bailey 2011: 285). FIRST Union, on the other hand, offers benefits only via bargaining. Thus, both unions service their members, but FIRST Union places more reliance on delegates to provide a ‘first line’ of servicing than does the SDA. As one organiser put it, ‘I say to [members at] a site “You and your delegate are the key. You can get answers, you can get problems resolved. Whereas I’m out and about doing what I need to do”’ (FIRST Union regional organiser, 2011).

*Bargaining and campaigning*

While the retail industry context is similar in both countries – issues of scale aside – the labour law environment, as analysed earlier, is so markedly different that the two unions’ bargaining and campaigning strategies vary considerably. FIRST Union unequivocally calls itself a ‘campaigning union’ whereas the SDA appears to pursue the ‘business unionism’
approach of the past. Union ideology makes an undoubtedly strong, if unquantified, contribution to this difference, an issue we return to later in the paper.

The low floor for NZ workers’ wages and conditions was highlighted earlier. This is not to deny that Australian retail workers’ wages are low, but NZ workers’ wages are significantly worse. Against this background, the two unions’ bargaining strategies are very different. The SDA relies heavily on developing good relationships with senior national HR managers, and will not engage in bargaining without firm agreement from the organisation that they are negotiating with. As an SDA State official (2011) commented:

That’s not to say that we agree with everything [employers] say, far from it, and that becomes extremely evident when you do EBA negotiations but we do work hard to make sure we have good relations with them. It’s more like relationships that are based on sort of trust and sort of openness (sic) agreement.

The importance of relationships also cascades down to the store level:

Our good organisers will have good relationships with managers, to the point where often, a manager will ring the union, and say, I’ve got a problem with such and such an employee. What do I do about it, and the organiser will often assist the manager in dealing with the employee, and maybe even talk to the employee that they need to do this differently, or that better, or whatever (SDA national official, 2011).

The SDA’s bargaining strategy means that membership numbers are not essential for a ‘first agreement’; the SDA’s tactics generally do not rely on recruiting widely in the first instance. Indeed, a ‘bargain first, recruit later’ strategy is generally adopted, where a negotiated agreement is then ‘rolled out’ in the company. As a State official (2011) described in the context of Coles:

We really do try to make the most of these roll outs. I’m very disappointed that we’ve signed up 330 people in Coles over the roll out period. That for us is under-performance. It is not because the organisers aren’t out there ready, willing and able to sign people up. They just haven’t had exposure to the real target groups.

The SDA avoids confrontation with employers. For instance, the European retailer Aldi has declined to enter into an agreement with the SDA although it has a (non-union) collective agreement due to expire in 2011 (SDA national official 2009, 2011). An SDA national official (2011) described the strategy as follows:
We should go in there quietly, and build up membership as best we can, so that late this year, early next year [2012], when that agreement comes up for renewal, we’ll just use our rights to be part of the re-negotiation of the agreement.

In stark contrast, FIRST Union campaigns vigorously, seeking to recruit then bargain. A significant recent achievement was winning access to The Warehouse, NZ’s largest department store retailer. The union had to attract and organise members who had joined the company-established ‘Warehouse People’s Union’, and subsequently negotiate a collective employment agreement with the employer. Indicative of the traditional and conflictual employment relations in retail, the union was also involved, along with the Engineering, Printing and Manufacturing Union, in the high profile 2006 Progressive Enterprises dispute. In this action, union members in the company’s distribution centres were locked out after strike action. A bruising experience for both sides, the dispute contributed to a considerable loss of market share for the company, a situation from which it is now only just recovering.

The ‘free-rider’ problem has some solutions in NZ which provides ammunition for FIRST Union to recruit members, a situation that is not available to the SDA. NZ employers generally ‘pass on’ gains in collective agreements to non-union members but, under the legislation, employers may withhold the ‘passing on’ of wage increases, usually for a couple of months. Alternatively, unions may negotiate benefits that are not ‘passed on’ at all, such as funeral benefits (such benefits are of particular appeal to older and Pacific Island workers, who have lengthy and expensive funeral ceremonies). FIRST Union actively bargains for such arrangements. Further, employers such as Progressive will allow the union to highlight by a note attached to pay slips that the increase is forthcoming, and that if it is awarded immediately rather than later, will cover the cost of annual union dues. The union has recently picked up 750 members in the Progressive supermarkets as a result. Recruiting thus comes before bargaining for ‘first contracts’, whereas the SDA prioritises replacement agreements with employers over bargaining in ‘greenfield’ areas, and only puts significant resources into organising when it has a signed agreement. These differences reflect externalities on the one hand – a more favourable environment for collective bargaining in Australia than in NZ – but also internalities on the other. FIRST Union is a ‘campaigning’ union that bargains, whereas the SDA is a bargaining union that rarely campaigns – at least in the adversarial sense of the NZ union. Bargaining outcomes are currently being analysed. In wage terms, the two main collective agreements for supermarket workers in Australia (those
covering Coles and Woolworths) provide a base rate of around $737 a week, that is, 22 per cent above the minimum wage and 11 per cent above the General Retail Award. In NZ, the minimum adult rate in food retail, in a 2010-11 survey of agreements, was $554, just over 6 per cent above the then statutory minimum wage (Blumenfeld et al. 2011: 30). While it appears that the SDA is able to achieve significantly better wage outcomes for its members than FIRST Union, the methods of estimating base rates gained by collective bargaining are somewhat different, and thus more data is required to summarise bargaining outcomes fully.

Relationships with employers

‘Partnership’ as it exists in the UK, voluntaristic but nevertheless underpinned by government support and funding (Brown & Oxenbridge 2004), does not exist in either Australia or NZ. Nevertheless, relationships that the two unions have with employers can be interrogated as a way of unpacking the unions’ respective strategies. As has been argued elsewhere (Price, Bailey & Pyman 2012), the SDA has developed sets of collaborative relationships with many major Australian retailers that are relatively more stable and enduring than the more ambitious and legislatively-supported forms of partnership found in countries such as the UK. Collaboration, SDA-style, is built on interpersonal connections between union officials, organisers and company managers, and these connections strongly underpin the union’s approach to bargaining and to servicing. Importantly, the type and strength of relationships have been used to buffer the challenges involved in moving to a ‘bargaining union’, as the Australian IR environment changed over the past 20 years. In national companies, collective bargaining is carried out by senior national officials, including the National Secretary. Where companies are state-based, state union leaders, including the secretaries, establish and maintain relationships and collectively bargain. Relationships and collective bargaining appear to be mutually constitutive; on the one hand, a long serving official argued that collective bargaining ‘created a strengthening of relationships and … really opened or educated a lot of companies that they need to be involved’ (SDA State official). On the other hand, the nature of the relationships influence the SDA’s approach to bargaining, as shown by the ‘bargain first, recruit later’ strategy, eschews mobilisation of members. In summary, the SDA rarely takes an aggressive ‘organising approach’ to bargaining.
FIRST Union bargains much more aggressively than does the SDA. Distinctive ‘repertoires of contention’ (Tilly 1995) are a big part of FIRST Union’s strategy, and choosing highly visible targets is one tactic adopted:

Always the ones on the road to the airport. They’re both small shops, the Countdown shop on the way to the airport, and The Warehouse shop on the way to the airport. I put a lot of resource into those shops because they’re high publicity. Every MP is going up and down the bloody country every day, going up and down [the road to the airport]; ... it’s easy to get on the news, that target shop (FIRST Union national official, 2011).

The same strategy was used in the Progressive dispute:

There is no way, if bargaining had broken down, that we can sustain getting whole chunks of all of them out. So I made every branch area pick five target shops, and those shops had to get up to 50 per cent prior to bargaining. And there were some key indicators around those target shops. They had to be not in malls, because a mall is useless; we can’t picket inside the mall, and sometimes the entrance to the mall is miles away ... and they’ve got underground car parks. So if it had to be in a mall, it had to be a mall that had good street frontage that was close by where the supermarket was (FIRST Union national official, 2011).

Another, related, contentious strategy arose in respect to Farmers:

Farmers department shop have been the promoters of the Christmas Parade forever; and on one of their shops downtown they have a big Santa that use to blink and used to have a rather naughty finger. So we were in bargaining with them; and we held a ‘Skinny Santa’ parade the week before the Christmas parade ... and we bussed Farmers workers in from all over the place ... That was a lot of fun. I think we would have gotten away with it, except they didn’t like our rat. We borrowed UNITE’s6 rat. ... They’ve got this monster great rat that you blow up and we stuck the rat outside the Farmers shop in the main street (FIRST Union national official, 2011).

To speak of ‘repertoires of contention’ with respect to the SDA is a non sequitur; they shun militancy, confrontational behaviour and indeed media attention. A State official (2011) discussed the issue of militancy and bargaining power in the SDA in some depth:

…bargaining power is very much dependent upon having a decent presence in the first place ...well, I don’t think anyone would accuse us as being militant. We get criticised by that in some circles. I don’t really care. I don’t think our members particularly want

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6 UNITE is a small, radical union covering service workers which the current FIRST Union retail secretary helped initiate; several of FIRST Union’s organisers have also worked for UNITE.
militancy. I don’t think 17 year old people who…sign up to become members of the SDA particularly want to be going out on a strike six months later… our capacity to be able to deliver from our members is very much dependent upon our bargaining power, our bargaining power is dependent upon density and size, so recruitment is extremely important.

There is cross-Tasman transfer of management ER strategy, usually from Australia to NZ. The Progressive dispute mentioned above (recalling that Progressive is owned by Woolworths) encouraged the development of a less conflictual relationship between FIRST Union and that employer, although FIRST Union still exhibits antagonistic dealings with other employers in this difficult-to-organise sector. A ‘friendlier’ relationship with the company has enabled the union to negotiate an ‘hours bank’ with Progressive, wherein the company pays the union to organise, and the union has attained one of its higher levels of coverage in the company. Such an arrangement sounds extraordinary; the union was initially unprepared and did not fully avail itself of the ‘hours bank’ in the first instance, although it is now attempting to do so. Ironically, Progressive were interested in supplying ‘hours bank’ money only for organising within Progressive, not within their competitors; the reasons are unknown but perhaps fearing a backlash or possible legislative action of some kind.

Where there are good relationships with employers, rather than celebrate them as a strategic achievement (as the SDA does), FIRST Union, in keeping with its more militant approach and left-of-centre frame that emphasises struggle, is somewhat tentative about acknowledging such relationships and wary of their implications. This sentiment was consistent throughout the interviews, although expressed with different degrees of intensity. A FIRST national official invoked the metaphor of ‘boxing and dancing’ put forward by Huzzard, Gregory and Scott (2004) to express her ambivalence about a more cooperative relationship with Progressive Enterprises:

Our members are loving it … but sometimes it feels a bit too close for comfort … [but] our members interests are best served with us dancing with Progressive … From time to time, we’re sometimes standing on each others’ toes, but it’s come out of having given each other a bloody nose.
Discussion

Using Kelly’s work on union power (2011), we can draw out some general analytical points. In terms of market power, while retail is somewhat sheltered from international product market competition as a service industry, the growth of online retailing (largely outside of food, and currently mainly in clothing and small consumer goods) will in the future undoubtedly expose growing numbers of retail workers to the prospects of job losses. For the moment, it is labour markets (rather than those for products) that are the dominant factor, illustrated by Australia’s much greater willingness to protect the low-paid. As has been emphasised, institutional supports for union power are stronger in Australia than in NZ, but in both, are weaker than in most parts of Western Europe, evidenced for example by comparative bargaining densities (Kelly 2011). While the power to take industrial action is quite limited in both countries compared to a social-democratic ‘ideal’, FIRST Union is at least prepared to use this avenue on occasions; the SDA remains determinedly non-militant and reliant on an attenuated but nevertheless extant award system.

The issue of the labour process is somewhat different for the two unions. Most strikingly, FIRST Union, with coverage of transport workers, has control of the entire supply chain, increasing its bargaining leverage and therefore power. More broadly, too, there is little capacity by retail employers to engage in substitution in the case of industrial action – as illustrated by the prolonged effects of the 2006 Progressive dispute in NZ on the organisation’s market share and ‘brand’. However, this remains only a potential source of power; even in NZ, with a few long-lasting exceptions such as this, strikes have tended to be short and sharp (although industrial action is currently on the increase), and engineered alongside sophisticated media strategies that mobilise public opinion by embarrassing employers. The SDA’s strategic repertoire (discussed further below) does not include a consideration of their strategic power to take industrial action and/or potentially embarrass retail ‘brands’.

To compare and contrast how two unions in the same industry in different countries operate, Levesque and Murray’s (2010) framework offers us useful tools to conceptualise and evaluate their strategies. Recalling that power resources and strategic capabilities are both important, we offer the following tentative analysis.
With respect to resources, the SDA, in sum, has much larger infrastructural resources than FIRST Union, notably sheer membership size, which increases its internal resources and bolsters its institutional security; even with only 16 per cent density, and the problem of high turnover and the challenges of ‘recruiting to stand still’, the SDA is Australia’s largest union. Membership numbers alone grant considerable security to the SDA; FIRST Union is literally a ‘union on the edge’ in a very small country (hence the recent NDU/Finsec amalgamation). Density strongholds are patchy in both countries, but in some places, such as supermarkets, significant. However, the SDA does not generally mobilise this ‘resource’, in contrast to FIRST Union’s campaigns that involve industrial action, mobilisation of public opinion and attacks on retail brands. In other words, the SDA does not in general use the strategic capabilities that come from size.

Network embeddedness differs in scope and type between the two unions. The SDA, with its ability to influence a national ALP government, has more political resources than FIRST Union, exerting its capabilities through political influence. The second term of New Zealand’s conservative government is now exacerbating the difficulties for FIRST Union in deploying its limited resources. While political forces may deplete the institutional supports of NZ unions in the near future, including the current supports for ‘good faith bargaining’, this may lead to further mobilisation, given the capacity of FIRST Union to deploy a variety of collective action frames.

Internal solidarity and narrative resources are both higher in FIRST than in the SDA. Clearly, FIRST Union has a strongly militant, campaigning, ‘struggle-based’ approach, partly as a result of its ideology – which might be called a ‘varieties of Marxism’ approach, focused on social justice for workers – and partly as a result of history. In the terms of Kelly (2011) and Levesque and Murray (2010) (and social movement theorists), FIRST Union has a set of ‘collective action frames’ and ‘a coherent narrative’ that focuses on developing shared senses of grievances amongst workers. Notably, it mostly concludes one-year agreements with employers which, whilst a resource-intensive strategy, give the union a reason, indeed an imperative, for being in workplaces in a more intensively ‘organised’ way than the SDA. FIRST Union’s framing of its narrative resources allows union militants to challenge hegemonic ideas (in the sense of Lukes’ (2005) ‘third dimension’ of power). In contrast, the ‘collective action frame’ of the SDA is about patient and persistent advances that draw on official and organiser agency, but to a much lesser extent than FIRST Union on member
agency, thus diminishing internal solidarity. However, it is worth noting that the ACTU, one of whose major affiliates is the SDA, played a remarkable role in the 2005-2007 campaign against previous IR legislation. The *Your Rights at Work* campaign involved a major centralised media campaign to gain support – and votes for the ALP – from non-unionists as well as union members (Muir 2008) which involved reframing the IR debate at the time. Hence the broader capacity of the Australian union movement, with a single and very representative national peak union body, to engage in agenda-setting, articulating, learning and intermediating, assists unions such as the SDA in terms of advancing ‘bigger picture’ issues.

Finally, in terms of cross-border *intermediating* capacity, both unions belong to UNI, the global union for skills and services, which is starting to develop information-sharing resources (see for example UNI 2012), but as yet has limited impact on cross-border mobilising capacity and campaigning.

As Kelly points out (2011: 21), there is a ‘sombre, if not depressing picture of the prospects for organised labour’ in most industries. In the case of these two unions, there is some capacity to resist, via sheer numbers in the case of the SDA, and strong density in certain strategic areas such as large supermarkets for both unions. But, as Kelly (2011: 22) reminds us, the key question is under what conditions is any capacity likely to be activated and turned into collective action in some form? The neo-liberal context generally makes life difficult for retail unions, covering as they do service workers, many of whom are in highly contingent work arrangements and have relatively weak labour market attachment – another key challenge with which union leaders must contend. This is particularly so in NZ, where deregulation has been quicker and more radical than in Australia. In a small-scale setting, the ‘thinner’ regulatory framework is felt more acutely. Developing alliances with other groups, nationally and on a global inter-union scale, is a possible path to enhancing union capacity.

**Conclusion**

This paper has contrasted recruiting, organising and bargaining strategies in two retail unions in order to meaningfully explicate union strategy in a service sector context. FIRST Union uses more aggressive strategies and more structural readjustment (e.g. via workplace organising arrangements and bargaining tactics, and via a flat union structure and
amalgamations) than the SDA. The SDA’s actions are buffered by the Australian regulatory setting, which has taken a less radical deregulatory path than NZ’s. Future paths for both unions are uncertain, given the challenging circumstances that confront them. These differences reinforce the importance of institutional frameworks in shaping union strategy and power, and highlight the need for nuanced, context-sensitive strategising. We emphasise that merely describing strategies and comparing them is not sufficient. It is necessary and important to consider issues of power and how unions leverage power sources into collective action or, as Levesque and Murray (2010) put it, how power resources are turned into strategic capabilities. This requires further analysis of our data.

Our tentative conclusion is that, despite the well-articulated mobilising frame of the NZ union, it struggles for traction in a highly unfavourable neoliberal IR regime. Confronted with a relatively more benign IR regime in Australia, a prototypical ‘business unionism’ approach appears to serve the institutional interests of the Australian union, and results in outcomes for retail workers somewhat more favourable than elsewhere in the world, but at the expense of mobilisational capacity and worker voice which, in the long run, limits the union’s power resources and strategic capabilities.

References


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