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Innovations in Information Society Sectors - Implications for Women's Work, Expertise and Opportunities in European Workplaces

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Preface

This report represents the results of a preliminary literature search and state of the art for the project „SERVEMPLOI - Innovations in Information Society Sectors: Implications for Women's Work, Expertise, and Opportunities in European Workplaces". The project runs from January 1999 to December 2001, and includes eight European countries - Denmark, France, Germany, Ireland, Italy, Spain, Sweden, and the UK. This report is organised around seven thematic chapters which arise from the main themes of the project itself. These thematic chapters contain synthesis material from all of the eight countries involved in the study based upon cross-thematic national reports generated by each national team. The research team is grateful to the Targetted Socio-Economic Research Programme of DGXII of the European Commission for financial support for this study.

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1. INTRODUCTION

Information and knowledge play a crucial role in the economic development of industrial countries. Access to information, and the use of theoretical knowledge for innovations in products and services, can be considered as amongst the most important pre-requisites for economic success in these countries. In this scenario, visions which have been prominent in social sciences over many years - particularly those suggested by Daniel Bell in his notion of a „post-industrial society". - appear to be becoming reality.[1] Meanwhile, it often appears undisputed that West European countries are on their way to an „Information Society" and their economics are to be called „Knowledge Economy".[2] At the very least, at the level of employment, we can assume that activities associated with the deployment of knowledge and information are gaining in importance, particularly when compared with manual activities more typical of manufacturing work. We can also assume that major social changes may start from such shifts of the nature of work.

In the research project which has generated this report we focus on one of these changes. We ask what the formation of the so-called Information Society, or the Knowledge Economy, means for the gender system in employment and particularly for women's employment opportunities. How, if at all, do women participate in the growing number of information- and knowledge-related jobs? How do they apply their abilities, skills and qualifications in the jobs that they do? Do they use these attributes for their further career development? Does the 'Information Society' signal improved prospects for equality of labour market participation and for the development of skills and expertise? These questions are all addressed in this project.

For our empirical analysis, we have chosen to focus on women's employment in two service sectors - retailing and retail financial services - across eight European countries - Denmark, France, Germany, Ireland, Italy, Spain, Sweden and the United Kingdom. The retail and financial services sectors have a particular significance for the European economy and for women's employment, and therefore may be expected to be critical to the 'Information Society'. They are both sectors which use and transform data, information and knowledge in order to sell the products and services which they do to their customers. They are also currently radically reorganising their operations and their use of personnel in pursuit of those operations. And these are sectors which are important employers of women. In both, women represent the vast majority of employees, particularly in the lower echelons of organisational hierarchies.

The thematic chapters in this document report on some previous studies but also on the state-of-the-art of organisational practices in the two sectors, where information is already available on these. The chapters are concerned with developments in the restructuring, technological innovation, employment, training and equal opportunities practices in the two sectors. As

[1] Daniel Bell (1973) The Coming of Post-Industrial Society. A Venture in Social Forecasting, New York: Basic Books

[2] We use these terms whilst recognising that they have been subject to some critique, not least for their ideological and prescriptive nature (see for example, Frank Webster (1995) *Theories of the Information Society,* London, Routledge, and Erkki Karvonen (1997) 'Projecting a Positive Image of the Information Society – A Rhetorical Approach', paper presented to the 13th Nordic Conference for Mass Communication Research, Jyväskylä, Finland, August 9-12).

such, they relate to the thematic areas covered in the project overall. They cover cross-national data and enable some transnational comparisons to be made.[3]

In the first two chapters, basic contextual information on the two sectors is presented. In both the retail sector (Chapter 2) and the financial services sector (Chapter 3), the concentration of activities in a decreasing number of very large enterprises is a particularly important part of the context within which women's work and employment conditions are evolving. Another important aspect is the growing internationalisation of firms in these sectors, and indeed a tendency for the boundaries between the two sectors themselves to become increasingly blurred as enterprises in retailing move into the domain of those in financial services.

In Chapter 4, recent patterns the restructuring of both sectors is examined. There is some centralisation of important commercial functions on the basis of highly developed information and communication systems, but there are also a decentralising aspect to restructuring, with many companies changing the spatial location of their facilities and consequently the manner in which they organise service provision. This may have very important aspect implications for women's employment and expertise development.

Technological Innovation (Chapter 5), based particularly on the utilisation of information and communication technologies, has taken different paths of development in these two sectors. In the financial services sector, back office administrative processes were automated at an early stage. Today, technological applications which directly mediate the customer relationship, are in the forefront of change. In retailing, the first attempts at implementing computerised inventory management systems were slow to take off, but were always closely linked to strategic activities of merchandise presentation and pricing. Technologically-mediated customer services, on the other hand, seem to have been slower and more problematic to implement.

In Chapter 6, employment patterns in the two sectors are presented in the context of the different national labour markets. They reveal some important national differences which are critical to an understanding of the gender systems and gender contracts which operate in each country.

The development of the 'Knowledge Economy' makes new requirements of the education system in qualitative as well as quantitative terms. More employees must have the opportunity to develop knowledge and skills and to renew these on a regular basis. Institutions and practices must also become more sensitive to the education, training and knowledge development needs of both sexes. Whether the different national education and vocational training systems are adapted to this task remains an open question (Chapter 7).

In all countries, measures for the attainment of gender equality in the sphere of employment and in society more generally, have either been initiated or given extra impetus from the programmes, initiatives and legislation of the European Union. Individual countries have pursued equal opportunities policies in very heterogeneous ways, and to very different time-scales, and both of these political contexts have been critical to the experiences of women in individual workplaces. The different national approaches to equal opportunities policies are explored in Chapter 8, to provide the context for an understanding of workplace-level developments. In Chapter 9, we comment upon the issues raised by the review for the conduct of the project overall.

[3] They draw on a series of national reports prepared by members of the research team..

2. THE RETAIL SECTOR

The retail sector is the largest private services sector in the European economy with more than three million enterprises and with a workforce of more than 12 million.[4] The following table provides an initial survey of the quantitative significance of this sector within the countries included in this study:

Table 2.1: Firms and Employment in European Retailing

(except motor trade) (1994/95)

	Firms	Employees 1.000
Denmark	38.366	184
France	343.854	1.614
Germany	408.414	2.866
Ireland	25.048	112
Italy	890.396	1.961
Spain	555.518	1.294
Sweden	54.777	221
U. K.	212.966	2.368
Sum	**2.529.339**	**10.620**
EUR 15	3.098.393	12.412

EC 1998, in Täger 1998:3

In order to provide a definition of the retail sector, a differentiation has to be made initially between stationary retail trading in shop premises, ambulant retail trading in street markets and market places, and the mail order business. An additional distinction between the retail and the wholesale trades is also necessary. The borderline between the retail and wholesale trades has become increasingly blurred over the past few decades as a result of re-organisational measures which have cut across already existing boundaries. New problems of definition arise as a result of new forms of retail trading on the basis of the information and communications technologies, such as „Electronic Commerce„ Teleshopping and Internet Selling. These new methods of retailing break up the conventional and institutionalised arrangements within the sector, and they can be carried out by enterprises whose main activity is not in retailing at all, but in other sectors, such as manufacturing.

For the purposes of this present study, we define retailing activity as the sale of goods to private consumers by means of a direct interaction between sales personnel and customers.

[4] See the European Commission Green Paper on Retail Trading, Luxembourg, European Commission, 1997.

The technological mediation of the retailer/customer relationship, for example, via electronic commerce or the Internet, is recognised as one of the key contemporary innovations which may have a profound effect on the future development of enterprises and of employment.

2.1 Legislative and regulatory developments

Two factors play a key role in conventional retailing activities: the locality and the time-scale of the services provided. The location of the business and its opening times have a considerable influence on its market position and its trading opportunities in relationship to competitor businesses.

In all the countries studied, both these factors are subject to regulatory measures - and these measures have been changed in many of the countries studied during the recent past:

The regulations concerning the *local area development* of retail trading were modernised in Denmark in 1997 (Danish Planning Act), in Ireland (Irish Planning Act, Department of the Environment) and in Italy (Law 114) in 1998. In Germany and Sweden, changes in the planning and regulatory control practices are currently taking place.[5] In the UK, planning laws were relaxed during the 1980s, but tightened again following a major relocation of retail outlets away from city centres. The current UK government is considering the relaxation of planning restrictions again to encourage inward investment by US large-scale retailers. Legislation has taken a similar direction in most countries. The power of local authorities to intervene in matters of the location and size of retail enterprises is being enhanced. Issues which justify regulatory control of retailing developments are the general servicing of the population in rural areas, the conservation of the built environment in the inner cities, the protection of the countryside from over-development, and the control of increasing road traffic volumes. In addition, various national governments are concerned that structural changes in the sector work mainly in favour of large-scale retailing, and thus predominantly in favour of large firms (see below). They are concerned to restrict and/or slow down such restructuring, in order to maintain a suitable competitive environment for medium sized enterprises.

Whilst the regulation of large-scale retail trading is generally being strengthened, controls are, however, at the same time being slackened on *opening times*: In Denmark, restrictions on opening times on weekdays have been almost entirely deregulated (Danish Shops Closing Act of 1995). Medium sized businesses with low turnover may also open on Sundays. Opening times were deregulated in the United Kingdom in 1994. Since then, retail trading on Sundays has been possible (Sunday Trading Act). Late night opening is now common in a range of retail multiples, including book retailers, record retailers, consumer electronics retailers, food and clothing retailers. The United Kingdom has extended opening times to a far greater extent than elsewhere. Opening times in Sweden have also been greatly deregulated since the 1970s. In Italy, Law 114 (1998) has also worked in this direction (see Chapter 4).

The deregulation of opening times seems to have been most contested in Germany. Since 1st November 1996, shops may open until 8 p.m. on weekdays and until 4 p.m. on Saturdays. Previously, businesses were required to close at 6.30 p.m. and 2 p.m. respectively. At the same time, the regulations governing authorisation for longer opening hours in exceptional cases, such as in tourist areas and railway stations, or for trading on Sundays and Bank Holidays, were also relaxed. Municipal authorities can issue authorisation. In the past, the German Shopping Hours Trading Act was effectively a form of labour protection legislation, with the rights and interests of employees provoking an extremely heated and long-lasting public debate. Similar controversies also raged in other countries, primarily concerning the extension of

[5] See the report annexed to this volume for information on France.

opening hours to Sundays. In the course of labour disputes in Sweden and Ireland, for example, employees sought to limit working hours to „socially valued times“ and to make these as expensive as possible by means of wage overtime claims. In spite of this resistance, the trend towards longer opening times has been almost total.

Both regulatory measures - enhanced control of local retail development together with the concurrent slackening of restrictions on opening times - are in direct relationship with the structural changes taking place in the sector in Europe. These changes are ambiguous, however. In most countries, the spatial concentration of retail businesses seems to have progressed so far, that the deregulation of opening times might well be understood as a form of counteractive measure. Spatial concentration has meant that retail businesses are in many cases no longer accessible from residential areas. This has increased consumer expenditure on time and effort in travelling to shop. Longer opening times, from the point of view of the consumer, are important where retail business are concentrated together, or where they are extremely large and include an attractive range of products. The greater expenditure of time and effort in reaching them then becomes worthwhile for consumers.

From the point of view of the retailers, longer opening times augment the advantages of spatially concentrated outlets, and particularly large-scale retailing. The large sales surface-area stores outside the inner cities and residential areas have been able to increase their share of overall turnover. Such businesses can take advantage of proportionately lower overheads than conventional retail businesses and can therefore offer appropriately lower retail sales prices. Structural change in the retail sector has meant a shifting of market share in favour of the large sales surface-area forms of retail store.[6]

2.2 The structure of the retail sector

The structure of the retail sector in the countries studied can be elucidated primarily on the basis of the following indicators: the density of the sector (i.e. the number of businesses in relation to the population), the workforce in the individual firms, the market share of the different types of retailers, and the concentration of turnover. It is important, however, to differentiate between the level of the firm on the one hand and the level of the retail outlet on the other. The latter represents the firm in its relationship with consumers and is also the place where the conditions of employment and labour process are experienced.

Within the European retail sector, three groups of countries can be identified with tendencies towards different retailing structures: Italy and Spain have a large number of very small shops. Many such businesses are still located in the immediate neighbourhood of consumers and are run by families. Denmark, Ireland, Sweden and France represent a „middle ground“ group of EU Countries, in relation to trading density and the average size of the businesses concerned. Germany and the United Kingdom display the lowest trading density and have the highest rate of employment on average.

Table 2.2: Retail sector related to inhabitants (1994/95)

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[6] In the case of Germany, an initial assessment of the impact of the deregulation of opening hours is that extended opening hours are being used as an instrument of competition, to strengthen the market power of large companies with large sales surface-areas (Jacobsen/Hilf 1998, Halk/Täger 1999).

	Firms per 1.000 inhabitants	employees per firm
Italy	15,6	2,2
Spain	14,2	2,3
Danmark	7,4	4,8
Ireland	7,0	4,5
Sweden	6,3	4,0
France	6,0	4,7
Germany	5,0	7,0
U. K.	3,7	11,0
EUR 15	8,4	4,0

EC 1998, in Täger 1998:5

In all countries, the number of enterprises and thus trading density has fallen in the past two decades. Various developments account for this general trend. Trading in consumer goods has extended the number of shops (and primarily the amount of sales surface-area at their disposal), whilst trading in foodstuffs, is carried on in only a fraction of the number of businesses. In Sweden, for example, there are today only about 2000 food shops, compared with 20,000 in 1960. In Ireland, the number of food shops has declined by half during the last twenty years.

The decisive factor in the structural change in the sector has been the shifting of market share between types of business. Types of business are designated by means of a certain combination of product range, size of the sales surface-area, type of service provision, price level and standard, as follows:

- Supermarkets: retail trading businesses in the food sector, mainly self-service with payment on exit and a sales surface-area of more than 400 sq. m., and a vast range of merchandise, mostly pre-packaged, and certain non-food household articles.
- Hypermarkets: retail trading businesses with sales surface-areas of more than 2,500 sq. m. divided up into departments (foodstuffs and non-foodstuffs) each with the characteristic of a supermarket and a department store, respectively.
- Hard discount: retail trading businesses in fixed self-service premises of medium-to-large sales surface-areas, which reduce operating costs and overheads to a minimum and offer a limited range of goods for general consumption and „non branded articles“ at lower-than-average prices (30-40% less than average).
- Department stores: retail trading businesses operating in the non-food sector with sales surface-areas of more than 400 sq. m., having at least 5 departments, each devoted to the sale of articles in different commodity categories and mostly for general consumption.
- Superstores: having large sales surface-areas and specialising in a specific range of products with good prospects for growth in all non-food sectors: do-it-yourself, furniture, household articles, etc.
- Small-and medium-sized specialist outlets, characterised by greater specialisation (hyper-specialisation) and the frequent renewal of the mix of services provided.

Trading in foodstuffs is currently the retailing activity which is the most heavily concentrated and marketed. The domination of the market by large sales surface-area retailers, which can locate in out-of-town and suburban areas, is shown here very strongly.

Table 2.3: Market shares of types of outlets in food retail 1996

	France	G. Britain	Spain	Germany	Ireland	Denmark	Sweden	Italy
Hypermarkets (>2500sqm)	41	44	34	24	22	17	13	13
Large Supermarkets (1000-2500 sqm)	36	26	10	17	31	22	29	21
Supermarkets (400-1000 sqm)	15	12	15	35	15	37	34	18
"Superettes" (100-400 sqm)	3	9	19	18	31	22	20	24
Small-Shops (<100 sqm)	5	9	22	6	31	2	4	24

Source: Nielsen 1996, according to Täger 1998:5

The hypermarkets dominate the retail market, with more than 40 percent of turnover in France and the United Kingdom. In Germany, Denmark and Sweden, the medium-sized supermarkets (400 to 1000 sq.m.) predominate. In Italy and Spain, almost one-quarter of all food shops have a sales surface-area of less than 100 sq.m. It is worth noting that in Spain, a plethora of small retail businesses confronts the considerable force of the hypermarkets. Here, then, the structure of the sector is highly polarised. Overall, the domination of the sector by large enterprises is reflected in the trend towards large sales surface-areas at the level of the retail outlet. Table 2.4 shows the concentration of activity in the sector.

Table 2.4: Sales and market share of the three largest companies in retail sector

Country	sales (bn ECU)	market share (%)
Denmark	9.051	68,7
France	59.195	40
Germany	76.540	42,7
Ireland	3.632	50,6
Italy	25.287	33,1
Spain	18.969	47,1
Sweden	15.167	78,2
U. K.	42.570	39,8

Source: EUROdATA, in: Täger 1998:8

The concentration of retail turnover in a few firms is particularly marked in Scandinavia. The other countries, by contrast, seem to be slightly less dominated by a few large firms; one-third to one-half of overall turnover is accounted for by the three largest retail enterprises. Despite these national differences, it is clear from these figures that there are only a handful of major players in the retail sector which control the business and thus determine the conditions of employment and work.

The process of concentration of both turnover and company has gone so far that not only are a few key players the major determinants of the behaviour of the sector, but they are also the largest organisations in their national economies. This tertiary effect is seldom discussed. The former Chairman of the German Trades Union of the Retail Trading, Banking and Insurance Staffs Association, Mr. Dieter Steinborn, described the general image of retail trading as „the sleeping giant“ (Steinborn in: Glaubitz, Zmuda-Schamper 1986). Indeed, there are more than one million employees of around a dozen European trading concerns.

The co-operative societies which were previously so influential in many European countries seem to have lost considerably in significance, so that none of these is today among the key players. On the other hand, however, *retail trader co-operatives* and organisations of self-employed retail traders continue to play a important role in many countries, especially in Italy and Spain. Organisations such as purchasing co-operatives sometimes form part of large concerns, while franchising systems can be regarded as particular forms of purchasing co-operative.

Table 2.5: Key Players in the retail sector in European countries (1994-1998)*

Country	Firm	Turnover	Market Share	Employees	Outlets
Denmark	**FDB-Danish Consumer Co-operative Movement**	15.710 Mio DKK	jointly 50% of grocery, 20% of total retail	19.113	1.200
	Dansk Supermarked A/S	11.340 Mio DKK		25.000	314 grocery outlets and several other
France	**Carrefour**	169.269 Mio FF	12,6%	113.300	
	Groupe Auchan	139.100 Mio FF	12,8%	107.000	
	ITM enterprises	135.600 Mio FF		75.000	
	Leclerc	135.600 Mio FF	15,2%	55.000	
	Promodès	110.666 Mio FF	11,1%	57.391	
Germany	**Metro AG**	91,7 Mrd. DM		160.000	2.085
	REWE Gruppe	63 Mrd. DM		162.000	11.500
	Tengelmann Gruppe	53,2 Mrd. DM		206.400	7.700
Ireland	**Tesco**				76
	Dunnes				56
Italy	**Coop Italia**	~ 12.000 billions Lira		36.000	1.240
	Rinascente	7.169 billions Lira		20.650	859
Spain	**El Corte Inglés (Group)**	1.296.174 Mio ESP		57.245	
	Pryca (Group)	524.900 Mio ESP		21.492	
	Continente (Group)	467.718 Mio ESP		13.059	
Sweden	**KF**	30.887 Mio SEK	19,4%	17.979	1.400
	ICA	88.000 Mio SEK	34,9%	47.000	2.100
	D-Group	30.099 Mio SEK	15,0%	16.700	924
United Kingdom	**Tesco**	17.8000.000 Mio GBP	12,70%	150.000	(1994) 519
	Sainsbury	15.500.000 Mio GBP	11,80%	130.000	450
	Marks & Spencer	8.243.300 Mio GBP		50.000	283
	Asda	8.220.000 Mio GBP		70.000	203

* different sources: Eurostat, Nielsen 1996/1998, EC 1998, web-sites

The concentration of large enterprises means that their own purchasing power is considerable, and there is a tendency for purchasing, rather than sales, to be used to drive up profits. Large retailers can secure favourable purchase prices from their suppliers on the basis of their market position and power, and consequently, they are often able to increase their profitability this way, rather than by concentrating on innovations in sales. Small businesses, on the other hand, have to pay greater attention to sales in order to be able to survive under competition, despite comparatively higher purchase prices. This in turn suggests that the employment of sales staff in the large concerns is relatively less significant to their overall ability to raise profitability. Concentration on purchasing is accompanied by intensive use of information and communications technologies (ICTs). Based on the most up-to-date data on goods turnover, purchasing decisions can taken 'at the conference table' without explicitly taking into consideration the experience of sales staff. The key commercial functions are already extensively centralised in the larger trading enterprises. This is of profound significance for local shop management and its utilisation of staff; local management often play only a minor role in organising activities and tend to concentrate mainly on personnel management. Shop floor jobs, too, are affected by the use of ICTs.

2.3 Employment Trends

There are several issues of note concerning employment in the retail sector, which differentiate this sector from all others. First, there is a high proportion of self-employed persons and family member assistants. Second, many employees work part-time with extraordinarily variable working hours. Some employment arrangements consist of only a few hours work per week or of seasonal supplementary work. It is therefore extremely difficult to obtain reliable information concerning employment in the retail sector and the drawing of international comparisons is problematic. The following quantitative comparisons in the development of employment in the countries included in the study are therefore subject to certain reservations.[7]

Overall, 10 to 17 percent of the total European labour force are employed in retailing. This proportion has risen in recent years, but must be seen as a result of a shift towards employment in the tertiary sector overall rather than an increase in retail job numbers. The proportion of employment in the retail sector is rising because employment in agriculture and industrial production is falling. The proportion of employment in the retail sector in Italy is 17 percent (3.4 million) of the total labour force (Italian Labour Force Survey 1996), this being the highest proportion of any EU country in this study. The proportion is lowest in the United Kingdom, at 10 percent (2.3 million). It can be assumed that this difference is related to the different „stages of development" which the retail sector is currently undergoing in those two countries. The extremely high proportion of small retail trading businesses in Italy generates considerably more employment than the already highly concentrated retail sector in the United Kingdom.

[7] Even in the publications of the EU, data on employment is not always comparable (see, for example, the European Commission's Green Paper on Retail Trading and Retailing).

Figure 2.1: Employment trends in retailing in 6 European countries

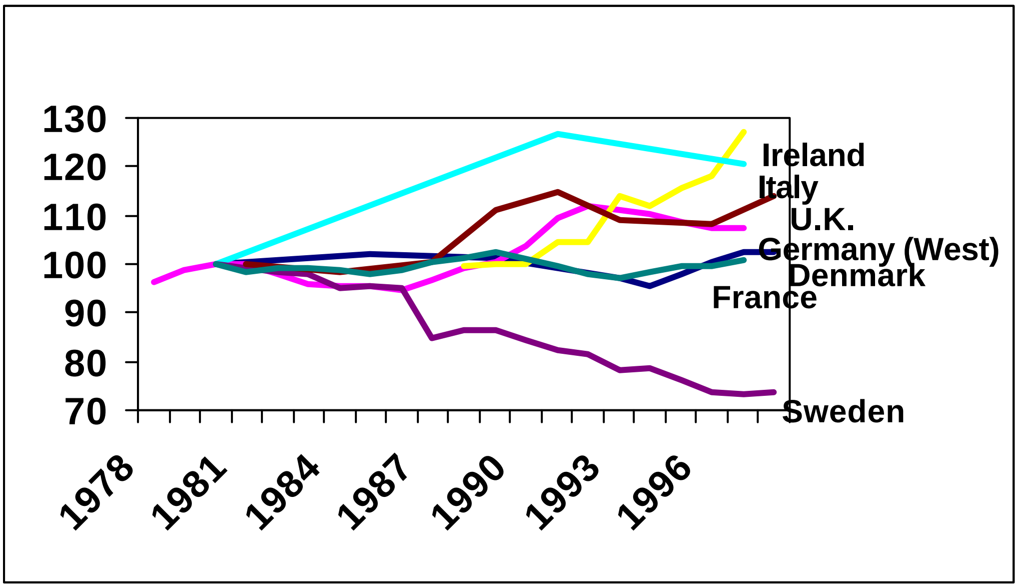

Figure 2.1 shows, that in Denmark, the United Kingdom, Italy and Germany there is no clear long-term employment increase or decrease. In the short term, during the 1990s, however, there has been a significant decline in retailing employment in Italy and Germany, whereas in Denmark and the United Kingdom, employment has risen markedly. In Ireland, employment in retailing has increased in both the short- and long-terms. In Sweden, on the other hand, retailing employment has almost consistently fallen in the last twenty years. This is probably because in Ireland the growth in retailing employment is a reflection of the general growth in the national economy. In Sweden, restructuring and rationalisation seem to have gone hand in hand with a drop in employment. The lack of long-term employment growth in the other countries has to be seen in the context of overall growth in retailing activity. The fact that more jobs have not been created indicates that the provision of services has been reorganised and rationalised in these countries too.

Several country-specific peculiarities are noteworthy. For example, in Italy, Spain and Ireland, the proportion of self-employed people and family members working as assistants is very high. In Italy, there was a ratio of around 60 percent self-employment in 1996 (Villa and Mittone 1997). In Ireland, this ratio was 30 to 45 percent in 1988, although this varies depending on the type of retail establishment (Census of Services). In Spanish retailing, 45 percent of retail workers are reckoned to self-employed.[8]. By contrast, in Germany, the proportion of self employed persons and family members working as assistants was 16 percent in 1997 (Micro-Census).

In all countries, the proportion of part time and female labour in retailing is higher than in other sectors. However, there are country and sub-sectoral differences. Part-timers constitute 45 percent of retail employers in Ireland (FAS/Goodbody 1995), 34 percent of German retail workers (Micro-Census 1997), and 38 percent of Swedish retail workers (Labour Force Survey 1998). Women accounted for 55 percent of Danish retail workers in 1998 (including the workforces in small repair outlets), 62 percent of Swedish employees (Labour Force Survey) and 66 percent of German ones (Micro-Census).

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[8] Green Book on Retail Trading 1997

2.4 Organisation and innovation in the sector

Important issues concerning trends in organising retailing are the internationalisation of firms and markets, the diversification of retailing firms into other sectors of economic activity, and innovations in modes of service provision.

Like other industry sectors in the late twentieth century, the retail sector is progressively globalising. Firms are becoming larger, ownership is becoming more agglomerated, and operations are being carried out across borders, both within the EU and beyond its boundaries. The entry of multinational corporations into the retailing sector has been noted as something which has sharply changed the nature of work organisation and working time in the sector from the way in which these are organised by "indigenous" firms (Pollert 1995). Part of the task of this project is to examine this question.

Some of the world's largest retail companies are European and operate abroad. The German companies Metro AG, Tengelmann, and EDEKA are ranked third, fifth and ninth in international retail, while the French companies Carrefour and Promodès are ranked seventh and eleventh in the list of those global players (EC 1998). German and French retailers are active in several other countries; but there are also some well-known Scandinavian firms with activities most of Europe (and the world). The following table gives an overview of some of these patterns of globalisation, but is not exhaustive.

Table 2.6: European retailing firms operating abroad

country	firms from abroad	firms operating abroad
Denmark	ALDI, EDEKA, Hennes & Mauritz, Benetton, IKEA, Burger King	Jysk Sengetojslager, Netto Taeppeland, Georg Jensen, BR Legetoj
Germany	IKEA, Hennes und Mauritz, Stottrop, Benetton, Castorama, Decathlon	Metro AG, REWE, Tengelmann, Aldi, Lidl
Ireland	Marks and Spencer, Tesco	Dunnes
Italy	IKEA, Castorama, Virgin, Metro, Lidl, Aldi, Decathlon, OBI, Intermarché, Promodès, Carrefour	Benetton
Sweden	Rimi, Benetton	IKEA, Kapp Ahl, Hennes & Mauritz
Spain	Promod, Decathlon, Carrefour	Zara, Mango
U.K.	Borders, Hennes and Mauritz, IKEA, Wal-Mart	Marks and Spencer, Sainsbury, Kingfisher B&Q, Tesco
France	Carrefour, Promodès, Auchan	Casino, Comptoirs modernes Docks de France

In Denmark the two foreign discount chains ALDI and EDEKA (both German) now account for about 10% of non-durable consumer sales. Similarly, through franchising or direct establishment in Denmark, an increase in international chains has taken place. In the last few years, a growing number of Danish retail companies have moved overseas. The Netto discount chain has 279 outlets in Germany, Poland and

England. BR Legetøj has 85 outlets in Denmark and 21 outlets in Sweden (Company web-sites).

In Germany, Metro AG operated some 500 sales outlets abroad in 1997 (compared to 3,400 in Germnay) and thereby made sales of around DM 17bn, one-fifth of total turnover. 17 per cent (DM 9.4bn) of the total turnover of the REWE Group was made in around 1,700 shops abroad (compared with 9,500 in Germany). In both cases, foreign turnover has increased more sharply in recent years than domestic sales. The TENGELMANN Group has had a strong presence abroad for some time; foreign sales account for half of the total turnover of DM 52bn and around a quarter of its 8,000 shops. Foreign sales made by this group were strong in the 1980s (through operations in Austria, Netherlands, Italy, the USA and Spain). They received a further boost in the 1990s when the firm expanded into Hungary, the Czech Republic and Poland.[9]

Examples of foreign-owned multinational firms operating in Germany are the Swedish company IKEA, Hennes and Mauritz, Stottrop, the American retailer Woolworth and the Italian company Benetton, which have long histories of being located there. It is only recently that the British retailer, Marks and Spencer, and the American company, Wal-Mart, have become active in the German market. The arrival of Wal-Mart in particular has given German retailers a shock, because it competes with them in an area in which they feel especially strong, namely, in large-area food retailing on green-field sites. Wal-Mart is rumoured to have planned an introductory phase for its expansion into Germany which will last several years. During this period, prices will not even cover costs and, thus, Wal-Mart will offer goods more cheaply (and higher quality) than other retailers.

In the UK, particularly noteworthy is the growing presence of US multinationals in the sector, particularly Toys R Us, Borders and Woolworths, as well as a number of smaller specialist retailers. The UK retailing industry is currently bracing itself for Wal-Mart's entry through its acquisition of the ASDA supermarket chain in June 1999. The UK Government is currently reviewing planning legislation to allow the building of hypermarkets on green-field sites, having outlawed such developments for the past decade as a result of overbuilding in the countryside by supermarket developments during the 1980s. Companies of UK origin are also establishing operations across the Channel. Notable examples are Marks and Spencer, which has branches in many major European cities, and Sainsbury, which has recently established itself in northern France in competition with the large supermarkets and hypermarkets there. Kingfisher B&Q, the home improvements chain, merged late in 1998 with Castorama of France, and has plans to expand into other parts of Europe.

We know little about how the globalisation of retailing affects working conditions and skill demands in retail. In some cases, some sorts of internationally-recognised qualification might be necessary, particularly at management level. There may also be cultural implications for the nature of service provision as retail employees in one country are required to adapt themselves to the organisational practices of firms from other cultures. Pollert's (1995) research into developments in the Czech retailing sector suggest precisely this: that the entry of US firms in particular has radically changed the nature of service provision and particularly the level of training and expertise development which is available to retail employees in American-owned firms. Pollert identifies a sort of 'deskilling' of retail employees in these firms,

[9] However, this company now finds itself in a deep and long-running crisis, partly because of its rapid expansion.

compared to their counterparts in Czech-owned firms who still receive a substantial level of training for their work.

Diversification into other sectors, particularly financial services, is a key strategy of large retailing concerns. Retailing companies, particularly clothing and food retailing firms, have also diversified upstream into the production of goods, principally to reduce the costs of procurement. For example, the Italian Gruppo Benetton is one of the most largest companies involved in the manufacture and marketing of textiles and clothing. Over the years it has expanded its world-wide presence with a distributive structure organised into a commercial network comprising 7000 shops in more than 120 countries. In the move into financial services, a number of retail companies offer loyalty cards to customers. In Denmark, the most popular is probably FDB's card to which a bonus scheme has been attached. Other firms, such as Magasin and IKEA, also offer similar cards to their customers. Some retail companies have developed financial products. IKEA, for example, offers credit and banking facilities, as does Dansk Supermarked A/S. IKEA has also launched an Internet payment card with an associated account. In the UK, retailers have moved into financial services not only as a strategy of diversification but also in order to widen the range of services to the customer. For example, in 1996 Tesco introduced a charge card of its own, and Marks & Spencer and Virgin launched themselves into the financial services market. This competitive strategy was given an extra dimension by Sainsbury, which in 1996 launched itself as a bank in partnership with the Bank of Scotland. This principally involved the establishment of cash machines in supermarket branches, the provision of telephone banking services, including a credit card, insurance and mortgage services, rather than the establishment of dedicated bank branches. However, it raised the level of competition with the UK high street banks (themselves increasingly in competition with one another as the sector has been regulated since the early 1990s).

In Germany the large retailing concerns have also diversified into other sectors, particularly travel services, but also financial services and lately into the booming media industry (REWE).

Other innovations in forms of service provisions are worth noting because they indicate that retailers are moving away from a reliance on simple commodity supply. Innovation in services provision can be characterised as principally centring on logistics and information. Logistics innovations relate to:

- improvements in proximity (i.e., the availability of goods where required)
- stocks (the availability of products when required)
- the horizontal extension of the product range (purchases can be concentrated by multiplying stock), and
- opening hours (the availability of goods in relation to the varying opportunity costs of time for the consumer, and therefore the arrangement of opening hours to match customers' needs).

Informational innovations relate to:

- pre-selection (the choice of a particular range of products for a specific target group, enabling consumers to reduce their search costs)
- depth of product range (so that the consumer can compare a broad range of options in a single place), and
- direct information (enabling customers to understand differences between technically complex products).

In addition to these logistical and informational elements there are at least three other important factors: speed of service, comfort, and post-sales services.

These innovations have gradually abolished the traditional segmentation of retailing based on commodity specialisation. Newer forms of retailing attempt to offer packages of goods whose only commonality is that they are purchased in similar ways and on similar occasions. The development of these methods has been driven by strategies aiming to meet the consumer's purchasing requirements as closely as possible.

Such developments and innovations have had major implications for firms. Whatever their commercial product and corporate size, all firms must acquire a specific identity. They must switch from substantial homogeneity in their goods and services to packages distinct from those of their competitors. In this way, the pressure now being exerted by retailers on the 'boundaries' with manufacturers and suppliers is matched only by the pressure they place on consumers by offering an increasingly diversified range of products.

Customer responses to new modes of service provision

Some modes of service provision, e.g. long opening hours, mail order and cashless payments, are not simply reflections of technological change or the play of commercial interests. They are genuine reactions to customers' circumstances, e.g. lack of time, the need for convenience. Despite this, modes of service provision in retailing rely increasingly on the labour of the customer, particularly in supermarkets. This trend has recently been amplified by the introduction of self-scanning systems in supermarkets, though this is not yet a common phenomenon. Nevertheless, technologies which were once used by sales assistants and have now been transferred to customers have, by general agreement, gained astounding acceptance.

The use of advanced technology in retailing and distribution nevertheless seems to be developing quite slowly. Most advanced technologies are based on information and communications technologies (ICTs). The 'digital market', via Internet and TV shopping, has not yet become widespread in most European countries. It is, however, expected to gain increasing acceptance in the near future. In the UK, a recent survey by the computing firm ICL found that almost 50% of customers liked the idea of making purchases using a personal computer or television. This issue is taken up in the Thematic Chapter dealing with <u>Technological Innovation</u>.

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3. THE RETAIL FINANCIAL SERVICES SECTOR

Across the European Union, the sector known as financial services covers a number of activities. The NACE classification of financial services includes banking (NACE 81), insurance (NACE 82), and other financial intermediaries (NACE 831 and 832). This project is concerned with retail financial services, that is, financial services which are sold direct to the public. We are interested in the retail part of the sector for several reasons. First, women are employed in significant numbers in this area. Second, this is where the sector has its interface with the public. Third, the 'feminisation' of financial services work – in both a quantitative and a qualitative sense - is in all the countries under study a process which is most visible and significant in the customer service function. Included in this project are therefore banks, insurance companies, and building societies or their equivalent, mortgage credit institutions. These form the bulk of the financial services market.

3.1 Legislative and regulatory developments

Retail financial services have during the last two decades undergone twin processes of privatisation and deregulation across the European Union. Institutions' have moved into new areas of service provision previously debarred to them, with the result that they have become progressively less specialised and more competitive with another.

In all European countries up until the mid 1980s, the retail financial services sector had been sharply segmented, and a clear distinction was made between different types of institution and the provision of different types of service. For example, in some countries, such as Sweden and Denmark, there was a strict distinction between commercial banks and savings banks. In Italy the banking law of 1936 dictated the appropriate products and services in which banks were required to specialise; this law remained in force until the beginning of the 1990s. Similar regulations applied in other countries. In Germany, the sector continues to be highly differentiated along functional and regional lines (Wandel 1998).

A traditional distinction in the sector is between structural and conduct regulation (DRI 1996). The removal of conduct regulations, such as exchange controls and interest rate controls began as early as the 1970s in some European countries. Structural regulations began to be removed during the 1980s. The earliest countries to do so were France and the UK. In France, legislation enacted in January 1984 was designed to desegregate, modernise and introduce competition into a hitherto very heterogeneous sector. In the UK, the Financial Services Act and the Building Society Act were passed in 1986. The main provision of the 1986 Financial Services Act was to integrate financial services markets, and to allow firms to market services in areas previously closed to them. Two years later, in 1988, the Danish Commercial Banks and Savings Banks Act authorised the latter to conduct the same business activities as the former. All three countries subsequently established specialist regulatory authorities: in France, a series of authorities were established, in the UK, the Financial Services Authority was created out of a merger between the Securities and Futures Authority and the Securities and Investment Board, and in Denmark, the Financial Supervisory Authority was established by merging the Supervisory Authority for Banks and Savings Banks and the Insurance Supervisory Authority (Finanstilsynet

1999). In Germany, the insurance sector is regulated, both by the state under the auspices of the Supervision of Insurance Companies Act, and by industry associations themselves (Rudolph and Schüttpelz 1999).

In Italy a combination of the relaxation of controls by the Bank of Italy in the mid 1980s and the passing of the Amato-Carli Law in 1990 fostered competition between institutions in the sector and converted institutions into public limited companies. In Spain, following widespread deregulation of the sector in the late 1980s and early 1990s, desegregation and disintermediation has occurred. The Second Banking Directive of the European Commission ratified and reinforced this trend towards de-specialisation across the EU. In Sweden, which was not yet a member of the European Union, legislation passed in1991 allowed Swedish banks to own insurance companies as subsidiaries. In Ireland, the government combined promotion of the financial services sector with inner city development objectives by passing the 1987 Finance Act, which created the International Financial Services Centre (IFSC) in an economically depressed area of Dublin. Tax incentives, such as 10% corporation tax, were offered to businesses to establish themselves in the IFSC. This is now a successful and reputable financial centre, employing more than 6500 people directly and in associated back office projects.

State-owned institutions have also been privatised in several countries. In the UK, the Trustee Savings Bank was privatised in the late 1980s. In Ireland, the merged ACC (which was formerly the Agricultural Credit Corporation) and TSB banks are currently undergoing privatisation, as is the ICC (which was formerly the Industrial Credit Corporation). In Italy, similarly, the number of publicly owned banks decreased by 20% in the four years from 1992 to 1996. In Spain and France, the privatisation process is continuing; the banking sector has been privatised and the large insurance companies, including UAP in France are currently undergoing it.

The principle effect of this twin process has been to create convergence in the industry and to heighten competition between service providers. Providers can now choose whether to be universal or specialised in the products and services they supply, and consequently the activities of many have now become merged. Banking and insurance are now offered as combined services in many EU countries as a result of deregulation (OECD 1992).[10]

The European financial services market has also been opened up as part of moves towards the Single European Market, so that providers can operate across national boundaries. Beyond Europe, European operators are launching products and moving into markets world-wide, and vice versa. We turn to the issue of the globalisation of the financial services sector below.

3.2 The Structure of the retail financial services sector

The structure of the financial sector in Europe is complex. It includes joint stock companies, mutual companies, co-operatives, firms without capital and non-profit associations. The retail financial services sector in the countries of the European Union involved this study includes the following types of organisations:

- Commercial banks
- Savings banks

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[10] There is, however, no English word which is the equivalent of the French ‘bancassurance’ or the German ‘Allfinanz’.

- Insurance companies
- Building societies
- Mortgage credit institutions
- Stockbroker companies
- Funds investment companies
- Independent financial advisers and financial consultants.

There are, however, national differences in the degree of complexity in the sector. The German financial services sector is particularly complex, as organisations are differentiated not only along functional lines but on a geographical basis too. The German banking sector is made up of three sub-sectors: commercial banks, co-operative banks, and savings banks *(Sparkassen)*. Different banks operate at local level, at *Land* level and at federal level (Wunder 1998). In Sweden, 'niche' banks offer very specialised services and do not compete on the same terrain as the larger savings and commercial banks. In France, too, the banking sector includes the *Caisses d'Epargne*, co-operative banks, and mutual banks, as well as the conventional commercial banks (Bernard Brunhes 1998). In several countries, savings and commercial banks remain separate institutions, although the overall trend is towards organisations which offer universal suites of products.

In those countries where building societies exist, they are a significant employer of women, particularly in back office transaction processing functions. In some countries, such as Ireland and the UK, however, building societies are decreasing in number, partly because of a process of 'de-mutualisation' (or privatisation) which is occurring. The Irish Nationwide and First National Building societies were mutuals but were floated on the Irish Stock market in 1998. In the UK, too, the building society movement has undergone widespread privatisation.[11] Since the Building Society Act of 1986, building societies have been able to operate as private limited companies. Consequently, there has been a trend for building societies to 'de-mutualise' and to convert into banks. The latest in a series of such privatisations took place in April 1999, when the Bradford and Bingley Building Society's investors voted to convert it into a share-owned bank. Today there are only three major building societies with mutual status left in the UK (the Nationwide, the Britannia and the Yorkshire Building Societies), and they remain under constant pressure to convert (The Guardian 25 May 1999).

In all countries, the sector is dominated by a handful of large firms, and is becoming increasingly concentrated. In some countries, however, there is still a relatively large number of smaller organisations. In Spain, for example, the insurance sector is made up of a number of small companies, including self-employed and freelance insurance brokers. In Denmark, small firms are also still present: there are nearly two hundred banks and nearly six hundred financial services organisations in total, though the sector is becoming progressively concentrated, as Table 3.1shows. Today, two operators account for 58% of the banking market. The major players in the

[11] The movement originated in the nineteenth century with the establishment of a plethora of localised 'mutual' societies – in effect community savings schemes to which working people would contribute on a collective basis so that they could, each in turn, buy their own homes. Throughout the twentieth century, through growth and mergers and acquisitions, most 'mutuals' lost their location in local communities, becoming national institutions with nation-wide coverage.

commercial and savings banks sub-sector are Den Danske Bank, Unibank and BG bank. In 1989 a merger of Kjøbenhavns Handelsbank A/S, Den Danske Bank af 1871 and Provinsbanken A/S produced Den Danske Bank. At the same time Unibank was created out of a merger of Sparekassen SDS A/S, Privatbanken A/S and Andelsbanken A/S (Andersen, 1996). In 1991 a new bank was established when the Postal Giro was authorised to conduct banking activities and established GiroBank. In 1995 GiroBank and Sparekassen Bikuben merged as Bikuben GiroBank (BG Bank). Other medium-to-large banks are Jyske Bank and Syd Bank. In the mortgage credit institutions, the reverse of conglomeration is taking place. There are currently seven major credit institutions, and, by contrast with the trend in the banking sector in Denmark and elsewhere, a more differentiated and competitive market has recently opened up as the three well-established mortgage credit institutions, Realkredit Danmark, BRF Kredit and Nykredit, have seen their near-monopoly status broken and a more competitive market develop. There are now seven major mortgage credit institutions in Denmark:

- Realkredit Danmark
- Nykredit
- BRF Kredit
- Totalkredit
- Danske Kredit
- Unikredit
- BG Kredit

Table 3.1: Number of firms in the Danish financial sector 1986-1997

	1986	1987	1988	1990	1991	1992	1994	1996	1997
Banks (commercial and saving)	266	250	240	222	219	210	202	197	191
Special credit institutions	8	14	17	12	9	7	3	2	1
Mortgage credit institutions	6	6	6	8	8	8	10	10	10
Stock exchange & brokering companies	-	49	45	34	31	29	8	8	35
Mutual Funds	31	32	39	32	35	34	47	55	54
Accident insurance	157	161	160	158	156	157	159	156	153
Life insurance	21	21	22	32	337	41	52	55	55
Pension funds	31	32	33	34	34	34	33	31	31
Company based pension funds	128	128	128	101	89	84	75	65	57
ATP[12]	1	1	1	1	1	1	1	1	1
LD	1	1	1	1	1	1	1	1	1

[12] ATP (Arbejdsmarkedets Tillægs Pension) is a compulsory pension fund for all wage earners in the Danish labour market.

Total	650	695	692	635	620	606	591	581	589

Source: Finanstilsynet, 1999

A survey on customer trust in the banking sector carried out by the Danish Bankers Association in 1998 shows that 69% of customers have a large bank as „primary" bank, 11% have a medium sized bank and 18% have a small bank.[13]

In France, the large Association Française de Banques (AFB) members - BNP, Crédit Lyonnais, Société Générale, Crédit du Nord, Crédit Industriel et Commercial, CCF and Paribas - still dominate the market, despite erosion of their market share in favour of smaller mutual and co-operative banks. Insurance in France is becoming increasingly concentrated. 10 operators account for 67% of the market, and one of these is the merged AXA-UAP which is second largest insurance group in Europe. A measure of the progressive concentration of the sector is that in 1996 alone, 39 credit institutions changed ownership.

In Germany, the banking part of the sector is also dominated by large banks, and is geographically dominated by the city of Frankfurt, as the City of London dominates the financial services sector in the UK. Frankfurt houses the headquarters of the major financial services companies, and additionally is the site for the stock exchange, the German Central Bank and, since 1999, the European Central Bank. German banking is dominated by Deutsche Bank, which is one of the ten largest banks in the world, with global operations in over 50 countries serving private and business customers, companies and institutions, providing investment banking and group services. A merger of Bayerische Vereinsbank and Hypobank has created the second largest German bank, and the Dresdner Bank is the third largest. Other major players are the Kommerz Bank and the Bank für Gemeinwertschaft. In insurance, the market leader is Allianz-Versicherun*g* (Wandel 1998:69). Founded in 1890, Allianz formed the advance guard in personal liability insurance. It acquired an international image through transport insurance. It is a public limited company with complex ownership structures which extend from Münchener Rückversicherungs-Gesellschaft AG (25%) through various banks (among them Deutsche Ban*k*), family holdings (5%) to over 46,000 shareholders. It also has a 22% share in the Dresdner Bank, and one of its subsidiaries, Munich Ré, is one of the main shareholders of the new merged banking group (Bernard Brunhes 1998). As *Allianz* already has a considerable presence in western Europe, it is now concentrating on becoming a global player on the so-called growth markets. *Allianz* is one of the ten largest insurance companies in the world and is the leader in Europe. In the early part of the 1990s, the German insurance industry enjoyed considerable growth brought about by the opening of new markets after unification with East Germany, though that growth has since slowed down (Nickel and Hüning 1995).

In Ireland, two main banks, the AIB and the Bank of Ireland, control around 50% of total banking assets, while the top five Irish banks control 62% of the market. Mergers between banks are a long-run response to the threat of new foreign entrants to the Irish banking market attracted by the opening of the Irish economy (Banking Ireland, Summer 1997). There was widespread merger activity in the 1960s and 1970s for this reason. Today, mergers continue to be commonplace in the sector. Merger negotiations are currently taking place between two of the major players, the government-owned ACC and the TSB. The objective is create a new institution to be

[13] However, it should be noted that medium sized and small banks in the Danish context are very small local banks in a European context.

named ‘Newbank’. Unusually in this case, the originators of the merger were the trade unions at ACC Bank.[14]

The Irish Building Societies are ICS (formerly the Irish Civil Service Building Society), First National, EBS and Irish Nationwide. The Irish Nationwide and First National Building societies were mutuals but floated on the Irish Stock market in 1998 and are both seen as ripe for take-over, (Irish Times, 29 January 1999). This leaves the EBS as the sole remaining mutual building society and it is likely to remain so, (Irish Times, 29 January 1999). ICS is owned by Bank of Ireland and has a ‘Mortgage Store’ network of seven branches around the State.

In the insurance sector, Guardian PMPA is the largest non-life insurer in Ireland followed by Hibernian Insurance. Other insurers include Church & General and Irish Life and Standard Life. The Irish direct insurance market consists of Premier, the Bank of Ireland’s telephone-based insurance operation Guardian Direct, First Call Direct, Celtic Direct, Touchline and Quinn Direct. The assurance market is dominated by Ark Life (which is owned by AIB). Other assurance companies include Lifetime (which owned by the Bank of Ireland) and Irish Progressive (which is being subsumed by Irish Life through a merger with Irish Permanent). Meanwhile, the Irish League of Credit Unions has more than a million members and assets of more than £2 billion, (Irish Times, 9 January 1998), and is a major provider of savings and loans, and repayment protection insurance.

In Italy, two significant mergers in March 1999 have created two large banks the assets of which place them in the top ten of European banks - Eurobanka and Banca San Paolo. Eurobanco is now the top fifth bank in Europe by assets and the Banca San Paolo is close behind. In Italy, as we have already seen, ownership in the sector is also becoming progressively concentrated. There have been a number of recent mergers and acquisitions, most notably, the takeover by Istituto San Paolo di Torino of Banco Lariano and the Provinciale Lombarda bank. There has also been the formation of a number of local alliances, recent examples being that of the Intesa bank which was created from an agreement between Cariplo and Banco Ambrosio Veneto, and that of the Unicredito Italiano created by an agreement among five Italian banks. The insurance sector has also been engaged in a long-term process of restructuring for years in order to improve its competitive position. In particular, the large insurance groups in the north of the country have absorbed and taken over the small and medium-sized firms based in central and southern regions, resulting in the transfer of jobs from south to north and voluntary redundancies in the south.

In Spain, Banco Santander Central Hispano is now the biggest bank, following a merger between Banco Central Hispano and Banco Santander in November 1998. This, together with BBV, Banesto, and Banco Popular accounts for 49% of banking turnover in the country. It has also been involved in strenuous expansion into the Latin American market in recent years.

In Sweden, there are still around 40 commercial banks, but 20 of these are subsidiaries of foreign banks. In addition, a number of small privately owned banks have commenced operations in Sweden in recent years. They are sometimes known as “niche banks“ or “boutique banks“, and they do not offer a comprehensive range of banking services, but concentrate on selected types of service. Nevertheless, as elsewhere, there have recently been several mergers and takeovers in the sector. In the last two years, for example, Svenska Handelsbanken has acquired Stadshypotek

[14]The negotiations have recently reached an *impasse,* however, as staff at ACC Bank are refusing to co-operate in merger discussions, because of their objections to lack of management consultation over computerisation and consequent staffing requirements.

AB (the largest mortgage credit company in Sweden), Swedbank and Föreningsbanken have merged to become FöreningsSparbanken, and S-E Banken has acquired Trygg Hansa, the insurance company. In two cross-border mergers, the Finnish bank, Merita Bank has merged with Nordbanken and is now MeritaNordbanken, while the Danish Bank, den Danske Bank, has acquired Östgöta Enskilda Bank. The number of savings banks in Sweden has decreased sharply as a result of mergers and acquisitions, with merger activity being most marked among the savings banks (Lundquist, 1999).

The Swedish insurance sector underwent a period of strenuous merger activity during the 1960s. This, together with the adoption of the Commission's insurance directives in 1994 (before Sweden actually joined the European Community), led to major changes in the insurance industry. In the 1950s, before the spate of mergers took place, Sweden had about 1400 insurance companies. Today the total number of insurance companies is barely 500. Of these, 126 are national companies. Many of the smaller local companies are concerned primarily with agricultural insurance. After 1994, the sector was desegregated and a large number of new companies were created. The retrenchment of the welfare state and a growing role for life assurance contributed to this state of affairs (Bernard Brunhes 1998).

The market is currently dominated by four groups of companies within the life and non-life insurance (Skandia, S-E-Banken including Trygg-Hansa, Folksam and Länsförsäkringar Wasa) and some large unit linked companies (SPP, AFA, AMF-bolagen and KFA). The five largest insurance companies or groups command 78% of the market for non-life insurance and 85% of the life insurance market.

In the UK, the banking sector is dominated by five large organisations which made over £1000m each in profits in 1998, and the insurance sector is dominated by around 20 large insurance companies. Recent significant banking mergers and acquisitions include the takeover of the Midland (previously one of the four major clearing banks) by the Hong Kong and Shanghai Banking Corporation (HSBC), and the merger of Lloyds Bank (another of the four former major clearing banks) with the now privatised TSB. Negotiations have also recently (as at May 1999) opened for a merger of the Bank of Ireland and the Alliance and Leicester, a former UK building society which become a bank in 1996.

In the insurance sector, there are currently around 20 large companies in the UK. The top ten of these are ranked in Table 3.9 by their net premium income. Overall, the pace and scale of mergers and acquisitions in the UK has been so dramatic that it is estimated that in the near future there will be a maximum of 20-30 large financial services companies overall (Bernard Brunhes 1998).

Tables 3.2 to 3.9 show the relative positions of the major banks in Denmark, France, Italy, Ireland and the UK. Figures are for assets in millions of Euros and relate to 1998 unless otherwise stated.

Table 3.2: Balance of major Danish Banks in 1997

Bank	Balance
Den Danske Bank	59.80
Unibank	41.99
BG Bank	22.88
Jyske Bank	8.06
Sydbank	5.33

Source: Homepages of Finanstilsynet and Unibank

Table 3.3: The main French banks by turnover in 1997

Bank	Turnover
Crédit Agricole	377233
Société Générale	369216
BNP	302230
Crédit Lyonnais	224805
Cie Financière de Paribas	220232
Groupe Caisse d'Epargne	196500
Banque Paribas (Fin. Paribas – F)	167556
Crédit Agricole Indosuez (Crédit Agricole – F)	124795
Groupe Banques Populaire	99900
Crédit Mutuel	97342
Union européenne de CIC (Crédit Mutuel – F)	94905
Crédit Local de France – Dexia (Dexia F/B)	85914
CCBP (CSBP – F)	83627
BNP Finance (BNP – F)	68093
Crédit Commercial de France	59849

Source: l'Usine nouvelle 1998.

Table 3.4: Asset value of the major Italian banks

Bank	**Assets**
Banca Sao Paolo	283296
Eurobanca	248695

Source: La Republica, 22 March 1999

Table 3.5: Asset value of the major Irish financial services institutions in 1996

Bank	bn Euros
Bank of Ireland	17.51
AIB	16.88
Irish Permanent	5.79
Anglo Irish Bank	2.01
Woodchester	1.64
Other Banks:	
Ulster (NatWest)	6.93
ACC	1.89
ICC	1.76
TSB	1.76
National Irish (NAB)	1.64
Others	5.04
Building Societies:	
First National	3.52
EBS	2.52
Irish Nationwide	1.76
Total	70.69

Source: Banking Ireland, Summer 1997.

Table 3.6: Asset value of the major UK banks

Bank	**Assets**
HSBC (Midland)	448642
Barclays	338020
National Westminster*	285522
Lloyds TSB	251278
Halifax	222643
Bank of Scotland	92085
Woolwich	51186
Alliance and Leicester	42471

Source: Company Annual Reports for 1998.

*Figure is for 1997.

Table 3.7: Asset value of the major Swedish insurance companies

Insurance Company	Assets
SPP	41280
Skandia	30508
S E B	24096
AMF Pension	17814
LF Insurance Group[1]	12841
AMF-Sjuk	11793
Total	162976

[1]Only national companies **Source**: Försäkringsförbundet.

Table 3.8 : The main French insurance companies in 1997

Company	Turnover
AXA-UAP	46131
CNP	16622
AGF (Allianz – D)	10725
GAN (Groupama – F)	7652
Ecureuil vie	5587
Groupama Assurances	5490
Natio-Vie (BNP – F)	4363
Commercial Union France (CU – GB)	4043
Mutuelles du Man Assurances	3862
Sogecap (Société Générale – F)	3570
Union des assurances fédérales Crédit Lyonnais – F)	3060
AGF International (AGF – F)	3047
Cardif (Paribas – F)	2595
Generali France	2433
Scor	2317
Athena assurances (AGF – F)	1873
Socapi (CIC – F)	1725
Assurances Banques Populaires (CCBP – F)	1713
MAAF	1703
Groupe Azur	1444

Source: l'Usine nouvelle, 1998

Table 3.9: Insurance companies in the UK ranked by net premium income

Rank 1998	Company
1	Royal and Sun Alliance
2	Commercial Union
3	General Accident
4	Guardian Royal Exchange
5	Eagle Star
6	Norwich Union
7	British United Provident Association
8	Cornhill Insurance
10	ITT London & Edinburgh

Source: Association of British Insurers Insurance Statistics Yearbook 1987-1997

3.3 Employment trends

In most countries, retail financial services employment rose significantly during the 1980s but dramatically declined during the 1990s. In some countries, however, it has increased again in the latter half of the 1990s. In Denmark, employment across the sector has unambiguously declined over the past ten years, though the decline is concentrated in the banking institutions; mortgage credit and insurance organisations have grown in employment terms. In Germany, the number of employees in the industry rose in the 1970s and 1980s. Since 1994, however, employment has been falling in both German banking and German insurance, suggesting that institutions have only recently turned to the restructuring of employment.

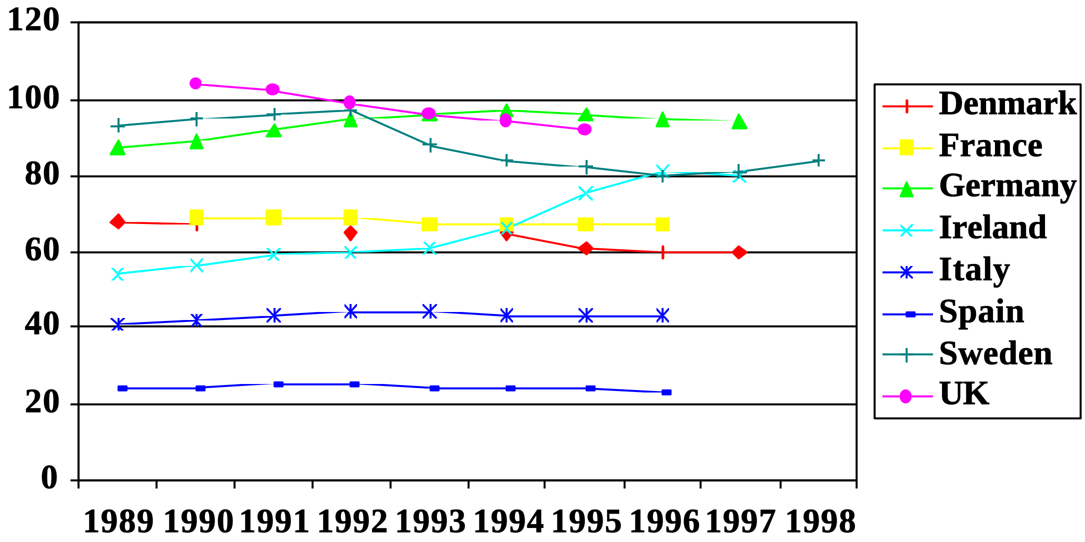
In Ireland, by contrast, partly as a result of the creation of the IFSC in 1987, there has been a huge increase in the numbers of workers in the insurance, finance and business service sectors. This sector is increasingly important to the Irish economy; indicative of this is the fact that by 1997 7% of all employees worked in financial services. However, Irish financial services are only now beginning to catch up with financial services in other economies. For example, they are still a much less significant contributor to total employment than in the UK, where they accounted for 12% of total employment in 1990 (Rajan 1995).

In Italy, employment in the sector overall grew steadily until 1992, when there was a total of 436,100 employees. Since 1993, however, employment has contracted; and increasing redundancies, which may amount to 150,000 jobs over the decade, are forecast for the next few years. In Sweden, by contrast, employment in the sector has remained largely constant over the past ten years.

The employment patterns of the sector in the UK have been much more consistent with those of other countries: employment rose until 1992 when it declined sharply across the sector. Since 1996, employment figures have risen again, possibly as a result of the widespread establishment of financial services call centres, a major area of employment growth in the UK (Datamonitor 1998). It is anticipated, though, that the sector will witness another major employment shakeout associated with further branch closures in the near future. One of the large clearing banks, Barclays, has just announced (at the end of May 1999) 6,000 redundancies which amounts to 10% of its total workforce, while another, NatWest is in the process of shedding 10,000 jobs. A third of the major banks, Lloyds TSB, is expected to join the wave of branch closures sweeping the UK sector. It is estimated that it has the scope to close up to 700 of its 2555 branches, though the banking unions are hoping that ‘overlapping’ branch closures can be achieved without job losses (The Guardian, 25 May 1999).

Banking accounts for two-thirds and insurance accounts for approximately one-third of total employment in financial services (Begg 1995). Most of this employment is located in a limited number of places, principally the leading financial centres (though this is changing as operations are relocated into back office information processing centres and call centres in new locations).

Figure 3.1: Trends in Financial Services Employment in 8 EU Countries



Sources:

Denmark: Finanstilsynet, 1999.
Germany: Federal Statistics Office, Employees with Social Security Tables,
successive years.
France: INSEE, successive years.
Ireland: Central Statistical Office, Labour Force Survey 1997.
Italy: Resti, 1998.
Spain: Caixa d'Estalvis i Pensions de Barcelona, (1997), Anuari Comercial de España, Barcelona.

Sweden: Statistics Sweden, The Labour Force Surveys, 1980-1998.
UK: BIFU Research Department, Overview of Women in the Finance Sector in the UK, 1996.

Figure 3.1 presents some data on the dynamics of employment change in the retail financial services sectors in each of the countries under study. A number of points are worth making in relation to this table. First, as we have already noted, the term 'retail financial services' has slightly different meanings in the different countries, and there are institutions, such as buildings societies, and specialised savings banks, which exist in some countries and not in others. The data are therefore not strictly comparable across countries, though they do give the reader a *sense* of the relative employing size of the sectors in each of the countries under study.

Second, the data above cover the financial services sector as a whole (except for Germany, where they refer only to employment in banks and insurance companies), and are designed to show the general dynamics of employment change in each country. However, more disaggregated data for employment change by type of institution[15] reveals that there have been varied and contradictory employment dynamics across the sector over the past ten years. For example, in Spain banking

[15] Collected for the project but not reproduced in this report.

employment has declined by over 13% since 1989, but employment in savings banks and co-operative banks has risen significantly. In Denmark, employment in commercial and savings banks has fallen since 1989, but in mortgage credit and insurance it has risen – in fact by 24% in mortgage credit institutions alone. In Sweden, there is the same type of pattern: banking employment is decreasing while insurance employment has remained relatively stable over the past decade. In the UK, by contrast, both banking and insurance jobs have been shaken out, with insurance employment decreasing by nearly 20% in the five years between 1991 and 1996 alone.

Several overall trends are nevertheless evident. First, in almost all countries except Ireland, employment reduction has been the main development in the sector. With the privatisation and of financial services organisations across Europe, together with their rationalisation through mergers and acquisitions, jobs in the sector have progressively been shaken out. Second, the process of attrition seems to have begun earlier in the northern countries than in the southern ones. In Spain and Italy, it was not until the early 1990s that jobs began to disappear, whereas (with the exception of Germany), in the north of Europe, the process was already well underway by the end of the 1980s. However, the Swedish financial services sector also began to shed jobs relatively late, in 1993. This process of employment reduction is therefore probably less indicative of a north/south divide in terms of organisational rationalisation strategies and more indicative of the different points at which deregulation took place in the different countries.

Third, Ireland is the major exception to the pattern of employment reduction evident elsewhere. Here, the sector has witnessed steady employment growth, from 54 thousand employees in 1989 to 79 thousand in 1997(including employees in business services). Figures for the five years from 1993 to 1998, and for the banking, insurance and building society parts of the sector only, confirm this pattern: employment has risen from 35900 in 1993 to 41300 in 1998. This is a increase of almost 43% in the last five years, and is clearly an outcome of the Irish government's strategy to develop the sector in Dublin with the creation of the International Financial Services Centre there and the offering of incentives to inward investors.

A survey conducted for the Institute of Bankers in Ireland (1998) reveals that employment in the industry as a whole is expected to grow by almost 8% between 1999 and 2001, and in the IFSC by 23%, even before taking into account any new inward investment. The increased staffing needs for this expanding sector is estimated to be 11,000 consisting of 5,000 new jobs and 6,000 jobs through turnover (around 2,000 per year). The biggest single category of staff in the industry is at junior level in administration and customer service. Over 7,000 of the new jobs are expected in this category.

Table 3.10: Projected Changes in Staffing Levels in Irish financial services - Full Time Equivalents (FTE) [16]

Job Category	No's Employed 1997	No's Employed 2000
Junior admin/customer service	19,462	21,314
Junior IT specialist	1,346	1 ,350
Junior other specialist	1 ,009	1 ,232
Intermediate admin/customer service	6296	6430
Intermediate IT specialist	740	812
Senior admin/customer service	2,979	3,048
Senior IT specialist	244	255
Subtotal	33,488	36,091
IDA inward investment (est.)		1500
Total	33,488	37 ,591

Source: The Institute of Bankers in Ireland, 1998.

This process may, however, have reached its peak. Employment in the sector began to decline slightly after 1996, and it is possible that, as tax incentives are progressively withdrawn by the Irish government in the coming period, organisations may begin to reduce employment in order to cut labour costs and maintain overall profitability.

Even in those countries where employment has been lost, the picture is not a simple one. Whilst in Sweden, all types of employment have been reduced, in the UK and Ireland, there has been a growth in part-time jobs. In Ireland, this is commensurate with employment growth overall. In the UK, on the other hand, it cuts across the overall pattern of employment reduction. Here part-time work has been steadily increasing over the past decade across the whole economy, despite overall employment reduction. Until March 1994, part-time workers in the UK did not enjoy the same employment protection rights as full-timers and the thrust of government until 1997 was to encourage competition on the basis of low wages and poor employment protection. The significance of part-time employment in the different countries is explored in the accompanying thematic report on Employment and Labour Markets.

What implications are these developments likely to have for women working in the sector? Progressive employment reduction of the scale indicated suggests that insecurity of employment is a growing problem. In addition, it is conceivable that employment shakeout linked to the restructuring of the sector and its organisations may be accompanied by the rationalisation of the work that remains, and one of the tasks of this project is to explore whether this is the case in the different countries. Furthermore, we are concerned with whether the different national patterns of deregulation and restructuring differentially affect the organisation of work and the employment prospects for female employees. In other words, is there a dominant

[16] When the rate of projected increase is extrapolated to include non-responding organisations, the figure for: new jobs is 3,449 which, with the projected increase from new IDA inward investment (1,500), gives a total of almost 5,000 new jobs beyond of year 2000.

trajectory of employment and work organisation in the retail financial services sector which has simply begun earlier in some countries than in others? Or are there significantly different patterns of change taking place in different national contexts? Finally, is the growth of part-time work in the sector widespread throughout Europe? If so, what are the implications of working part-time for the quality of working life of female employees?

3.4 Organisation and innovation in the sector

Globalisation has been a central dynamic in the organisation of financial services in the last two decades. During the 1980s, the deregulation process liberalised capital markets, lifted barriers to trade in the sector, and released vast amounts of capital which are invested in the market. In the 1990s, however, the sector has witnessed considerable slow-down due to high interest rates and economic crises in Asia, Russia and Latin America, as well as slow-down in Europe's economies (DRI 1996).

Partly due to the establishment of the Single European Market and the EU Second Banking Directive, but also due to the implementation of Information and Communication Technologies (ICTs), financial markets and players have become increasingly active across national boundaries. In Europe, the financial sector has traditionally been much more fragmented along national lines than in Asia or north America; this state of affairs is now changing.

In Denmark, foreign banks have been permitted to establish branches there since the mid 1970s. With the EU Second Banking Directive, which was incorporated into Danish legislation in 1991, foreign credit institutions are also able to establish branches in Denmark (Finansrådet Homepage). However, as Andersen (1997) notes, there has to date been no major influx of foreign retail banks and in fact, the growth of cross-national players in the Danish financial sector has been relatively minor. Cross-national activity seems to be confined to within Scandinavia; several large banks from other Scandinavian countries have established themselves in Denmark (for example, the Swedish banks Svenska Handelsbank and Skandinaviska Enskilda Banken AB, and the Norwegian bank Den Norse Bank ASA).[17] In insurance, a few, large, foreign owned companies have established operations in Denmark (Erhvervsfremme Styrelsen 1994).

The largest Danish banks (Den Danske Bank and Unibank) have established operations in other Scandinavian countries, and participate in consortium banks in many countries in Europe, the USA and Asia. Part of the reason for this cross-national activity is that Danish banks give substantial support to the Danish export business, which is extensive compared to the size of the country. This makes Danish banks instrumental in generating foreign exchange earnings, both directly through their activities abroad and indirectly by handling banking business for export firms, instead of leaving such business to foreign banks (Finansrådet homepage). However, Danish overseas banking activities have been growing since the mid 1980s, and movement in other Scandinavian markets in particular is expected to continue in the near future.

French banks operate in more than 84 countries in the form of either branches or subsidiaries. The opening of the Single European Market has reinforced this process

[17] The hompage of the Supervisory Authority (Finanstilsynet) lists 9 Swedish banks and 1 Norwegian bank which have established branches in Denmark. Cross-border mergers and the establishment of cross border branches which have built up throughout late 1998 and into 1999 have been dubbed the 'Nordic Bank War' by the Danish media.

of internationalisation. Currently, the French international banking activity is split equally between Europe and the rest of the world (primarily Asia).

Table 3.11: The establishment of French banks abroad

	Branches	Subsidiaries	All
European Union	70	163	233
Of which:			
UK	17	30	47
Spain	10	26	36
Italy	10	22	32
Third Countries	125	117	242
Of which:			
UK	12	14	26
Switzerland	3	20	23
Hong-Kong	8	8	16
Singapore Japan	8	3	11
All	195	280	475

Source: Jacoud 1999.

Branches of French banks have seen particularly strong cross-border growth in recent years, and today six banks account for two-thirds of all French overseas branches. The banks are BNP, Crédit Lyonnais, Société Générale, Paribas, CCF and Indosuez banks.

French insurance companies operate in 60 countries. In the last ten years, the strategy of French assurance firms has explicitly been to develop operations elsewhere in Europe and globally; premiums collected by them from overseas markets have increased 7.6 times in this period (Lorenzi 1998: 54). The early lead given by the firm AXA to move into global markets has without doubt acted as an important example to other operators. Indeed, AXA is now (and has been for some time) established on four continents through alliances with numerous firms (such as, for example, Equitable in the United States, National Mutual in Australia) and through many other establishments in Europe (such as Sun Life in the UK) and in Asia (particularly Japan, China, and Hong Kong. UAP is equally strongly established in other parts of Europe (such as the UK and Ireland) as well as in Asia, South America and Africa. Nearly 64% of the turnover of the French assurance sector is in the European market, and the French sector has an almost 24% market share.

Table 3.12: Turnover of French assurance firms in different foreign markets (as percentage of total turnover abroad)

Country	Percentage of turnover
European Union (exept France)	63,8
North America	23,7
Australia, NZ, Pacific	7,0
Asia	2,3
Latin America	1,6
Africa and the Near East	0,8
Europe outside the EU	0,7
All	100

Source: FFSA 1998

The German financial services sector is also strongly internationalised, and is at the centre of the European financial services market. One of the most prominent German institutions with international operations is Deutsche Bank, which is among the 10 largest banks in the world. It has global operations in the areas of private and business customers, companies and institutions, investment banking and group services. In 1997 Deutsche Bank was represented in over 50 countries. „The strategy of Deutsche Bank centres around multinational activities and diversification“ (Liedtke 1997:159). It has almost 25,000 female employees abroad, out of a total workforce of 74,356, but is currently cutting its domestic workforce.[18] The German insurance group Allianz operates on a European scale: 47% of its premiums are foreign-owned, and it has subsidiaries and majority holdings in Italy and the UK.

In Ireland, the financial services sector is becoming increasingly globalised, though this process has been slower than in other countries. There are some long-standing overseas operators in the Irish market, such as the English bank NatWest, and the Belgian Kredietbank. The Bank of Ireland is currently (June 1999) in merger negotiations with the English bank, Alliance and Leicester which are designed to create „an enlarged UK-Irish banking group“ (The Guardian, 25 May 1999). In Italy, too, globalisation of financial services has not paralleled that of other European countries. This may be partly because the relatively small size of institutions does not allow them to operate internationally, and because the sector was highly regulated until the beginning of the 1990s. Nevertheless, a number of foreign banks are exploring the possibility of investing in Italian banking institutions. This process has been initiated by the purchase of an 8.7% shareholding in the Banca di Roma by the Dutch banking group ABN AMBRO.

The Spanish financial services sector is gradually becoming globalised. In 1997, there were 158 banking organisations in Spain, of which 105 were Spanish and 53 were foreign. Since the 1980s, with the liberalisation of the financial services sector, there has been a steady increase in inward investment by foreign banks, coupled with a decrease in Spanish ones. However, there are two notable examples of

[18] 2,300 jobs in Germany were cut in 1996, and over 6,200 employees there were redeployed as part of the reorganisation processes of the bank.

Spanish banks which have increased their global activities: Banco Bilbao Vizcaya (BBV) and the new Banco Santander Central Hispano (BSCH). Both have moved mainly into the Latin American market. The French insurance group AXA has a share in BBV.

Table 3.13: Spanish national and foreign banks in Spain 1950-97

	1950	1960	1970	1980	1990	1997	Difference 1950-1997
National	139	105	107	103	105	105	-34
Foreign	3	4	4	22	49	(*)53	50
Total	142	109	111	125	154	158	16

(*) Branches with headquarters outside EU, 20 and branches with headquarters inside EU,33.

Source: Annual Statistical Report of Banks in Spain, 1997.

In Sweden, a number of foreign- owned insurance companies have entered the market and this is progressively increasing. Twenty-six overseas insurance companies now operate in Sweden; all are non-life insurance companies and they have together a market share of about four percent of the Swedish non-life insurance market.

The UK, which liberalised financial services as early as 1986, has been one of the first European countries to move into the international retail financial services market. It has also received foreign direct investment. In the early 1990s, the Midland Bank was acquired by Hong Kong and Shanghai Banking Corporation, and now operates internationally. Many UK insurance companies are now US-owned, including Commercial Union. The French assurance company AXA has a presence in the UK insurance sector via its foothold in Equity and Law and Sun Life.

The desegregation of financial services has gone much further than the traditional boundaries of the financial services sector. As regulation of the structure and conduct of the sector is rolled back, financial services are now being offered by other players from other sectors. In particular, large consumer goods manufacturers and retailers are acting as bankers and insurers. Of particular interest for this study is the entry of retailers into the financial services market. The provision of credit facilities by retailers is of course long-established. This has conventionally been arranged through finance houses, which generally charge higher rates of interest than banks. More recently, however, retailers have begun to offer retail banking facilities, insurance and financial advice. As a result, financial services and retailing organisations have begun to compete with one another for market share, and the boundaries of each sector have become somewhat blurred.

Notable examples of retailers which now offer retail financial services are:

_ IKEA
_ G.E.
_ Sainsbury, in a joint venture with the Bank of Scotland
_ Safeway, in a joint venture with Abbey National Bank
_ Marks and Spencer

Product innovation

As financial services providers become larger and more concentrated, as competition between them heightens and as customer loyalty declines, so they also seek to market products on an ever larger-scale basis. Consequently, products that satisfy mass needs are becoming increasingly similar and many operators offer mixed products or suites of products in order to maximise standardisation. One of the most important product innovations in recent years has been the cross-selling of banking and insurance services. Another is the development of ranges of commodity consumer products (such as standardised bank accounts, insurance policies for ‘standard’ situations), with firms targeting mass markets for which products are standard. This allows providers to reconcile standardised products with individual customer requirements.

The provision of standard and modular products is still relatively new. Danish banks, for example, are only now beginning to offer a ‘total bank service’, supplying a full range of products to customers, and assembling modular financial products. Others, for example Italian banks, are beginning to standardise their current accounts and their mortgage products. Some institutions have carved out niche markets in standard areas. For example, in the UK, Direct Line insurance company only provides standard insurance services and refuses to insure any type of exceptional case. Call centres have been particularly important in the development of standardised services. They are generally used to field clients’ enquiries and to market and sell products over the telephone, cutting costs and ensuring maximum flexibility of working hours.[19] In this way, product standardisation can be organised virtually along industrial lines (Bernard Brunhes 1998).

At the same time, niche markets and demand for specialised insurance products is growing. With the withdrawal of welfare states across most European countries, it is anticipated that the market for life insurance products will in future be stronger than that for non-life products (Begg 1995). Using information technologies (particularly expert systems and customer information databases), firms are able to offer customised, or apparently customised products. In the UK, the Prudential has recently launched a new personal savings product (called ‘EGG’) which is available only over the Internet. Although this appears to be a niche product, in fact it is designed to restrict the customer base only to those people who can submit their personal details to the company automatically and without clerical assistance, and who therefore require minimal clerical support.

Service delivery

Service play a vital role in maintaining customer loyalty. According to a survey which appeared in the French magazine „ Que choisir “ in 1990, the main reasons why customers move their bank accounts are:

- being charged for cheque books (69% of respondents);
- cheaper credit elsewhere (41%);
- poor service (37%);
- investments will perform better elsewhere (25%);
- inconvenient banking hours (8%).

[19] The emergence of call centres is discussed in more detail in the Thematic Reports on Restructuring and on Technological Innovation.

(c.f.. Zollinger and Lamarque 1999).

Service delivery in banking and insurance has undergone a fundamental transformation during the 1990s, with the growth of telephone banking and internet banking. Studies of customers' responses to these innovations have principally been carried out by financial services firms themselves as part of their market research activities. A recent study by Eurostaf and cited in Zollinger and Lamarque (1999) examined the attitudes and expectations of customers in relation to the technologies used in banking service provision

Table 3.14: Customer attitudes towards forms of service provision

Mode of provision	Rate of awareness	Rate of use
Voice services	86%	40%
Minitel	85%	19%
Fax	42%	7%
Internet	No data	3%
PC	44%	2%
Telephone banking	73%	1%
ATMs	100%	79%
Conventional branch	100%	100%

Source: Zollinger and Lamarque (1999), adapted from the Eurostaf study: „Le marketing bancaire", 1998.

According to another study by Andersen Consulting (cited in Sipma 1996), of a representative sample of the French population:

- 84% of respondents use telebanking for routine transactions
- 26% are in favour of completely virtual banking for all types of transaction
- 74% still prefer face-to-face contact for complex transactions where advice is needed.

Before launching First Direct in the UK, Midland Bank carried out market research which showed that customers were ready for telephone banking, a substantial proportion not having visited their own branches for some time. Research by Alliance and Leicester in May 1994, however, showed differences in attitudes to telephone banking dependent on age, income and geographical region, with younger, more affluent and, incidentally, full-time employed respondents preferring the convenience of telephone banking. Similarly, a survey carried out by MORI in 1995 established that telephone-based insurance was popular because of price and convenience of service (Reardon 1996). However, there is now growing anecdotal evidence of 'phone rage' – the frustration experienced by members of the public when they are held in a telephone queuing system and are unable to gain access to a human customer representative.

Customers often treat banking technologies as if they were human tellers or customer representatives. A recent survey of German, American and British customers' interactions with automatic telling machines (ATMs) found that Americans exhort ATMs to work faster, and British customers swear at them, while German customers are generally polite to their machines, thanking them at the close of a transaction (Frankfurter Rundschau, 2 June 1999).

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4. RESTRUCTURING

Restructuring processes in retail and financial services vary from country to country, in response to different national contexts. In general, we can identify the beginnings of a major period of restructuring in the 1970s, which continued throughout the 1980s and into the 1990s. In Germany and the UK restructuring began earlier than elsewhere; as Italy and Denmark it began comparatively late, from the mid-1980s.

4.1 Financial sector reorganisation

In his survey of developments in European financial services, Rajan (1995) argues that banks and insurers are implementing four types of reorganisation:

- Re-engineering of work processes and organisational structures
- Re-engineering of personnel practices
- Major transnational mergers
- Reshaping corporate cultures

It is with the first of these forms of restructuring that this part of the literature survey is concerned. Many contemporary corporate reorganisations are concerned with reducing hierarchical layers and bureaucratic structures. This process often takes place in conjunction with a number of other organisational innovations aimed at reducing waste and refocusing corporate activities. These innovations can include the formation of teams or semi-autonomous work groups, the establishment of project groups which cut across functions and hierarchies, and the outsourcing of work which is not the core business (Quack 1999).

Baethge and Oberbeck describe the way in which the banks have reorganised their operations as a movement from “quantitative expansion to a qualitative strategy of growth” (1986:85). Restructuring began in organisational areas and in technical functions. Before this, banks were primarily concerned with getting potential customers into the banks, and created personnel-intensive functions to handle customer services. Products were relatively simple, and consumption patterns were also simple. Today, banks aim to increase revenue through new strategies and products, and thus a „diversification of bank-specific services“ has taken place (Baethge and Oberbeck 1986:87). Active sales strategies have become accepted practice, where once banking was based on discretion and customer-initiated service. The changing emphasis of banks towards „market-oriented sales organisations“ has a considerable influence on their organisational structures.

The reorganisation processes currently underway in the banking sector are a reaction to changes in market conditions and the competitive environment (Quack 1999:3). On the one hand, these changing conditions have resulted from the opening of national markets within the European Union that were once closed. On the other hand, they have been reinforced by the privatisation of formerly state-owned institutions and by liberalisation, resulting in increased competition generated by the entry into the market of non-bank financial service providers. This development has had profound consequences for the profile of the sector. Corporate mergers and takeoverts have been very frequent. The boundaries between providers have been dismantled, such that banks and insurance companies are no longer necessarily separate institutions.

Branch network restructuring

The Economist has argued that the organisation of banks and other financial firms around branch structures in the past represented the use of a sort of human ‘information network’. People were repositories of information about local investment patterns, and of social knowledge, particularly social connections (Economist ‘Technology in Finance’ Survey, 26 October 1996). The restructuring of branch networks in the financial services sector moves away from human to computerised information systems. It is particularly evident in the banking industry. Before 1980, banks had a simple, hierarchical, and locally based branch structure, which began to change in the early 1980s. First, two-tiered branches were created, consisting of area offices providing a full range of services in urban centres, and satellite offices, providing basic services to private customers in suburbs and rural areas. From the mid-1980s to the mid-1990s in some countries banks reduced the number of their small branches and initiated a concentration of operations into larger branches and centres. For example, between 1983 and 1993 in the UK and Denmark there was a decrease of 18% and 32% respectively in small branches (Andersen 1996, Reardon 1996). In other countries, such as Spain, the reduction in branch numbers was more limited, while in Sweden and Italy there was actually an increase in small branches during this period. In Sweden, a number of smaller banks, established as limited-liability companies, commenced operations. These institutions tend to concentrate on selected types of service rather than offering a comprehensive banking service. In Italy, bank branches have opened in the 1990s, but they are generally what are known as „light branches“, staffed with a limited number of personnel (2 or 3 employees at most). They are also structured so as to make the services and consultancy they offer particularly prominent, since this is now their main marketing strategy.

The restructuring process of insurance companies is more recent than that of banks. According to study undertaken for the European Commission by DRI (1996), insurance companies across the EU have begun to downsize in order to counteract declining profitability trends. However, this development has been much more pronounced in banking than in insurance, mainly because retail banks have much larger distribution networks than insurance companies, and branches are among the first casualties of the pruning process. Insurance companies are predicted to undergo a restructuring on a level akin to that of banks in the next few years (Begg 1995).

The Separation of Front and Back Offices

In the processes of restructuring which took place in the 1980s, many banks created offices dedicated to information processing. These so-called back-offices were generally organised along Taylorist lines: functions and work tasks were broken down into small components, and employees from outside the banking sector were recruited to perform these tasks. In the front offices, where marketing was done, customer care was, by contrast, extended. Integrated forms of work organisation were established with structures that bore much less resemblance to those advocated by Taylor (Sperling 1997). Since this separation of front- and back-offices took place, the implementation of new technologies for customer self-service has rendered a number of administrative back-office tasks superfluous. With these systems, information processing can be performed by bank clerks in real time, in the process of serving the customer. As a result, back- and front offices have been reintegrated. Many banks now wish to improve and extend their service to private customers, and one of the means of achieving this is to change the job of the bank employee from one primarily concerned with serving customers to one which is more concerned with advice and consultancy. In general, therefore, there is today less need for specialised bank staff, and expertise is now concentrated only in certain areas.

New banking jobs include:

1. *The credit specialist*. Credit management can be handled by software systems, which are able to calculate the creditworthiness of a customer. The credit specialist has thus become concerned more with customer relations.

2. *The branch manager*. The computer revolution and the introduction of the Euro in many of the European countries have changed the requirements of the branch manager. S/he must assume an increasingly managerial and commercial role, for example, developing skills in handling the organisational complexity arising from the introduction of new technologies and new job profiles.

3. *Call centre operators*. These are ‘new’ bank employees, who are said to require skills very different from those of traditional bank staff. Call centre employers seek employees who have:

- an ability to handle multimedia contacts (by telephone, fax, web);
- rapidity of response;
- an aptitude for public relations and communicative skills;
- an ability to listen.

We return to the issue of call centre organisation below.

Sub-contracting and Outsourcing of operations

Outsourcing has been taken up by several large financial services organisations in Europe. This has meant that processes which were formerly handled internally by the organisation have been transferred to an outside provider. In general, the principle benefits of outsourcing for a company of any type are cost reduction, the release of capital for use in other areas and the refocusing of management on profitability. Contemporary financial services strategies have entailed a shift from *information outsourcing* to the *outsourcing of processes* and corporate functions. For example, where first generation outsourcing focussed on buying in computing, telecommunications and other infrastructural services, the ambit of outsourcing strategies has widened to include the outsourcing of instrumental operations, administrative-accounting departments, and even some strategic operational and control activities.

Outsourcing is increasingly practised by small and medium-sized banks so that they can preserve operational and decision-making independence if threatened by take-overs and mergers. For example, in the Italian credit system there has been a shift from ‘make’ to ‘buy’ strategies, and a consequent proliferation of companies offering consultancy and assistance in outsourcing to banks. However, several banks are still suspicious of outsourcing, mainly because they believe that the sub-contracting of operations traditionally carried out in-house may lead to a loss of control over these operations. For this reason, outsourcing in the financial services sector is still principally used for a series of functions which are subsidiary to the core business of the organisation, for example, the archival and reproduction of documents. Examples of recent outsourcing initiatives in the financial services sector include:

- The recent foundation of the 'Supernet' company in Italy, created by the Italian Banking Network with the technological partnership of Hewlett-Packard, and set up to enable small and medium-sized banks to define a multi-channel strategy, thereby expanding their customer relations.
- The merger in Denmark between the former savings bank (Bikuben) and the former giro bank owned by the Post Office (GiroBank) into BG Bank. The new BG Bank chose to outsource parts of its advisory functions and service of customers to the post offices in PostDanmark. Employees in post offices are not members of the Financial Services Union and work on Saturdays (when banks are closed), thereby giving BG Bank a competitive advantage.
- In UK, in the insurance sector, administrative and management tasks have also been outsourced to insurance agents (Bernard Brunhes Consultants 1998), and there are suggestions that information processing for the credit card industry is outsourced to specialist processing centres.

The creation of telephone call centres for customer services

One of the most significant organisational innovations in the sector in recent years has been the development of call centres. Call centres can include telephone-based remote customer service centres or they can be branches of a bank dedicated to direct banking. Across Europe, an increasing number of banks are setting up telephone call centres, often accompanied by an Internet banking facility.

In many banks, insurance companies, or other financial organisations, telephone services operated through call centres have to date provided a complementary service to that of the organisation's main service channel, the branch. In some organisations, as S-E Banken in Sweden, people working in the front office also work in a call centre, answering questions from customers and selling insurance. Other financial services companies operate only through call centres and have no high street presence at all. First Direct Bank and Direct Line insurance in the UK and Rasbank (of the RAS group) in Italy are examples of companies which do not have a traditional branch structure.

The development of call centres has important implications for financial services employment, and this project will be concerned to address some of these. In numerical terms, call centre employment is growing rapidly, though it is not the predominant form of financial services employment. In the UK, one of the most advanced sites of call centres in Europe, there are approximately 47,500 people currently employed in call centres (Datamonitor 1998). In Ireland, there are 12,000 call centre employees. Moreover, a recent report in the Irish Times claimed that the Irish Development Agency had aggressively pursued some of the top services companies around the world and persuaded them to establish call centres in Ireland, because of the high level of employment which call centres promise (Irish Times, November 9, 1998). Call centre employment is relatively high risk employment, because call centres are more geographically mobile than other types of organisation, and call centres often utilise flexible work time models. Flexible working hours mean that services can be made available on an extended basis (such as on a 24 hour basis) without the company incurring an increase in personnel costs.

The majority of call centre agents are women. In the UK, a recent study estimated that approximately 70% of all call centre agents in the UK are female (Mitial 1998), and another reported that 68% of agents in the call centres studied were women (Belt et al, 1999b). Clearly, this development is therefore central to the core concerns of this project, which are with identifying the potential for women to develop as employees in the context of Information Society-related changes to working arrangements and work processes. Call centres are just beginning to attract the interest of academic researchers (for example, Richardson and Marshall 1996; Fernie and Metcalf 1997; Kinnie et al 1998) but, despite the over-representation of women in call centre work, little attention has yet been paid to their position in the industry (Belt et al 1999a).

4.3 Retail sector reorganisation

There has been a marked decline in the number of food retail outlets in the last ten years. In Ireland, they have decreased by 34%, and in Italy, by 43%. This decline reflects a growing concentration in the food retail sector in which a smaller number of organisations serve the market through fewer but generally larger stores. In fact, retailers with large sales areas (supermarkets and hypermarkets) have grown in importance in the sector, first in the countries of central-northern Europe and subsequently in countries as Spain and Italy. Large-scale retailing now dominates the sector overall and has grown at the expense of small outlets. The significance of large-scale retailing is that:

- It allows retailers to achieve previously unheard of economies of scale. Large ‘superstores’ (effectively retail warehouses), retail parks and shopping malls allow retailers to turn around much greater levels of merchandise than was previously been the case and therefore allows them to pursue aggressive price competition strategies (CAITS 1987).
- It has changed the nature of the high street, having a serious impact on city centre supermarkets and on small retailers who have found themselves unable to compete, and many of whom were forced to close down.
- It has allowed retailers to employ fewer people than before, as fewer are needed to achieve equal or greater turnover.
- It allows retailers to increase their use of part-time working and simultaneously to increase the proportion of women employees. In Britain between 1961 and 1987, male employment in retail declined by 25%, while 66% of retail workers in 1987 were women (CAITS 1987). Women currently make up about two-thirds of retail employees, principally in part-time jobs (Perrons 1998).
- In combination with the relaxation of Sunday trading laws in many European countries, it has contributed to the promotion of ‘leisure retailing’.

Developments in retail outlets

In the last two decades, retail outlets have changed significantly in scale and form. We review here some of the major forms of contemporary retailing and consider their significance for the sector.

Shopping centres have been established in which small stores sell durable products in the same premises or shopping centre as a large grocery hypermarket. These outlets offer products and entertainment for consumers of all ages and for entire families. Shopping centres usually combine a number of stores which heighten their collective attractiveness to customers. They include hypermarkets which have an ‘anchoring function’ and offer large assortments of fresh products and non-food merchandise, superstores which offer products such as do-it-yourself products and domestic appliances, shops offering non-food commodities, and service businesses such as shoe repair bars or estate agents. They thus offer shoppers a complete range of products and services in one location and often seek to attract customers for whom shopping is a leisure activity. For example, amusement shopping centres offer restaurants, cinemas, ice rinks and the like side by side with retail outlets.

Superstores are another growing form of retail outlet. These are often located out of city centres, and their distinctive feature is their highly specialised product range, in areas such as do-it-yourself, furniture and household articles, gardening, sports articles, toys, domestic appliances, and so on. The minimum surface area of a superstore is generally 400 square metres. Furniture superstores (such as IKEA) tend to be larger, ranging from 500 to 10,000 square metres, while superstores selling domestic appliances and consumer electronics (such as the German store MEDIA WORLD) can be smaller, at between 300 and 5000 square meters, and car centres can be smaller still at around 500 square meters (for example, the French MAXAUTO).

Stock houses also offer economies of scale to both retailer and consumer, offering discount clothing at prices which are much cheaper than those in city centre shops. Warehouse clubs offer well-known brand name articles and tend to be located in large suburbs with good road connections. They are not common across Europe, however.

The relocation of retail outlets is a particularly important development which has had a profound effect on the scale of retail operations, the fate of the city centre, and the nature of retailing employment. From being primarily city or town centre-based, many large-scale retailers, particularly supermarkets and hypermarkets, have relocated in out-of-town locations, establishing large retail outlets on green-field sites or in suburban areas. In Britain, for example, the best-known examples of this development were the Metro Centre in Gateshead, Northumberland, the first large out-of-town shopping centre in Britain, and the various retail warehouses strung along the M25 motorway around the outskirts of London. These facilities have catchment areas which may extend across wide geographical areas, and this has a powerful effect on consumer movements. The old ‘centripetal’ flows of people towards urban centres have been superceded by ‘centrifugal’ flows of people towards these large out-of-town retail parks. Many city centre shops, particularly small specialist retailers, have closed and the sector has become much more concentrated in both ownership and geographical terms. In Britain, planning legislation has now been tightened to prevent further out-of-town developments from spoiling the countryside and decimating the city centre, but this may be rethought with the entry of very large US retailers (in particular Wal-Mart) into the UK market (The Guardian, 28 June 1999).

At the other extreme of organisational development, franchising is a form of retailing increasingly being adopted by small retailers as a way of competing with large, highly-capitalised retail chains. This arrangement allows the franchisee to enter a network with established products, a familiar image, and market facilities, in which the brand name itself is a guarantee for the business. This means that the smaller retailer:

3 incurs less risk, since the business is proven and generates expected results;

4 incurs less initial cost, since the brand is already well known and promotional work is done by the franchising chain;

5 adopts a brand which has a recognised image and name, so no extra effort is needed to ensure knowledge of the product’s quality reaches the buying public;

6 saves on operational costs such as design, administration, and procurement;

7 receivest training at the expense of the network; and

8 enjoys better credit facilities than in the retailer were operating alone in the market.

The first European market in franchising was established in France, followed by Italy, but franchising model is continuing to grow across Europe. In Germany, a total of 300,000 people work for franchisers inside and outside the retailing sector. A survey in 1997 by the Bank of Ireland estimated that franchises accounted for 7,453 jobs – three times the number of those in existence in 1987. It is expected that in excess of 16,000 will be employed through franchising by 2003 (Irish Times, November 30, 1998). In Spain franchises are expected to account for 20% of the retail sector by 2000, and to be an important form of entry into the labour market for women.

New forms of customer interface and service provision

Two forms of retail service provision are worth highlighting in the discussion of retail restructuring, because they are predicated upon the use of the ICTs, yet are exemplary of both continuity and change in the sector. The first is mail order retailing, which was widely expected to disappear with the growth of large-scale discount retailing. However, mail order has not disappeared, but if anything has enjoyed a resurgence over the past five years. Part of the reason for this lies in the way in which the mail order firms have reinvented themselves and their markets. Mail order goods were originally aimed at the lower end of the market, and at people living in suburban or remote areas who could not easily shop in city centres because of the distance involved in travelling there. This marketing strategy has been superceded by one in which the target customer is now prevented by lack of time from shopping in conventional outlets: the commercially-sophisticated and well-educated young individual, or the family in which the woman works and whose members have high leisure opportunity cost.

Although mail order companies have recorded significant increases in turnover, they are still of limited importance in food retailing. Nevertheless, the increased average age of the population, which reduces its mobility, and the spread of single-parent families who find travelling to out-of-town shopping centres costly, may both play a part in the future development of mail order sales.

The most recent innovations in customer service are in home shopping and internet shopping. It is estimated that there is the potential for a very significant increase in internet shopping across Europe (Metier 1995). In the UK, the major supermarkets, for example, now offer internet shopping services. In Sweden, many different kinds of retail companies now have an Internet presence. The customer can order products using the shops' Web pages, and these products are then delivered to a Post Office, to a shop by a private delivery alternative (Priv Pak) or directly to the customer's door (Supermarket, 1998, No 5; Du & Co, 1999, No 1). In Denmark ISO supermarkets also offer services where consumers can order their groceries over the Internet. For a fee the nearest outlet will bring the shopping to the consumer's home or workplace. The company is even experimenting with a collaboration with a large employer whose employees are allowed to use company Internet connections to order groceries, where the cost is deducted from the employees' salaries.

Opening hours

The deregulation of shop opening hours has been both a matter for considerable policy debate and a key issue for the retail trade unions since the mid 1980s. In this and the following decade, opening hours were deregulated in many European countries.

- In Sweden, opening hours were deregulated in 1972. There was considerable resistance by the retail union, which feared increased exploitation of the workforce and unfair competition, but this did not succeed in preventing the deregulation process from taking place. Today, retailers selling food and everyday commodities are open from 9 to 21 every day, and some are open for 24 hours. Small shops in central locations which selling goods such as books are open from 9 or 9.30-18 on weekdays and 9-13 on Saturdays. (These kinds of shops, however, find it hard to survive when out-of-town shops are established.)
- In the UK, shop opening hours were deregulated in 1994, when a range of stores was allowed to open on Sunday and to extend opening hours. Late night opening is now common in many retail multiples, including book retailers, record retailers, consumer electronics retailers, food and clothing retailers. Food retail multiples have also both stimulated and to responded to changing consumer demand by introducing 24 hour opening for selected stores (Perrons 1998).
- In Germany, 38.6% of sales outlets have longer opening times than before the shop closing laws were changed in 1996. 100% of department stores and warehouses open longer hours, 97% of self-service stores, and 83% of specialist trade stores have been most assiduous in the introduction of new opening times most intensively. Around two thirds of food supermarkets (58%) and larger specialist stores (67%) have decided to open longer. Smaller outlets still vary in their opening times (Jacobsen/Hilf 1998).
- In Ireland, it is only the expansion of the large retail multiples, such as the Irish-owned Dunnes Stores and Superquinn and the UK-owned Tesco, which has drastically changed the traditional pattern of Sunday working in the retail trade. The Organisation of Working Time Act (1997) set down criteria for the calculation of a premium for those who work on Sunday. The premium rate applies to all employees, regardless of whether they are covered by a collective agreement or joint labour committee decision. The Act was modelled closely on the European Working Time Directive and it has provided considerable protection for Sunday workers.
- In Italy, under law 114/98, from 1999 onwards retailers will be free to fix their own opening hours (13 hours per day between 7.00 and 22.00), and to open on more days during the week. Compulsory closing days are Sundays and holidays, except in December and for eight Sundays or holidays per year. Department stores, supermarkets and chain stores have abolished (particularly in large towns and metropolitan areas) lunch-hour closure, adopting 8 a.m. to 8 p.m. store opening hours, including Saturdays.
- In Denmark, the current regulation of opening hours was passed in 1995 when the Danish Shops Closing Act was liberalised. This meant that outlets were free to manage their opening hours between 6.00 a.m. Monday morning to Saturday afternoon 5.00 p.m. It is thus possible to stay open 24 hours a day from Monday to Friday. However, there are restrictions on sales of beer, wine and spirits at certain hours. Furthermore, shops may open on Sundays as long as their total revenue does not exceed DKK 13 million. Shops in the districts may ask for exemption from the normal opening hours even if their revenue exceeds DKK 13 million.
- In Spain, the regulation of opening hours and working time in the retail sector has been one of the most controversial issues of the last decade. In 1985, a Law-Decree established a total liberalisation of shop working hours, allowing opening on Sundays and holidays, and also abolished any limits to maximum weekly opening hours. In 1993, a new Law-Decree established a maximum of 72 hours

per week and eight Sundays or holidays in which a shop could open. The new legal framework was seen as a compromise between flexibility and some regulation of opening hours. In the context of an economic recession, which had a particular impact on retailing and especially on the most traditional parts of the sector, a new legislative initiative was made in 1996 (Ley orgánica complementaria de la ordenación del Comercio Minorista). This provided for a gradual process toward the complete liberalisation of shop working hours. The transition period is due be completed by 2001 and in the meantime, a process of adaptation, specifically for small shops, has been undertaken.

- In France, there is no proper regulation of retail opening hours. Every shop can determine its own opening hours depending on competition and on the characteristics of the local market. However, there is very complex regulation of Sunday opening hours, which are determined by the type of products sold, the position of the shop in the locality, and the power of the local prefect.

Supply chain relationships

In order to respond to the increased competitive pressures in the sector many retailing firms have begun to reorganise their relationships with their trading partners, as well as with their customers. In large-scale retailing, business process re-engineering has been used to reorganise supply chain relationships and to promote *quick responses* by suppliers to retailers' orders and in turn by retailers to customer demand (Cunningham and Tynan 1993). The use of electronic point of sale (EPOS) systems allows stock to be held centrally and distribution to be triggered by local sales data (Frances and Garnsey 1995). However, the relationship between large retailers and their suppliers is not an equal one, and small suppliers' dependence on large customers renders them susceptible to constant scrutiny of their internal processes by their customers for quality control purposes, as well as to demands to reduce costs and lead times (Frances and Garnsey 1995; Webster 1995). This has also been found to have negative consequences for suppliers' employees, particularly in the agricultural sector, as they are forced to work on a flexible basis when orders are numerous, urgent, and need to be fulfilled rapidly.

These arrangements usually rely on such centralised control by the main customer at the hub of the supply chain, that they constitute a system 'virtual vertical integration' (Webster 1995). In contrast, some companies have established horizontal networks of trading partners designed to promote co-operation and supply chain integration. Where this has been the case, computer systems have been used very differently to underpin and systematise these arrangements. Computerised ordering from suppliers is becoming increasingly straightforward and can be done directly from the shop floor. An alternative to EPOS involves using portable terminals, and ordering goods simply by passing a laser pen across the product barcode. By setting the quantity of product desired and transferring it *just-in-time* to the supplier by telephone or modem, it is possible to obtain deliveries extremely rapidly without losing sales, while keeping close check on the turnover of the sales outlet. In the Benetton chain of shops, an electronic network links suppliers and small producers to stores and allows them to produce in response to patterns captured on in-store bar-code readers. This pattern of distributed and decentralised supply has aroused considerable interest in the organisation of garment production in 'industrial districts' (Piore and Sabel 1984; Murray 1987a) and it has been held up as evidence of the resurgence of the small firms sector (Pollert 1988).

Overall, supply chain relationships in retailing are predicated upon more rapid and responsive contact between companies and their customers and suppliers than in the past. Electronic commerce over the Internet is the epitome of this development. It requires less investment than conventional electronic data interchange systems, and this has opened up electronic commerce options for smaller companies as well as for larger ones. It also heralds the possibility that the imbalance of power between large and small players in the sector may be partially overcome. Whether or not this is the case, and with what implications for the work of women in the sector is an open question which is central to the concerns of this project.

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5. TECHNOLOGICAL INNOVATION

A literature review which focuses on 'technological change' can easily become simply a mere description of technical changes. It is therefore useful to begin with a series of issues which concern our research project:

1. The project is about women employees in *the information society*. This raises the question, to what extent do workers in the two sectors now work in an 'informatised' environment? To what extent does their work involve manipulating and generating information and what is the relationship of this information work to more physical work processes?

2. To what extent does informatisation facilitate *virtualisation*? To the extent that work involves the manipulation and creation of electronic information it becomes less tied to physical places and even to particular times (the synchronicity of a group of workers in face-to-face interaction is no longer essential). Thus a call centre allows a bank to deal with customers from anywhere in the world. However, within the call centre the supervision itself is both face-to-face and remote. On the one hand employees are controlled by the physical layout of the building and the physical surveillance by supervisors in their immediate vicinity, on the other hand they are supervised by the system that counts the number and the duration of the calls they handle.

3. To what extent is technological change *process* innovation or *product* innovation? In financial services it is clear that whereas information technology began as process innovation it is increasingly intrinsic to product innovation. The most tangible, but at the moment the least important example, is the development of 'smart' cards in some European countries. More important may well be the extent to which many new 'products' of the financial services industry are inconceivable without the information and communication technology of the enterprise.

4. Who are the main participants in the process whereby information systems are designed and implemented within financial service enterprises? Academic research on the 'social shaping' of information technology developed at a time when many information systems were designed in-house. Increasingly however such work is out-sourced and/or carried out using packaged software applications. Such commodification 'black boxes' technology and makes it more independent of its origins (Williams, 1995b). It is important therefore to understand the social choices that are mediated through the purchase of software and software consultancy.

5. To what extent are there distinct *technological trajectories* within the sector? Is it the case that technological development is following the same path everywhere, such that enterprises can simply be positioned on a one-dimensional scale which designates them as more or less 'advanced' technologically? Research in areas such as regional systems of innovation (Lundvall 1992) suggested that globalised markets co-existed with a variety of innovation paths which were specific to distinct spatial areas. On this basis, we would assume that firms innovate in different ways and use and apply technologies in different ways. One but not the only form of such variety would be *national* patterns of technological variety. If technology is socially shaped, then there should be a 'societal effect' (Maurice et al 1986), for technological development should be partially shaped by the national institutions (corporate governance, labour market regulation etc) which determine its context. And if such

firms move abroad, then we would expect that their foreign subsidiaries utilise this national technology just as they utilise a 'national' HRM strategy (Ferner & Quintilla 1997). Yet as globalisation and commodification continues, the search for signs of technological choice (whether at the national or the firm level) appears to focus on ever-smaller differences. Are we in fact finding only the fast vanishing traces of a ghost that has finally left the machine?

5.1. Technological Process Innovations in the Retail Financial Services Sector

According to DRI (1996), the financial services sector in Europe is one of the largest users of information and communication technologies, and within this, information technology has been more significant for the banking sector than for the insurance sector. This differential was still in place two years later (Bernard Brunhes Consultants 1998). Surprisingly perhaps, the European financial services sector also spends far more on ICTs than the US financial services sector, and the Economist predicts this differential will remain until 2002 (The Economist, 26 October 1996). In 1995, British banks were high in the league of European banks' IT spending, with Barclays and NatWest Banks spending $1.3bn and $1.2bn respectively.

It is worth noting that the sector has not only provided the IT industry with a growing market for its products but has also made an important contribution to the development of technology. For example, the sector has funded research and development and has been an active contributor to technical innovations, not least through important in-house development programmes (Fincham et al 1994). The convergence of computing and telecommunications has far-reaching implications for financial services, and has allowed for the fundamental integration of technologies with organisational functions, as we shall see later.

Computerised information processing

In Europe, business investment in computing took off during the 1950s (Campbell-Kelly 1989) and the financial services sector was at the vanguard of the introduction of new technology. The first computers were introduced into banks principally as data processing tools which were bought in from outside as hardware but, for want of application software on the market at this time (Friedman 1989), were programmed in-house. This first generation of computing technologies was used to replace human in the performance of routine clerical tasks, automating what had been 'manual' processes and transactions: ledgers, cheque processing and credit accounting. Mainframe computers automated functional islands and replaced human beings (clerical workers), but those people that remained in banking employment worked in jobs which were essentially unchanged. Thus, the first wave of technological innovations in finance can be said to have allowed financial companies to control internal company processes. These processes were increasing because of the increased number of customers and the increasing demand from customers (Baethge/Oberbeck 1986:91). Administrative centralisation followed, where before branches had handled accounts (Rajan 1984). The development of large relational databases in the 1970s and 1980s allowed the integration of information technology with organisational functions and promoted fundamental changes in the organisation of banking. It is at this point therefore that the bank becomes an informatised system.

In the early 1970s, the first introduction of on-line facilities in bank branches took place, and these worked through communications links to central mainframe databases. They were principally used to support the handling of various 'back office' services (Rajan 1984), but the development of the minicomputer allowed banks to processing power directly into branches (Barras and Swann 1983). The Clydesdale

Bank in the UK networked all its branches in the 1970s providing every teller and cashier position with access to the bank's on-line transaction processing service. At the same time, the Bank introduced Management Information Systems to allow the use of the transaction systems to provide regular reports and summaries of business activities, for monitoring and control purposes. This was the point at which IT applications ceased to be discrete and become integrate; emphasis shifted from data processing to communications (Fincham et al 1994).

In the 1980s, personal computers increasingly altered clerical and managerial functions, and communications networks were developed. Systems integration became paramount, particularly in banking. According to Fincham et al (1994), this reflects the traditionally close relationship between head office and the branch in this part of the sector. In insurance, this relationship was much looser, and independent agents tended to run branch offices. Nevertheless, insurance network building has taken place and has been described as 'knowledge work' (Knights et al 1993), principally because of the expertise held by those involved.

Within banking inter-organisational networks have been developed for services such as payments (CHAPS – Clearing House Automated Payments System in the UK and international transfers (SWIFT – Society for Worldwide Inter-Bank Financial Telecommunications). The Danish network UDUS - National Universal Data Interchange is particularly advanced. The creation of large-scale technical networks has been studied by historians and sociologists of technology. A network, whether the electricity networks of the early twentieth century studied by Hughes (1983) or the first generation of EDI studied by Williams et al (Williams, 1995a) involves questions of power and politics. Thus inter-organisational networks must involve standards, which can be created by drawn out bureaucratic negotiation (standards authorities), by more informal negotiations within a community of users, or simply imposed by fiat by the most powerful member. While an agreed standard will benefit all participants, a proprietary standard usually[20] brings disproportionate benefits to its owner. This seems to have happened in Ireland where the Bank of Ireland has essentially configured the market for EPOS with its 'Laser' card. If other network participants fear such domination, they may prevent the emergence of any standard at all, as happened with the first attempts to introduce EPOS within the UK. Conversely, in Denmark UDUS seems to be based on a much more egalitarian 'community' of users within the financial services industry. Clearly, the configuration of inter-organisational networks is one area which involves major social choices.

In the UK from the late 1980s, in order to cut the operating costs of the branch networks and provides round-the-clock customer service, the banks and insurance companies developed telephone-, video-, and Internet- banking. These developments amount to what has been described as 'branchless banking' (Marshall and Richardson 1996), and are dealt with in the following sections. Originally developed in-house, the systems side of telephone banking is increasingly outsourced to specialist call centre providers.

The call centre began as process innovation - a new way of delivering the same service. The same applies to ATMs, as far as customers were concerned the true beginning of such branchless banking. ATMs require (historically) high-speed communication links and on-line real time processing of massive numbers of accounts. This substantial technological leap was initially used for the completely mundane process of withdrawing money from a current account – it provided the

[20] Usually but not always, as is shown by the failure of IBM to capitalise on the global acceptance of its proprietary PC architecture.

same service in a new way. It is only with the development of the credit card and above all the smart card that such technologies have really involved product innovation. Outside France the latter technology has not diffused very widely: in Sweden for example only 160,000 users have "cash cards" (cards that can be electronically loaded with cash and then used instead of money). An alternative strategy is to develop the ATM itself, as for example in Italy where the more innovative banks have recently begun to upgrade their ATMs to provide a wider range of information and services (booking theatre tickets, making bank transfers, recharging mobile phones, etc.).

Today employees in financial services work in an almost fully informatised environment. While financial services, by definition, involve processing information – the handling of actual physical money has long been a very small part of the work! However, traditionally this information processing was effectively carried out by hand. While the initial introduction of information technology 'automated' existing manual processes, more recent developments link these processes together, so that all the activities of the enterprise become part of one system. In the parlance of manufacturing industry, islands of automation are replaced by an integrated system.

Yet unlike in manufacturing industry, the creation of this system has also involved a transformation of what is being worked on. Thus whereas cheque processing was partly the mechanisation of handling pieces of paper, most financial transactions carried out within financial services are entirely the manipulation of symbols. Thus information and communication technology become the very production process itself. What Lash and Urry (1993) call the 'economy of signs' **is** the interlinked computing systems of the financial institutions.

Automatic Call Distribution Systems (ACDs)

Tele-banking and tele-insurance allows financial services companies to offer services over the telephone rather than through the branch network. If telephone calls are routed to call centres banks and insurance companies can reduce the branch network. Calls are routed to an agent or representative using an automatic call-direct (ACD) system. The system automatically processes incoming telephone calls, assesses how many calls should go to each representative, and distributes calls to representatives as they become free. ACD systems can also provide information on the performance of each agent. ACD systems are increasingly connected to databases using Computer Telephony Integration (CTI), which allows customer records to be transmitted to the agent's computer screen along with the call. Many ACD systems have voice response mechanisms that are used to obtain basic information from the caller before s/he speaks to an agent (Marshall and Richardson 1996; Belt et al 1999).

In Ireland, research is underway to use Artificial Intelligence (AI) to deal with customer queries in call centres, (Irish Times, March 26, 1999). The AI technique that drives the system is known as case-based reasoning. This is based on holding records of previous problems as a resource that can be used to find answers to new problems.

ACD systems are also used in order to monitor and measure work flow, providing managers with statistical information about individual agent and team performance. This allows managers to view precisely what each employee is doing at every moment of the working day. For example, information is routinely collected and analysed on: the length of each agent's calls, the individual components of the call (for example, the time spent on salutations, selling the product, and wrapping up the call) and on the agents 'wrap-up' times afterwards (entering data after the call has finished). In many call centres, this information is displayed on electronic wallboards throughout the office (Belt et al 1999).

Scripting systems

Many call centres use scripting systems that dictate the precise content of the agent's conversation with the customer. Scripting systems are components of CTI and integrate database information with information given by the customer to the agent over the telephone. The script takes the agent through each part of the call, displaying at each stage the text the agent must speak and information generated from the customer's responses. For example, when the agent asks the customer for his or her postcode, the computer displays several bits of geographical data including the rest of the customer's address, the area code of his or her telephone number, and the television advertising region in which the customer lives, may be displayed on the computer screen. The agent then only has to complete the minimum of details herself. In addition, some systems log and display the number of seconds spent on the call, and shows the agent when the call has exceeded the 'average' time for that particular type of transaction.

Telephone banking

Pure telephone banking, in which no physical branches exist, has only succeeded in a limited number of firms in Europe. However, banking in which telephone contact is a key aspect of the bank's branch service has become normal practice among banks and building societies (Reardon 1996). Since the appearance of First Direct in 1989, telephone banking has developed rapidly in the UK. It is predicted that by 2000, all UK banks will operate some kind of 24-hour telephone banking service, compared to 60% of banks in 1994 (Chetham 1995). This pattern is repeated across Europe, In Denmark nearly 40% of households use telephone banking at least monthly. However, as Reardon points out, even stand-alone telephone banks needs access to an ATM network and branch services. First Direct in the UK, for example, relies on the Midland Bank's ATM and branch network.

Telephone-based insurance began to take off in the UK with the launch of Direct Line in 1988. Like telephone banking, it relied on telephone presence in most households and coincided with the deregulation of telecommunications and price competition among operators. By 1996 there were around 50 telephone-based insurers, and it has been estimated that by 2000 50% of UK citizens will use the telephone to buy motor insurance (Personal Finance in the UK, Market Review, 1996). A range of financial products are now sold by telephone, including Personal Equity Plans (PEPs), pensions and investments, and some of these products are sold by firms not previously associated with financial services.

Voice recognition technology in telephone banking and insurance is still in its infancy in the UK. It principally handles routine transactions and allows more complex matters to be dealt with by human operators. More common, however, is the use of tone inputs that allow customers to enter personal details using the keypads of their telephones before being passed to a human agent.

Imaging technology is another emerging technology being used in financial services. It allows firms to merge and store a range of documents from different sources on central computer systems and thus to manage staff workflows 'seamlessly'. The agent can then consult stored records from a legion of sources integrated and displayed on their computer and respond immediately to customer queries.

However, these systems are still failure prone and raise legal problems, but are constantly being developed and improved (Reardon 1995).

Internet banking and marketing over the Web

Internet banking is now offered by many European banks, and a number of entertainment companies are preparing to add banking and insurance to their packages of consumer products for digital TV. This may be the most likely market for Internet financial services. At present, the major obstacle to the widespread diffusion such services is the enduring lack of access to a PC and the Internet in the majority of European homes. In the UK, this lack of access is likely to be overcome through digital TV which is expected to radically increase access to and use of the Internet in UK homes. In Germany Commerzbank is trying to prompt customers to change their behaviour in this respect. It sells computers at discount prices, complete with software for processing financial transactions online (Frankfurter Rundschau 8.5.99). The trend to alternative methods of banking has been slower in other countries. For instance, in Italy telephone banking has only expanded in the last few years. Italian banks have also been slow to move into internet banking and the banks‘ websites only contain advertising information.

Staff requirements planning by computer

In the UK the retail financial services sector is now actively mimicking the retailing sector in its approach to staff utilisation and planning. The extension of service hours and the use of part-time workers are both increasing, and there are examples of financial services organisations using information on trading patterns in a similar way to retail establishments, but to timetable the work of full-time staff (Neathey and Hurstfield 1995). Employees have a specified number of working hours per week but no specified shifts. Full-time staff receive one month’s notice of their shifts, planned on the basis of phone call patterns analysed by the company on an hourly, daily, weekly or monthly basis, so that staffing can be adjusted to meet peaks and troughs in trading patterns. This pattern is most evident in the UK but similar patterns are happening elsewhere. In Italy staff requirements are processes and decided centrally and the decision is passed to the branch – in a very top down manner.

5.2. Technological Process Innovations in the Retail Sector

The retailing sector has until relatively been much less heavily reliant on the use of ICTs than other sectors. In the 1970s and 1980s, the large supermarkets in the UK, who tend to be at the forefront of retailing innovation, began to use database systems on mainframe and then minicomputers for stock control applications. In the later 1980s and 1990s, retailers started to develop integrated systems, which they described as moves to harness IT to intensify closeness to the customer. Relational databases and EDI systems provided the wherewithal to harmonise design data, order management, inventory replenishment, logistics, transport, invoicing, sales profiling, and, most recently, staff requirements planning. Lately, the emphasis in the advanced retailers has been on collecting and integrating information on customer purchasing patterns via smart cards, and self-scanning of goods by customers has been implemented on an experimental basis.

As in financial services therefore, technological development in retail initially involved the 'automation' of existing tasks. Subsequently these islands of automation became linked into an enterprise-wide system. Furthermore, the system now expands outwards. With 'backwards' expansion ICTs link suppliers to the enterprise, and this linkage is used to transform the nature of the supply chain. With 'forwards' expansion of the network the enterprise uses ICTs to link much more closely to its customers. In this way therefore, employees in retail, like their counterparts in financial services, now work in a much more informatised environment than was the case twenty or even ten years ago. At the same time, some key differences remain. Most obviously, most retail activity cannot become totally informatised – physical goods have to be sold to customers and that means that these goods have to be physically transported to the sales outlet, displayed, purchased and taken away. Nonetheless, there is a clear tendency for information work to become more important relative to such physical activities. Indeed, in extreme cases the physical work can be removed altogether, when for example computer software or (soon) music can be sold **and distributed** over the web.

These last examples are often used to suggest the growing *virtualisation* of retail. In fact, retail has long had a 'virtual' element. Historians of retail have shown how large scale retailing developed in the USA in the second half of the 19th century on the basis of the mail order catalogue. And while in American rural homes the 'bi-annual receipt of its catalogues was among the high points of the year' (Bryson 1994: 259) the physical location of Sears' distribution centre in Chicago was immaterial to its customers. Yet such early virtualisation has to be set against its opposite, the way in which the act of purchasing has long been an *experience* for customers in specially created physical structures. The early department stores of US and European cities have been termed *cathedrals of consumption* by their historians, for they turned the act of purchasing into the ritual of shopping (Crossick and Jaumain 1998). Today, the traffic jams outside suburban shopping malls remind us that shopping is the most popular form of recreation in the UK. There is hardly a one-way trend towards virtualisation, and work in some areas of retail involves an *increasing* management of the employee's physicality (du Gay 1996).

Finally, it is important to keep the level of ICT usage in retail in context. Small outlets remain important in all countries and these hardly use ICTs at all. Although in some countries (notably France) the retail sector has now become a major locus of innovation in ICTs, yet even large retailers probably spend a far lower proportion of their total expenditure on ICTs than do their counterparts in retail financial services. Thus in Ireland areas such as public administration are reported as spending 4% of annual turnover on 'data processing' while the figure for the retail/ distribution sector was a mere 0.35% (FAS/Goodbody, 1995).

Partly through the influence of lean production methods pioneered by the Japanese, tighter relationships between firms in supply chains have been developed in European manufacturing and more recently in services such as retailing. It is important to notice that these links are often presented as the 'result' of technological change. However, this is simplistic. Firstly, just as in Japanese manufacturing the organisational changes preceded investment in new technology, retailers can at least to some extent reorganise their supply chain without the application of new ICT. Secondly, ICTs are not simply enablers of supply chain linkages, their development is itself partly shaped by the participants in present or potential networks.

For supply chain management the key technology was electronic data interchange or EDI (sometimes called 'electronic trading' or 'electronic commerce'). EDI was used by retailers to tighten the co-ordination of the logistics processes. The retailing industry was one of the earliest users of EDI in the UK and this has enabled it to transform the management of the supply chain (Webster 1995). This has involved a shift towards what is known in manufacturing as 'lean production' (Womack et al 1990), but in retailing as 'quick response'. Quick response is where lead times and inventories are reduced and production is oriented much more closely to customer requirements (Frances and Garnsey 1995; Rhodes and Carter 1995). In general, ICT-based supply chain links are closed systems, usually initiated by large customer organisations and introduced by them into their smaller suppliers. They have been noted as heralding moves towards 'virtual vertical integration' and even the 'virtual enterprise' (Yates and Benjamin (1991). However, in the UK it has been suggested that there is an element of coercion involved, and suppliers run the risk of being de-listed if they do not comply with retailers' EDI projects (Cunningham and Tynan 1993; Webster 1995). Certainly it is clear that the initiative comes from the retailers and not from the suppliers; such networks appear as yet another stage in the domination of retailers over their suppliers (du Gay 1996: 104).

EDI systems allow retailers and their suppliers to exchange electronic data for orders, designs, sales patterns and so on. All the large grocery multiples across Europe use EDI to place orders with their food suppliers. This is still the most common application of EDI in retailing. The shared information usually comes in the form of a negotiated supply programme with growers and food manufacturers. Thus in Tesco, the Irish and UK grocery retailer, this takes the form of a yearly forecast outlining volumes, variety, and quality required; this is then refined to a thirteen week rolling programme, and then to one week programme with daily adjustments. Growers and suppliers act as 'stockless' producers of specified goods. They are linked by EDI to warehouses and distribution centres, and are responsible for delivery to them (Frances and Garnsey 1995).

Some apparel retailers use EDI for transmitting design data to their clothing suppliers. For example, Marks and Spencer in the UK have established ICTs links for sharing design data with one of their main apparel suppliers, Coats Viyella. This enables rapid display of both fabric and apparel designs which can be discussed between designers and buyers and modified online. The system is linked to printers which produce high-quality replication of woven or conventionally printed fabrics. Sample garments can then be made up and delivered to the customer for final decision-making (Rhodes and Carter 1995). This trend is, again, widespread across Europe. In Denmark currently, more than two thirds of non-durable good outlets are equipped with checkouts that allow direct data exchange with suppliers. Estimates suggest that in 3 or 4 years, all non-durable retail outlets, even mini-markets, in Denmark will have modern checkout facilities.

The technology used in these networks is now undergoing a paradigm shift with a changeover from the original EDI environments. Communication increasingly uses intranet networks (in-company networks using Internet technology but closed to the outside in order to ensure the confidentiality of information). The changeover from EDI environments to Internet, which requires less investment, has expanded electronic business opportunities for smaller-sized companies as well.

Techniques of display space management are also becoming increasingly important. The development of CAD combined with the cheap calculating power has made it possible to rationalise the arrangement of goods on shelves, thereby exploiting the display space available in a shop to the maximum. Some UK retailers have developed three-dimensional models of stores using CAD systems to aid store modelling. These models are used to develop initial or refit designs, to construct store prototypes, and to plan merchandising (Watts 1989). This allows retailers to plan and compute 'hot spots', to decide where to put 'speeders' to stimulate customers to go on into the next section of the store, or where to put 'eye-catchers' to slow them down. Many of the large UK retailers use such technologies. For example, WH Smith, the chain of stationers and booksellers, use a CAD system to make space and equipment changes across the chain from a central point and to update all its store plans.

Almost all-large UK retailers use Electronic Point of Sale (EPOS) systems to automate stock control. Reading barcodes on product packaging collects data, as the customer passes through the checkout with shopping and stock depletion and replenishment data are automatically generated. In some retailers' systems, suppliers are given direct access to EPOS data so that they can anticipate repeat orders and replenish stocks automatically. This is sometimes known as 'vendor managed inventory' (VMI) (Rhodes and Carter 1995). This obviously relies on the kind of close supply chain relations described above, and as such, some retailers have misgivings about giving suppliers access to their in-house systems and relinquishing the initiative for stock replenishment.

In Denmark some retail outlets go a step further and provide suppliers with sales data directly and in collaboration with suppliers and wholesalers, thus enabling the retailer to optimise the flow of goods, logistics, pricing and marketing. The retailer can reduce the storage time of goods further by transferring the responsibility for product positioning, refilling shelves in the outlets to the supplier. This type of collaboration is called ECR (Efficient Consumer Response) because consumer demand determines the flow of goods.

ICTs have been used to facilitate customers' movement around large department stores. Several French retailers have been deploying interactive terminals that can guide customers to the relevant section of the store or suggest appropriate purchases for particular occasions.

A new technology in Denmark could influence future developments in the retail sector. This is the so-called 'multimedia till' that could eliminate the borders further between the different retail sectors. The technology will allow consumers and/or the shop assistants to choose interactively between colours, designs, prices, and so on, of many different products from anywhere in the world no matter where the products are manufactured or stored.

EPOS systems up until 1995 worked principally by data captured at the checkout. The grocery multiple Safeway in the UK and Superquinn in Ireland have began to experiment with customer-held scanners. Here, selected customers are given hand-held devices with which to 'read' the barcodes on the products, which they collect as they went round the store. By then 'swiping' a store card or credit card through the scanner, they are able to pay for the goods without having to pass through the checkout. A rather similar system has been introduced in one Monoprix outlet in Paris. The idea behind this innovation was to reduce checkout queues, but clearly if this system were to become widespread, there would be serious employment implications for women working in checkout jobs. Interestingly, one drawback of the system for the retailer is that, because it gives the customers greater control over their purchasing, it reduces the amount of impulse buying. To date, however, nearly all supermarkets still operate a checkout system.

The grocery retail multiples has always used EPOS systems to generate information on customer demand and buying patterns, by region, by individual store, by days of the week and hours of the day. Other European retailers followed the introduction of smart cards known as 'loyalty cards' by Superquinn in 1992 (Irish Times, June 14, 1997). The loyalty card has allowed the retailers to analyse these patterns by individual customer. This allows the retailer to integrate information systems right across the supply chain, forecasting, planning, monitoring and management goods from source to checkout. (Frances and Garnsey 1995). In Germany, loyalty cards have made less headway because of legislation to counter unfair competition. This legislation forbids discounts to individual customers and does not allow comparative advertising. Therefore loyalty cards are not attractive to customers and they have not been adopted.

Web retailing has grown considerably in Europe over the past five years. It is sometimes claimed that there is a limited market for 'electronic commerce' and that it is best suited to the retailing of particular items like books and CDs. But the use of electronic commerce seems to have extended well beyond these types of products. The large grocery multiples sell over the Web, as do small specialist retailers of perishable groceries. In Denmark two grocery companies have moved into web-based retailing.

In 1997 around 16,000 Italian companies were connected to the Internet, and the number is predicted to increase to 220,000 by 2000. Large firms are beginning to open their own sites on the Web (44%), and Intranet networks are increasing (16%), although the potential of electronic commerce (on-line sale of goods and services) and of Extranet (protected networks of suppliers and customers) is still little exploited.

A survey conducted in 1999 by the Osservatorio Internet Italia of SDA Bocconi reported that only around 128,000 Italians (out of around 2.6 million Internet users) had purchased a good or service on-line for personal reasons on at least one occasion. Specifically, they had bought software (25% of purchasers), books and CDs (21%), gifts (12%) and hardware (10%). Other categories of electronic commerce are beginning to make their weight felt, given that 6% of Internet users have purchased tickets or made bookings on-line, 5% have purchased tourist goods, and 4% have purchased financial services.

The new opportunities offered by electronic commerce may soon enable retailers to reach new consumer groups and thereby increase their sales with relatively low investment costs. Electronic commerce addresses two areas of activity: business to business (when commercial transactions are carried out between companies) and business to consumer (when transactions are carried out between company and customer). The use of an electronic commerce system also requires the presence of an efficient call centre system (toll-free) to handle calls by customers (Customer Assistance Centre).

Many of the large retail multiples in the UK use computerised systems for planning staff requirements. They take a 'reservist' (Braverman 1976) approach to labour supply demand whereby a pool of potential employees is maintained in reserve to meet short-term or unforeseen increases in demand (Neathey and Hurstfield 1995). Computer systems for staff planning are often known as 'scheduling engines' and are integrated with the existing EPOS systems. Data on staff availability, the store's trading hours, store sales profiles and the store's 'customer footprint' (number and type of people going through the store at particular times) are fed into the system, which produces a staffing schedule down to person level, on a week or two-week ahead basis. Some stores can 'profile' every 15 minutes of their working day, in terms of how many staff are needed in different areas of the store, and how many tills are needed to be open at any one time, and can allocate staff to tills accordingly (Neathey and Hurstfield 1995). This means that retailers can be very precise in their hiring of staff, and the UK retail sector is now heavily reliant on part-time staff who are employed only for the precise amount of time they are needed.

However, the UK is probably the most extreme case of this kind of staff planning in Europe. Ireland, for instance, has introduced legislation to protect workers and makes extremely flexible contracts very difficult. In Sweden there is a trend to decentralise the scheduling to the employee. The use of computers and a program for time planning means that the staff can plan their work on a weekly or monthly basis. This is a form of decentralised organisation of time planning which gives the staff a greater amount of responsibility. (ICA Big Inn. Från arbetsorganisation till person, Arbetsmiljöfondens fallrapport, No 107, 1994).

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6. EMPLOYMENT AND LABOUR MARKETS

This report synthesises data and information – both qualitative and quantitative - from the SERVEMPLOI countries on patterns of employment and employment relations in the two sectors – retailing and financial services. The data cover employment in the two sectors in Denmark, Germany, Ireland, Italy, Spain, Sweden and the UK. The report presents the data as a series of matrices to allow comparisons between country conditions to be drawn, where possible. However, it should be noted that not all data presented in this report is always comparable across countries. In some cases, methods of collection and classification by national authorities render comparisons unfeasible, and we have indicated where this is the case.

There are several objectives behind such an exercise:

- It provides basic information on the comparative dynamics of employment change in the two sectors.
- It complements and amplifies the qualitative information we have gathered on sectoral change.
- It provides a contextual basis within which to locate discussions of women's employment, work processes and opportunites in the two sectors.

6.1 Employment in the two sectors

Table 6.1: Female labour market participation rates in each country

Country	Participation Rate in %	Development from 1988 to 1998
Spain	49.0	the rate for men is 78%; rate has increased by 18% points for women
Italy (96)	35.3	significant increase – 1996
Germany	63.0	significant increase
UK	71.5	Small increase in the rate of participation for women
Ireland	42.0	Large increase from 34.4%
Denmark	74.5	No significant change; the rate for men is 83%
Sweden	73.9	Lower than men's; decreased from 82%

This table shows that there are two main country groupings in terms of women's labour market participation. Ireland, Italy and Spain have low participation rates of between 35.3% and 49%, but women's labour market participation is on the increase in these countries. On the other hand, Germany, the UK, Denmark and Sweden show participation rates of between 63% and 75% for women. The rates for men in these countries are even higher (76-83%) but the difference is not as significant as in

Spain, Italy and Ireland. This division between what we can loosely call the 'northern' and the 'southern' countries arises from a number of economic, legal, social and cultural differences between the two groups. Most obviously, the role of the church and of the family have had a profound impact on gender relations in the southern countries, shaping dominant ideas and the possibility for women to engage in paid labour. In the northern countries, by contrast, women have been active in the labour market on a now long-established basis, and in the Nordic countries, they have been so with the institutional support of the welfare state. Though the southern countries are undergoing economic and cultural changes, as well as public policy developments, which are facilitating women's participation in the labour force, women still take primary responsibility for child rearing and this continues to affect their ability to participate in the labour market, as the data for Spain indicates. The large increase in female participation in the labour market in Ireland should be seen in the context of the economic boom that Ireland has been undergoing recently.

Table 6.2: Female labour market participation rates - retailing

Country	Total employment	Female employment	Female share in %	Development from '88 to '98
Spain	1,371,000	768,100	56%	?
Italy (96)	3,397,000	1,182,000	35%	Share decreased
Germany	2,249,000	1,505,000	67%	Unchanged
UK	2,344,700	1,579,500	67%	Share increased from 62%
Ireland	166,600	81,467	49%	Share increased from 42%
Denmark	183,409	100,926	55%	Share not changed much
Sweden	236,800	146,800	62%	Share decreased from 67%

From Table 1.2, it is evident that in most countries women make up the largest proportion of the workforce in the retail sector. Germany, the UK and Sweden all have retail sectors in which 60% plus of the workforce is female, closely followed by Denmark, Spain and Ireland. Spain and Italy have a large number of independent (family owned) retailing companies, and therefore many workers are self-employed. This type of micro-enterprise structure usually includes spouses. This is not the case in the northern European countries where the large retail multiples account for the greatest proportion of retail employment.

Table: 6.3: Female labour market participation rates - financial services

Country	Total employment	Female employment	Female share in %	Development from 88 to 98
Spain	335,900	107,500	32.0%	?
Italy	?	?	36%	Increase in female share
Germany (97)	1,039,900	576,980	55.5%	Slight increase in share
UK	1,013,300	560,300	55.3%	
Ireland	79,300	29,262	36.9%	Increase in share from 31%
Denmark	73,657	38,464	52.2%	
Sweden (97)	66,408	38,220	57.6%	No significant changes

Women are not as dominant in the labour forces of financial services as they are in retailing. Here, they constitute a maximum of 58% of employees, only just over half. In some countries, they represent only one-third of financial services employees. Clearly, then, it would be misleading to claim that financial services is as dependent on female labour as retailing is, though it is clear that this dependency is increasing and may continue to do so. This will have important implications for the significance of our fieldwork results. However, as in the retailing sector, the financial services sectors in Italy and Spain are still characterised by small independent family-driven companies and therefore, as in retailing, many workers in micro-enterprises are self-employed. In addition, it is clear that the female workforce is comparatively smaller in these countries than in Germany, the UK, Denmark and Sweden, with female proportions of between 52% and 57% of the total workforce. Ireland also has a low proportion of female workers in the financial services sector, though this is increasing.

Are the high proportions of women in the financial services and retailing sectors likely to decrease over the coming years as technological developments (such ATMs and Internet banking) reduce the need for employees at the customer interface? Likewise can we expect a (further) reduction in employment levels due to globalisation, mergers and acquisitions and will this affect women's work in proportion to their participation in the sectors? What changing skill requirements for employees in the back office area are we likely to see emerging? Will there be a shift in favour of personnel with academic skills, as can be seen currently in Denmark? These are some of the questions with which the SERVEMPLOI project is concerned, and which help to promote an understanding of the real effects of these trends upon women's employability and career opportunities.

Table 6.4: Full-time and part-time employment - retailing

	Spain	Italy	D	UK	Ireland	DK	Sweden
Male employment	602,900	?	291,000	859,200	85,133	82,483	90,000
Full-time in %	97	?	82.8	80.1	89.7	71.4	86.4
Part-time in %	3	?	17.2	19.9	10.3	28.6	13.6
Female employment	768,100	1,182,000	1,313,000	1,431,000	81,467	100,926	146,800
Full-time in %	86	83.4	43.0	41%	66.8	68.2	46.3
Part-time in %	14	16.6	57.0	59%	33.2	31.8	53.7

Looking at part-time work in retailing, the main employment pattern is repeated. Spain, Italy and Ireland have few male part-timers. In Spain, 3% of men in the sector work part-time, whereas 14% of female workers in the retailing sector work part-time in Spain.[21] Of the other group of 4 countries, Denmark has the highest share of part-time male workers (28.6%). This is because many male students at all levels of secondary and tertiary education (high school, technical colleges, universities) work on a part-time basis in the retail sector. In general, however, the figures reflect the long working and opening hours now operating in the retailing sector, and the growth of working arrangements which allow women, as the principal group of part-time employees, to combine retailing work with their domestic commitments.

Women's part-time work has started to increase in Spain and Italy, but it is still only 14% and 16.6% of the female workforce respectively that works part-time. Women's part-time work is most prevalent in the UK, Germany and Sweden, where more than 50% of female retailer employees are part-timers. In Denmark and Ireland, around one-third of the female workforce is part-time. Women have consistently represented 72-76% of part-time retail workers in Ireland.

We know that part-time employment marginalises employees, preventing them from enjoying the same access to training opportunities, skilled work, and promotion prospects, as their full-time counterparts. The very high proportions of women in part-time work in the retail sector in all the SERVEMPLOI countries is a real cause for concern, and it alerts us to the working conditions which we may encounter in our case studies of retailing and our panel studies of retail employees.

Table 6.5: Full-time and part-time employment - Financial services

	Spain	Italy	D	UK	Ireland	DK	Sweden
Male employment	228,400	?	461,000	453,000	50,038	35,193	28,188
Full-time in %	98.3	?	96.7	96.9	97.6	94.1	96.8
Part-time in %	1.7	?	3.3	3.1	2.4	5.9	3.2
Female employment	107,500	?	413,000	560,300	29,262	38,464	38,220
Full-time in %	91	?	74.6	76.0	81.9	89.3	71.5
Part-time in %	9	?	25.4	24.0	18.1	11.7	28.5

[21] We do not have comparable figures for Italy, but we assume that the level of part-time work among men in the sector is similar to that in Spain.

All countries (with the exception of Italy for which we do not have data) have small proportions of men working part-time in financial services. Denmark is the country with the highest proportion of male part-time workers in the sector, but this is still only almost 6%; all other countries have proportions of 3.3% or less.

For women, the picture varies slightly. Germany, the UK and Sweden all have 24% or more of women in financial services working part-time, whereas Ireland and Denmark have only 18.1% and 11.7% respectively of part-timers in their female workforces. If Italy has similar levels of part-time work to those of Spain, less than 10% of females in the financial services sector will work part-time.

No comparable figures for temporary work or other types of working time flexibility are presented here, principally because of the difficulties of measuring and comparing temporary workers across countries. Nevertheless, in the financial services sector, temporary work is gaining enough significance that Eurofiet, the European federation of unions which includes financial services unions, is pressing for dialogue with temporary agencies.

Table 6.6: Unemployment rates by country, total and for females

Country	Total unemployment % rate	Female unemployment % rate	Female share in % of total	Development from '88 to '98 in female unemployment
Spain	19	27	?	Decreased since 1994
Italy	12	17	?	?
Germany	12	13	47%	Unemployment increased
UK	?	5.5	?	Unemployment decreased
Ireland	10	10	?	Unemployment decreased
Denmark	5.9	6.1	53%	Unemployment decreased
Sweden	6.5	6	48%	?

Table 6.6 provides some contextual information, allowing us to place women's labour market participation and propensity to part-time employment in the context of their vulnerability to unemployment. Though women have traditionally been disproportionately vulnerable to unemployment, and the resulting exclusion from training and skills which this entails, we might expect this pattern to change as women become increasingly significant to the labour force overall, and particularly to the retail sector. Italy and Spain still have very high unemployment levels, and particularly for the female workforce the unemployment rates are significantly higher than for the male workers. Germany also has high unemployment rates, but more or less evenly split between men and women. The unemployment rate in Ireland is 10% for the female workforce and here it is decreasing. The UK, Denmark and Sweden have for a number of years had much lower unemployment rates than their southern counterparts at between 5% and 7%, and there is little difference between male and female rates.

Table 6.7: Distribution of men and women in occupational and skills groups

Countries	Retail	Finance
Spain	The majority of the employees in the retailing sector have a primary and particularly secondary educational background and the female proportion of these is slightly higher than the average for both sexes.	Employees in the financial services sector mainly have secondary and university educational backgrounds and the female proportion is higher than the average for both sexes.
Italy	Because many companies are family run businesses, a large proportion (60%) of workers in the retailing sector are self-employed or spouses.	From 1987 to 1997 there has only been an increase of womens proportions of hirings of officials and managers in a medium sized Italian bank from 0.2% of total hirings to 2.03%. At the clerical level women's proportion increased from 12.2% to 21.3% while the male proportion decreased from 64.9% to 43.4% of total hirings.
Germany	20% of employees in retailing work in so-called minor employment relationships (less than 15 hours/DM 630 per month)	
UK	Data not available by sector	Data not available by sector
Ireland	Data not available by sector	Data not available by sector
Denmark	In retail, 10.1% of male employees are employed at management and middle management level, where 3% of females are employed at these levels.	Statistics show that female occupation of bank and administrative clerk jobs is much higher than men's are, whereas male occupation of managerial jobs like office managers, administrators is much higher than female.
Sweden	Statistics show that women now make up the majority of those employed independently. During the same period there has been an increase in women employed in leading positions whereas for men there has been a decrease	In 1994, women represented the majority of leading positions in financial services – post and telecommunications, whereas men represent the majority of employees in independent and qualified occupations.

6.2 Wage and salary differentials between men and women

In this section, we consider the differences in employees' pay in the two sectors, and where relevant, the way in which pay negotiations are organised.

In **Spain**, wage discrimination is formally prohibited. However, as elsewhere, discrimination takes place in practice in other ways, for example, by giving women responsibilities at work that should correspond to a higher wage category than that at which they are paid. Furthermore, the two sectors are at opposite ends of the average salary level scale in Spain, so there are wide discrepancies in earnings depending on sector and on size of company.

In **Germany**, salary statistics show that 35% of employees in the lower income brackets in retail and financial services (earning 2500-4000 DM per month) are female. The proportion is larger in the lowest income category, and non-existent in the highest category, in which employee earn more than 4000 DM per month. In practice, then, wage inequality between the sexes is significant, and women do not enjoy equal pay with their male counterparts. This is clearly in part a function of the lower occupational and skill groups in which they tend to be located.

In the **UK**, salaries in the retailing sector are mainly determined through company-wide pay bands. Many retailers also link their employees' pay to company performance. Women continue to be under-represented in the managerial grades and over-represented in the lower-level grades in retailing. In the financial services sector, payment systems are firm-based and negotiated nationally with the unions. Women are still predominantly located in the lowest clerical grades. In the newly emerging call centres women are heavily represented in all grades, but particularly in the lower pay grades.

In the **Swedish** retailing sector, there is almost no wage inequality, and any difference in the wages of men and women has been steadily decreasing over the past decade, in practice as well as in law.

In **Denmark**, by contrast, the higher the job status of men and women the larger the difference between men and women's salaries. In the financial services sector, female bank clerks command on average higher salaries than their male counterparts. However, male administrative, managing and confidential clerks and office managers command a higher salary than their female counterparts - between 1000 and 2000 DKr more per month.

In **Italy**, some research in a Venetian bank shows that the average female remuneration is constantly lower than the male average.[22]

[22] Apart from this we have little information on Italian wage differentials in the two sectors.

6.3 Labour processes in the two sectors

Table 6.8: Content of work and skills deployed

Country	Typical work of female employees	Skills used and deployed by women
Spain	No data supplied	No data supplied
Italy	Newly hired women normally work as cashiers usually on account of their social skills.	In the retail sector, the social skills of women are stressed in conjunction with their precision, orderliness and willingness to do routine work (e.g. at checkouts)
Germany	Compared to women's very high proportion of the total employment in the retailing sector, women have a small representation in the management positions.	A segmentation and polarisation is taking place in the financial sector and women may lose out if they are shut out of certain successful areas. Some low skills and high skills areas are expanding whereas the middle ground is disappearing.
UK	Women jobs are concentrated in the customer services functions of checkout work and shop floor jobs. The representation of women in managerial jobs is very variable according to subsectors within the retailing sector. In the financial services sector women mainly work as cashiers, as clerks, as data entry staff and as call centre agents.	In many retailing outlets specialist skills are disappearing. Multiskilling is used to maximise the deployment of staff according to which demands the outlets have on a given day. The predominant skills needed by women in these jobs are information-processing skills, telephone sales skills.
Ireland	In the retail sector there is a strictly gendered division of labour in the stores with all the cashiers being women and all the shop and store assistants being men.	No data available.

Denmark	The financial sector has historically been characterised by employees segregated in male and female labour areas. Cashiers, administrative, and bank clerks staffed by women, supervisors and managers by men. However this picture is slowly changing. Not that many more women are entering supervisor and manager roles, but there's less need for typical women positions such as clerks and teller personnel.	The future employee in the retailing sector is highly flexible, not necessarily qualified, but well trained and able to perform routine jobs. Many females fall into this category. There will also be a requirement, although much smaller, for highly qualified personnel carrying out managerial tasks such as planning and co-ordination. Unfortunately, women are more likely to fall into the first stereotype and therefore the career opportunities are not as good as for men.
Sweden	No data supplied	The LÖV programme has conducted research into salaries and determining the real and fair value of „women's skills„. The programme has presented its report.

6.4 Employment protection legislation

Table 6.9: Legislation governing full time/part-time working conditions and maternity/childcare arrangements

Country	Full time /part time work	Maternity/childcare
Spain	No data	During maternity, adoption and child rearing, women have the right to health care for the maternity period, economic support, and 16 weeks work leave. In order to qualify, the woman must be part of the social security system and have paid premiums for a period of 5 years. Persons have the right to return to the same job function after the maternity period is finished. Right to reduction in working day without loss of pay for feeding infants of less than 9 months of age. From 1/1 1999 there is financial support for nursery school education. Most nursery schools are private.

Country	Full time /part time work	Maternity/childcare
Italy	The law allows for different types of part-time work (distributed over more as well as concentrated on few days). Part-time work requires written agreements that need to be changed when hours are changed.	Obligatory work leave 2 months before and 3 months after birth (with right to 80% of salary). Both men and women can take further leave for a total of 6 months with right to 30% of salary.
Germany	Part-time work is regulated by tariff agreements and company agreements. However, no legal right to part-time work exists. The maximum workday is 8 hours with the option to extend this to 10 hours.	Mothers-to-be may not work for six weeks before birth. Work is likewise prohibited up to 8 weeks after birth. Now also men can claim parental leave; jointly parents can claim up to 36 months parental leave. Parental allowance is paid for a period of 24 months to whoever is raising the child.
UK	Today, those working more than 8 hours per week for more than 2 years enjoy the same protection as full-timers. Those that work less will receive no protection. Research shows that part time workers are still treated unfavourably concerning access to different benefits from employment.	Part-time workers also qualify for maternity rights although not if they earn below the NI threshold of 57 pounds sterling per week. Some women still complain of being illegally sacked when they become pregnant. Only 12% of children under two are cared for outside their own homes (mainly in private playgroups).
Ireland	Special arrangements for workers working on Sundays; no other data on part-time workers rights.	Maternity law harmonised with EC directive 92/85. Childcare services in Ireland are limited
Denmark	Normal workweek is 37 hours or an average of 160 hours per month. For an employee in the retail sector the hours can vary as long as they do not exceed 45 hours in any one week period and average 37 hours per week over a 16 week period.	Pregnant women are entitled to maternity benefit up to 4 weeks before and 24 weeks after birth. Some municipalities offer guaranteed public care for all families in the labour market when maternity leave has ended. In principal the current maternity and extended parental leave options offer a long leave period of 2.5 years per child.

Country	Full time /part time work	Maternity/childcare
Sweden	The opening hours are not regulated by law.	Parents have access to childcare amenities from the age of 12 months and they qualify for a monthly child allowance up to and including age 18. Leave can be taken at any time until the child is 8 years of age. There are also special arrangements for fathers to take leave.

In most countries, the EC Directive on Maternity is largely implemented; indeed, some countries have gone further in their provisions for parents-to-be. Others, however, including the UK have practical loopholes where less-privileged women fall outside the provisions of maternity benefits and support. Childcare regimes vary markedly, with the Nordic countries having very comprehensive (though declining) systems of state-provided childcare, and in contrast, most other countries relying almost entirely on limited privately-run childcare.[23]

Part-time work does not enjoy the same level of social protection in all countries as full-time work does. Not all national regulatory regimes provide full employment protection for part-timers and many do not have access to other employment benefits such as training opportunities, promotion prospects, and even the possibility for participation in company bonus schemes.

6.5 Union representation and membership figures

We produce here some figures on union membership in the two sectors and women's share of that membership. In particular, we are interested in the level of unionisation in the two sectors, and women's share of that union membership. In the two following tables, we have therefore inserted a column for total employment in the respective sectors in order to present trade union membership as a proportion of total employment and hence an idea of the overall strength of the unions in the respective countries and sectors. Later in the project, this information will help us to assess the extent to which women's needs and requirements as employees are adequately addressed by their unions.

Table 6.10: Union membership - retailing

Country	Total employment	Union membership	Female share of m.
Spain	1,371,000	?	?
Italy	3,397,000	440,000	?
Germany	2,249,000	?	67%
UK	2,344,700	292,305 (97)	59%

[23] The exception to this is France, data for which is not reproduced here, but appears in the Annex to this series of reports.

Ireland	166,600	235,000*	?
Denmark	183,409	98,504	75%
Sweden	236,800	175,000	74%

* union also covers other sectors

Table 6.11: Union membership - financial services

Country	Total employment	Union membership	Female share of m.	Development from '88 to '98
Spain	335,900	?		Only represents 8% of workers
Italy	?	266,000*		?
Germany	1,039,900	488,000	67%	?
UK	1,013,300	175,000	55%	?
Ireland	79,300	230,000**		?
Denmark	73,657	56,000	56%	Membership decreased by +8000
Sweden	171,200	106,000		Membership decreased by +10000

*divided among 8 different trade unions

** union also covers other sectors

Comparisons of union membership across the seven countries are fraught with difficulties, not least because of the very different political and cultural contexts within which unionisation has operated. For example, the very low level of unionisation in Spain (8% of the financial workforce unionised and a similarly low level in the retailing sector) is a reflection of a political history in which trade unions have only recently been able to exist at all. Similarly, though in a less extreme way, the UK has witnessed a progressive weakening of the trade union movement through a series of deliberate legislative measures initiated by the Conservative Government of 1979-97. Now, only 12% and 17% respectively of employees in the two sectors are members of trade unions. At the other end of the spectrum, countries like Denmark and Sweden have relatively high union membership figures (50-80%) and unions are therefore stronger in the negotiations of workers rights.[24]

6.6 Trade union bargaining issues in the two sectors

The following table provides some information on the topics which are commonly covered in collective bargaining between unions and employers in the SERVEMPLOI countries. This gives us a sense of the pressing issues with which the unions feel they are confronted, how they respond to their issues, and the extent to which issues relating to women's employment, needs and requirements are addressed.

[24] However, it should be noted that the Danish government has recently intervened and removed the right to strike in a recent dispute when centralised collective bargaining took place and failed to generate agreement.

Table 6.12: Centralisation or decentralisation and topic of bargaining

Country	Decentralised bargaining	Centralised bargaining
Spain	Mainly decentralised bargaining. The unions are weak in Spain	Hardly any centralised bargaining.
Italy	Supplementary contracts are negotiated within each bank.	The two parties agree on a collective national contract (financial services)
Germany	Decentralised bargaining does take place with individual companies.	Some centralised agreements about pay, working hours, holidays, training allowances in the financial sector. Some sectors practice Tariff agreements which are written contracts between one or more employers or employer associations and one or more trade unions fixing wage and salary groups.
UK	Since 1993, wages have increasingly been set at a local level and are becoming increasingly individualised. Most employers have pay bands that are geographically stratified. In addition a skills/experience-based band exists.	The retail union has little collective bargaining muscle and little tends to be carried out at company level. In financial services, the unions are very weak and focus on company level negotiations on pay and working hours.
Ireland	Most bargaining takes place between larger employers and the trade unions locally and deals with the organisation of work. Smaller employers do not recognise the unions.	Overall adjustments to pay have involved government as well as employers and unions in tripartite national programmes. Centralised bargaining is carried out for sub sectors and with national retail or financial services operators. It is mainly about minimum rates of pay, terms and conditions of employment.
Denmark	Bargaining at company level concerns specific circumstances or specific aspects of the employment conditions.	Bargaining is mainly centralised and carried out at a national level by the two operators within each sector. Traditionally bargaining has usually been about wages and working conditions. For the last bargaining the rights for additional holidays for parents with children under 12 years of age was also on the agenda.

Sweden	In the 1994 agreement, employers and the union decided to decentralise the responsibility for the classification of work tasks and the judgement of individuals to the local level. A further regulation in 1997 meant that the centralised agreements are relevant unless local agreements had been made.	Bargaining, although up for debate, is still being carried out at a national level Some unions decided that no local agreements should be made – including the one relevant for retailing.

It is evident that in countries like Sweden and Denmark the trade unions are strong and play an important role in securing working conditions for their members. Bargaining covers traditional issues such as pay, but extends beyond this to the organisation of work and working conditions. The Danish unions have recently begun to attend to issues of parental benefits. Trade unions also play some role in shaping employment contracts and conditions in Italy, Germany and Ireland, but the bargaining systems do not cover most employees as in Denmark and Sweden.

Trade unions have the least influence in the UK and in Spain. In the retail sector, most employers do not recognise the trade unions in these countries. In the UK financial services, the picture is a little less bleak, and both MSF and UNIFI now have 'Partnership agreements' with some employers. In general, however, the trade unions in these countries are restricted to local and company specific bargaining where they have membership and are recognised. Though the unions are aware of the importance of their female members, the extent to which they can pursue their interests is significantly weakened by their already weak status.

Concluding Comments

This report has focussed on statistical, and some qualitative material from each country which illuminates women's labour market participation and their conditions of employment in the two sectors. The results of this trawl raise, in our view, the following questions for investigation in the fieldwork phase of the SERVEMPLOI project:

2. How are globalisation, mergers and acquisitions, and electronic commerce affecting the women's role and opportunities in the two sectors, and what is the role of the unions in responding to these developments?
3. What patterns of „flexible working„ are emerging in the two sectors, and how do these affect the employment of women?
4. Can women fit into these employment patterns and how do their other (domestic) commitments affect their participation in these forms of employment?
5. How do part-time contracts affect women's access to training and development opportunities and career prospects?
6. How is training connected to employability, promotion and increases in salary for women in the two sectors?
7. How is the role of the unions developing in the two sectors with the general move towards decentralised and even individual bargaining?
8. How do the different childcare regimes and maternity leave provisions for full and part-time employees (including availability, cost, quality, hours, allowances, and

company schemes) affect women's opportunities to participate and progress in the labour market.

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7. SKILLS FORMATION- TOWARDS LIFE LONG LEARNING?

This chapter considers the state of our knowledge about the ways in which skills are currently transmitted and developed in different national and sectoral contexts. It begins with an examination of national approaches to training in the SERVEMPLOI countries, and then focuses on the ways in which training and learning are organised in the two sectors. It considers women's relationship to these systems and considers how, if at all, women's needs are catered for in national training arrangements. Finally, it discusses the ways in which women progress in these sectors and the relationship between women's skills and their career progression patterns.

7.1 National approaches to training and lifelong learning policy

Training systems in all European countries are of course very closely linked to employment systems and to the requirements of the labour market. Training policies conventionally centre on equipping the labour force with vocational skills, and on compensating for perceived skills shortages in particular areas. Recently, the concept of the "Learning Society" has become increasingly influential upon training policy development in a number of countries. In general, learning throughout life, or "lifelong learning" as it is better known, rather than once-off training, is increasingly seen as the way in which employability can be improved and employment generated. Some training policies and systems are now therefore geared to the development of skills which are generic rather than job-specific and which enable individuals to improve their 'employability'. However, there are national differences of emphasis and institutional arrangements which have important implications for women's access to skill development and therefore their potential employability. What are the specific dynamics of national training systems in the SERVEMPLOI countries, and what are their implications for women's employability?

A changing approach to training is most strongly, but not exclusively, evident in the southern European countries where systematic training policies are a relatively new development.

Italy, for example, is currently undergoing a renewal of its education system, and of the entire relationship between education and employment. This involves, among other things, a planned reform of the vocational training system, and reform of secondary education. This new Italian approach is strongly influenced by European policy thinking, in particular the 1996 Pact for Employment between the social partners. As such it now emphasises:

9 the promotion of policies to upgrade the labour supply, rather than labour demand;

10 the bottom-up development of local-level employment initiatives, with partnerships between public and private bodies;

11 the integration of training resources with other resources in order to promote enterprise start-ups and technological and infrastructural development; and

12 the use of the European Social Fund to develop forecasts of Italian workers' skills and training needs and to provide them with technical assistance,

counselling, guidance, strategies and subsidies for distance training and self-instruction, as well as assistance with recruitment.

The Italian training system, like others in Europe, is therefore shifting from employment creation and employment maintenance to employment policies targeted at the development of local skills systems, from rigid training and education paths to differentiated and individualised ones, from needs analysis centred on profiles and qualifications to the definition of threshold skills and distinctive skills, and from a limited number of training sites to a plurality of so-called learning sites.

In Spain, too, continuous skill development is now considered as a strategic priority after many years of state indifference to training policy. In 1988, the Labour Cost survey carried out by the National Institute of Employment, showed that Spain had the lowest expenditure of any EU country on training in industry and construction sectors. A Survey of Employment Requirements and Professional Training in Companies carried out in 1993 showed that that one in four companies considered continuous training to be the most significant personnel issue, 32.7% of them actually carrying out training among their staff. In 1994, the Survey of the Active Population (EPA) showed that only 3% of workers had previously taken any continuous training. It was also noted that foreign-owned companies were much more sensitive to training issues and training provision than their indigenous counterparts. Services sector organisations were found to be most likely to train their staff and had the largest proportion of trained workers, particularly in the financial and insurance institutions.

Training provision in Spain today is structured around The Agreement of Rules for Policies of Professional Formation and the National Agreement for Continuous Formation, signed by trade unions and employers. Under these agreements, the organisation and management of training is handled through the Foundation for Continual Formation (known as FORCEM). Training by the state in Spain, therefore, is an extraordinarily young concept.

As in other countries, the strategic aims of training are now geared to professional and occupational development, and to improvements in skills and qualifications in order to strengthen company competitiveness. It is also intended to help workers preserve and update their qualifications, particularly in the context of heightened competition from overseas firms benefiting from the single European market.

The northern countries have also undergone a change of approach, though from a baseline of a more long-established state system. Until recently, policy thinking in Britain was primarily concerned with the notion of 'training', provided through colleges, polytechnics (which offered vocational and craft-based training before they converted to universities in 1992), national training schemes, and through firms themselves. Because the British system is voluntarist, and based on the notion that firms themselves are best placed to determine the amount, timing and recipients of training, firms in the UK are notoriously unwilling to offer much work-based training, particularly compared to their counterparts in other European countries (Grugulis 1999).

The state assumed responsibility for training the unemployed during the 1970s and early 1980s, particularly when unemployment levels among the young were very high. Responsibility for state-based training was handled by the Manpower Services Commission. The MSC initiated a number of training programmes designed to address unemployment through active labour market policies, including the one-year Youth Training Scheme. Industry-based training was offered through Industrial Training Boards and through other organisations such as the City and Guilds of London Institute, while on-the-job training was offered through firms.

In 1986, a national system of qualifications was established by the National Council for Vocational Qualifications (NCVQ), and this marked an important change in the direction of British training policy. Until this point, Government policy was dominated by efforts to secure the provision of training in the right quantities for the workforce. The creation of the NCVQ prioritised the attainment of learning outcomes assessed against national standards. National Vocational Qualifications (NVQs) formally recognise competences used in employment, but they differ from academic qualifications in that they are not based in success in written examinations and they do not involve attendance at courses. They are based on the premise that standards should be developed by industry for industry.

At the same time, the Conservative Government abolished the Manpower Services Commission (since renamed the 'Training Agency') and redistributed its functions to newly-created TECs (Training and Enterprise Councils) in England and Wales and LECs (Local Enterprise Councils) in Scotland. This move reflected two aspects of policy thinking: that training should be privatised, and that it should be locally determined. TECs and LECs were able to make government grants available to firms for adopting NVQs. However, it has been argued that the creation of TECs made training less transparent and accountable than when it was in the public sector, with a great deal of information now being regarded as commercially sensitive. Moreover, TEC boards are accused of being very unrepresentative – skewed towards manufacturing interests and with very few female or ethnic minority members (Grugulis 1999: 8-9). Yet these are arguably the very people who most need to be better represented in the UK training infrastructure, simply because they are the people who have historically been under-represented or excluded from training provision.

The NVQ system still operates in the UK, and has been the subject of considerable critique, principally because of low and uncertain standards, the lack of clear responsibility for quality, and the emphasis on the holder's ability to perform a job rather than understand their underlying principles (House of Commons Trade and Industry Committee 1994). It has also been criticised for failing to have much effect on companies' incentives to actually train and for simply giving firms access to grants available through TECs and LECs (Senker 1996). The current Labour Government makes training in basic literacy and numeracy skills available for the unemployed as part of its New Deal policy.

Late last year, the UK Government published a Green Paper entitled *The Learning Age*, which marked a shift in discourse from the concept of training to the concept of 'lifelong learning'. It emphasises, among other things, the promotion of 'partnerships' between firms, employees and trade unions to share responsibility for learning, and as such, it offers a view of learning which is much less institutionalised than in the past. However, this approach to learning is also one in which responsibility is located very much with the individual employee or firm, and thus involves little by way of state intervention or expenditure. The Green Paper proposed few fundamental changes in the structure of training provision in the UK, leaving intact the TEC and NVQ system, but proposing other measures including:

- The creation of the University for Industry (UfI), to provide training driven by business needs in a variety of settings
- The establishment of a National Skills Taskforce to perform a review of skills gaps and shortages in the UK and to publish targets for overcoming them, and
- The establishment of a 'Learning Direct' helpline offering information on learning opportunities.

The concept of lifelong learning also underpins the Irish approach to training. The Irish economy is currently particularly buoyant and, as a result, there is a skills shortage. At the same time, Ireland has one of the highest rates of functional illiteracy in Europe (alongside a highly educated workforce) and this is seen as an obstacle to further economic growth. In response to this, the Irish Government established an Expert Group on Future Skills in 1997, composed of business people, educators and training providers, policy makers, public servants and members of the industrial promotion agencies.. The Expert Group carries out analysis of the future skills needs of the economy and develops proposals to meet these skill needs in the following areas:

- The skill needs of different sectors and the actions needed to address them;
- Forecasting techniques to assist in anticipating the future skills needs and requirements of the economy and the associated resource requirements.
- The promotion of education and continuous training and business links at national and local level;
- Improving awareness among job seekers/school leavers of sectors where there are demands for skills, the qualifications required and how they can be obtained;
- Strategic issues in developing partnerships between business, education and continuous training sectors in meeting the skills needs of business.

The Irish Government last year (1998) produced a Green Paper on Lifelong Learning, which advocated upgrading the existing skills of the workforce and equipping those outside the labour force with basic skills to enter the labour force. The universities in Ireland are now mandated to facilitate lifelong learning through the provision of adult and continuing education.

In Denmark, the training system has for some years been closely geared to the needs of the labour market. Responsibility for the overall management of the Adult Vocation Training System (AMU) lies with the Labour Market Authority, established under the Act on Adult Vocational Training and the Act on Adult Vocational Training Centres. The Act on Adult Vocational Training aims at maintaining, developing and improving the vocational skills of the labour force in accordance with the demand of the labour market. It also aims to remedy immediate restructuring and adaptation problems on the labour market and to contribute to a general lift in the qualification level in the longer perspective. The Act on Adult Vocational Training Centres governs the conditions of the centres including their activities and management. Adult vocational training is carried out at 24 AMU centres and 105 technical schools and business schools and in 49 other approved training institutions around Denmark.

A similar system exists in Sweden, where the Adult Education Initiative is a five year programme for adult education established in July 1997. All municipalities in Sweden participate. The Adult Education Initiative is a part of the Government strategy to halve unemployment by the year 2000. The aim of the state and municipalities is to achieve in a short period of time an overall boost in national knowledge thereby providing those with lower levels of education the opportunity to get a job and continue their learning. At the same time the Adult Education Initiative will contribute over a five year period to the reform of adult education. The Adult Education Initiative has four important perspectives – renewal of education and labour market policy, more equitable distribution and increased growth. The main target groups is in the first instance adults who are unemployed and who either completely or partially lack 3 year upper secondary school competence. The Adult Education Initiative also focuses on the needs of employees with low levels of education

7.2 Catering for the Training Needs of Women?

Despite growing policy attention across the member states of the EU to the issue of training as an active mechanism by which the state can shape the labour market and particularly improve employability, few countries explicitly recognise or attend to the particular employability needs of women in the design of their training courses in anything other than voluntaristic terms. In most countries, women and their training needs are conceived of primarily in terms of their intermittent relationship to the labour market; women returners to the labour market, for example, are strongly targeted. Thus, women's concentration in particular (mostly low-grade) occupational areas is treated as something which can be overcome through the provision of the correct information and training opportunities. Policy makers and training providers rarely define the problem of women's occupational ghettoisation in broader socio-economic terms – for example, in terms of the gender relations of the labour market, the social construction of women's skills or socio-cultural notions of what is fit work for women. The social construction of women's skills (Phillips and Taylor 1980; Poynton 1993) and the gender labels which attach to certain forms of work (Sundin 1995) are therefore not normally problematised, and this means that the main issue concerning women's training is generally seen as relating to the frequency with which it is consumed rather than its content or the gendered assumptions of skill which may underlie it.

An good example of this is to be found in the British approach to training women. Over the past twenty years, there has been a plethora of attempts to develop training initiatives for bringing women into science and technology areas of the economy and for breaking down sex stereotyping in occupational choices. However, a wealth of research has now shown that these projects and initiatives have had very little impact upon sex segregation in the economy, because they assumed that the problem lay in girls' and women's personal reluctance to enter technological work rather than in the culture and institutions of science and technology (Cockburn 1985; Rees 1992). In women's technology training, UK policy thinking has generally been influenced by what Henwood (1993) calls the 'women in technology' approach and which she argues emanates from a classic liberal feminist position. This approach frames the problem in terms of women's lack of participation in technology (which itself is held neutral), and seeks to increase the numbers of women in technological areas. It does not, however, problematise the culture or institutions of technology themselves, and nor does it raise questions as to *why* hold women hold the positions they do in relation to technology. Henwood argues one must therefore view such policy approaches to women's training for technology with scepticism, for their principal objective was not to meet the needs of women, but to address the skills shortages – both current and projected- in Britain.

In the early 1980s, women returners to the labour market were provided with specifically designed training opportunities through the Wider Opportunities for Women (WOW) and New Opportunities for Women (NOW) schemes. (There were also Training Opportunities (TOPS) schemes, but these were not specifically targeted at women.) Tailor-made courses for women were also pioneered by voluntary organisations such as Women's Workshops, often on a women-only basis. A national Women Returners' Network was established, and also a national network of Women's Training Centres, often with ESF funding (Rees 1992).

In the state-sponsored training institutions of the UK – the TECs and LECs – women returners have been identified as a group with 'special training needs' (Rees 1992). In particular, it is recognised that they are least likely to have qualifications or previous training, and that they lack recent experience of studying and so are likely to have study skills problems. However, given the localised and business-dependent approach to training under this system, incorporating this recognition into actual training outcomes is likely to be always at best contingent and patchy.

There is some recognition of women's special needs in relation to childcare in the formulation of the New Deal for Lone Parents. This is designed to encourage long-term unemployed lone parents back into the labour market by providing extra childcare places in out-of-school clubs, but the scheme has attracted considerable critique because these places are nevertheless expensive and the scheme does not fundamentally address the difficulties working women have in organising their working days around childcare and travel to work (Perrons 1998).

In Denmark, special training programmes for women have been introduced within the adult vocational training system. A number of new training programmes have been developed with unemployed and unskilled female workers as target groups, because these groups have a very high level of unemployment and they need training adapted to their special situation. The programmes have been developed in co-operation with the social partners, thus ensuring that the special courses for women also satisfy the existing and future needs of the Danish labour market (Ministry of Labour, 1996). Unions such as HK also offer opportunities to participate in projects regarding supplementary training courses and further education, but these are mainly aimed at existing union members and activists, and include training of shop stewards, and training in personal skills. In addition, however, HK offers courses specifically aimed at female members, on topics which include 'Sex Roles and Negotiation', and 'Female Managers'.

7.3 Training, skills and career development in the two sectors

In general terms, women are less likely to have access to certified education and vocational training than men (Clarke 1991). They are also less likely to receive training leading to a qualification in post-16 education. Where they have training in employment, women are less likely to receive funding from their employer and are likely to receive training of shorter duration (Training Agency 1989; Schnabel and Webster 1999). There are a number of reasons for this state of affairs which are germane to a study of women's employment and opportunities in the sectors of retailing and retail financial services. Women constitute the vast majority of part-time workers, who tend not to receive training and they also predominate in specific occupations where there is little training beyond that required to use new technology. How is training and career progression organised in two sectors where women are prevalent, and how do women progress as employees in these sectors?

Different country and sector patterns are again evident here. In Denmark, traditionally, the banking sector has been characterised by highly developed educational provisions. Financial companies spend relatively large sums on education and vocational training (Bévort, 1997). A typical employee (bank clerk) receives training as a bank trainee. This is a two-year programme and is part theoretical, part practical. The educational programme for bank trainees is run under the Act on Vocational Training (Lov om erhvervsuddannelser), but has been developed and is managed by the Danish Bankers Association (Finansrådet).

Then follows a two-year part-time supplementary education and training programme for the financial sector pursuant to the Open Education Act, supplementary subject-based training and other company internal training. The largest Danish bank (Den Danske Bank) has established its own education programme called DanskeBank Akademi, which gives higher education in subjects of the financial sector. To a lesser degree employees in the financial sector receive higher education at business schools and universities. It is characteristic of the financial sector that a big part of the supplementary education and training is conducted as in-house or at internal educational institutions.

However, a survey planned and undertaken by the Financial Services' Union (Finansforbundet) and the Danish Financial Employers' Association (Finanssektorens Arbejdsgiverforening) showed that male employees generally received more training than female employees. Male employees also had a higher educational standard than female employees, and the survey showed that employees with the highest education received the most training. Another significant conclusion of the survey was that the higher rank/position employees received the most training. Men were more concentrated on training in 'personal development' (40%) while women took part in 'customer-oriented training' (42%). Only 30% of the female respondents had received training in 'personal development' (Valbjørn and Strandgaard 1998).

In Italian banks, female employees acquire skills in new intake training courses, where a fixed number of weeks of training must be received in the first two years of employment. They subsequently attend training courses on procedures: if and when they move from one job or function to another; and depending on the career path they take, they can attend full-scale training courses on various subjects. However, studies have shown that on average women gain access to training for fewer hours than men. In Venetian banks specifically, in 1995 women received an average of 28 annual hours of training compared to 32 for men.

In Swedish financial services, the situation is somewhat exceptional. Here, training takes place both in the workplace and in after- work courses. Mutual training needs and requirements are established through dialogue and personal development discussions between staff and management (Förändring och kompetens 1997, Finansförbundet). In insurance, strategies for staff education, and particularly workplace-based training in new technologies or work organisation, emphasise the importance of building employees' knowledge about their work context in order to maintain the effectiveness of organisations (Docherty and Aronsson 1992).

In financial services in the UK, there is today an emphasis on multi-skilling, particularly in call centre work (Belt et al 1999). In call centres, too, the organisational structures are much flatter, which implies less opportunity for differentiated skill acquisition. However, in the sector overall there remains some emphasis on different levels of skill and of job category (Crompton and Sanderson 1994), particularly in the high street banks and building societies. Employees at certain levels can acquire skills through industry-based training for qualifications, offered by bodies such as the Chartered Building Societies Institute and Institute of Bankers. At higher occupational levels, the training is principally vocational, leading to examination-based qualifications, while at lower levels, it is primarily technological and skill-based. For example, there are women employed at professional and managerial levels in the building society industry who can train for examinations of the Chartered Building Societies' Institute. In addition, in 1983, the Institute began to offer a Certificate in Building Society Practice which is seen as a 'women's qualification and ideal for a clerical supervisor (Crompton and Sanderson 1994).

The industry is beginning to shake off a very rigid gender division of labour which has been its hallmark until recently. In the 1960s and 1970s, women and girls were primarily recruited as short-term employees to work as machine operators and then as counter clerks (Crompton and Sanderson 1994). With their entry, a dual labour market came into being. In banks, women were concentrated in routine back office clerical occupations, and were simply not considered as far as promotion was concerned, which tended to be an entirely male affair (Blackburn 1967). Despite equal opportunities legislation in the 1970s and the creation of new grade structures which supposedly created a new form of clerical non-lifetime career, women were actively dissuaded from taking the Institute of Bankers' examinations (Crompton and Jones 1984). In building societies, women were recruited directly into deskilled clerical cashiering when branch networks expanded and computer systems were introduced. Women's skills were thus constructed in a routine mould and they were seen as ideally suited to very repetitive rapid data entry work, in contrast to men who had traditionally held senior and qualified banking positions in the industry. There has, however, been a transformation in recent years from this paternalistic system in which internal labour markets were tightly controlled and career employees (men) were rewarded for their loyalty to the firm, usually by their own branch managers who exercised considerable influence on most aspects of branch life.

Banking and building societies are now much more similar in terms of the career structures they offer and in terms of their treatment of female employees. Some improvement has been brought about by the creation of internal career hierarchies based on formal qualification, and supposedly gender-neutral criteria in processes of selection (Crompton and Sanderson 1994). In theory, this should work in women's favour. Women should be able to progress through the sector by obtaining formal, occupation-related qualifications, for example, accountancy qualifications. However, there is still a segmentation of the labour market between career and non-career employees. Although there has been an increase in the recruitment of women into higher-level, career-track positions, women continue to be disproportionately recruited into low-level clerical work for which there is no career structure. This is particularly evident in the newly-emerging call centres, which are hierarchically flat and in which the major form of progression open to agents seems to be to 'team leader' or supervisor. There is today a greater emphasis in the industry on its sales and public relations functions, and an increasing tendency to employ women for their role in interacting with customers. After a couple of damaging equal opportunities investigations against them in the 1970s and 1980s, banks and building societies began recruiting women to higher as well as lower levels and recruiting older women, developing middle-level, career clerical grades and employing these women for their 'experience'.

The development of call centres in the financial sector has partly confirmed and partly reversed the tendency to make a cultural association between women and social skills. On the one hand, women are employed for, and given further training in the use of, interpersonal skills. Particularly important is their ability to 'smile down the phone' (Belt et al 1999), thus conveying the aesthetic of the firm to the customer (Frenkel et al 1998; Witz 1998). On the other hand, this 'skill' requirement is not restricted to female employees in the sector; some telephone banks employ considerable numbers of men, although women are still in the majority at agent level.

Call centre training is somewhat different from training for branches. Here, training is workplace-based, and often outsourced to specialist providers (there is a growing call centre training industry in its own right). The training is primarily product-based to enable agents to deal with customers' product queries, but women are also trained in teamworking and interpersonal skills. Although there are specific NVQs relevant to call centres, for example there is one on customer service, most call centres do not regard these as being very useful and prefer to give firm-specific, product-specific training (Belt et al 1999). Supervisors in call centres, however, receive no specific training for their work. Indeed, it has been noted that the provision of effective supervisory and management training for women in call centres would be a very effective way of promoting women's career prospects in these settings.

Much less is known about how skills and training are conferred in the retailing sector, and how career development therefore works for women. Much of what is known is anecdotal evidence. A systematic classification of different skills, occupational, and career patterns has, however, been made by Jacobsen and Hilf (1994) in the relation to the German retail sector. They distinguish between:

a) Jobs with only low vocational qualification requirements and scope to make decisions under occasionally severe stress - perhaps in sales and on the till in self-service stores, hyper-markets and discount stores. A reasonable income can only be made in these jobs in exceptional cases as they are almost exclusively part-time and casual employment relationships. Career prospects are poor as there is a danger of 'burn-out' due to the high pressure and the unskilled nature of the work, and because there is virtually no access to company/career development opportunities. These jobs are almost exclusively occupied by female employees. For many women, they represent the only alternative to being excluded from the world of work in the status of housewife, unemployed, pensioner or student. However, these jobs are also increasingly becoming the only chance for qualified women to stay with a job in retailing.

b) Jobs with average vocational qualification requirements, narrow scope of responsibility and average stress - perhaps in sales in department stores and specialist trade stores, as department head in self-service stores and hyper-markets, as branch manager of discount stores. Employees often bring a broad range of professional skills with them into these jobs, although frequently only using one aspect of their skills, so that there is a danger of deskilling and declining career development opportunities in the long term. The situation of male and female employees differs in this group of jobs. Men are more frequently employed selling high-value goods, whilst women are almost exclusively employed to sell low-value goods. This separation has far-reaching consequences, as sales premiums on high-value goods offer better opportunities to use selling and commercial skills, so once again the chances of further career development are improved. More men are given (limited) managerial roles in this group of employees. Women – insofar as they have no managerial duties – are often encouraged to reduce their hours without any compensation pay in order to make staff deployment more flexible.

c) Jobs in which high specialist qualifications of a mainly commercial nature are required and with medium to high responsibility and medium to high stress (in terms of work time, and mobility), e.g. as department heads in department stores, as branch manager of specialist trade stores, self-service stores, hyper-markets and small department stores, as district managers in discount firms. These jobs offer employees a range of duties with good earning opportunities and further chances to develop their careers. The other side of the coin is the danger of loss of duties if functions are transferred. The employees are sometimes the only full-time staff in their sales outlets and find it easy to develop the position of an „all-rounder„ who, at the end of the day, is solely responsible for everything. They are under considerable pressure to perform and often seem to see their own performance in the earnings of the sales point.

Studies of Irish retailing have confirmed this picture of the gender division of labour (McGauran 1998; Tormey 1999). Tormey's study of an Irish retailer notes that 'There is a strictly gendered division of labour in the store, with all of the cashiers being women, and all of the shop and store assistants being men. While the chargehands tend to be women, all of the three managers are men. The checkout supervisor is a woman. However, part-time work is not gendered. Jobs seen as male jobs (shelf packer) are just as likely to be part-time as jobs seen as women's jobs (checkout assistant). The male jobs involve a substantial amount of heavy lifting work interspersed by periods of boring shelf packing work and cleaning. Checkout work is said by the women to be more interesting because it gives a chance to interact with people', (Tormey 1999: 18).

UK retailing is organised in much the same way. No technical skills are necessary for entry into the work, and other than through training in till operating and barcode reading, no way of acquiring any. In some stores, there are weekly training sessions or group meetings, but these tend to focus on specific areas of knowledge required for the job (Perrons 1998). However, many firms mention the importance of recruiting staff with 'social skills' and 'the right personality' (Scott 1994). However, in most UK retailing organisations there is no training for these customer services or interpersonal skills, and these are assumed to be the inherent property of the individual employee. A number of UK retailers describe their employees as 'multi-skilled', meaning that they can be placed in any area of the shop according to the employer's requirements. This is perhaps more accurately described as 'multi-tasking', and the level of skill used by employees actually appears to be diminishing the more functions they are called upon to perform (Neathey and Hurstfield 1995). For the vast majority of shop workers, there is no way of progressing from being sales assistants (Perrons 1998). Managerial and supervisory jobs tend to be reserved, at least implicitly, for people who are prepared to work very long hours, and this situation has been exacerbated by the extension of shop opening hours and increasing time demands on management. Moreover, despite moves towards more 'objective' criteria for employee assessment and selection, there are still powerful gender assumptions about women's fitness for senior positions which seem to militate against significant increases in women's representation in these positions (Tomlinson et al 1997).

The Swedish situation seems to be the most progressive. Collective agreements cover workplace education and training in the retail sector. Companies allocate training budgets on the basis of these agreements, but organise the content of training on the basis of their corporate requirements. However, these are matched with the needs of employees themselves, which are ascertained through staff development discussions. Unfortunately, the level of workplace-based training in retailing has dropped in recent years, as Swedish retailers have begun to embark on both downsizing and outsourcing strategies in order to maintain profitability.

Concluding Comments

It is clear that in most SERVEMPLOI countries, neither national systems nor employer-based training provision have adequately addressed the needs and requirements of women employees to gain skills and to acquire development potential. Training regimes in most countries, and in our two sectors, are in practice, if not in theory, gender-blind. On the one hand, they tend to overlook the particular difficulties that women face in participating in the labour market; on the other, they also fail to take account of the position of women in organisational structures and the implications of this for their access to training.

Several issues seem to be germane to women's ability to access meaningful training and develop career potential:

- Their concentration in jobs for which training is limited or non-existent, particularly at low-levels of organisational hierarchies
- Their over-representation in casualised employment, including part-time, temporary and outsourced work, without access to mainstream organisational

training and career development arrangements, and sometimes in ‘invisible’ areas of organisations

- Assumptions that women have particular skills, often ‘interpersonal skills’, which fit them for particular types of work, particularly front-line service work
- Obversely, assumptions that women are lacking in technical or managerial skills, and have difficulties adjusting to technological change
- The structuring of careers around the lives and employment histories of men and consequent assumptions that women who choose not to engage in careers on this basis are uninterested in career progression in general
- The organisation of childcare, which in some countries continues to make it difficult for women with children to engage in out-of-hours training or to work long hours which many career paths demand
- The organisation, timing and content of training itself, which is often designed in ways which are either inaccessible to women, or contains material which simply confirms the view of women are suited to particular types of work which is often marginalised or poorly rewarded career terms.

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1. EQUAL OPPORTUNITIES AND GENDER

In this chapter, we examine the role of equal opportunities policies and initiatives in contributing to the labour market position of women in the SERVEMPLOI countries. We begin with an examination of equal opportunities policy developments at both EU and member state level, and we then evaluate their impact on women's employment conditions. We consider the pursuance of equal opportunities objectives by firms in the retail and financial services sectors, and by trade unions organising in these sectors.

8.1 Equal Opportunities Policies in the EU and Member States

Equal opportunities between men and women have been on the European agenda from the very beginnings of the European Community. Article 119 in the Treaty of Rome makes provision for equal pay for equal work, and equal opportunities has been a central component of the European Social Model ever since. To abolish gender discrimination has been one of the main objectives of the EU (SOU 1996:43). To this end it has launched a series of legislative measures, the most significant to this project of which were:

- Directive 75/117, which introduced the concept of equal pay for jobs of equal value,
- Directive 76/207/EEC, which implemented the equal treatment policy between men and women in access to work, vocational training, professional promotion and working conditions,
- Directive 96/34/EEC on parental leave, and
- Council Recommendation 84/635 on Positive Action.

Early approaches to equal opportunities were based on the principle of 'equal treatment', and enshrined in law the principle that men and women should be treated equally. However, it become clear that equal treatment did not necessarily lead to equal outcomes, and indeed the net effect of some policy programmes was to widen the gap between women and men. 'Positive action' approaches recognised that there are differences between women and men, in initial labour market position, in educational and training backgrounds, and in organisational experiences, and they aimed to redress these inequalities and compensate for disadvantage. Their principle drawback was in their failure to confront the problems inherent in ghettoised structures, whether male- or female-dominated, and in their failure to attempt to develop alternative structures, or cultures, of work (Rees 1998). Most recently, equal opportunities policies have taken a 'mainstreaming' approach. Mainstreaming rests on an acknowledgement that gender is one of the organising principles of society and all its structures, and that no institution or policy is therefore gender-neutral. On this basis, mainstreaming centres on incorporating a gender dimension into all analysis, policy development, implementation and evaluation. It would therefore seem to offer excellent potential for incorporating equal opportunities concerns into programmes for organisational change, both at policy-making level and at a practical level, within firms themselves.

At national policy level, equal opportunities is therefore now required to be a part of every member state's National Employment Plan (Steneberg 1999 and EU:s sysselsättningsriktlinjer för 1999, O.J.C30/1 of 28/1/98), but these plans remain patchy and insufficiently articulated in many EU members states policies. Austria and Sweden are considered to have the most developed equal opportunities policies embedded in their employment plans (Meadows 1999).

There exists no unanimous or 'ideal' concept of equal opportunities, however (Bergamaschi 1999). Equal opportunities are interpreted differently in every member state, since the key factors that determine the application of the equality principle are closely related to the employment and legislative regimes of each country respectively. How have the different member states developed their particular approaches to equal opportunities?

In Denmark, the Consolidation Act on Equal Pay to Men and Women (Act No. 639, Ligelönsloven) was passed in 1976. Two years after followed an act on equal opportunities (Ligestillingsloven) and an act on equal treatment as regards access to employment and maternity leave in 1978, all of which have since been modified and new legislation introduced. Currently, the Act on Equal Opportunity Between Men and Women, enacted in 1997, makes five different provisions concerning opportunities, access to employment and maternity leave, pay, appointments to public committees and positions in the public administration. In both Denmark and Sweden, responsibility for promoting equal opportunities in regional labour markets and in the regions is given to public sector equality consultants employed by the Ministry of Labour. The approach used in Denmark, as in Sweden, is 'equal treatment' which means that there is no special provision for the protection of women. In Sweden, however, employers have to produce written plans for how to achieve equality and these can be scrutinised by The Office of the Equal Opportunities Ombudsman (Jämo). The Nordic countries are unusual in that the social partners consider these policies to be their responsibility. However, women lack representation in decision-taking bodies proportionate to their numbers, even in those sectors where they form the majority of workers, and this makes the implementation of equal opportunities objectives problematic and limited (Bergamaschi 1999).

In Ireland, the Employment Equality Act of 1999 was designed to outlaw discrimination on nine different grounds. Gender is one of these grounds. The scope of the act is comprehensive and deals with discrimination in work-related areas like vocational training, display of discriminatory job advertisements and so on. The Act provides for entitlement to equal pay for like work. Different sections address the role of different institutions and organisations, such as providers of vocational training, professional organisations and trade unions. The Equality Authority oversees the implementation of the Act. However, many of the provisions of the Act are weakly expressed and difficult to enforce in practice.

In Italy, the Positive Action Act (125, 1991) assigns to an agent – a regional equal opportunities advisor – a strategic role in the implementation of the principles of equal treatment between men and women at work. The adviser is given the task of examining negotiation choices and call on the courts should the principle of non-discrimination not be respected. This has been supplemented by a Directive issued by the Council of Ministers in 1997, which provides guidelines for action and has led to the creation of a number of pilot projects to achieve equal opportunities in employment. Unfortunately, here, as in France, legislation seems to prevent the social partners from striving for equal opportunities or seeing them in anything more than a symbolic light (Bergamaschi 1999: 138). Italian employers, like those in other countries, favour equal opportunities in theory only and oppose positive action that entails any costs or use of resources (Cockburn et al 1994).

In Spain, the state agency responsible for gender equal opportunities policies is the Instituto de la Mujer (Institute of the Woman). It was established in 1983, and currently works presently under the scope of the Spanish Ministry of Work and Social Affairs. The IW is comparable to other equal opportunities governmental agencies in other EU countries in terms of personnel, budget and extent of its functions (Valiente, 1997). Most of the 17 Regional Governments (Comunidades Autónomas) also have an equal opportunities agency (e.g. Emakunde in the Basque Country, Instituto Andaluz de la Mujer, Institut Català de la Dona...). Some municipalities have also developed services and local policies to promote women's situation and gender equal opportunities (Jiménez et al 1998; Astelarre 1994). In all policy documents, the issue of equal employment policy for women is a central one (i.e. any policy action to eliminate direct and/or indirect discrimination based on gender in hiring, firing, professional training and promotion). However, there is no corresponding active commitment to acceptance, in principle, of equal opportunities by unions and employers. Legislation seems to play the key role here in seeking to achieve equality.

In the UK, EO legislation was first enacted in 1975. The purpose of the Sex Discrimination Act and the Equal Pay Act was to abolish discrimination in the labour market (for example, the exclusion of both women and men from certain jobs), in the workplace (for example, the exclusion of married women and unequal pay for women), in access to finance and credit, and in the education system (for example, the teaching of different subjects to boys and girls). In 1983, the Equal Pay Act was amended to cover Equal Pay for Work of Equal Value. People doing different work but using the same skills as others could now claim the same pay. (Prior to this, pay discrimination against women was justified by employers on the grounds that there were no comparable male jobs.)

Equal Opportunities rights were subsequently extended by a mixture of legislation and legal actions. In 1986, the principle of equality of retirement age was established (favouring men). In the same year, sexual harassment was ruled to constitute sex discrimination. The sacking of pregnant servicewomen was outlawed. In 1994, the House of Lords ruled that part-time workers with more than eight hours' service per week should have the same employment protection as full-timers, and in the same year, the Trade Union Reform and Employment Rights Act granted every working woman the right to maternity leave. The equal opportunities laws in the UK give rights to both sexes, and not specifically to women as a disadvantaged group. This remains the case.

The Equal Opportunities Commission (EOC) was set up to monitor the laws and to promote sex equality. Enforcement and sanctions are usually pursued through the courts or through collective bargaining, sometimes by actions brought by the EOC itself. It has proved difficult to enforce these laws. The EOC has fewer powers than its counterparts elsewhere (in the US for example), and has proved a poor watchdog. British tribunals have proved ungenerous in their interpretation of the law. Employers have found ways to circumvent the law, or have dragged their feet in its implementation, and trade unions have not always been enthusiastic supporters of women's equality (Cockburn 1991).

8.2 Equal Opportunities in Practice

Equal opportunities legislation in the member states of the EU has been difficult to enforce and relatively ineffectual. Studies of women's labour market position in the different countries, of equal opportunities and collective bargaining, and of employment in the two sectors suggests that, despite the fact that women are increasingly involved in the labour market, and despite their working patterns no longer being 'merely' temporary or part-time, there has been little by way of corresponding change in gender relations in firms (see for example, Cockburn et al

1994; Duncan 1996; Bergamaschi 1999; Schnabel and Webster 1999). Formal declarations of the need to promote equal opportunities and recognise the value of women's labour have not been accompanied by concrete change, on the ground (Bergamaschi 1999). For example, in the UK, although women's pay rose slightly relative to men's following the Equal Pay Act – from 63.1% in 1970 to 75.5% in 1997 (Cockburn 1991) – it dropped back again thereafter and has remained around the 75% mark ever since. Elsewhere, gender segregation in workplaces does not appear to have been substantially undermined (Hakim 1981), though in some countries the 1990s have seen an increase in the number of professional and well-educated women gaining access to senior and managerial positions in organisations. On the other hand, the decade has been characterised by an enormous rise in employment 'flexibility' and in particular in the growth of part-time work, which has especially affected working-class white women. Far from gender inequality in local workplaces being abolished, it remains firmly in existence, and recently, the 'feminisation of poverty' has entered the policy debate. As Cockburn points out, 'formal rights for women will not on their own eradicate structural subordination and the suffering it generates' (1991: 36).

There is considerable evidence to show that equal opportunities issues simply do not have high priority for either employers or trade unionists. Obviously, their respective interpretations differ, and there are also differences between countries in the degree to which equal opportunities objectives are addressed in organisations and in collective bargaining.

In the Danish financial sector, the Financial Services' Union and the Financial Employers have recognised the problem of equal opportunities in the financial sector. However, this has not led to specific policies or strategies, and the Financial Employers' strategy in particular is to urge companies to think in equal opportunities terms, but not necessarily to take firm action to achieve them (Fællesrådet, 1994). The Financial Services' Union, however, urges male members to take paternity leave and thereby change the culture within the financial sector. In general, the financial sector in Denmark can be described as having a 'closed culture', in which equal opportunities and gender issues are not generally recognised as problematic.

Prior to the restructuring of the financial sector within the past 10 years, the Danish financial sector was characterised by low-grade routine work which was predominantly done by women. Such work is now disappearing, as firms offer widening product ranges, and are increasingly specialised in their service to customers. With foreign competition and competition from new forms of banks, such as Internet banks, employees are now being expected to work with greater flexibility (for example, in terms of working hours). The Financial Services' Union has until recently been firmly against changes in working hours but has lately made an agreement with the Financial Employers' Association on more flexible hours with salary compensation for work outside 'normal' hours. It is not clear, however, whether the needs and requirements of women, particularly in relation to the competing demands of their working and domestic lives, were recognised when the agreement was made. In Sweden, all collective agreements have equality provisions, at national, sector and firm level, and these cover pay and work responsibilities of women and men in the workplace. In spring 1999, the Swedish JÄMO has chosen the retailing sector for its scrutiny of how employers implement equality laws. One of JÄMO's tasks is to offer education and advice concerning how to formulate a equality strategy, implement and evaluate it. (JÄMO M6/98. Aktbilaga 11).

Italian employers have by contrast largely failed to respond actively to either EU or national law on equal opportunities, and have therefore actually tended to reduce its effectiveness. In sectors like Italian banking, the increasing female presence in the labour force has imposed some recognition of equal opportunities issues, but this has tended to be driven by the competitive strategies of firms in developing human resources and their professional competence (Bergamaschi 1999). Furthermore, the growing presence of women has been associated with persistent vertical segregation by sex, with front-office work, for example, still being reserved for women. A German study by Goldmann et al (1993) confirms that even in mixed sex workplaces gender divisions are still fundamental to the organisation of work. Even where women and men have equal qualifications, certain types of work, particularly routine work, are given a female gender-label and often created as female ghettos.

In Italian retailing, companies are now beginning to create special career paths for female personnel, in recognition of the fact that women are numerically dominant but professionally penalised in the sector. However these initiatives are very recent and women's lack of career development in the sectors is still a major problem. There is also something of a machismo culture in the sector which militates against the implementation of equal opportunities initiatives, but at least the issue has at last been problematised.

In Spain, too, equal opportunities thinking is as yet in its relative infancy. Despite, or perhaps because of, legislative measures which have created ministries for women in all regions, equal opportunities policies barely filter through to organisations or to their collective bargaining practices on the ground. The content of collective agreements, which are highly decentralised, is mainly limited to pay, and when agreements do deal with sexual equality they merely reproduce legislative provisions. This means that they do not cover the entire staff of an organisation, and as a result, women's work is still excluded from any equality bargaining.' (Kravaritou, 1997:35). Overall, research on collective bargaining in Spanish workplaces has highlighted the lack of attention given to women's working conditions in contrast with the importance given to matters related to business and trade union representation, or to other social security issues. One explanation for this is the rare presence of women at the negotiating table (Pérez del Río et al 1996).

Retail employers in the UK have demonstrated little preoccupation with equal opportunities for its own sake. On the contrary, it could be argued that their recent employment practices have tended to reinforce entrenched gender inequalities, particularly the pursuance of zero hours contracts. Moreover, the retailing industry is generally unwilling to liase with the trade union movement over equal opportunities, leaving it to the unions to pursue equal opportunities strategies on a unilateral basis. However, the supermarket chain, Safeway, has recently begun to implement term-time contracts on a trial basis, in order to allow women with children to work while they are at school and to remain at home during school holidays.

Gender segregation in the retail sector as a whole has been little disturbed over the past twenty years, except where women have in small numbers entered managerial jobs. In the UK there are no national schemes or quotas for improving women's access to higher-level jobs in the sector, and as we have seen, the monitoring of equal opportunities legislation is done by the EOC, but only for transgressions of the legislation as it is narrowly framed. Anecdotal stories of equal opportunities initiatives tell a different story at the local level. For example, in Cockburn's (1981) case study of an unnamed high street retailing company, two years of positive action on recruiting women into store management positions resulted in 12% of store managers and 50% of trainees for this post being female. However, these were no longer the lynchpins of the firm, which now depended on other types of employee (still male) – the computer specialist, the marketing, advertising and public relations professionals. In fact, this pattern bears out the contention of those who have argued that as women enter new occupational areas, those areas become redefined and downgraded. The retailing sector has been described as patriarchal in its organisation (Brockbank and Traves 1995, Goode and Simon 1994, Sundin 1997). In this respect less conventional types of retailing, such as franchising, may have a greater potential for undermining the dominant gender regimes of the sector. Alternatively, they may simply remove what women there are in senior positions by allowing more men to enter the sector at all levels.

If retailers are lacklustre in their recognition of equal opportunities issues, financial services firms seem to have been even more indifferent to them, at least until the present. In UK retail financial services, there have been some instances of legal action being taken against banks and building societies by the EOC for outright transgressions of the law. For example, during the late 1970s the EOC investigated the Leeds Permanent Building Society, and this was instrumental in increasing the direct entry of women into higher level positions (they had previously been recruited only into low-level positions). In the 1980s, the EOC investigated Barclays Bank because it stratified the level of entry to the organisation by gender. Industry insiders, however, remarked that all the major banks pursued the same practice and could have been the subject of such an investigation. These investigations have, however, resulted in strict formality in recruitment procedures and a multi-level system of recruitment differentiated according to formal qualifications (Crompton and Sanderson 1994).

Across the EU, it is clear that certain developments in the two sectors – while not initiated with equal opportunities objectives in mind – nevertheless have significant implications for equal opportunities, and in particular for women's ability to participate in the labour market. In retailing, for example, it is becoming clear that "zero hours" contracts are mainly given to women. This may be very negative for equal opportunities, reinforcing women's position in marginal and poorly paid jobs in the sector with no career or personal development possibilities. Certainly women's share of employment in retailing can be largely attributed to the increase in various types of flexible contracts, as opposed to a growth in full-time, higher-graded jobs.

On the other hand, the introduction of term-time contracts by some retailers, and flexible working time by financial services employers, may make it possible for women to participate in the labour market on a basis which allows them to organise their working time around their domestic commitments. Until childcare and domestic labour become the equal province of both sexes, this will continue to be an equal opportunities issue for women. It is quite clear that the schooling arrangements in some countries play a very decisive role in promoting or limiting women's labour market participation and availability, as does the availability of affordable childcare. Employers' initiatives – even if not explicitly attuned to equal opportunities – may have very significant consequences for women's work. These initiatives may be driven by employers' labour requirements or by concerns about skills shortages, but they raise the question of whether women themselves are not also searching for different working arrangements than conventional full-time work. German studies by Duran et al (1982) and Raehlmann et al (1994) have shown how companies „instrumentalise„ women's desire to combine family and career. Whether such flexible working arrangements penalise or promote women's careers is a key question with which this project is concerned.

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9. CONCLUSIONS

Across Europe, the retailing and retail financial services sectors have undergone widespread restructuring. This has taken place in the context of the deregulation of the sectors, which has resulted in fiercer competition between players, and the movement of new firms into new markets, both product markets and geographical ones. In financial services, in many countries, the privatisation of formerly state-owned firms has also resulted in the desegregation of the sector and in firms being progressively less specialised in their product offerings. Both sectors are becoming increasingly internationalised and large-scale; concentration of ownership has removed many small players from the sectors and resulted in the sectors being dominated by a progressively smaller number of large firms. All these developments have a number of potential implications for the work of all employees in the two sectors – both male and female. But women constitute around 50% of employees, and this proportion is growing. Developments in the sectors are therefore particularly and increasingly salient for women.

The contributions to this volume provide a basis for a further definition of the various queries involved in the empirical examination of the gender relations in the employment system within the information society, in the examples of the retail trade and financial services. The point of departure for the background deliberations on the matter was, that the gender relations in these sectors of the economy was determined by trade-specific as also by society-specific conditions. In the course of the following remarks, several consequences will be derived for the purpose of future research queries on the previously available information concerning the structural development of the trades and industries involved, on the trade-specific forms of re-structuring and application of technologies and on the national conditions for women's work.

Retail financial services

In both these services sectors of the economy under observation, increasing competitive intensity leads to *intensive concentration processes*. Both sectors are being transformed from being heterogeneous ones composed of a plethora of relatively specialised or small firms into sectors which are much more homogeneous across firms and across national boundaries. In the financial services sector, preconditions were created in recent years by the repeal of national regulatory conditions by virtue of privatisation and the opening up of the new possibilities of the Single European Market, which had the effect of converting the predominant multiplicity of specialised enterprises into a greater homogeneity of the trade. In the different countries, there appears to be a common trajectory of development which has been set in motion, in part at least, by European level developments. To what extent will there consequently be continuing and discernible differences between the conditions and nature of work experienced by female employees in the different countries? Can we expect women's work to reflect developments in the sector itself, and to become increasingly homogeneous across countries and cultures? Alternatively, will national contexts and gender regimes override this homogenisation? Alternatively, will national contexts and gender systems of work override this homogenisation?

Second, the heightening of competition between firms brought about by deregulation of the sector may well have significant effects upon the organisation of work and the way in which this is experienced by individual employees. However, different outcomes are possible. One possibility is that there will be a rationalisation of both employment and work, as firms come under growing pressure to cut their operating costs. This would mean a continuing of the process of employment shakeout which has already been experienced in some countries. In addition, it could lead to increased technological investment and the displacement of human labour by computer-mediated processes in more and more areas. It is also conceivable, however, that some companies will elect to compete on quality of product and service provision, rather than on cost or speed of service, and that they will consequently seek to develop the knowledge-base of their workforces, including their female workforces. This is the central assumption behind the concept of the Knowledge Economy; it implies that the knowledge content of work, and the training and development of employees, will be central mechanism through which firms will maintain and improve their competitive advantage.

The progressive concentration of ownership through mergers and acquisitions, and the consequent domination of markets by a relatively small and diminishing number of large pan-European or global players makes it more likely that these firms will pursue a rationalised strategy of work organisation. If meaningful competition is eroded and organisations become increasingly large-scale in their size and operations, and if markets are no longer geographically localised, it may be that they will search for economies of scale rather than scope, and organise work along Fordist rather than post-Fordist lines. The role of information and communication technologies in either globalising or localising service provision will be particularly critical to a firm's relationship with its markets and its use of women workers in pursuing that relationship. The continued existence of smaller and locally-based players will be particularly important both for the nature of work and for the nature of the service provided to the public, and in this sense the continuation of mutual credit institutions, buildings societies and co-operative banks merits special attention.

The decline in employment in the sector, but particularly in banking, which has been experienced by almost all European countries, confirms the assumption that rationalisation strategies have been pursued by firms following deregulation and increasing concentration. The question this raises is whether these strategies are being, or will be, pursued at different paces in the different countries. Is there a distinct north/south divide in terms of the organisation and behaviour of the sector and what implications does this have for women employees in different parts of Europe? Are women in the south likely to experience employment shakeout in the same way as those in the north have done, and with what effects? An equally important question concerns what effect the restructuring of the welfare state in the Scandinavian countries will have on women's employment and work in the sector, particularly in insurance. Is there a discernible Scandinavian pattern of development in financial services? Will Irish financial services continue, in line with the Irish economy overall, to expand as predicted, and, if so, will this mean that women employees in the sector enjoy relatively privileged conditions of work? Will 'flexible' working patterns, not only part-time work but also temporary work and flexible working hours, become more widespread across the different countries? Though there are national differences in the conditions of part-time work and other flexible employment arrangements, overall, these types of employment have not historically involved the same access to training and career development prospects as full-time work has done. What implications will part-time work have for women's ability to develop expertise in their jobs, and particularly to have access to training and career development structures? Will female part-timers be developed as employees, or used merely as a reserve army of labour to help employers cope with fluctuations in demand? An increase in flexible forms of work may be restrictive to women's access to training and expertise development. On the other hand, it is conceivable that flexible working time could be pressed to the advantage of women, particularly those who need to combine employment with domestic commitments. To date, however, as our discussion of equal opportunities policies shows, such an objective does not appear to have been on the agenda of organisations seeking to develop flexible working time arrangements. It is unclear, therefore, whether these arrangements will allow women to be developed as employees, or whether they will result in women being used merely as a reserve army of labour to help employers cope with fluctuations in demand.

It is clear that women have traditionally been excluded, or not benefited, from training and skills development programmes, particularly those instigated by organisations. Firms have been slow to recognise women's training needs and requirements and often offer training primarily in response to perceived skills shortages. However, in contemporary service organisations, the skills which are declared to be most valued are those which are precisely connected with providing service to customers, particularly interpersonal and communications skills. In financial services call centres, for example, these are one of the principle areas in which employees are now trained. Service work is not only a sectoral category but also a cultural concept embodying the aesthetic of the organisation and the way in which this is conveyed to the customer. It is often assumed that the skills associated with conveying such an aesthetic are the particular province of women, but it remains to be seen whether, if this is indeed the case, these skills will be accredited and improve their holders' employability, in the sense of being able to move in the labour market between jobs and organisations in a proactive way.

The progressive movement of firms from other sectors into financial services activities also has implications for the formation and progression of employees' careers. It raises the question of the type of career path which will prevail as organisations become less bureaucratic and more hybrid in nature. In many financial services organisations, for example, lifetime career paths (though not historically open to many women) have disappeared in some countries and been replaced by flatter organisations in which career development for the ordinary employee is very limited. In retailing proper, career development and skills acquisition possibilities have not historically been strong. Will the move by some retailers into financial services improve this state of affairs?

Retailing

Even in the retail trades of the countries examined, comparable structural changes appear to be taking place. The progressive concentration among enterprises has the effect of creating a relativity in the previous predominance of smaller retail trading enterprises in favour of the large concerns. There are however considerable differences to be observed in the individual countries. Increasing internationalisation, even in the case of the retail trade will very probably lead to the situation where the large enterprises will also gain in significance in those countries, in which retail trading has previously been structured in small businesses, as especially in Italy and Spain. The anticipated consequences of *the increase of large enterprises* in the retail trade are however ambivalent. On the one hand, large enterprises offer better opportunities for a more effective application of labour and occupational conditions of employment and provide a better basis to control these. In principle, large enterprises offer improved preconditions for the maintaining of agreed standards as also for the upholding of employees' interests. Large enterprises also have advantages as regards income and the occupational development perspectives. On the other hand, it is quite obvious, that in large enterprises the distribution of labour is often so broadly pronounced, that jobs are strongly polarised between a few positions with a great diversity of assignments and a multiplicity of jobs with predominantly up to exclusively operative character. Smaller enterprises provide more varied and demanding activities for personnel, especially in the retail sales job positions. The predominant and previously observed trend in the large trading enterprises for a strict separation of purchasing and selling, and the evaluation of purchasing conditions as the key factor for the financial success of the enterprise, with an in-built degrading of sales service activities, can be seen as a problematic point of departure for the future development of labour and gainful occupational employment conditions in the large retail trading enterprises.

The tendency towards larger enterprises or concerns cannot be completely differentiated from the tendency towards a structural changeover to forms of trading operations with *large sales surface areas*. These tendencies appear to be a pan-European phenomenon, too. Large sales surface area stores (hypermarkets, superstores, etc.) provide a completely different setting for sales personnel than smaller shops. It is not possible to evaluate these differences systematically in this present paper, but it can be mentioned, that the methods of the presentation of goods (in large amounts), the construction of the product ranges (a broad provision of comparable goods) and the sales system (self-service, with the exception of a few fresh foodstuffs in retail groceries trading), whereby the customer is canvassed in a specific manner, has the effect of defining the work of the sales staff. Any sort of direct, personal contact between customer and sales staff appears to be rather the exception than the rule. The customer is rather required to "revel" in large amounts of goods, to resort to self information, orientation and decision-taking, rather than taking advantage of the support of an experienced expert sales person. The labour of sales staff therefore is concentrated on activities behind the scenes, in the preparation and restocking of the shelf merchandise for the customer. The broad acceptance of self-service retail trading and its continued progress as an all invasive principle in the large sales surface area stores, can certainly be understood as a form of cultural change, in which the enterprises, as also the customers and the sales staff are participating players. It should be an interesting question to examine the national and cultural backgrounds to this persistent changeover to self-service style shopping, not only as far as the empirical work in this research project is concerned, but also for any future comparable studies. In any event, this is an important point of focus for the self- awareness of the employees and the concrete working conditions of the sales personnel.

Shop opening and closing hours have been deregulated during the past few years in the countries included [25], whereas at the same time the intervention possibilities for the area settlement of retail traders have been enlarged. Whilst the last regulation level for labour and gainful occupational conditions were rather only of indirect significance – leaving aside for the moment, that it is definitely of decisive importance for labour force members with family responsibilities to find a job in the immediate vicinity of the home – the regulation of shop opening and closing hours is one of the

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[25] Sweden is an exception: opening times were already deregulated in the Seventies considerably.

central factors of everyday working life and the occupational situation. Should daily and/or weekly opening times, respectively be extended, whilst parallel to this, working hours for the individual sales staff are reduced by reason of statutory intervention and/or trade union wage agreements, respectively, then a solution should be sought at the employer level for differentiation to be made between opening hours and working hours. Such solutions can basically place the regulation of individual working employee hours or the structure of the labour force at the central point. It would be a shortening to reduce the working-related effect of longer opening hours to the more or less compulsory “innovative” regulation of working hours. It would rather more seem, that any differentiation made between working hours and operational opening hours will be achieved via a flexibilasation of the labour force to a large extent. A larger number of part-time workers with partially minimal occupational working hours per day, week, month or per year could represent a variable employable workforce in supplementation to, or even in replacement of a labour force on full- time engagement. The make-up of the workforce has the tendency to change as a result. [26] Sales work as a professionally defined form of employment will lose emphasis in the face of a predominance of "jobbing” which is not mainly professionally defined. In the various countries, this development is probably widespread to a differentiated extent. It can already be seen partially in Scandinavia and France, that selling as a "job” is far more widespread than in other countries. One can pose the question as to what this development means for the future opportunities of employed men and women as regards the earning of any sort of long-term existential income.

The making of a distinction between the various groups of employees has not yet been undertaken to date. These will however become necessary in the course of this present study in order to be able to assess the development of gainful occupational employment. It has not been possible to obtain any generally conclusive knowledge from the previously available gainful occupational employment trends in any comparisons between the various countries. The differentiation made between full-time and part-time employment, as has been previously available, suggests the interpretation, that there is a direct connection between the proportion of women among the employed and the introduction of part-time jobs. The question therefore arises as to what ratio the tendency to a more *“flexible” employment* bears to the overall amount of female labour in the various countries. This thus highlights a question, which is of central significance regarding the onward development of the retail trade and other services sectors, as also with regard to the national gender regime in each country.

Comparable patterns of development in both sectors: Space, time and self-service

When comparing the developments in both the economic sectors under observation, several parallels as well as distictions become apparent with regard to the spatial and temoral shaping of the range of services offered and to the use of self-service arrangements instead of face-to-face-interactions.

There is a proneness towards making arrangements for a certain degree of provision of services by local area. This applies to the financials services sector as well as to the retail trade. In retail trade merchandising, this applies to the previously described concentration on large sales surface area stores outside of the inner cities. As

[26] It was ascertained for Germany, that the number of full-time gainful occupationally employed in the retail trade fell by 6.7 percent since the liberalisation of opening times in 1996 whereas the number of so-called infrequently employed with incomes of maximum DEM 630.00 increased by som 7.2 percent (comp. Jacobsen/Hill 1998, in loco citato)

regards the banking institutions, savings banks and building societies in particular, this applies to the so- called “retreat from the area” phenomenon. The organisational and technical background for such liberalisation of the local provision of the business services in question, was laid down in both sectors in the past few years and decades by the centralisation of the purchasing methods and management of merchandise and the separation of the “front office” from “back office” etc.. In the “direct” banking sector, “branchless” banking activities have become “every day” and “matter of course”. The tendency towards this development is also obtaining greater significance among the traditional banking institutions. Retail trading is developing on a parallel track, although somewhat hesitantly in most countries, towards electronic shopping via the Internet or the television. In both the economic sectors under review, comparable technologies are employed for the pursuit of this path for the de-localisation of services and similar new forms of the organisation of labour are being created as a result of the introduction of “call centres”. In this manner, the previous boundary lines between the various trades become somewhat blurred. It is quite imaginable, that, in extreme cases within the same call centre, the same customer adviser could be carrying on retail trading as well as financial services business. However, even without exaggerating future forecasts, new queries arise concerning the requirements and the working conditions at such “tele-marketing” places of work.

The prerequisites for any further acceptance of such technical mediation of customer relationships, are not only the much discussed equipping of private households with appropriate technology but also, at least of considerable importance, the preparedness of customers to do without the “face-to-face-interaction” between customer and sales person when going about their day-to-day (banking) business. Comparisons made among the various sectors reveal significant differences. In the retail trade, first tasks were already externalised to customers decades ago , thus integrating customers into the rationalisation of operational processes.[27] The rationalisation potentials of self-service in the retail trade extend to the operative activities of the sales staff in merchandise handling (packaging, cutting to size and the like) as well as to interactive activities of the dissemination of information, shop-serving and advisory services. It can be said without exaggeration, that the majority of European consumers today consider it quite usual, that no mediating sales persons, in the majority of cases stands between the customer and the merchandise. In the financial services sector on the other hand, the self-service principle its still relatively new. The benefit for the customer which might consist in adopting a function him-/herself, which was traditionally carried out by clerks in the financial services sector, is not immediately recognisable at first glance. The reasons behind this from the point of view of the customer could be, and this can only be presumed so far, not just the wish to be left undisturbed by sales staff, which can often be critically experienced in the retail trade, but rather more the possibility of saving the journey to the bank. The waiver of “face-to-face-interaction” in doing business with the bank is thus the side effect of a choice for convenience. The waiver of “face-to-face-interaction” in the retail trade on the other hand, is, in a direct sense, the decision against having to confront communication before having access to the merchandise. Saving the trip to the shop is however only meaningful when the merchandise can be immediately and safely delivered to the home without any extra effort. The rationalisation potentials of continued self-service form of retail trading on the basis of informations and communications technologies are to be estimated as being much greater in the financial services sector than in the retail trade. The intangibility of financial services “products” almost predestines this branch to further technify the customer

[27] Experiments were first undertaken in Germany in the Twenties with the principle of self-service, analogously to the practice in the U.S.A.

relationship. Questions can be raised as to whether there are any limits in this respect and where such limits could lie. The future gainful occupational opportunities of men and women employed in financial services depend upon the answer to such questions to a presumably not inconsiderable extent. In view of the fact, however that financial services of various types are only partially once transacted or not often in one lifetime, customers will therefore not be able to develop their own routine for concluding private pension scheme insurances or in the taking out of a mortgage, so that it is absolutely imaginable, that special branch offices will continue to exist for such business, in which the personal form of interactive discussion will be of vital importance. Even in the retail trade, there are also bound to be certain niches in the future for jobs in selling, where individual customer contact will remain just as significant. Such will primarily involve the sale of particularly valuable merchandise (e.g. jewellery). The direct interaction between the sales person and the customer would appear here to become an ex gratia service for the acquisition of luxury goods and no longer a normal everyday experience.

Even if it can be assumed, that the previously mentioned potentials for continued implementation of radical self-service, will be employed neither in the financial services sector nor in retail trading unbrokenly, it can also be recognised, that any growth in the extent of gainful occupational employment is probably not to be anticipated in these traditional types of business for the future. From the qualitative aspect, the declining significance of "face-to-face-interaction" sales-service is an essential factor in the changes in the demands placed upon the jobs themselves. What this will mean for the labour of the male and female occupationally employed persons represents subject matter to be more closely examined.

Another question of especial significance in the future equal opportunities for women in qualified jobs in both these services sectors is the question as to how the *positions in lower and middle management* will develop. The possibility of women being appointed to the level of local management functions has become increasingly more achievable in the banking institutions as well as in retail trading during the past few decades. Does then the " retreat from the area " in the banks and the progressive centralisation of commercial functions in the relationship between headquarters and the branches in the retail trade mean, that such management positions will be reduced in their number or degraded in their fields of competence? In the case of female employees, this could mean, that terrain already gained could become lost again. This could lead to competition with the males becoming more abrasive for the decreasing number of management appointments. It could also signify, that the degraded management functions would become "female-typed", especially when these are predominantly oriented towards personnel management functions, whilst the levels "above" would rather more be upgraded into strategically important management positions and become "male-typed". Country-specific differences in this matter will have a strong effect.

The question also remains as to how 'skill' should be thought of in describing contemporary patterns of work, particularly those of women. Retail and financial services work is not 'skilled' in the conventional sense, in that no apprenticeship is taken to enter it. Increasingly, too, no formal qualifications are required. Indeed, apprenticeship has by definition largely been closed to women in most countries, and as we have seen, training programmes remain poorly geared to their needs. However, we still refer to the skills of employees when we refer to their technical facility with ICTs, and to the discretion and judgement which they exercise in the course of their work. It may be worth elaborating a distinction between 'skills', 'competences', and 'abilities' in order to be clear exactly how these attributes are developed and what their labour market significance is.

Of course, women's relationship to the labour market, and consequently their experiences at work are not exclusively shaped by developments in firms and organisations. As our discussion of equal opportunities systems shows, women's relationship to the labour market is also mediated by national social and cultural factors, including employment law and employment protection, family and divorce law, childcare regimes and schooling arrangements, as well as cultural notions of what is appropriate work for women, and education and training systems. These webs of factors vary markedly across the countries of the EU and across those involved in this study. Most obviously, women's relationship to the labour market is well-established and strongly supported in the Nordic countries, but relatively undeveloped in the southern countries, particularly Spain. However, despite these differences in context, there are remarkable similarities in the sexual divisions of labour in the countries concerned, that is, in the jobs which women do and in the prospects which they enjoy. Although there has been considerable activity in the pursuance of equal opportunities agenda both in the member states and at EU level, organisations and firms have been less than assiduous in implementing equal opportunities objectives, unless they cohere with their own competitive strategies. Unions, too, have not incorporated equal opportunities wholeheartedly into their bargaining agendas, with the result that issues relating to women's employment remain poorly addressed and equal opportunities efforts have not been fully effective. This does not suggest a very optimistic scenario for the future development of women's employment in the two sectors in our study. It remains to be seen whether increased employer reliance on female employees, which is undoubtedly happening, will cause firms to rethink their organisation of women's work and will in turn improve women's consequent opportunities for expertise and career development.