The United States has a bad jobs problem, and retail jobs are at the heart of it. For those interested in solving the problem, a global shopping trip could prove highly instructive. For example, shopping for groceries is a very different experience in France than in the United States. An American shopper in Paris might be surprised to find cashiers seated, to have to do her or his own bagging, and to find stores closed on Sundays and most late evenings.

Less noticeably, a typical Parisian store would be staffed overwhelmingly by adult women, with many fewer workers in their teens or early twenties. Other divergences, equally important, would not be visible to the shopper: perhaps most striking, the average French nonmanagerial employee in retail earns almost 90 percent as much per hour as the economy-wide average, far more than the U.S. ratio of just under 70 percent. And though French retail workers are as likely to work part time as their American counterparts, they are only half as likely to work fewer than twenty hours. A perceptive shopper might detect signs of one last contrast: underpinning the higher pay, French retail workers are considerably more productive, as reflected in measures like faster item-scan rates and greater numbers of sales per hour per employee.

If we instead headed south to Mexico City, still more differences would emerge. At first glance, the scene would look similar to shopping in the United States: cashiers stand and are joined by baggers. But instead of the huge cadre of part-timers in the United States, Mexican retail workers overwhelmingly work full time. Instead of complaining about too few hours, they complain about being made to stay for extra hours without pay. And Mexican baggers look expectantly at shoppers for tips since they subsist on tips only.

This global shopping trip tells us a number of things, but, most important, it tells the United States that some of the patterns we take for granted in U.S. retail jobs are far from universal. Retail jobs in France are better in a number of ways. Mexican retail workers have unsustainable schedules like their U.S. counterparts, but the most prevalent schedule problems differ across the two countries. As we show in the following discussion, it even turns out that Walmart acts quite differently in different parts of the world.

Differences like these challenge
what we call the “myth of inevitability”—the notion that if some categories of jobs in the United States are bad, it’s because pursuit of the most efficient ways to deliver quality goods and services at affordable prices has yielded low-productivity jobs and that attempts to improve those jobs will be blocked by that low productivity. But there is more than one questionable claim afield in discussions of bad jobs in retail and elsewhere. Though we question inevitability, we are also skeptical of the “win-win” hypothesis, which holds that the practices of the few U.S. retailers that do profit while providing better jobs can diffuse throughout the whole industry, thanks to information and replication.

The last couple of years have also seen the ascendance of the “retail apocalypse” narrative, positing that with the rise of Amazon and e-commerce, store-based retail will quickly become a thing of the past—rendering our shopping trip, and discussion of retail jobs as they currently exist, obsolete. If you accept this proposition, you may not see much value in reading the rest of this article, so to improve the chances that you continue reading, we suggest a few reasons to doubt the apocalypse-now scenario.

First, though growth has been rapid, only 9 percent of 2017 retail sales took place online. Even if large numbers of stores have closed since 2016, most of that decrease is accounted for by excessive corporate debt burdens (often imposed during a stint of private equity ownership of the brand) rather than obsolescence. Finally, consider that Amazon is investing in physical stores, launching bookstores, acquiring Whole Foods, and, most recently, piloting the Amazon Go store, where checkout is completely automated (cameras track purchases and charge your account at the exit) while a small army of staff stocks the shelves and prepares meals for sale.

Looking for Alternatives to Inevitability

We have asked two questions in our research: Why are retail jobs so different across countries? And how much room to maneuver do retailers have within the United States to manage for better jobs? Here, we focus on the international question, though we will also come back to the second, “win-win” question for the United States.

Our research encompasses comparisons of U.S. retail with findings from five European countries (Denmark, France, Germany, the Netherlands, and the United Kingdom) and Mexico. Retail workers are not to be found in the aristocracy of labor in any of these countries, nor even at the average. Nonetheless, they are sometimes much closer to the average, and each negative feature of retail jobs found in the United States is absent in at least one of the comparison countries.

And some countries have retail jobs superior to those in the United States. The extent to which the United States is an outlier, at least compared to its European counterparts, is captured in in the scatter plot below. It shows that, not surprisingly, retail labor turnover rates are higher in countries where the sector employs more young people. But U.S. retail stands out: though a middling percentage of its workforce is under 25, its worker exit rate floats far above that of all the other countries.

Why such big differences in retail job quality? Though specific answers vary, most often the answer comes down to the effects of national institutions. The United States’ contrast with Denmark’s and France’s retail jobs is particularly striking:

- The two European countries have a smaller low-wage job share in total employment, 23 percent and 18 percent, respectively, compared to 42 percent in the United States.
- Both implement a policy of part-time hourly wage parity, whereas the United States does not have such a mandate. In the United States, the compensation differential is further exacerbated by the usual absence of health insurance provision for part-timers, with few exceptions, whereas the five European countries have universal health insurance schemes.
- Minimum work hours are guaranteed to part-timers in both countries at a higher weekly level, whereas a substantial share of U.S. workers have part-time, low-hours jobs.
Substantial advance notice of schedules is common practice in Denmark and France, whereas U.S. retailers typically provide schedules five days ahead and expect “just-in-time” adjustments.

Both countries provide more extensive childcare and early childhood education, as well as parental leave, which free parents, primarily women, to remain in the labor force and work longer hours.

Interestingly, these two European countries have gotten to these outcomes in retail jobs through differing institutional paths, the French path relying on state regulation of baseline labor standards while Denmark relies on a social contract based largely on industry-level collective bargaining.

French institutions’ job impacts start with a high minimum wage, well above the collectively bargained rate in retail at the time of study. Product market regulations play an indirect role: store hours’ regulations, particularly those limiting Sunday and holiday opening, lessen the pressure to use part-timers. Zoning regulations that restrict store size and the crowding of large stores in proximity lessen competitive pressures on stores. These regulatory features are buttressed by social norms and reproductive-sphere policies.

Notably, women work full time in grocery retail to a greater extent than in the United States; they are enabled by policies supporting labor market participation and a norm that workers’ earnings should be sufficient to shop in the store. Part-time school-age youth are a less viable option because French education hours are longer.

All of this takes place with a union density even lower than in the United States. A national law extends collectively bargained terms to all employees in the sector, buoying job quality in some industries, but in retail, unions are sufficiently weak that contractual guarantees are also weak. In low-wage sectors, the regulatory state is the ultimate guarantor of job quality. National union federations can share credit for this as well because they are the main pressure group pushing to keep minimal standards in place.

Denmark has relied on a different model. A national emphasis on “flexi-security,” which entails government and industry investment in training (apprenticeship) and retraining over the work career, holds in retail as elsewhere and facilitates work performance in stores. Compensation and scheduling in the Danish retail industry are governed by national industry-based collective bargaining, which is governed by a national policy commitment to wage compression (low top-to-bottom gradient) and consequently a high wage floor. Indeed, it is the combination of high union representation and a social contract favoring active engagement in bargaining by social partners that yield relatively high wages and investment in training in retail.

In both countries, workers and their families are supported by a safety net of welfare-state policies that provide a baseline of paid time off, health insurance, retirement, and income replacement in cases of illness or disability. Government-provided benefits include subsidized housing, childcare, public transportation, and universal education (with little reliance on fees).

In comparing Mexican retail with retail in the United States, the big puzzle is where the part-time jobs went once you go south of the Rio Grande. Here again, institutional differences offer the explanation. U.S. retailers have three
strong incentives to boost part-time employment. By having a separate job classification for part-time cashiers and clerks, they can justify paying a lower hourly wage. They also offer fewer (or no) fringe benefits to part-timers. Finally, retailers use part-time schedules to match staffing with the ups and downs of customer flows and to cover evenings and weekends.

In Mexico, different institutions reduce or nullify these incentives. Mexico has universal (though uneven) health- and retirement-security systems, so employers lack discretion over these benefits. The standard work week is six eight-hour days, making it easier for employers to cover weekends by staggering work weeks. Perhaps most peculiar from the U.S. viewpoint, Mexico has a daily minimum wage; there is no legal way to save money by setting the part-time wage significantly below the full-time wage (given that full-time wages are already close to the minimum in most retail settings) or by paying workers for a shift of only a few hours. In fact, the daily minimum wage induces Mexican employers to pressure workers to stay on for extra (unpaid) time to “finish their day’s work”—that practice, not unheard of in the United States, is widespread in Mexico.

Even Walmart, often portrayed as having a business model that depends on super-exploiting workers, is not impervious to cross-national institutional differences. Walmart has worked hard (so far successfully) to keep unions out in the United States, but its workers are unionized in at least nine countries for which we have information. The company offers better-than-average compensation in countries like Argentina, China, and Mexico—and in the latter two, at least, it aims at middle-class to upper-middle-class shoppers. The reason is similar to what we have seen with retailers in Denmark and France: in each country, Walmart responds to institutional incentives and rules, as well as to differences in market structure.

**Room to Maneuver in U.S. Retail?**

One positive sign that retail jobs could be improved in the United States is the existence of retailers offering well-above-average quality jobs. Costco has gotten lots of good press for being the good-jobs “anti-Walmart,” and we did find other such retailers, in both groceries and electronics retailing. Grocery chains offering higher compensation and more worker-friendly conditions typically made profits by attracting higher-end customers with specialized merchandise (better and more varied produce and meats, prepared foods, wines, and cheeses). Their consumer electronics counterparts, on the other hand, usually offered high-margin services (computer tech services, home or car entertainment system installation).

Both strategies required investing more in worker skills and in retaining knowledgeable and customer-friendly workers—hence better jobs, a win-win outcome for owners and employees. These “better job” retailers also generally had a long tradition of offering customers something better, were often privately held (frequently by founders’ families), buffering them from shareholder pressures, and were more concentrated in regions with more restrictive land-use regimes, making it harder for competitors to open up shop.

But the positive examples we saw do not offer much encouragement for the notion that “win-win” job-upgrading strategy could easily diffuse to a large section of the retail sector. In terms of managerial strategy, every retailer we studied faces unrelenting pressure to cut labor costs in order to make prices competitive with discount operators, and most translate that pressure into highly constraining payroll and staffing limits for store managers. This harsh competitive calculus means that the few high-road companies we found either occupy limited high-end market niches or operate perilously close to a choice between reverting to the bad-job retail norm or being driven out of business. Given the United States’ weak institutional protections and unfettered competition, proselytizing for win-win strategies seems likely to have only a limited effect; the “Costcos” of the U.S. labor market will remain niche players.

**How Can U.S. Retail Jobs Be Improved?**

Rather than relying on an unlikely diffusion of win-win strategies, our comparative research points to two other possible paths for improving retail jobs. A “Danish” path builds on deeply institutionalized collective bargaining to shore up job quality even at the low end, and a “French” path deploys a beefed-up regulatory state.

The Danish model is premised on unionization of a high percentage of the workforce, so a priori it would appear to face an uphill battle in U.S. retail, with a current union density of 4.5 percent. True, U.S. unions have developed innovative ways to level the playing field, ranging from the “OUR (Organization United for Respect) Walmart” advocacy and organizing group to global strategies (such as getting H&M’s home union in Sweden to press H&M not to oppose unionization in the United States).

But these strategies have encountered formidable obstacles—tellingly, the United Food and Commercial Workers’ Union, frustrated with slow progress, ended funding for OUR Walmart in 2015, though the organization persists on a smaller budget. And a closer look at Danish unionism suggests key institutional differences that make it hard to envision a Danish-style surge in U.S. retail union density. Denmark has deeply entrenched national-level tripartite collective bargaining and uses a “Ghent
system” of unemployment insurance—in which most workers access the system through their unions. The United States has neither and faces no realistic prospects of adopting them.

In contrast, the U.S. institutional configuration presents unexpected but striking parallels with France. The institutional forces shaping French retail jobs are many and diverse, but a chief lever is the linkage between worker representation organizations (unions and associations à la OUR Walmart) and public policy—in short, the leveraging of labor’s “social power” toward establishing an enforceable floor of labor standards. Characteristics of this linkage include low union density but high collective bargaining coverage, minority unionism (with unions functioning in workplaces even without a majority vote from workers), a labor political mobilization repertoire that includes disruptive tactics, wildcat strikes (a constitutional right), and appealing to public sympathy along with support from unions across multiple sectors, labor influence on a powerful party, and resulting stronger government regulation of labor standards. Characteristics of this linkage include low union density but high collective bargaining coverage, minority unionism (with unions functioning in workplaces even without a majority vote from workers), a labor political mobilization repertoire that includes disruptive tactics, wildcat strikes (a constitutional right), and appealing to public sympathy along with support from unions across multiple sectors, labor influence on a powerful party, and resulting stronger government regulation of labor standards. Much of this could be a thumbnail description of the Fight for $15, and it has much in common with other recent and current U.S. local labor campaigns. The accomplishments of such campaigns are significant, though (so far) modest compared to the scale of the problems they address.

Our cross-national comparisons establish that a “French” state-driven path to better retail jobs is economically feasible. The political question is more challenging: Are the necessary institutional changes achievable in the United States of today and of the next decade or so? Given current political circumstances, it would be foolhardy to predict success. But we will conclude by saying the following: this is the approach most likely to make a retail-wide difference, and it is well worth the attempt.

Publisher’s description:
Retail is now the largest employer in the United States. For the most part, retail jobs are “bad jobs” characterized by low wages, unpredictable work schedules, and few opportunities for advancement. However, labor experts Françoise Carré and Chris Tilly show that these conditions are not inevitable. In Where Bad Jobs Are Better, they investigate retail work across different industries and seven countries to demonstrate that better retail jobs are not just possible but already exist. By carefully analyzing the factors that lead to more desirable retail jobs, Where Bad Jobs Are Better charts a path to improving job quality for all low-wage jobs.

In surveying retail work across the United States, Carré and Tilly find that the majority of retail workers receive low pay and nearly half work part time, which contributes to high turnover and low productivity. Jobs staffed predominantly by women, such as grocery store cashiers, pay even less than retail jobs in male-dominated fields, such as consumer electronics. Yet when comparing these jobs to similar positions in other countries, Carré and Tilly find surprising differences.

In France, though supermarket cashiers perform essentially the same work as cashiers in the United States, they receive higher pay, are mostly full time, and experience lower turnover and higher productivity. In Germany, retailers are required by law to provide their employees notice of work schedules six months in advance. And as the authors show in a chapter on Walmart around the world, while the company is notorious for its low-quality jobs in the United States, in many countries, including China and Mexico, Walmart is either unionized, pays more than its competitors, or both.

The authors show that disparities in job quality are largely the result of differing social norms and national institutions. For instance, weak labor regulations and the decline of unions in the United States have enabled retailers to cut labor costs aggressively in ways that depress wages and discourage full-time work. On the other hand, higher minimum wages, greater government regulation of work schedules, and stronger collective bargaining through unions and works councils have improved the quality of retail jobs in Europe.

As retail and service work continues to expand, American employers and policymakers will have to decide the extent to which these jobs will be good or bad.
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