

Gerhard Bosch

The re-institutionalization of a new flexible standard relationship

The role of flexible employment and employment intermediaries in cushioning the business cycle: what insights can research contribute?

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Prof. Dr. Gerhard Bosch
Institut Arbeit und Qualifikation
Forsthausweg 2, LE, 47057 Duisburg
Tel.: +49 203 / 379 1827; Fax: +49 203 / 379 1809,
Email: gerhard.bosch@uni-due.de ; <http://www.iaq.uni-due.de/>

The re-institutionalization of a new flexible standard relationship (SER)

1. The debate on the SER
2. Definition and function of SER
3. Causes of change
4. Approaches to a new flexible SER

Questions: Is the old SER eroding ?
and
are there opportunities for shaping a new SER?

1 The debate on the traditional standard employment relationship (SER)

Predominant notions (Castells, Beck, Carnoy etc)

- Employment relationship of full-time permanent core workers is breaking up in favour of a diversity of non-standard atypical forms of work
- SER is replaced by “Human Capital Portfolios” (Carnoy et al. 1997)
- Reasons for the erosion of the SER: new technologies, globalisation, deregulation, individualization

Assumption:

- SER has declined in importance
- SER will decline further in importance

2 Definition and function of SER

2.1 Definition of SER

SER is the result of a partly de-commodification of work (Polyani, Esping-Andersen, Offe)

- ➔ Workers as commodities can be easily destroyed by even minor contingencies like illness
- ➔ Social protection creates buffers between the market and employment relationship
- ➔ SER (1) guarantees workers income when they do not work (holidays, illness, accidents, economic crisis), (2) establishes long term relationships, (3) regulates working conditions
- ➔ De-commodification by law or collective agreements

- Conclusion:**
- We have **to differentiate** between the **form** (“Permanent full-time”) and the **substance** of the SER (De-commodification).
 - The form can change **without erosion** of the substance
 - If there is no **employment protection and welfare state** it makes no sense to speak of SER

2 Definition and function of SER

2.2 Functions of SER

General functions

- For the employee: welfare and security
- For the companies: workers cooperation – returns on investment in human capital
- For the society: reduction in inequality, formation of human capital

Specific functions of full-time work:

- For the employee: family wage
- For the companies: standard working hours on which work organization was based

Conclusion: Specific functions may change – depending on family structure and work organization

3 Causes of Change

3.1 Flexibilization of product markets

- Work organization is not any longer based on standard working hours
- Growing interest of companies in long term relationships with skilled workers

3.2 Rising employment rate of women

- Probably no need for family wages any longer
- Employment forms depend on childcare provisions, tax systems, regulation of part-time, wage differences between men and women

3 Causes of Change

3.3 Combination between education/training and work

- Rising demand for part-time jobs from pupils and students
- In the future of adults in periods of further training

3.4 Rising educational attainment

- Increasing demand for full-time jobs

3.5 Regulation and deregulation

- Deregulation: re-commodification
- Trend towards exclusive pay systems/Increasing shares of low wage earners
- Regulatory gap between different forms of work: might pull standards down

3 Causes of Change

3.6 Employment situation

- Full-employment increases negotiating power of employees and their unions
- Unemployment increases competition on the labour market which undermines SER

3.7 Individualisation

- More wishes of employees for flexible working life (change from part-time to full-time and vice versa, sabbaticals)
- Realization of these wishes depend on income, family situation and regulations

4 The re-institutionalization of a new flexible standard relationship (I)

CONCLUSIONS

- (1) Deterministic theories on the erosion of the SER are not convincing. Some **drivers** of change lead to de-commodification, others to a **new type** of SER
- (2) The **substance** of the SER (de-commodification) may be **preserved**, but the **form** (Full-time work, family wage) **might change**
- (3) The **old SER with standard working hours and traditional household structures is not sustainable** because of changes in society and economy

4 The re-institutionalization of a new flexible standard relationship (II)

New form of SER: Flexible lifelong working hours

Main elements:

- **De-commodification** by protection and strengthening employability
- **Inclusive pay systems:** High coverage of collectively agreed wages
- **Employees driven flexibility** (change from full to part-time and vice versa, sabbaticals for childcare and training)
- **Integration of women into the labour market** (development of public infrastructure of child-care, replacement of derived by individual entitlements in the welfare state)
- **Flexible work organisation:** based on a high functional and numerical flexibility of employees in the SER

4 The re-institutionalization of a new flexible standard relationship (III)

Functions of the new SER:

For the
EMPLOYEES:

- Welfare
- Security
- Employability
- Reconciliation of work and family life
- Decent living standard

For the
COMPANIES:

- Workers co-operation
- Returns on investment in human capital
- Flexibility

For the
SOCIETY:

- Reduction in inequality
- Formation of human capital
- Use of human capital of men and women

4 The re-institutionalization of a new flexible standard relationship (VI)

Important questions not answered in my presentation

1. Are there different types of SER in countries with different balances between security and flexibility
2. Meaning of the notion “European Social Model”
3. Limits to de-commodification in a globalized economy
4. Costs and benefits of de-commodification
5. Forms of de-commodification (law, collective agreements, centralized – decentralized)

Reference

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