

The Making of Cross-border Labour Markets for Temporary Work

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In Search of Global Labour Markets

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Economic Sociology of Markets

- Political-cultural theory of market “fields” (Fligstein 2001)
 - Actors, Capacities, Cognitive Understandings
- Market-making as a process of institutionalization of a market order (Aspers 2009, Aspers / Beckert 2008)
 - Phase of orientation/actors building identities, phase of interaction / actors’ mutual observation and monitoring

But economic sociology has stayed within the national container (Mense-Petermann 2008) and assumes market orders need a central political authority (Quack 2009)

Markets in Transnational Space

- Emergence of transnational **spaces**, transnational actors, transnational institutions (Morgan 2006)
- **Actors** Interactions: orientation, identity- and capacity-building,
- **Patterns** of market relations and regulatory paths – highlighting historical and regional perspectives

Comparative transnationalization of triangular employment relations

Europe (EU)



East-Asia

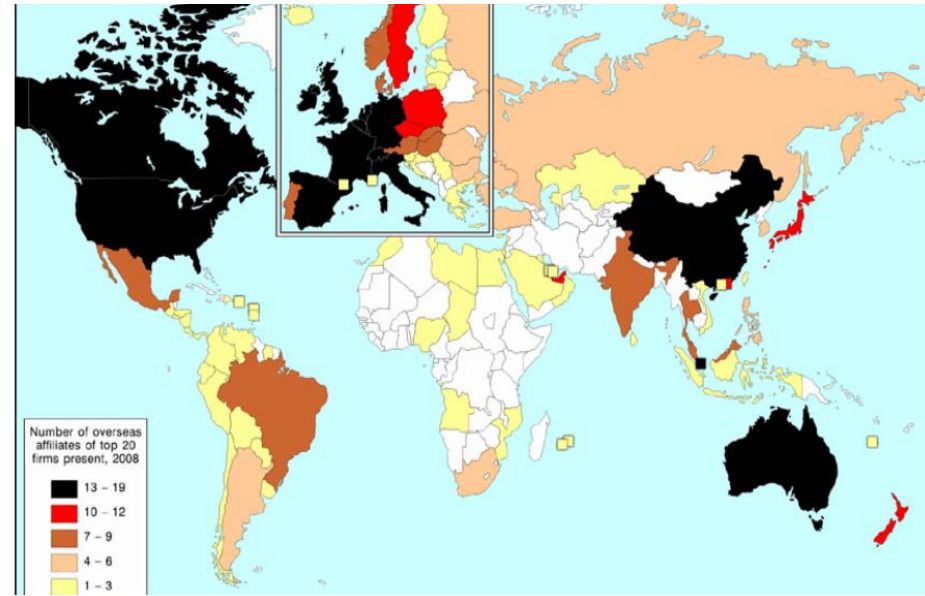
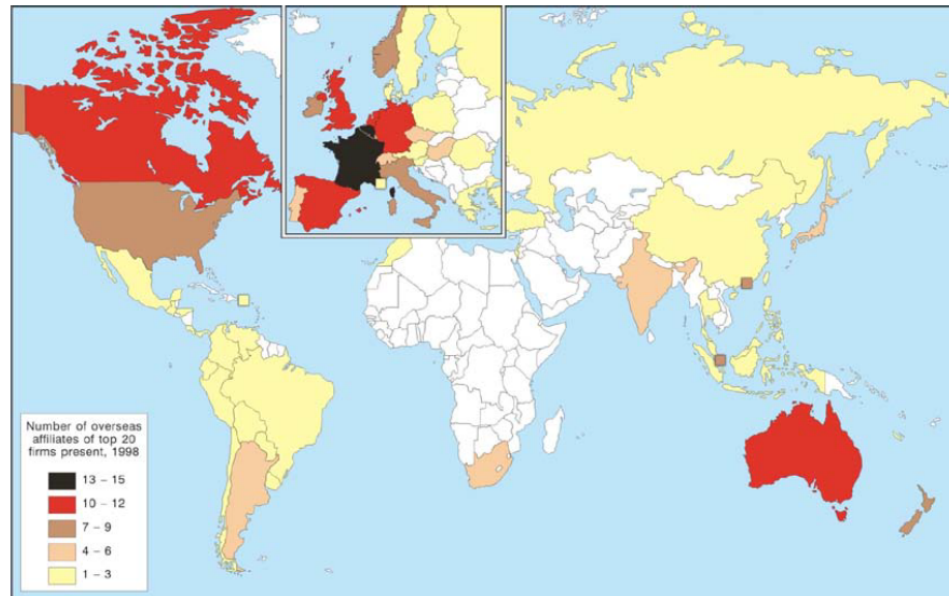


Transnational capacities of temporary staffing firms (GOTSU University of Manchester)

1998

2008

Figure 1: Number of overseas affiliates of top 20 firms present, 1998



Quelle: Coe, Johns & Ward 2011

Top 20 japanische ZA Firmen 2007 (Coe et al. 2011)

Rank 2007	Firm	Head Office	Parent Company	2007 Sales (US\$ m)
1	Staff Service	Tokyo		3,176.24
2	Pasona	Tokyo		2,105.64
3	TempStaff	Tokyo		2,103.97
4	Recruit Staffing	Tokyo	Recruit	1,988.58
5	Adecco	Tokyo	Adecco (Switzerland)	1,983.74
6	Manpower	Kanagawa	<u>Manpower</u> (USA)	893.10
7	Human Resocia	Tokyo		490.18
8	Fuji Staff	Tokyo		442.08
9	Intelligence	Tokyo		396.94
10	Panasonic	Osaka	Panasonic	330.24
11	Tokio Marine & Nichido Career Service	Tokyo	Tokio Marine	321.58
12	People Staff	Aichi		277.15
13	Human Trust	Tokyo		257.71
14	Mates Group	Tokyo	Mitsubishi	255.60
15	Niscom	Tokyo		250.20
16	Avanti Staff	Tokyo		242.10
17	Arrow Business Mates	Osaka	Panasonic	230.80
18	Mitsubishi UFJ Staff	Tokyo	Tokyo Mitsubishi Bank	227.54
19	WDB	Hyogo		192.77
20	Caplan	Tokyo	Itochu	128.92

Source: Adapted from BJF (2008) Report on 'Talent dispatch company gross sales ranking'.
Translated from Japanese. Available at: <http://www.jinzaibf.co.jp/toukei.html>.

Comparative transnationalization of triangular employment relations

Europe (EU)



East-Asia



Research in-progress

	Europe	East Asia
Actors	<ul style="list-style-type: none"> • Giedre Lelyte, director TAW sector, UNI Global Union (CH) • Annemarie Muntz, president Eurociett, (NL) and CEO Randstad • Heiner Reimann, union organiser, ver.di (DE) • Bart Samyn, deputy secretary general, IndustriALL ETU (BE) • Stefan Sudmann, labour law expert, German staffing employers' association IGZ (DE) 	<ul style="list-style-type: none"> • Ministry of Labour official (Taiwan) • Ryuji Ichikawa, representative Japanese agency association JASSA (Japan) • Magdalene Kong, director TAW sector, UNI APRO (Singapore) • HR consultant (Japan)
Patterns	<ul style="list-style-type: none"> • Dutch Global Staffing firm • Dutch cross-border staffing firm • German staffing firm • Polish cross-border agency <p><i>(research in the Netherlands, Germany and Poland underway)</i></p>	<ul style="list-style-type: none"> • TWN.a.04, Taiwanese agency (Taiwan) • TWN.a.02, Taiwanese agency (Taiwan) • TWN.a.03, Taiwanese agency (Taiwan) • TWN.a.01, Japanese temporary staffing agency (Taiwan) • Japanese agency (Japan) • Swiss Global staffing firm (Japan) <p><i>(research in China underway, planned for Thailand and Vietnam)</i></p>

Preliminary Findings

- Through social partnership in Europe we see the emergence of collective actors with increasingly transnational perspectives, but more so among employers than unions....
- Inter-regional differences lie in contrast between „social partnership“ in Europe and „managerialism“ in Japanese employment relations and their diffusion in East and South East Asia (labor subcontracting „ukeoi“ example: dispatching „haken“)

East Asia: Diffused market order

Early stage of market formation or a different pattern?

- Enabling factors for creation of transnational space
- Limiting factors
- Driving factors for doing it anyway....

Enabling factors for creation of transnational space in East Asia

- Japanese colonialism (Osterhammel 2010), especially important in Northeast China, South Korea, and later in Taiwan
- Pattern of strong developmental states, model of Japanese developmentalism (knowledge transfers in legal regulations)
- Successive waves of Japanese FDI in South East Asia, in 1980s, but now again post-Fukushima
- Labor subcontracting as an available and long-practiced form of triangular employment

Factors limiting the emergence of transnational space in East Asia

- strong states and security tensions inhibiting a transnational business perspective
- lack of collective organization of either employers or unions at national levels, that might be a launch for transnational interactions
- Licensing restrictions for foreign subsidiaries in China and most of SE Asia, no licensing of staffing firms in some countries
- Visa restrictions remain strong throughout the region (some movement in ASEAN group)

Driving factors for incidence of cross-border labor placements

- **Demand Side** -- shrinking labor markets with shortages especially in managerial and engineering in Japan especially (driving new „spatial fix“ and „organizational fix“?)
- **Supply side**: availability of well educated workers – India already positioned as a „technical service provider“ increasingly Vietnam (engineers) and Thailand (middle managers) who are also willing to move, in Japan – educated women
- **Normative**: Observation of European FDI in the region and use of Temporary Staffing, but no peak sectoral employment – „modern personnel practices“
- **Capital**: Not trusting Chinese partners (Japanese FDI prefers Taiwanese staff)

EU: Negotiated Market Order

Peak Dialogue but National Interests

- Social dialogue and the development of EU Directives on social policy
 - The actors in 2000: EU Social Dialogue
 - UNICE/EUROBUSINESS and the ETUC – organizations are federations of federations („communities with limited liability“ Fetzner 2003)
 - Example: letting national social partners decide on restrictions
 - Eurociett and UNI-Europa – with transnational organizational elements (but with different strengths) and a more European approach
 - Example: agreeing against temps as strikebreakers / focus on improving working conditions of temps / legitimating temp empl.
 - Directive fails in 2002 with a criss-cross of interest conflict...

...but negotiations continue....

- Establishment of a sectoral dialogue between eurociett and UNI Europa
 - Strategy of influencing the Commission's compromise
 - Joint declarations on all three of the disputed issues: equal treatment (UNI Europa accepts a qualification period), against strike-breakers and illegal competition and on a process of reviewing any restrictions
 - 2008 TAW Directive resembles these joint declarations
 - in equal treatment with a qualification period,
 - recognizing further regulations with a requirement to review restrictions as being justified, and
 - against the use of agency workers during strikes
 - Sectoral dialogue continues with a new shift to monitoring cross-border placements, and

The third social dialogue

- 2008 establishment of „informal“ sectoral dialogue between eurociett and European Metalworkers' Federation,
 - 2012 EMF and other sectoral unions establish IndustriAll European Trade Union
 - 2013 joint IndustriAll and eurociett survey of collective bargaining in member states to jointly develop European expertise on regulations and restrictions

Types of Cross-Border Temporary Staffing

<div>Location of Employment Contract</div> <div>Nature of Employment Relation</div>	Home/Residence Country	Destination/Place of Work Country
Direct	Posted worker	Mobile worker
Indirect	<i>Huckepack Überlassung</i>	<i>Shokai / brokering</i>
Triangular	Posted agency worker	Migrant agency worker

Posted agency work

Asia

(Taiwan to China case)



Europe

No real case in our case studies so far –
but reported by experts and in
literature

Migrant agency work

Asia

(Japan to Taiwan case)



Europe

(Poland to Germany case)



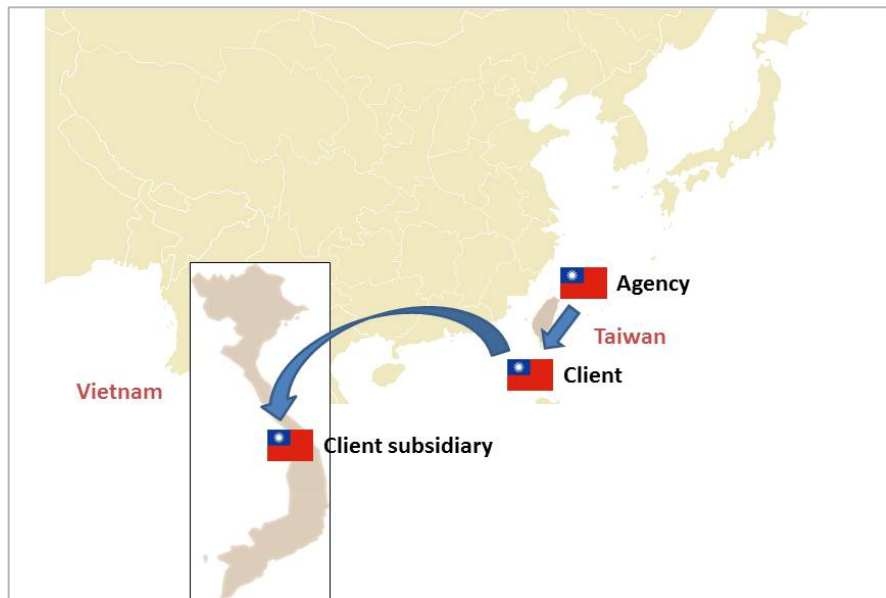
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Indirect Posting („Huckepack-Überlassung“)

Asia

(Taiwan to Vietnam case)



Europe

(Poland to Germany case)



Brokering

Asia

(Taiwan to China case)



Europe

(Poland to Germany case)



Preliminary insights: Comparisons

- What explains the difference between negotiated and diffused modes of transnationalization in the market for temporary labor?
 - EU very deliberate and special case of promoting labor market mobility, priority given to social partners over the nation-state
 - East Asia – rooted in long-term entanglements in the context of strongly nationalist state developmentalism, important role of FDI and model of labor sub-contracting reconstructed across national borders
 - Contribution of inter-regional comparisons of transnationalisation for moving toward an understanding of the global field (beyond European cases and actors)

Preliminary Insights: Transnationalizations

- What are the effects of these different transnationalizations on the patterns of cross-border labor exchanges?
 - In EU context – migrant agency work replacing earlier reliance on posted temporary work (completed institutionalization), but still some cognitive incompleteness, e.g. struggles over „unjustified restrictions“ in collective bargaining
 - Making transnational regulations also make actors more transnational in their orientations
 - In East Asian context, diffusion generates the search for functional equivalents – in absence of adequate diffusion, ability to draw on established practices of labor subcontracting and extend this across national borders (nothing new for Japanese FDI, and others willing to follow successful Japanese model....)