

Gerhard Bosch

# The Future of the Standard Employment Relationship (SER) in the Digital Economy

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**Prof. Dr. Gerhard Bosch**

Universität Duisburg Essen

Institut Arbeit und Qualifikation

Forsthausweg 2, LE, 47057 Duisburg

**Telefon:** +49 (0)203 / 379-1827; **Fax:** +49 (0)203 / 379-1809

Email: [gerhard.bosch@uni-due.de](mailto:gerhard.bosch@uni-due.de); [www.iaq.uni-due.de](http://www.iaq.uni-due.de)

## Predominant notions in the last decades:

- SER is breaking up in favour of a diversity of non-standard atypical forms of work – Examples:

*“... the traditional form of work, based on full-time employment, clear-cut occupational assignment, and a career pattern over the lifecycle is being slowly but surely eroded away” (Castells, 2009, The Rise of the Network Society)*

*„Given rapid and extensive changes in technologies, markets, and management strategies ... employment is no longer an open-ended long term relationship, but rather has become a series of episodic arrangements that may or may not be renewed from time to time“ (Arthurs/Stone 2013 Rethinking workplace regulation)*

# Structure of the presentation

1. The traditional SER
2. SER a contested terrain
3. Drivers for change of the SER?
4. A new flexible SER

# 1.1 The traditional SER

## Key dimensions of SER *(Bosch 2004; Rubery 2010; Vosko 2011):*

- Security – long-term relationship
- Full-time work and decent pay also for time not worked (vacations, public holidays, sickness, accidents, pensions...)
- Checks on employers power (standard hours, seniority rules, voice: information, consultation, codetermination)
- Reference point for other forms of work: spillover-effects on less-regulated forms of work *(Marsden 1999)*

## SER = regulated employment form:

- Regulations: mandated or negotiated
- Regulations create buffers between market fluctuations and employment: partial de-commodification of work *(Polyani 1957; Esping-Andersen 1990)*

## 1.3 The traditional SER

**Variety of employment systems = Variety of SER's**

### High country differences in

- Levels of wages and social benefits, job protection, standard working hrs and employee's voice
- Coverage:
  - More inclusive in countries with multi-employer bargaining, strong welfare state and employee's voice like in SWE
  - Less inclusive in countries with company bargaining, residual welfare states and lack of employee's voice like in the US, Japan and Korea

## 2.2 SER a contested terrain

**Power resource approach (Korpi 2006) more fruitful to explain country differences:**

- **VoC view only on skills and employment protection very narrow – protection against life risks in welfare states much broader**
- **Development of welfare state and labour market regulations originate in social conflicts**
- **SER = frozen compromise between capital and labour: dependend on earlier power relations**
- **Employers mostly not protagonist to introduce SER – but often consenters in subsequent stages of policy making (they always try to make the best out of existing regulations)**

## 2.3 SER a contested terrain

**High economic potentials in SER - broad literature on the positive impacts of high road strategies with a strong SER and developed welfare states**

- Incentives to invest in skills
- High internal flexibility and teamwork
- Encouragement of innovation and quality competition
- Reduction of inequality
- High employment rates in combination with pro-active life-course politics (LLL, childcare, parental leaves etc) (*Anxo/Bosch/Rubery 2010*)

**These potentials extremely important in periods of rapid technological change**

## 3.1 Challenges to traditional SER?

### Main overlapping challenges to the traditional SER:

- Emergence of new life courses
- Changing company structures and work organization
- Revocation of political compromises
- Digitalisation/technological change



## 3.2 Challenges to traditional SER?

### Emergence of of new life courses

- New working preferences mainly but not only because of increasing employment of women undermine the FT-norm of the SER
- Strong growth of PT to reconcile family and work
- PT by far the most important „new form of work“ in many countries (*DE 2016 7.076 Mio part-timers compared to 3.392 Mio temporary and temp agency employed*)
- High scar effects of PT in the traditional SER model: *PT often less protected, lower bargaining power, no access to further training and careers, used to shift employment risks to employees etc.*

**Increase of women's employment built-in-deregulator if SER regulations are not adjusted**

## 3.3 Challenges to traditional SER?

### Changing company structures and work organisation

- **Fragmentation of companies: Concentration on core activities and outsourcing to cut labour costs (Weil 2017: fissured work-place):**
  - **Degradation of working conditions in subcontracting companies: especially in countries with dominantly company bargaining**
  - **Permanent FT-contract with a subcontractor often not offers job security and decent wages – „second-rate SER“**
- **Precarisation of employment:**
  - **Increasing use of cheaper new forms of work like temporary contracts, different types of PT (marginal PT, zero hours contracts)**
  - **Offer exit options from SER (Bosch/Gautie/Mayhew 2010): Replacement of SER**

## 3.4 Challenges to traditional SER?

### Revocation of political compromises

- Abolition or weakening of regulations protecting the SER
  - Main focus on employment protection and multi-employer bargaining
  - Employer's gains of „fissured workplaces“ much higher with fragmentation of CB
  - Deregulation of product markets often same or stronger effect – cost competition undermines CA's and SER
- New Exit options
  - Institutionalization of less protected forms of work
  - Facilitation of „institutional avoidance“ (Jaehrling/Mehaut 2013) either by lower standards (temp-agency work in DE) or by acceptance of non-compliance (posted workers in the EU)

## 3.5 Challenges to traditional SER?

### Digitalisation

- Technologies can be used for different purposes
- Offer effective tools for improving quality of jobs (examples: bundling tasks into decent jobs; wt-accounts: coordination of company needs with employees preferences)
- But also powerful instrument to
  - Control work pace in real time („pickers at Amazon“)
  - Organize fissured workplaces across companies and countries
  - Leave the „spatial container of the SER“ – the national regulations (platform economy)
  - Avoid the employer role (Uber, platform companies)
  - Divide FT-work into microtasks .....
- **Two faces: Improvement of work vs. support of fragmentation and precarisation**

## 4.1 A new flexible SER

### Return to the old SER not an option

- Traditional gender contract crumbling
- Increasing needs for LLL in work-life
- Rigid workers hours difficult with flexible production systems and in a service economy

### Good reasons to be critical of the old SER, but

- Do not throw the baby out with the bath water
- Dangerous to give up the labour standards of the SER - to de-commodify work

We have to differentiate between the form (e.g. “permanent full-time”) and the substance of the SER (“de-commodification”).

- The form can be changed without eroding the substance
- Demands like „a right to be commodified“ for women (*Orloff 1993*) mistakable – meant is „right to de-commodified work“

## 4.2 A new flexible SER

**A modernized SER - more open to a diversity of lifecourse patterns**

**Key dimensions** (Bosch 2004/2015):

- 1. As in the past comprehensive protection by CA's or by law**
  - **Redefinition of the „employer“ in the platform economy (Uber etc.)**
  - **With deregulated product markets and fissured employment LM-regulations more important than in the past**
- 2. Flexibility of working hours over the work life:**
  - **Example: Scandinavian countries: drawing rights for (partially paid) temporary PT or leaves for care and retraining**
  - **More choices to work longer hrs through public childcare and all day schools to reduce marginal PT**
  - **Goal: Incorporation of the most important atypical form of work into SER and make it a normal element in work life**

## 4.3 A new flexible SER

### 3. Using SER as a reference point for equal pay and benefits for all forms of work:

- EU directives on equal pay for PT's, temporary and temp agency workers / substantial compliance problems
- Extension of national regulations to posted and platform workers (strengthening of the territorial principle“)
- Strengthening employer's responsibility in the platform economy and in fissured workplaces
- **Goal: to improve working conditions for non-SER and reduce incentives to use them**

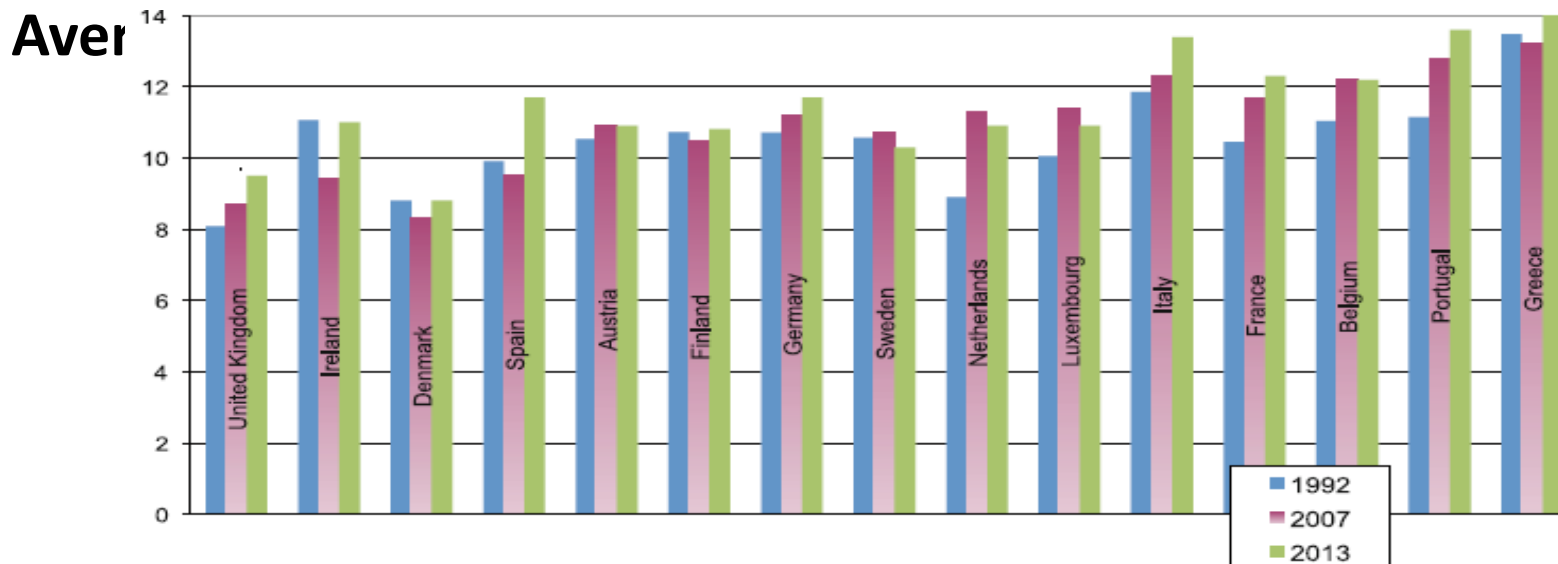
### 4. Increase of internal flexibility (functional and numerical) to stabilize employment: working-time accounts, short-time schemes, multi-skilling – example: German job miracle in the financial

- **Tensions between employers and employees demand for working time flexibility: but many examples of good negotiated compromises**

## 4.4 A new flexible SER

### Solid economic base for new flexible SER

- Surprisingly increase of job tenure in digital economy – work lifes not „episodic“ as expected
- Main reason: companies increasingly rely on skilled workers and tacit knowledge
- But country differences depending on regulations





# Conclusion

- **Digitalisation can be used for improvement of work but is also powerful instrument for fragmentation/precarisation of work**
- **Stronger LM regulations than in the past necessary – to secure SER in an environment of product market deregulation, fissured employment and strategies of institutional avoidance**
- **Tacit knowledge increasingly important – solid economic base for a new SER**
- **New flexible SER open to a diversity of life-course patterns – safeguards higher coverage in a changing world of work than the old SER**
- **Flexible SER has to be embedded in other policies (full-employment, gender equality, investment in education and training)**