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Flexibilisation of Employment in the Globalized and Knowledge- Based Economy?

1st Global Labour Forum
'Globalisation, Technological Change and
Decent Work'
Seoul, June 26

‘High Velocity Labour Market’

„Das bisherige Prinzip, nach dem alle Beschäftigung auf relativer Sicherheit und langfristiger Kalkulierbarkeit beruht, gehört der Vergangenheit an. Auch im Zentrum der Erwerbsgesellschaft reagiert heute das Risikoregime.“

(Ulrich Beck, Arbeit ist ein bewegliches Ziel; in: Die Zeit 7/2002)

“The principle of all employment being based on relative security and long-term expectability is now a thing of the past. Today, the risk regime is reigning in the very centre of industrial society.”

Good reasons to expect a 'high velocity labour market'

- globalisation $\Rightarrow$ increased competition $\Rightarrow$ shorter innovation cycles $\Rightarrow$ shorter 'time to market'
- increased volatility of markets
- flexible firm $\Rightarrow$ flexible employment
- downsizing + startups $\Rightarrow$ smaller establishments $\Rightarrow$ fewer degrees of organisational freedom
- individualisation
- increasing pluralism of life styles

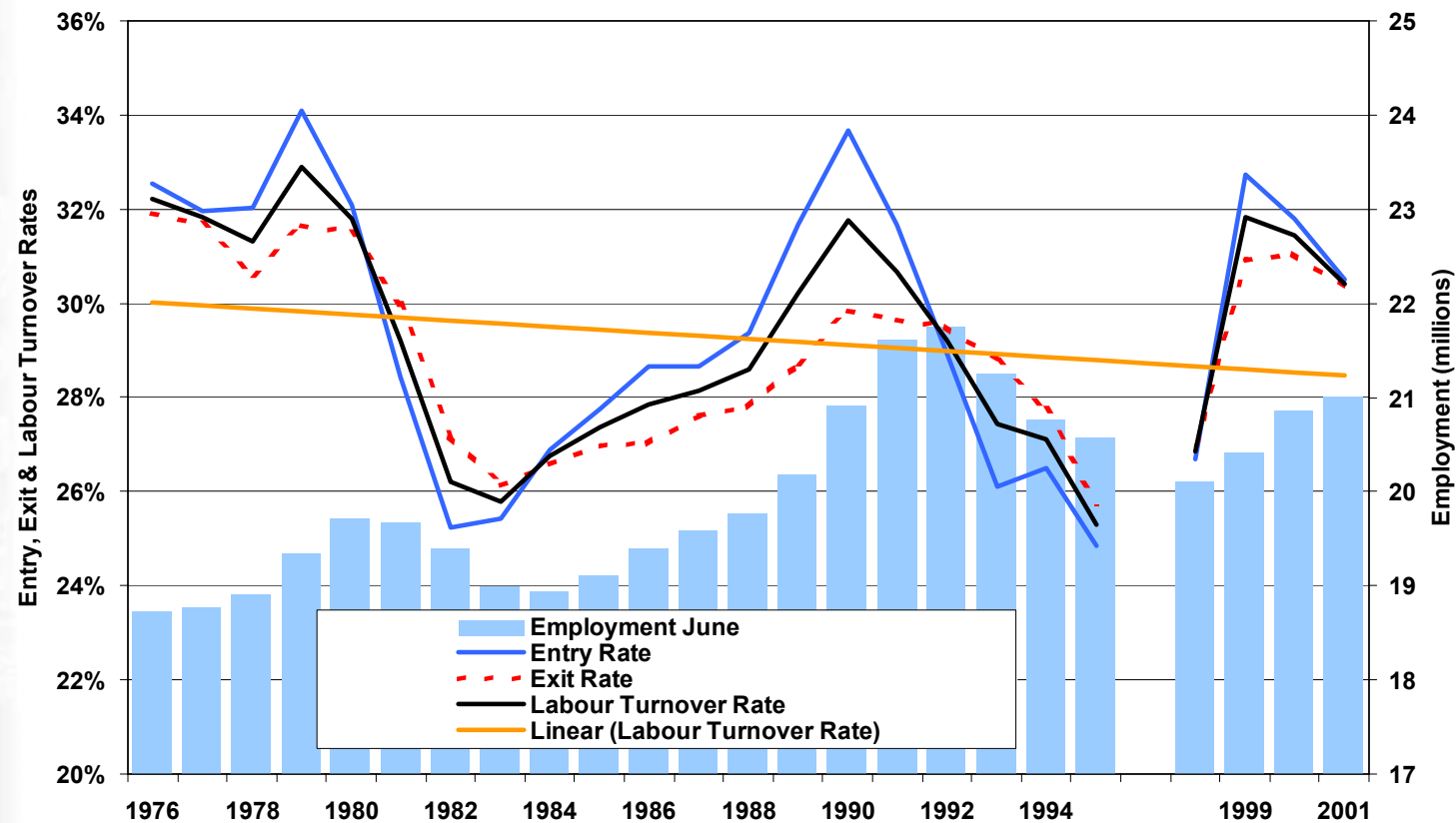
‘Restructuring of the German Labour Market’^{*)} – Hypotheses

- increasing mobility $\Rightarrow$ higher labour turnover rates
- declining job stability $\Rightarrow$ decreasing survival in jobs
- experience of unemployment becoming more widespread
- changes between occupations becoming more frequent

Data: IAB Employment Sample 1975 – 1995

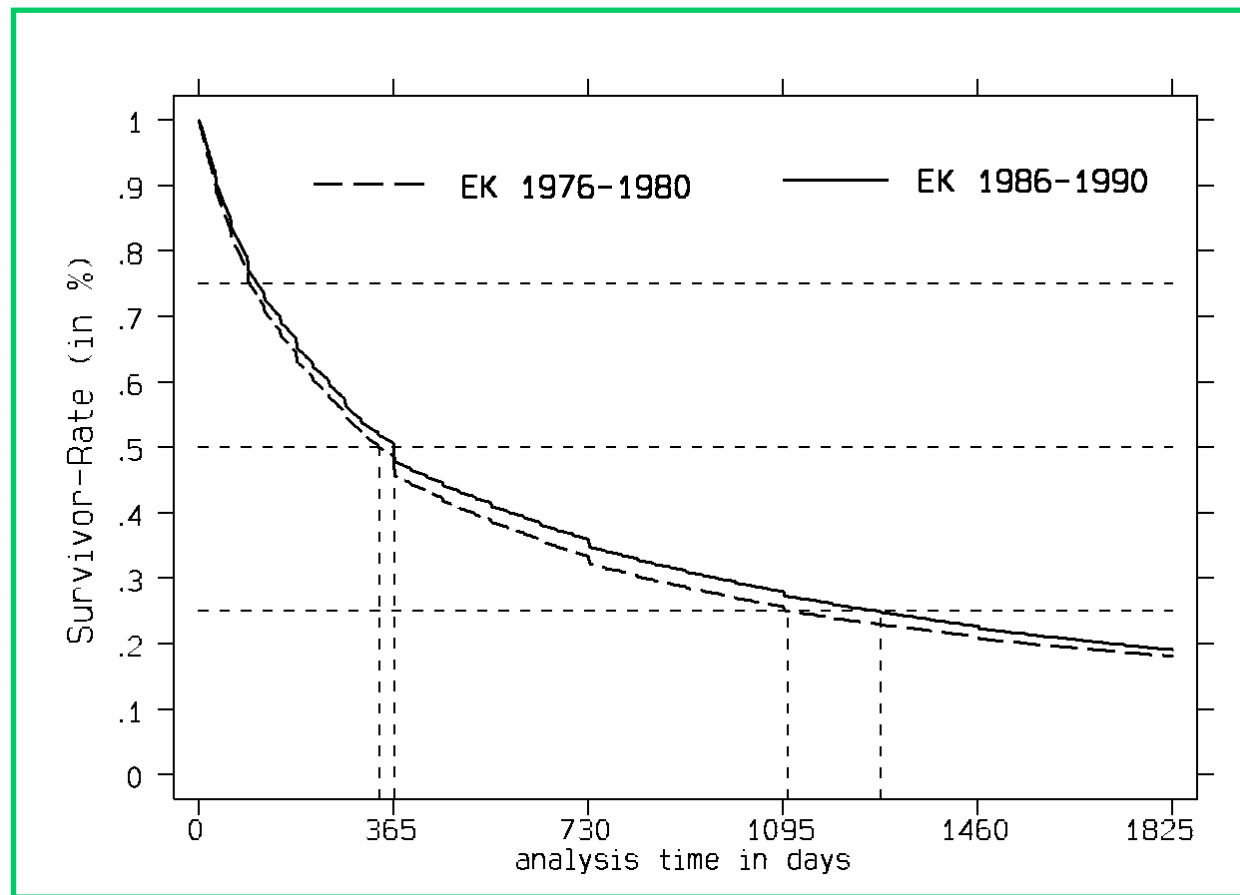
- 1 per cent sample of German social insurance registers
 - ⇒ 80 per cent of total employment is liable to social insurance contributions
- supplemented with data from unemployment benefit registers
 - ⇒ employment & unemployment history data on daily basis
- East German data only available from 1991 ⇒ excluded

Entry, exit & labour turnover rates, West Germany



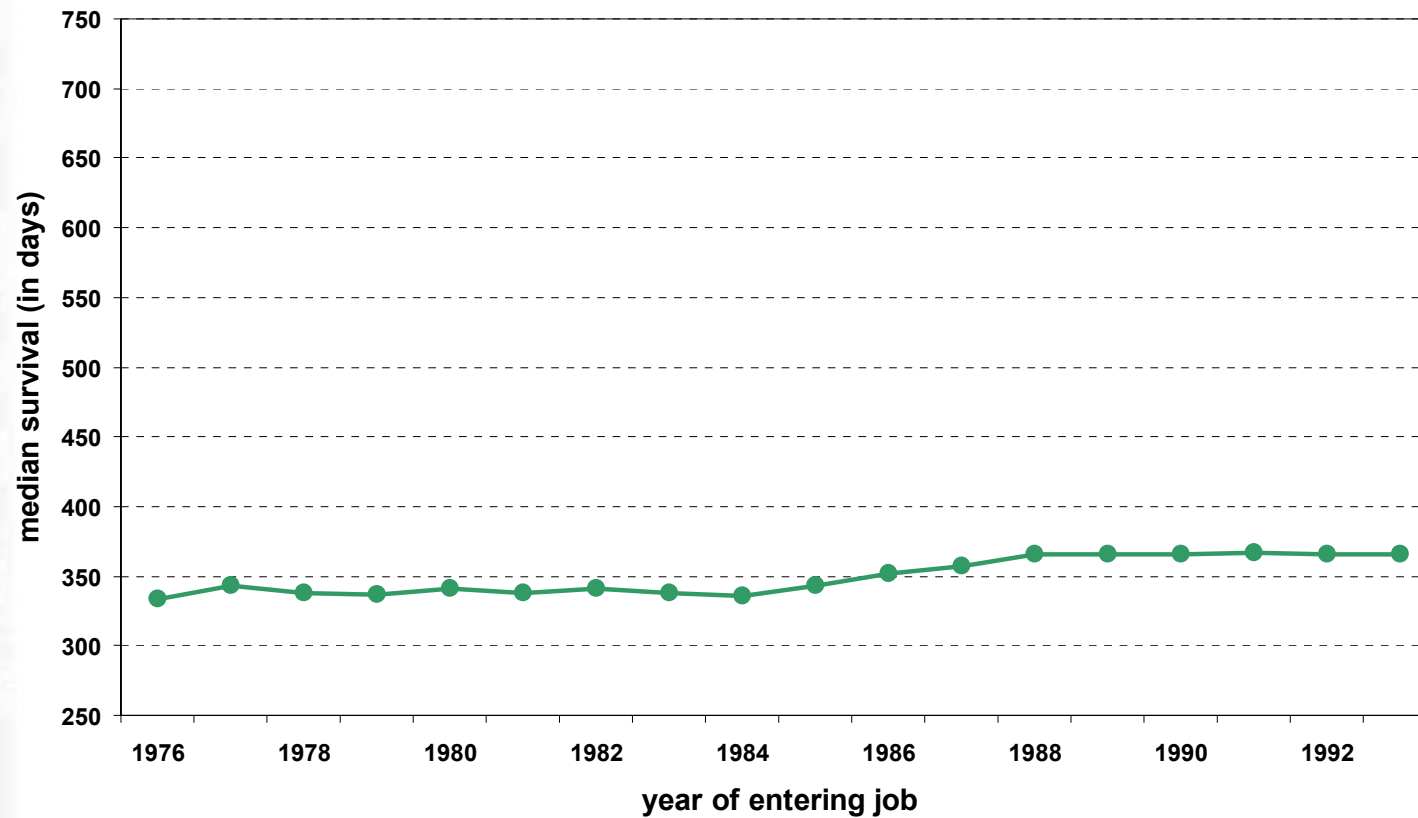
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Survival rates of pooled entry cohorts (EK) 1976 –1980 and 1986 –1990



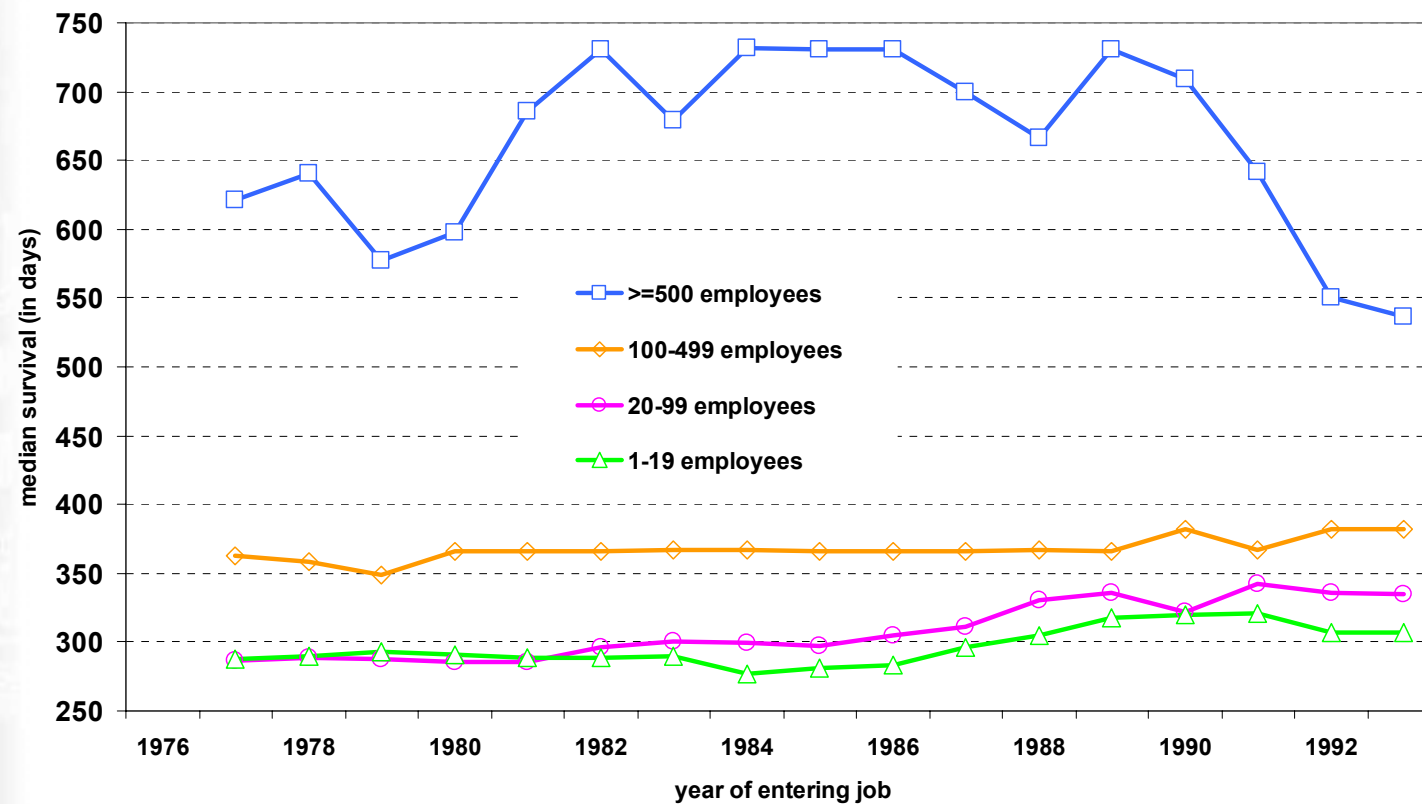
Source: IAB Employment Sample 1975–1995; own calculations

Median survival in newly entered jobs 1977 – 1993 (total sample)



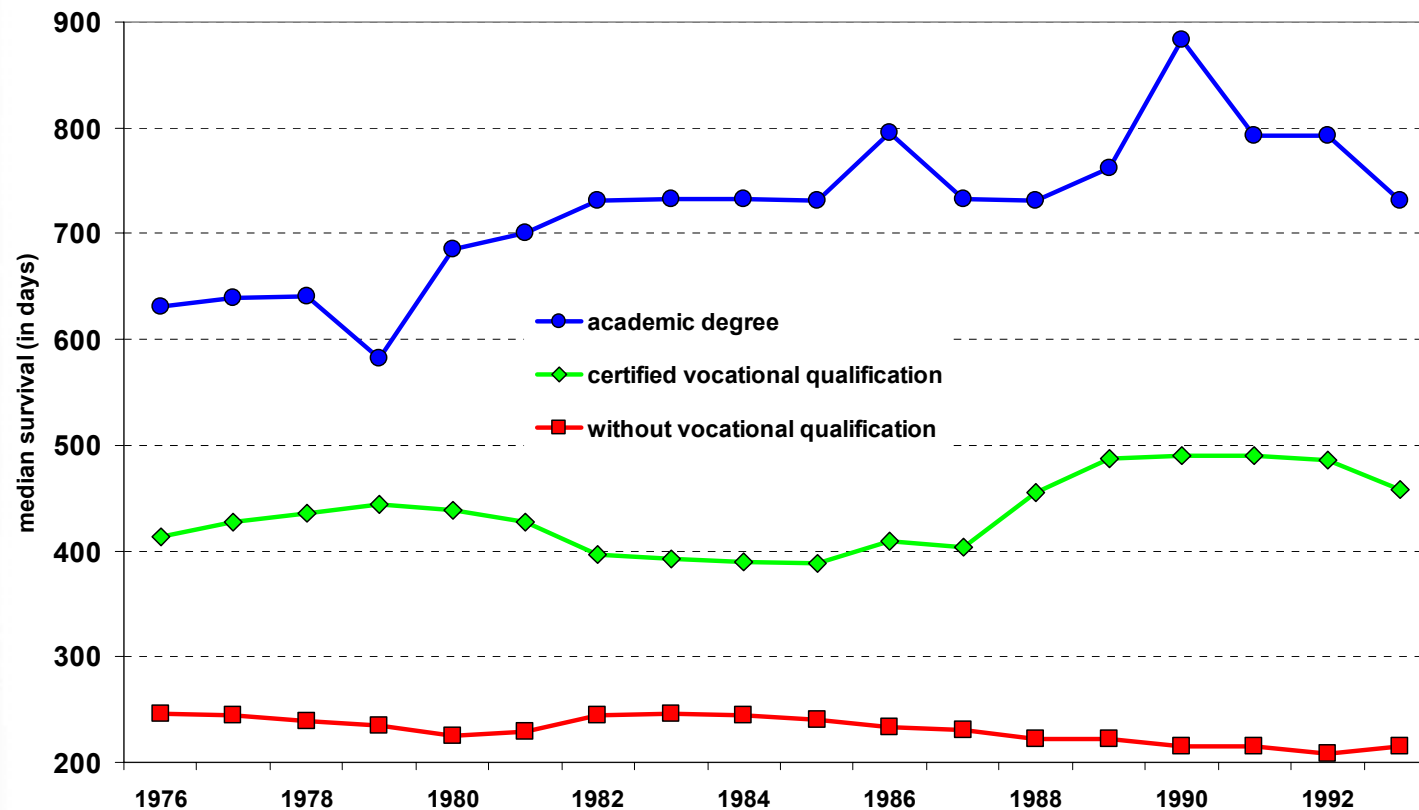
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Median survival in newly entered jobs by establishment size, 1977 – 1993



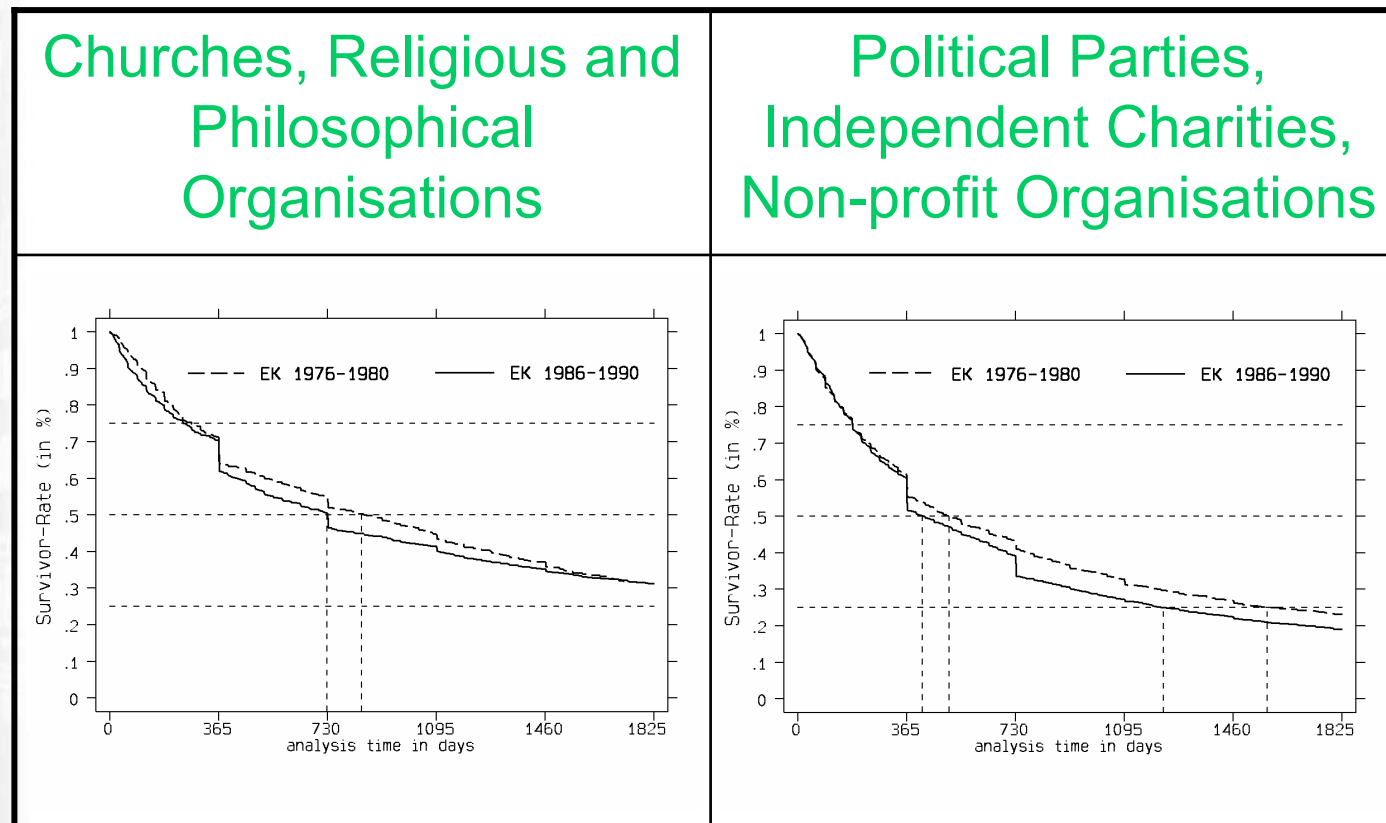
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Median survival in newly entered jobs by level of vocational education, 1977 – 1993



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Survival rates in industries shaping public opinion



Dimensions of firms' flexibility

	quantitative (numerical)	qualitative (functional)
internal	• working time • intensity of work	• distribution of working time • redeployment and retraining • multi-skilling • delegation of responsibilities
external	• hiring and firing • layoffs and recalls • fixed-term contracts • temporary agency work	• networking

high performance
work organisation

und Technik
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Most fundamental changes occurring 'inside', not 'outside'

- tendency towards shorter hours reversed, most markedly for the highly skilled
 - boundaries between 'work' and 'private life' blurring
 - increasing complexity, responsibility and simultaneousness
 - contingency of the labour contract shifted on workers' shoulders
 - mental stress and disorders on the rise
 - 'stable' employment $\neq$ feeling 'secure'
- ⇒ insider efficiency has its price, too

Concept of 'decent work' to be expanded:

- sustainability (physical, mental, moral)
 - throughout the lifetime a given society considers and frames as 'employable age'
- 'work-life-balance': ability to act as a responsible
 - partner/spouse
 - parent
 - citizen

'Decent work challenge' in the globalised and ageing knowledge society

↗ traditional concepts of regulation
and collective representation
difficult to apply



Thank You for Your Attention!

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