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PRECARIOUS EMPLOYMENT IN EUROPE

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The Young Academics Network (YAN) was established in March 2009 by the Foundation of European Progressive Studies (FEPS) with the support of the Renner Institut to gather progressive PhD candidates and young PhD researchers, who are ready to use their academic experience in a debate about the Next Europe. The founding group was composed of awardees of the “Call for Paper” entitled “Next Europe, Next Left” – whose articles also help initiating the FEPS Scientific Magazine “Queries”. Quickly after, with the help of the FEPS member foundations, the group enlarged – presently incorporating around 30 outstanding and promising young academics.

FEPS YAN meets in the Viennese premises of Renner Institut, which offers great facilities for both reflections on the content and also on the process of building the network as such. Both elements constitute mutually enhancing factors, which due to innovative methods applied make this Network also a very unique project. Additionally, the groups work has been supervised by the Chair of the Next Left Research Programme, Dr. Alfred Gusenbauer – who at multiple occasions joined the sessions of the FEPS YAN, offering his feedback and guidance.

This paper is one of the results of the third cycle of FEPS YAN, (the first one ended with three papers in June 2011, while the second one led to five papers in spring 2013), in which six key themes were identified and were researched by FEPS YAN working groups. These topics encompass: “Precarious employment in Europe”; “Full employment: A progressive vision for Europe”; “Get the party started: Modernizing progressive politics”; “The 2014 European elections”; “Enhancing EU enlargement” and “Young and easily allured? A comparative analysis on the relationship between populism and youth in Europe”. Each of the meetings is an opportunity for the FEPS YAN to discuss the current state of their research, presenting their findings and questions both in the plenary, as also in the respective working groups. The added value of their work is the pan-European, innovative, interdisciplinary character – not to mention, that it is by principle that FEPS wishes to offer a prominent place to this generation of academics, seeing in it a potential to construct alternative that can attract young people to progressivism again. Though the process is very advanced already, the FEPS YAN remains a Network – and hence is ready to welcome new participants.

FEPS YAN plays also an important role within FEPS structure as a whole. The FEPS YAN members are asked to join different events (from large Conferences, such as FEPS “Call to Europe” or “Renaissance for Europe” and PES Convention to smaller High Level Seminars and Focus Group Meetings) and encouraged to provide inputs for publications (i.e. for FEPS Scientific Magazine “Queries”). Enhanced participation of the FEPS YAN Members in the overall FEPS life and increase of its visibility remains one of the strategic goals of the Network for 2014.
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THE POLITICS OF PRECARIOUS EMPLOYMENT IN EUROPE: ‘ZERO HOUR’ CONTRACTS AND THE COMMODIFICATION OF WORK

Scott Lavery

Introduction
The paper will offer a broad definition of precarious employment within which the other arguments can be positioned. The definition seeks to unify the ‘economic’ and ‘sociological’ accounts of precarious employment which dominate the literature. The paper views precarious employment as part of a strategy pursued by political and economic elites to extend and deepen the commodification of work.

The paper will then provide a case study of precarious employment in Europe. Specifically, it will look at the recent increase of ‘zero hour’ contracts in the United Kingdom. Zero hour contracts have increased markedly in the post-crisis context in the UK, and have been associated with low pay, income insecurity and growing inequality. However, for many years the UK’s highly flexible labour market has been incapable of generating competitiveness relative to comparator countries. As such the regressive labour market restructuring in Britain is likely to deepen key weaknesses at the heart of its political economy. The UK example should stand as a warning to other European countries which seek economic salvation in further supply-side labour market ‘flexibilisation’ and precariatisation.

Drawing upon the lessons from the UK case, the paper will conclude by arguing that the commodification of labour through precariatisation should be rejected by European socialists for economic, social and political reasons. Increasing precarious employment is likely to deepen inequalities and involve an economic ‘race to the bottom’ throughout Europe. Furthermore, it is likely to privilege low-wage, low-skill work in European economies, in direct contravention of the Lisbon strategy proposals to pursue a ‘knowledge-based’, value-added account of economic growth. The final section of the paper will link the other contributions within this working paper to the overall themes developed in this introduction.

What is precarious employment?
Definitions of precarious employment often are in tension with one another, which makes comparative measurements across different national boundaries a difficult task. While general definitions of ‘precarity’ exist (see for example, Standing, 2009; EFFAT, 2011), in practice there are multiple forms of ‘precarious’ and atypical work arrangements.
Precarious employment is usually defined against ‘standard’ work arrangements. ‘Standard’ work is associated with full-time employment with no ‘time limit’ attached to the job, and is generally associated with higher employment security and higher rates of pay. Against this, precarious work is viewed as less secure and as involving fewer employee protections (ILO, 2011). Precarious employment is therefore more likely to involve part-time work and is likely to be associated with lower employment security and pay (Resolution Foundation, 2013).

We can follow the ILO definition of precarious work which claims that precarious employment is a:

“work relation where employment security, which is considered one of the principal elements of the labour contract, is lacking. This term encompasses temporary and fixed term labour contracts, work at home and sub-contracting’ (ILO, 2011).

This lack of employment security is a central element of all forms of precarious work. This state of insecurity can take many different qualitative forms. Precarious work includes a wide variety of different ‘non-standard’ employment practices. These include ‘atypical’ employment contracts, associated in particular with temporary agency work and fixed-term periods of employment, as well as what has been termed ‘very atypical’ work – ‘zero hour contracts’¹ and ‘on-call’ work where no minimum number of hours is guaranteed in the terms of the contract. This is paralleled by the large array of informal work on the periphery of the labour market and in off-the-books employment (Eurofound, 2012).

How should we approach the apparent heterogeneity of precarious working practices? In the literature we can identify a broad split between broadly ‘economic’ analyses of precarity, which tend to focus on precarious employment as a legal relation between employer and employee, and more sociological accounts which conceptualise precarity as a widespread feature of work and life within increasingly marketized and individualised societies (Bourdieu, 1998; McKay et al., 2012).

While the ‘economic’ approach tends to classify differing degrees of precarity in accordance with an analysis of different contractual forms, focussing in turn on a limited and quantifiable set of variables, the ‘sociological’ approach tends to emphasise the subjective and ‘lived’ aspects of precarity – the generalised sense of insecurity, isolation and uncertainty which tend to characterise societies where ‘flexible’ labour markets are predominant. (Anderson, 2010; Clement et al., 2010, cited in McKay et al., 2012)

Our definition of precarious employment takes the position that the ‘sociological’ and ‘economic’ approaches should not be separated. Rather, they should be brought together in order to generate an empirically focussed but theoretically informed critical theory of precarious employment in Europe.

¹ For more details, see section below on zero hour contracts in the United Kingdom
How might such an approach proceed?

Analysis of precarious employment should begin from the relations which define capitalism as a distinctive economic system. It should then trace how these social relations are given concrete form within different historical and institutional settings (Boyer, 1990; Jessop, 1997). Profitability is the core imperative which underpins the global political economy. Profitability, however, rests on a social relation. It requires the legal separation of the producers from the commodities that they produce through their labour. For this reason, the accumulation process itself – the production of commodities for profitable exchange – necessarily involves the reproduction of the legal, moral and social framework which ensures that labour power exists as a commodity (Jessop, 2013).

This means that markets cannot exist independently of the social context within which they are embedded. There is always an in-built connection between ‘economic’ and ‘extra-economic’ institutions. We cannot legitimately study the ‘economic’ sphere (production-consumption-distribution relationships) without also providing an account of the ‘sociological’ sphere (the networks of extra-economic relations which underpin accumulation).

How might we relate these reflections to the question of precarious employment? Consider a situation in which the determination of the wage is entirely determined by ‘market forces’. This we may name the ‘economic’ determination of the price and conditions of the labour relation. If the wage is arrived at, however, through purely social institutions ‘outside’ of the market – i.e. by wage legislation, or through collective bargaining arrangements, then we may consider the wage in this case as being determined by ‘extra-economic’ factors.

In practice these are ideal types, and the determination of workers’ wages and their conditions of employment tends to involve a complex co-articulation of both these ‘economic’ and ‘extra-economic’ institutional logics. What we see in precarious employment, however, is the increasing drive to treat labour as if it were a commodity; that is as if it has a natural ‘price’ determined solely by market forces. The erosion of collective bargaining arrangements, the assault on terms and conditions of work, the diminution of fundamental rights in the work place: all of these represent an encroachment of ‘the economic’ – and the logic of commodification that goes with it – into the ‘extra-economic’ sphere.

We should therefore see the rise of precarious employment as expressed primarily as an attempt to increasingly commodify labour power. This essentially means that employers can treat the employee’s labour as any other ‘input’ into the production process – disposable, replaceable and in essence determined not by social but by market institutions. As such, precarious employment is not, in the last analysis, simply an economic question. It is fundamentally a question of social forces, which crucially
involves in practice “an imbalance of power in the employer-work relationship” (Rodgers and Rodgers, 1989).

Given this conception, we can now identify a series of features which will generally characterise precarious work:

- The job can be terminated with little or no prior notice by the employer.
- Hours of work are uncertain or can be changed at will by the employer.
- Earnings are uncertain or irregular.
- Functions of the job can be changed at will by the employer.
- There is no explicit or implicit contract for on-going employment.
- There is, in practice, no protection against discrimination, sexual harassment, unacceptable working practices.
- The job is low income – at or below the minimum wage.
- There is little or no access to ‘standard’ non-wage employment benefits such as sick leave, domestic leave, bereavement leave or parental leave.
- There is limited or no opportunity to gain and retain skills through access to education and training.
- The task performed or the health and safety practices at the workplace makes the job unhealthy or dangerous (Tucker, 2002).

As other papers in this volume will show these features are in the ascendant across the European political economy. The following sections of this paper seek to demonstrate that this trajectory should be challenged by European socialists. This re-positioning would require a radical reformulation of European social democrats’ current approach to precarious employment and income inequality.

Case Study: Zero hour contracts in the UK

The paper will now turn to a specific case study of precarious employment. The case of zero hour contracts in the UK has been chosen for a number of reasons.

Firstly, zero hour contracts represent an example of precarious employment par excellence. While zero hour contracts are not explicitly defined in UK law, they effectively bring about a situation in which an employee is on a company’s books but without having any guarantee of work. Zero hour contracts therefore expose some of the qualitative features of precarious work which have been outlined above - in particular flexibility for the employer and insecurity for the worker.

The UK also provides a useful benchmark against which to measure changes in the EU’s labour market structure. The UK has had for many years one of the most flexible labour markets in the OECD. As such, it provides an important case study against which to test the claims of those who advocate flexibilisation
and supply-side reform as the path towards economic health. By looking at the issue of zero hour contracts in the UK we can gauge the efficacy of this as a tool of economic restructuring.

None of this is to say that all trends experienced by the UK economy are directly translatable into all other European countries. Clearly other European economies have different institutional histories, legal frameworks and social forces at work (Hall & Soskice, 2001). Nevertheless, the deepening precariatisation of the UK labour market and its manifest pathologies does stand as a warning for those who may argue for further increasing precarity at the EU level.

The first thing to say about zero hour contracts in Britain is that they have risen rapidly as a result of the 2007-8 crisis. In 2005, it was estimated that there were 20,000 zero hour contracts in the UK (Office for National Statistics). Today, the figure has been put at over 1,000,000 by the Chartered Institute of Personnel and Development (The Guardian, 2013). This figure itself has been challenged as overly conservative. For example, the Unite trade union claim that a more accurate estimation would be that over 5.5 million UK workers now effectively work on a zero hours contract (Unite, 2012).

What is more, these contracts do not occur in a black or peripheral labour market. Rather, they increasingly form a core component of corporate business strategy. For example, 9 out of 10 employees at McDonalds are said to be on a zero hours contract in the UK (Guardian, 2013). Well-known high street brands throughout the UK also utilise this employment practice, while reporting at the same time booming profits and engaging in further expansion.

What does the case study of zero hour contracts in the UK tell us about precarious employment as an economic and political strategy?

Firstly, defenders of the contract type have pointed to their role in keeping unemployment levels down, in spite of a very deep recession in the UK and the corresponding fall in economic output. While this may be true under the current terms of debate, some counter-points need to be made. Firstly, this claim rests on the supposition that the choice we face is between less employment security or more unemployment. This claim should be rejected insofar as it assumes that the question of employment can be resolved only through changes on the supply-side of the economy. Fiscal activism, redistributive economic policies and active intervention in financial markets all provide alternative institutional pathways through which our economies could be rebalanced and mass unemployment averted.

Furthermore, as mentioned previously, the UK has had extremely loose labour market legislation for many years now – and yet relative to comparator countries, for example the other G7 countries, the UK has persistently under-performed (Cuthbert, 2013). We should therefore be hesitant with respect to any claim that more flexibility is equal to more a competitive and dynamic economic model.
Rather, we should expect that the precariatisation of the UK labour market is likely to institutionalise a dynamic of underemployment and insecurity which will harm medium-term growth prospects in the UK. In a recent study, Bell and Blanchflower have shown that in the aftermath of the 2008 recession, the number of underemployed workers – those who are in work but who are short on hours to meet their needs – has grown rapidly (Bell and Blanchflower, 2013). The growth in zero hour contracts and associated forms of precarious employment have significantly contributed to the growing occurrence of underemployment. As such, while it may be true that in the short-term zero hour contracts and other associated forms of precarious employment have prevented a dramatic rise in unemployment in the UK, we should not turn away from the fact that this is re-shaping the labour market in a regressive manner. In the medium-term, these changes are likely to intensify the declining share of wages as a percentage of national income and aggravate inequality further.

This relates to a third aspect of zero hours contracts: they are associated with low-skill work and correspondingly low-pay. The Resolution Foundation has shown how gross weekly earnings for someone on a ‘standard’ contract works out on average at £482; someone on a zero hour contract, on the other hand, receives on average £236 (Resolution Foundation, 2013). This means that there is a differential of over half between those on zero hours and those on standard contracts.

The precariatisation of the labour force in the UK forms one part of a disciplinary transfer of the burdens of economic adjustment onto low and median wage workers. In the past five years, real wages have dropped in the UK by 6.3% - the fourth worst drop of any economy in Europe (TUC, 2013). Zero hour contracts contribute to this wage stagnation and further institutionalise inequality within the UK’s already deeply unequal market liberal society (Lansley, 2011).
Zero hour contracts are also universally recognised to come with less employment protection, and often without any entitlement to sick or holiday pay.

In this context of generalized deflation, the question then emerges: where will demand come from? Over the past thirty years, the answer in the UK has been simple: from the ramping-up of consumer credit and financial sector debt. The ‘light touch’ regulation of the City of London and an explosion in private debt in the years before the crisis allowed money to be pumped into asset-price bubbles, particularly in the housing and commercial property markets. In the decade prior to the crisis, house prices rose on average by 10% per annum in the UK (Watson, 2010). This allowed demand to be maintained at a relatively high level, in spite of stagnant real incomes.

Zero hour contracts are therefore likely to deepen the low-wage, low-skill nature of the UK economy and increase its unhealthy reliance on private debt as a source of consumption demand.

Intensifying precarious employment as a way out of the crisis deepens the imbalances at the heart of the UK economy which led to its economic problems in the first place.

In sum, the UK experience suggests that zero hour contracts are growing rapidly; that they are linked to low-pay jobs; that they contribute to underemployment; that they contribute to income inequality; and that they are likely to further deepen the UK’s dependence on private debt and credit-based consumption as a source of consumption demand.

The UK experience clearly has a series of distinctive features and we should be hesitant to draw exact parallels between dynamics in Britain and the rest of Europe.

Nevertheless, the case of zero contracts in the UK should lead European policy-makers to ask a series of questions. What is the cost of extending precarious employment throughout the economy? What impact is this likely to have on income inequality? What is the relationship between a low-skill labour market and financialisation?

Reflecting on these questions suggests that European policy-makers should be hesitant in their otherwise enthusiastic embrace of flexibilisation and supply-side reform as the principal response to the Eurozone’s economic difficulties.

**Building a European ‘double movement’ against precarious employment**

At the beginning of this piece, a distinction was made between the ‘economic’ and the ‘extra-economic’ determinants of the wage relation. This distinction is partly drawn from the Hungarian economic historian, Karl Polanyi, who emphasised the way in which capitalist markets are necessarily ‘embedded’ within social institutions and relations. While capital cannot live without social embeddedness, in many
senses it cannot live with it either. The drive for profitability will always impel capital towards the commodification of social institutions. Polanyi argued that against this process, a ‘double movement’ would occur. Society would seek to re-embed the market system within a socially regulated and democratic form.

Europe’s socialists today need to recognise their role not as passive recipients of inevitable and irresistible ‘economic’ forces, but rather as the potential architects of such an alternative institutional order which places this logic of commodification under democratic control. We need to build a new ‘double movement’ for our times.

Reflecting upon the issue of precarious employment, we have the economic and political arguments at our disposal to make the case for a paradigm shift.

Increasing the precarity of employment is a core element of the Troika-mandated growth strategy through which peripheral European economies are meant to return to economic health. Without the capacity to devalue their currencies to promote export competitiveness, and due to the perceived difficulties in re-balancing through fiscal transfer from the ‘centre’, the strategy to be adopted by Greece, Portugal, Spain and the like is ‘internal devaluation’, or increasing competitiveness through wage cuts and public sector retrenchment. In this sense, precarious employment is seen to provide an incentive to employers to re-locate to these regions. It is also designed to cut wage costs, thereby increasing the competitiveness of these economies.

As mentioned earlier, this approach is ill-advised for two principal reasons. Firstly, further ‘flexibilisation’ of labour markets is only likely to further dampen aggregate demand in peripheral economies. In a deflationary context, cutting back on public sector employment, reducing wages and privatising state institutions will together deepen the lack of demand in the economy, undermining confidence and further increasing the recessionary trajectory of the economy. Precarity stands as the supply-side response par excellence in the Troika’s poisoned cocktail for labour market ‘re-balancing’. It is one which is unlikely to work in the medium-term.

Secondly, extending precarious employment throughout Europe is likely to deepen existing income inequalities. This is bad for economic as well as moral reasons. As the case of zero hour contracts in the UK demonstrates, precarious employment is closely associated with low-skill and low-wage work and is likely to contribute to growing inequalities within Europe.

We can identify tendencies outside of the UK which further attest to this fact. Since 2000, income inequalities and poverty have grown faster in Germany than in any other country (OECD, 2011). This process correlates closely with wage stagnation and the flexibilisation of the German labour market. While lauded as saving the German economy from a rise in unemployment, we should not ignore the
redistributive effect that the growth in ‘mini jobs’ and flexible working arrangements is having on the German labour market. As inequalities deepen, and income is increasingly redistributed upwards to the top income deciles, the economic weaknesses associated with inequality are likely to be exacerbated (Lansley, 2010). Combating precarious employment, and securing an alternative economic paradigm not based on real wage stagnation, but on the basis of secure and decent jobs, will be crucial if we are to emerge from the European crisis in a progressive way.
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OUTSOURCING AND OFFSHORING: CONSEQUENCES ON WAGES AND EMPLOYMENT IN EUROPE

Pedro Miguel Cardoso

Globalization is a key phenomenon of our time and has many effects on Europe’s economic, political and social life. During the last decades we have witnessed an increasing financial and economic deregulation and an intensification of Globalization. Outsourcing and offshoring are practices that reflect this trend. In this paper I will explore if there is a link between them and the downward pressure on wages and employment in Europe.

Globalization

After World War II international economy entered a phase of growth. In the three decades after the war the average growth rate of global Gross Domestic Product (GDP) was 4.8% (Skidelsky, 2009). These years are remembered as the "Thirty Glorious Years" (Les Trente Glorieuses). It was a time of unprecedented prosperity to Western Europe and East Asia, with reduction of social inequalities and low rates of unemployment.

During the "Thirty Glorious Years" the State played an important role in boosting the economy and society. The consensus of the main political families (Christian Democrats and Social Democrats) was the basis of the expansion of the Welfare State in many European countries. In his book "Post-War" Tony Judt (2005) offers some information about it: between 1950 and 1973, government expenditure increased from 27.6% to 38.8% of GDP in France, from 30.4% to 42% in the Federal Republic of Germany, from 34.2% to 41.5% in the United Kingdom (UK) and 26.8% to 45.5% in the Netherlands. In Denmark and Sweden the share of national income to social security grew 250% and tripled in Norway. According to Judt (2005) the success of European capitalism after the war was indeed accompanied by an increasing role of the public sector. It was broad consensus that the State would always work better than the Market without restrictions and administrative apparatus had authority and credibility. Reliance in the State crossed almost all political divisions.

This “golden era” ended in the Seventies after the collapse of the international monetary system emerged from Bretton Woods, oil shocks (1973 and 1979) and the crash of 1973-1974 which was followed by an economic recession. The global economy had entered in a phase of transition. From the Eighties, with the rise to power of Margaret Thatcher in the UK and Ronald Reagan in the United States of America (USA) we have experienced a focus on liberalization and deregulation of the global economic
and financial system. The international monetary system that emerged from this period is known as the Washington Consensus, and its logic is based on the theory that markets regulate themselves, the "Invisible Hand" proposed by Adam Smith. In his book "Keynes. The Return of the Master" Robert Skidelsky (2009) makes a comparison between the Bretton Woods period and the Washington Consensus period. After 1980 the average growth rate was 3.2%. In the UK the average of unemployment rose from 1.6% to 7.4%, in Germany grew from 3.1% to 7.5%, in the USA increased from 4.8% to 6.1%. Inequality rose sharply. According to this author the economic and social indicators are clearly better during the Bretton Woods system period.

How can we explain the end of the post-war consensus? The reasons underlying this intellectual, social and political change are naturally diverse. For Tony Judt (2010) the emergence of a new consensus on the primacy of the private interest and the idea that the State was indifferent to the aspirations of citizens owes much to a new generation of young people for whom the priority was their own needs and rights. The State was, suddenly, seen as an obstacle for personal expression and individual freedom. To a previous generation the limits of regulation and control from above were the price of social justice that was worth paying, for someone born after the war, Welfare State and its institutions were the normal conditions of life, not the solution to previous dilemmas.

The social and cultural bases were prepared for the following decades. The American political and cultural dominance enrooted and with it the cult of individualism and the idea that the State is an obstacle to economic flourishing. The collapse of the former Soviet Union and the Eastern Bloc, in the late Eighties, further legitimized all those who defended the virtues of competition and markets free from government interference. Fukuyama wrote about the "End of History" and the perennial victory of capitalism and liberal democracy. Globalization has gained further strength with capital flows intensification, trade liberalization and the increasing participation of new countries in the international economy. The multilateral system organized around the World Trade Organization, the successor to the General Agreement on Tariffs and Trade, played an important role. Outsourcing and offshoring are two practices that reflect this process.

Outsourcing and Offshoring
According to Power, Desouza and Bonifazi (2006) outsourcing is made up of two words: out and sourcing. Sourcing is the act of transferring work, responsibilities and decision-making rights to someone else. Managers constantly delegate or source work to employees. But sometimes they “source out work because there are others who can do it cheaper, faster, better” or because there are other important demands. It means “outsourcing is the act of transferring the work to an external party.” During their development “organizations are continuously faced with the decision of whether to expend resources to create an asset, resource, product or service internally or to buy it from an external party. If the organization chooses to buy, it is engaging in outsourcing. An outsourcing initiative calls for the transfer
of factors of production, the resources used to perform the work and the decision rights or responsibilities for making decisions." The outsourcing initiatives “have evolved from short-term projects focused on cost savings to executive-level business strategies that enable companies to gain – and sustain – revenues and profits in the competitive global marketplace”.

If outsourcing is the process of utilizing third party workers for traditionally in-house business tasks, that may take place either inside or outside the company's home country. When a business moves all or some of its activities to another country and jobs are sent overseas we can say that offshoring occurs. If a European company opens a factory in China, and shifts production to the factory in China, it is offshoring but not outsourcing. It is the European company running the factory and not a Chinese one. Some experts argue that outsourcing and offshoring are drivers of increasing labour precarity in advanced economies.

**Impact of outsourcing**

By using data on the Danish labour market, Munch and Skaksen (2005) show that domestic and foreign outsourcing affect wages. But if “international outsourcing tends to raise wages of workers with further education and lower wages of workers with basic and vocational education”, in contrast “domestic outsourcing tends to raise wages of workers with basic and vocational education” while “has no significant impact on wages for workers with further education.” Geishecker and Gorg (2004) results also demonstrate that international outsourcing has an impact on wages. They found evidence of a negative effect of outsourcing on the real wage for low-skilled workers and evidence that high-skilled workers gain from outsourcing in terms of receiving higher wages.

Using linked employer-employee data for Germany, Braun and Scheffel (2007) found that “low skilled workers experience a decline in the union wage premium when working in industries with high outsourcing intensities.” And that “outsourcing is not found to have a negative effect on the wages of low skilled employees not covered by collective bargaining agreements.” While wages of medium skilled workers are basically unaffected by outsourcing, wages of high skilled workers employed in industries with a high level of outsourcing tend to rise. In summary there is evidence “that outsourcing deteriorates the bargaining position of unions and reduces the bargained wage” for low skilled workers.

Chongvilaivan, Hur and Riyanto (2009) argue that the “downstream production activities and services tend to be less skill-intensive than upstream production activities” therefore “the positive impact of downstream materials and services outsourcing on relative wages and the demand for skilled workers can be explained by the idea that these types of outsourcing allow firms to specialize in the upstream production activities” and consequently induce firms to hire more skilled workers.
Impact of offshoring

As suggested by Foster (2012) offshoring has some effects on employment. The first is a “technology effect” that reflects the destruction of jobs that occurs when firms relocate part of their production activities overseas. The second is a “scale effect” that captures the creation of jobs following the expansion in industry output that may arise as a result of productivity gains. A third indirect effect is ‘substitution effect’ in which offshoring affects domestic sub-contracting relationships, leading to a negative impact on employment in other domestic sectors. An alternative view suggests that the positive “scale effect” increase the demand for intermediate goods from the domestic economy also, which may offset this indirect “substitution effect”. Some recent studies propose the possibility of heterogeneity: for example Falk and Wolfmayr (2005, cit. Foster, 2012) examining the impact of offshoring to low-wage countries on employment in seven European Union countries over the period 1995-2000, found that importing intermediates from the same industry has a negative and significant impact on total employment. And while the employment effects of offshoring are negative and significant in low-skill intensity industries, they are not significant in high-skill intensive industries. Foster (2012) points out that offshoring is heavily concentrated in manufacturing industries despite the growth in services industries. The impact hides differences across industries and skill-types.

Conclusion

Over the last decades, technological progress and neoliberal ideology have facilitated the globalization of production processes. Outsourcing and offshoring are very common practices in our days. There are winners and losers. According to the scientific literature, low-skilled workers are the main losers.

At the national and European level many politicians use Globalization and its demands to justify deregulation and privatisation policies. They share the view that international competition is a good driver of the global economy and more flexibility (or in other words precarity) is the key of economic prosperity. Behind this view lives the narrative that there is no alternative and countries should respect the “laws” of the markets. The winners are the “top 1percent” (see figure 1)

The current economic and political order benefits from the denial of social rights and the aspiration of flexible workers to upward mobility into more stable employment. It also benefits from the production of university graduates and the lack of available work. Because this production reduces the cost of skilled labour and attracts companies to an unemployed, skilled labour pool. Precarity is rising among high skill workers. At the same time corporation profits are rising and workers consumption (whose wages are declining) in rich countries is sustained by credit. According to Antonio Negri (1988) we can understand precarity as an attempt to avoid labour-power to become working class incompatible with command.
In recent years global financial crisis has been used to justify more wage repression. Workers have suffered pay cuts or below inflation wage rises year after year and private companies are increasing their profit margins. Unemployment is a deliberate strategy to support wage repression by creating a vast mass of unemployed people, willing to work for low wages in order to undermine workers wages. The strategy is the same. To finish I might conclude that there is a global strategy to increase profits and power of a very rich minority at the expense of workers and states.
Figure 1: The Great Prosperity 1947-1979 versus The Great Regression: 1980-Now
Bibliography


Introduction
In this paper we discuss several difficulties that challenge policy makers in their struggle to cultivate gender equality. We focus on the advantages and disadvantages of non-standard employment, and in particular part-time work, as a way to increase gender equality. Unfortunately for policy makers, no single policy seed grows in a similar way across the different European soils in which they are planted. With social inclusion through high quality employment as well as emancipation of women high on the progressive agenda, in this paper we argue that achieving both goals simultaneously is not done easily and that past policy failures should not be forgotten. If we do not think about how we handle caring needs in society, we will fail to reach both policy goals simultaneously as feminists have argued for a long time.

The common practice when addressing gender equality in the labour market is to look at levels and changes in female employment rates. Female employment growth has been one of the key drivers of social change in the post-WO II Western world. In most developed countries men’s and women’s employment rates have been converging gradually the last decades (figure 1). The driving forces of the structural convergence of male and female employment rates appear to have changed during the current crisis. From figure 1, we see that the common pattern before the crisis was a stagnation of male employment and an increase in female employment. The crisis, however, had a particularly strong negative impact on men and especially on the low skilled (Leschke, 2012; OECD, 2013; Ward & Ozdemir, 2012). Yet, despite a convergence in overall employment rates, a substantial gender employment gap remains in most countries as well as an high variation in this gap across countries (figure 1).

Employment rates, however, only show the tip of the iceberg. Fully understanding the magnitude of this social change includes taking into account the degree of labour market attachment, continuity of careers, and the contribution of earnings to the overall household income (Rainwater et al., 1986). We know that women’s employment rates are lower, that their labour attachment is weaker and that a gender pay gap persists. One of the elements that has received little attention is how all these individual level differences between men and women are transferred to the household level.

Therefore, in this paper we bring men and women’s relative income contributions back to the centre of the debate. As we discuss below, some policies packages may help increasing women’s employment,
while simultaneously decreasing women’s earnings potential. We end with a discussion of this trade-off for the progressive agenda and policy proposals in the light of the recent, and still on-going crisis.

Figure 1 Change women’s and men’s employment rate 2000-2012, age 15-64.

Source: Eurostat: EU-LFS
The Gendered Nature of European Labour Markets

Female employment as a result of a complex supply and demand side incentive structure

Female employment deficits form a particular challenge for European policy makers. Several policy options exist, but the conditions under which they are successful in helping women’s, and in particularly mothers, labour market participation remains at the centre of the academic and public debate. Across developed countries different pathways seem to exist to increase women’s employment, ranging from (1) availability of affordable childcare, (2) paid care leave with limited duration, (3) provision of public sector jobs, (4) high quality part-time employment, (5) not joint taxation of couples, to (6) antidiscrimination or affirmative action laws. Yet, thorough literature reviews and empirical research indicate that no single policy package has proven decisive over time or across countries (Kenworthy, 2008), but we do have some general ideas about the strengths and weaknesses of different policy packages.

One of the central elements in the debate on female labour market participation remains the motherhood employment gap. In recent years family policies have been redesigned across Europe to increase gender equality, to enable a good ‘work-life balance’, but mostly to encourage employment of mothers (Daly, 2010). For example, the 2002 Barcelona targets on childcare provisions were made a case for by the argument that "Member States should remove disincentives to female labour force participation" (European Council, 2002). Changes appear to have had most impact in countries with traditionally less extensive formal childcare provisions and low female rate of female labour market participation, like Spain (Valiente, 2010). On the other hand, policy transformations are constrained by tight public budgets and cultural factors (Plantenga & Remery, 2009).

Facilitating child-care provisions is not a necessary condition to improve women’s labour market position. When children are young, but perhaps even more so when they start going to school, child care arrangements are not necessarily compatible with a full-time job. Hence, supporting part-time work can enhance it as a policy option. In effect, different institutional arrangements, like support of part-time work and caring activities, should be analysed as complementary institutions that affect female labour supply (Matysiak, 2011).

According to the OECD (2008) the participation rate of children below three in formal childcare ranged from 12 percent in Austria to 66 percent in Denmark in 2008. This variation is caused by country specific and historically shaped systems of formal childcare, flanked to varying degrees by alternative

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2 The Barcelona targets were to provide childcare by 2010 to at least 90% of the children between 3 - 6 and at least 33 percent of children un 3 years of age.
arrangements such as parental leave or informal childcare (for an extensive overview see: Plantenga & Remery, 2009). Danish childcare coverage, for example, is high and there are long opening hours, expanding the scope for parents to work their preferred number of hours (Gash, 2008). The OECD (2008) family database also shows that average hours attended in formal childcare differ substantially across countries. Low number of hours attended in the UK, Austria, the Netherlands and Germany indicate that opening hours of childcare services are not compatible with a full-time working week. Another explanation could be the high cost associated with private childcare (OECD, 2011). A different way of addressing caring and financial needs are ‘new familialism’ (Mahon, 2002) or ‘optional familialism’ (Leitner, 2003) strategies as these can be found in Belgium or France. In these countries parental as well as non-parental care are supported, financially allowing mothers a free ‘choice’. Yet, due to contradictory logics in these systems, Daune-Richard (1998) argues that two groups of women have emerged with an important social division between voluntary part-time workers in good quality jobs and involuntary part-time worker in precarious jobs. Furthermore, support for affordable child care does not automatically lead to high levels of take up among those who need it the most (Ghysels & Van Lancker, 2012).

Beside the availability of childcare, family policies include income transfers that compensate for employment restrictions and higher consumption needs due to the presence of children (Korpi, 2000), but may also decrease female full-time employment incentives. Tax measures are also known to affect labour supply (De Henau, Meulders, & O’Dorchai, 2007). These sometimes reduce the incentive to move from part-time to full-time employment, especially in the case of sole parents (OECD, 2010, 2011; Tomlinson, 2006). In the southern European countries, family and intergenerational solidarity continue to play an important role in providing protection against social risks despite recent expansions of social spending and services (Aizenstadt & Gal, 2010; Naldini, 2003). The relative lack of public transfers also has important labour supply consequences as the financial burdens associated with having children are poorly compensated for (Corak, Lietz, & Sutherland, 2005).

The incentive structure for female work in general and part-time work in particular also depends on the views of organizations and producers (Fagan & Walthery, 2011; Ibáñez, 2011). For example, part-time work has long been identified as a form of ‘internal numerical flexibility’ (Atkinson, 1984) to allow employers a better match between hours worked and demand fluctuations. Especially in female dominated labour intensive service sectors, efficient work scheduling increases productivity. On the other hand, perceived or real employee wishes may also be an important driver for organisations to adopt part-time work (Delsen, 1995; Perrons, McDowell, Fagan, Ray, & Ward, 2007). Retention or flexibility strategies have important consequences for the quality and pay levels of part-time work, with retention jobs being of higher quality (Allaart & Bellmann, 2007; Anxo et al., 2007; Delsen, 1995; Tilly, 1996). Employer demand for part-time work is also shaped by regulatory factors (Smith, Fagan, & Rubery, 1998). In some countries it is more protected than in others (OECD, 2010). In rigid labour markets it may enhance flexibility (Buddelmeyer, Mourre, & Ward, 2004). Changes in labour regulations
influence employers’ strategies as Fernández-Kranz and Rodríguez-Planas (2011) indicate for Spain. After introducing the right to request part-time work when having children below the age of seven, more women were hired on a temporary basis, leading to an increase in employment insecurity.

In sum, labour market policies, taxation, employer strategies and family policies produce strongly varying labour supply incentives for women and mothers across countries and within countries these incentives can conflict with each other. Part-time work, a widespread and highly gendered form of non-standard employment, is not necessarily the most preferred option for women, but sometimes the most feasible. In countries where alternatives are lacking for combining the demands of childcare with the demands of a full-time job, working part-time can be a highly constrained choice (Gash, 2008). On the other hand in the Netherlands, part-time work is said to be the preferred situation because it was ‘standardised’ by unions, employers and governments through a narrowing of differences in rights, benefits and earnings with full-time work (Booth & van Ours, 2010; Visser, 2002). Reducing work/family incompatibilities and supporting labour market participation is one element in improving gender equality, but how does this affects the social and economic position of women in society and within the family put forward other issues.

Employment supportive induced gender and motherhood pay gaps
While reconciliation policies have an impact on female labour supply, they are not necessarily highly supportive of women’s relative earnings position within the family. Much depends on whether we focus on all women or only on women who are working. In the former case, employment support for women and mothers does increases women’s earnings contribution within the household, under the assumption that men’s employment remains the same. Compared to not working, having a job is obviously an improvement. On the other hand, among working women the type of jobs are crucial in understanding equality in the relative income contributions in couples. Which type of jobs working women and especially mothers hold, depends to a large degree on the type of work that is feasible when reconciling work and care.

Research for Europe has shown that the contribution of women to the overall household income varies considerably. Analysing the contribution to the overall household income, including benefits, based on ECHP 1996 data Maitre et al. (2003) indicate that in all old EU-15 countries at least 40% of the women contributed to the total household income, yet the mean percentage contribution ranged from a meagre 15.8 % (Greece) to 30.8 % (Denmark). Drawing on LIS data for 21 OECD-countries in the 1990’s, Stier and Mandel (2009) also find considerable variation across countries. Women’s share of the overall household market income ranges from 18% (Luxemburg) to 41% (Finland) and for dual-earner families from 28 % (Netherlands) to 42 % (Hungary). Over time, not controlling for the effect of rising female employment rates, Nieuwenhuis et al. (2013) show that between 1981 and 2005 Women’s share in total household earnings increased in most OECD countries.
Supporting labour force participation of women is a necessary first step in promoting women’s economic independence and gender equality. The rise in female labour market participation, however, does not necessarily evaporates gender equality in the labour market or the household since women are known to have a lower labour market attachment in terms of hours worked and job security. In fact, precisely because women usually work less hours and earn less, that is in more precarious employment, traditional gender roles are being reproduced (Kjeldstad & Nyoem, 2012). According to Stier and Mandel (2009) several policies that are supportive of female labour market participation aimed at reconciling work and family are causing motherhood pay gaps. In other words, gender inequalities are being redefined from extensive margins (not working vs working) to intensive margin (difference in realised earnings potential when working) (Bettio, et al., 2012).

When looking at all working age women, reconciliation policies like maternity leave contribute to women’s economic position, because they increase female employment by allowing them to maintain a link with the labour market (Nieuwenhuis, 2014; Stier & Mandel, 2009). However, generous parental leave has a negative impact on working women’s relative earnings contributions (Stier & Mandel, 2009). The reduction of problems in work-family reconciliation through forms of maternity or parental leave reduce mother’s human capital and work experience and hence their earnings potential in comparison to fathers who are less likely to take such leaves (Gornick & Meyers, 2003; Pettit & Hook, 2005). Another way to increase female labour market participation is to help households to pay for childcare through generous fiscal treatment of children. However, without employment conditionality the income effect of a lump-sum benefit has a negative impact on female participation (Jaumotte, 2003). Consequently, unconditional cash transfers also negatively affects women’s relative earnings contributions (Nieuwenhuis, 2014). Similarly, part-time work may help to reconcile women’s work and caring aspiration, but at the same time limits their earnings potential because of the reduced working hours, amplified by a part-time a wage penalty and occupational segregation (Bardasi & Gornick, 2008; Matteazzi, Pailhé, & Solaz, 2013). One of the policies that does the trick according to Stier and Mandel (2009) is child-care support since it helps women to compete more equally for market resources and consequently to increase mother’s relative earnings contributions within the household. This is of course under the assumption that child care facilities are compatible with standard employment.

Discussion
We have seen that across Europe the specific composition of family policies determines gender equality on two levels. Policies that enable women to participate in the labour market may be incompatible with the idea that women and especially mothers contribute equally within the household because of the type of jobs women do. This brings us to a normative inspired debate on female employment gaps, which has to be framed in a timely economic context.
Obviously, countries with low proportions of dual earner households and more male breadwinner families are more likely to have low levels of women’s relative contributions. Hence, in a first order, differences in women’s economic independency across countries are primarily related to their the institutional contexts supportive of reconciliation of work and care. In a second order, employment support that ameliorates women’s position in the labour market enhances women’s economic position in dual earner families (Stier and Mandel, 2009). This conclusion holds under the assumption that men employment remains stable, which up to the recent crisis was plausible. As shown in figure 1, the crisis had especially a negative impact on male employment.

The economic context is important when considering household employment patterns (Haas, Steiber, Hartel, & Wallace, 2006). Traditionally, breadwinner earnings were assumed to strongly influence women’s labour supply decisions. Economist refer to labour supply reactions to job loss of other household as the ‘added worker effect’ (DeRiviere, 2008). Reversing the situation, it was assumes that when a male breadwinner is present, women reduce their labour supply and their earnings become negligible, merely serving as “pin-money”. Harkness et al. (1997) make a strong case for putting the pin-money hypothesis to a rest. As indicated above, women do contribute substantially the household income. On the other hand, despite the evidence that men and women tend to behave similarly during the crisis, some research does indicates the presence of an added worker effect for some countries (Bettio, et al., 2012). In other words, the crisis may have ‘helped’ to converge male and female employment rates.

As regard the consequences of the crisis for women’s relative earnings contributions, Ward & Ozdemir (2012) conclude that it increased in most EU-27 countries during the crisis. In poor families female contributions are smaller, but the increase in their contributions during the crisis was larger. Since dual earner families are the new norm, a substantial second income is necessary for most families to make ends meet. Thus, while the crisis accelerated the convergence of male en female employment and the relative contributions of women, it came at the cost of overall welfare since female earnings increased more substantially at the lower end of the family income distribution. In other words, families with women as secondary earners, often in a non-standard, part-time, or low paid job lost their primary income.

Given this context, what are the normative bases on which we can design policy responses to ameliorate the social and economic situation families in general and non-standard working women in particular? According to Weststar (2011: 111) presents “the issue of choice a particular challenge when determining time-based underemployment and complicates any normative judgements that may be directed against women in different situations”. Broadly speaking, women’s ‘choice’ depends on a complex interaction of individual, family, societal and institutional constraints, which potentially reinforce existing gender (in)equality. Barker (2005) argues that for liberal feminists achieving gender equality means that women, like men, should fully exploit and develop their human capital in the labour market and not let it
go to waste by doing domestic work. Informal activities are not valued in contemporary market logics and hence not included in the debate on (under)employment (Eichler, 2005). From a Socialist feminists perspective, however, unpaid work should be revaluated in order for men to engage more in these tasks.

Even though both views are appealing, putting them in a timely perspective could help to see which steps should be taken. For women to exploit their full earnings potential, we need jobs that allow them to do so. While it is a valuable idea, given the current economic climate this is perhaps not the most realistic goal to pursue. On the other hand, because relative earnings affect bargaining power within households (Frieberg & Webb, 2006; Pollak, 2005) and given the recent convergence in male and female employment and relative earnings contribution, especially due to a deteriorated position of men, perhaps the time has come to push for a revaluation of care activities. With some creativity progressive policy makers should explore how within their country specific policy framework additional income support for fathers can be created who were dismissed and have difficulties in (fully) re-entering the labour market, but condition these benefits on engagement in caring activities.
Bibliography


TRADE UNIONS AND THE UNIONIZATION RIGHTS OF PRECARIOUS WORKERS: TOWARDS A BETTER SOCIAL SYSTEM AND LEGAL FRAMEWORK ACROSS EUROPE

Isil Erdinc

Introduction

Precarious work is a cross-cutting issue that is effecting all of the workers around the world. The persistence of massive unemployment, the existence of part-time, precarious, temporary activities, weakly or not at all covered by the social security system and the labor law, prove the lack of solid employment politics. The International Trade Union Confederation (ITUC) declares that “Decades of social progress in European countries are being wiped out by the untrammeled power of global finance, while people across Africa continue to suffer under neocolonial plunder and corruption”, (ITUC, 2013) while the European Trade Union Confederation states: “Social achievements and policies at national and EU level have been greatly harmed by macro-economic and labor market policies implemented so far (ETUC, 2013). Robert Castel states that “The most powerful dynamics of contemporary capitalism supported by the neo liberal ideology, works for the destruction of collective regulation systems that stabilized the wage condition. Finding counter powers in order to curb these factors of negative individualization and building collective powers are vital” (Castel, 2009). In addition to this, Andreas Bieler states that “Considering that austerity is a European-wide phenomenon, pushed by Brussels but equally individual national governments, it will remain important that trade unions combine resistance to neoliberal restructuring at the European level with resistance at the national level” (Bieler, 2013). Thus, we can say that work, the working class and trade unions are still major actors in the collective construction of a social Europe and global justice and equality. The organization of precarious workers is therefore essential in order to create powerful mechanisms to defend their rights and liberties and struggle in an organized manner for decent jobs and working conditions.

Therefore, in our paper, we are going to analyze how the precarious workers could defend their rights better. We are going to state that trade unions are still major actors for the workers and being a member of a trade union is a fundamental human right to assure the social rights and justice. The socialist and social democratic parties are also important actors who could produce policies that could assure the unionization of the precarious workers so that they could have their own organization to defend their rights and demand better jobs. We are going to search for strategies that the socialist and social democratic parties could adopt in order to assure the unionization of the precarious workers across Europe. Firstly, we are going to study the legal frameworks and policies in different countries in order to find out which legal system assures a higher rate of unionization and a more reliable and functional collective bargaining system. We are going to use the statistics on the number of trade union members and the legal regulations in different countries of the European Union and on the European level.
As to the outline of our work, we are going to explain first of all briefly why the unionization of the workers is still an important issue that socialist and social democratic parties should pay more attention. Then we are going to analyze legal frameworks on national and European levels in relation with unionization rates. We will search briefly what is being done and declared in order to achieve a higher unionization rate of the precarious workers.

**Why are the Trade Unions still Relevant Actors? Trade Unions, Precarisation and Violation of Trade Union Rights**

According to the decisions adopted by the 2nd ITUC World Congress in Vancouver from the 21st to 25th June 2010, it is stated that “Congress calls upon governments to reverse the trend toward more jobs in the informal economy and the increasing precarity of work, through the strengthening and extension of labor legislation and its more rigorous enforcement and full recognition of the role of workers’ organizations. [...] Strengthening public labour inspectorates should be a key component, and ILO Convention No. 81, Labour Inspection and ILO Convention No. 129, Labour Inspection (Agriculture) need to be ratified and fully implemented by all governments” (ITUC, 2010).

“The economic crisis has exacerbated trends towards restructuring of production on a global basis and is undermining hard-won workers’ rights. Congress expresses deep concern at the increased trend towards precarious, atypical and unprotected forms of employment which deprive millions of workers of the coverage of labor legislation and social security and undermine the union capacity to organize and bargain collectively. It is essential to obtain full rights for temporary and other atypical workers, with respect for the provisions of ILO Convention No. 181 on Private Employment Agencies and ILO Recommendation No. 198 on the Employment Relationship. It calls for the ratification and implementation of ILO Convention No. 131 concerning Minimum Wage Fixing and its accompanying Recommendation No. 135 as part of campaigning efforts by affiliates worldwide to achieve decent remuneration to meet the needs of workers and their families”.

The ITUC points outs that the workers seeking to form or join unions face daunting challenges and obstacles: “Union organizing is opposed through dismissals, harassment, intimidation, threats, surveillance, anti-union campaigns and even through physical violence. In many countries governments fail to protect the rights of workers seeking to unionize through inadequate legal protections, insufficient and delayed enforcement, biased judicial proceedings or weak, meaningless legal remedies. Some governments actively suppress trade unions through various means including encouragement of precarious employment relationships” (ITUC, 2010). They deplore that large numbers of workers are effectively denied these rights because of the inadequacy of law or its application, which often does not cover the full range of relationships under which work is performed: “Temporary workers, independent contractors, workers supplied by agencies, intermediaries or other labor brokers, domestic workers,
agricultural workers, cross-border workers and workers in supply chains are often unable to exercise their rights in practice. Companies avoid the obligations that laws place on employers through contracting out work and by denying employment relationships. The growth of precarious work impedes organizing; vulnerable workers are often reluctant to join trade unions even where they may have a right to do so. Where work is performed on an informal basis, as is the case for a majority of the workers in many developing countries, the right to organize and to collectively bargain is particularly difficult to realize” (ITUC, 2010).

Thus, ITUC calls upon trade unions to “meet the challenge of organizing all workers within their respective jurisdictions without distinction as to employment status or educational and skill levels. That includes women, youth and migrants as well as those in atypical or precarious work relationships such as part time or temporary work. It includes highly educated workers performing new jobs that are rarely unionized just as much as those performing work in the informal economy and who are unregistered, unrecognized and excluded, or who are in disguised employment relationships and may be wrongly defined as “self-employed” (ITUC, 2010).

According to the Economic Crisis, Quality of Work and Social Integration Survey of European Social Survey “Employees in the Nordic countries had the highest levels of involvement in decisions about their work, those in the Continental European countries had an intermediate level, while employees in the Southern and East European countries had the least influence. These differences in part reflected the extent to which countries had developed effective systems of workplace representation and the national strength of trade union membership” (Gallie, 2013).

In this context, it could be defended that the trade unions are still relevant actors and have an important role in the application of trade union and collective bargaining rights as a social right that is included also as a fundamental human right. So what could be done by the governments on national levels in order to assure a maximum unionization rate among the precarious workers? We could now try to find an answer to that question by analyzing the different legal frameworks and the statistics on unionization rates. It could be argued that trade unions play an important role in the “securization” of the labor market and the recognition of workers’ rights and liberties and in exchange the augmentation of the unionization rates and the degree of protection of union rights, the working class will be reinforced and become an important actor in the collective formation of a social and just Europe.

Is it Possible to Assure a Better Protection of Union Rights across Europe? The Problem of Unionization Rates and Legal Frameworks on National Levels

Assuring trade union rights and social rights is one of the most important moves that socialist and social democratic parties should do in order to fight against precarity and create decent jobs with decent rights. Collective bargaining is a part of the precarious work so they can be considered as two sides of a
Anne Dufresne points out that “Dismantling collective bargaining systems that people fought for is equal to a frontal attack on the very existence of trade unions in each of the member states. The Commission makes no secret about this and indicated in a recent report of DG ECFIN that it should be possible ‘to promote measures that lead to a global reduction of the ability that trade unions have to set wages’ (2012)” (Dufresne, 2013). In addition to this, Andreas Bieler states that “Ultimately, austerity is a strategy of class warfare by capital against working people and trade unions as their representatives. Arguments about having to deal with public debt are used to justify a drastic transformation of European political economies” (Bieler, 2013a). Stefan Clauwaert and Isabelle Schömann state that Spain and Greece have filed a complaint to the ILO that collective bargaining reforms run counter to principles of trade union freedom and/or free collective bargaining. However, the European Commission has not yet reacted to measures violating fundamental rights of the kind guaranteed in the Treaty and in the Charter of Fundamental Rights (Clauwaert, Schömann, 2012). Thus, we can see that the neoliberal policies and austerity across Europe have direct impacts on trade unions and the augmentation the workers’ capacity to mobilize against precariousness is closely related with their degree of unionization. So how to find a system that assures the unionization of workers and protects better their collective bargaining, social security, mobilization and unionization rights? In order to answer this question, we will talk about the unionization rates in different countries and the legal frameworks in these countries. This will let us show the socialist and social democratic parties in Europe how to produce more solid labor laws and social rights for the precarious workers to fight against precarity in order to assure their power to protect their rights for decent jobs.

First of all we should check the unionization rates in different countries. According to a Eurofound report written by Marc Carley, it is stated that “Where there are sufficient data for 1993 and 1998 to apply to this crude calculation method to these years as well, it is clear that the trend in union density is downward across Europe. Of the 20 countries for which the relevant information is available, all but one - Malta - experienced a fall in density over 1993-2003. This was most notable in the central and eastern European new Member States and candidate countries, with falls of around 60 percentage points in Bulgaria, 50 points in Slovakia, 40 points in Estonia and 30 points in Poland. In the other countries, density declined by no more than 15 percentage points, with falls of: below five percentage points in Belgium, Italy, Luxembourg, the Netherlands and Norway; from five to 10 points in Austria, Denmark, Germany, Greece, Portugal and the UK; and 10-15 points in Cyprus, Finland, Ireland and Sweden. In countries (apart from Malta) where absolute union membership rose over 1993-2003, density declined because the absolute number of employees rose by more - as in Belgium, Cyprus, Denmark, Finland, Ireland, Italy, Luxembourg, the Netherlands, Norway and Portugal. Union membership fell while employee numbers grew in Austria, Greece, Slovakia, Sweden and the UK. In a number of central and eastern European countries, falls in union membership coincided with reductions in the number of employees - as in Bulgaria, Estonia and Poland - but the decline in the former exceeded the decline in the latter and density fell. The same was true, if less dramatically, in Germany. [...] The general picture can be summarized as follows. Membership of all centers/sets of 'other' unions and overall national
membership levels seem to be rising in Belgium, Ireland, Italy, Luxembourg, Malta, Spain and, probably, Portugal. In Cyprus, Denmark, Finland, Netherlands and Norway, overall union membership is increasing but some organizations are losing members (in the case of Norway, much of the change in the membership of some organizations over the past decade can be attributed to changes in union structures and the affiliations of individual unions). Membership of all centers/sets of ‘other’ unions and overall national membership levels seem to be falling in Austria, Bulgaria, Estonia, Greece, Latvia, Poland and the UK. In Germany, Slovakia and Sweden, overall union membership is falling, but some organizations (generally smaller ones) are bucking the trend (Carley, 2004).

As to the legal frameworks in different countries, Stefan Clauwaert and Isabelle Schömann ask if the legal regulations, rules and contracts in different countries on national level, such as Greece and Spain, leading to further labor market segregation and exacerbating the position of vulnerable or precarious workers, who experience serious difficulties in entering, progressing and staying in the labor market, are compatible with European directives, in particular those on fixed-term and part-time work (Clauwaert, Schömann, 2012). They explain the situation in Greece and Spain: “As for part-time work and measures to further ‘flexibilise’ it, in Spain the reform program of February 2012 has abolished a rule that had been in force for about 15 years prohibiting standard overtime for those in part-time employment. In addition to what Spanish law calls ‘horas complementarias’ (specific overtime for part-timers, subject to some formal requirements and limitations – this form of overtime continues to be lawful), part-timers can now work standard overtime (‘horas extraordinarias’) like any other employee. This would not be a problem in itself, but these new contracts often offer less protection than normal employment contracts and/or are targeted at specific groups of workers, such as young people, who are already among the most vulnerable as regards labor market entry, progress and retention. A typical example is Greece’s introduction of a new ‘youth contract’. The idea is to hire young workers up to the age of 25 on wages 20 per cent lower than the previous rate for first jobs, with a two-year trial period, no social contributions for employers and no entitlement to unemployment benefits at the end of the contract. In Spain, a new training and dual education contract has been introduced for unskilled young people aged 25–30 (but with the possibility to extend it to persons aged up to 34), providing considerable exemptions from social security contributions for employers both during the contract and upon conversion of the contract into a normal, permanent one (Clauwaert, Schömann, 2012). As to the collective bargaining coverage and rules, they state: ‘A clear policy and/or ambition can be identified in many countries to decentralize collective bargaining, shifting from national/sectorial level to company level. The professed aim is to give businesses more flexibility and help them adjust to labour market conditions. Examples can be found in Italy, Greece, Portugal and Spain’ (Clauwaert, Schömann, 2012).

The most important point concerning the trade unions is the evolution of the role of trade unions. By implementing a system based on social partnership, the new legal frameworks aim to individualize the workers by violating collective rights. Clauwaert, and Schömann explain: “Another trend is the adoption of measures reviewing representativeness criteria for social partners (for example, Greece, Hungary,
Italy, the Netherlands, Portugal Romania, Slovakia and Spain) and extending what used to be trade union prerogatives to other bodies of workers’ representation (often at company level) (for example, Greece, Portugal and the Slovak Republic). There are also examples of countries – for example, Hungary – abolishing or at least diminishing the role of certain (tripartite) social dialogue institutions, with the government withdrawing from such bodies (for example, Romania). Other labor law reforms tend to impose alternative dispute resolution mechanisms instead of tribunals (Bulgaria, United Kingdom, Spain). In Greece, arbitration must be triggered by the joint request of the parties and is restricted to basic wage demands. In the United Kingdom, access to labor tribunals has been restricted. Finally, the regulations on collective disputes have been reviewed in some countries” (Clauwaert, Schömann, 2012).

Also expressed by Clauwaert and Schömann these reforms of collective labor law will end up weakening trade union representation and action at all bargaining levels: “They affect the very structure of trade unions as well as their institutional means of protecting and representing workers. Decentralization of collective bargaining to the lowest level weakens the social acquists achieved so far by the trade unions at national and local level and will affect sectorial collective bargaining. It will also lower the standard of rights recognized so far and anchored in legislation and collective agreements, as well as affecting fundamental employment conditions related to working time, pay, work organization, working environment and social protection. It will also have an impact on health and safety at work” (Clauwaert, Schömann 2012).

Therefore, the labor law reforms, produced to fight against the crises, are not only violating trade union rights but also creating more precariousness because of the lack of power of protection of the workers by the trade unions that are getting weaker and less competent. It is essential to produce labor laws and reforms that makes it easier for all the workers, but especially for the precarious workers, to unionize and protect their collective bargaining and their right to strike. The unionization rates, getting weaker and weaker across Europe by the impact of the crises and measures taken in order to solve the crises, are important elements that we can compare and take as an example to find an ideal legal model and economic policies assuring the highest unionization rate among workers, including the precarious workers.

**Conclusion**
We can see that in order to produce better policies against precarity by the socialist and social democratic parties, creating solid and sustainable legal frameworks that help the precarious workers protect their rights and struggle for a decent work is essential. In fact, what we can ask here is what else could help socialist and social democratic parties to gain the trust of the workers and earn their votes by proposing them better protection of rights and living conditions apart from legal adjustments. We can thus state that the construction of strategic alliances with labor unions not only on national level but also on the European level especially like the ETUC could help them create new pro-labor projects and
agendas in order to assure the organization and unity of the precarious workers. However, as stated by Anne Dufresne “Lots of questions are left over: how can we break the deadlock of national withdrawal by trade unions? How can we avoid an imbalance increase between countries, social tensions and eventually the stalemate of the trade union movement? How can we create a new balance of power in response to the economic players of the EU?” adding that “The challenges this implies are huge: The implementation of a strategy of ‘Europeanisation’ of social movements, already underway with the increasingly rapid succession of decentralised movements. A good example was the transnational strike of 14 November 2012, which was new because it was organised simultaneously in all southern countries, hit most severely by austerity measures” (Dufresne, 2013). In addition to this, in some countries like Greece, Hungary and Slovakia the trade unions have reacted not only by demonstrating or organizing general strikes but also by filing complaints to the respective ILO and Council of Europe authorities concerning alleged violations by these reforms. Thus, it is important to create better legal regulations, restrictions and new labour laws based on a social values both on the national and the European levels. As a result, socialist and social democratic parties should aim first of all proposing the precarious workers more possibilities and mechanisms to struggle together for their collective rights in order to protect their social and fundamental rights in short term and then putting an end to the precariousness on long term. Despite the critiques against the trade unions in different countries, the unionization rates and the right to unionize remain an important issue when it comes to construct a social and equal society without neoliberal and austerity policies.
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