

36th Annual Conference of the International Working Party on Labour
Market Segmentation (IWPMS), Athens, 22-24 June 2015

Long term trends in the world of work and effects of the economic crisis: Policy challenges and responses

Call for papers

The 2007-8 global financial crisis hit the different parts of the world unevenly, with the advanced economies the most adversely affected. Seven to eight years later, the US unemployment rate is still above its pre-crisis level, the Japanese economy has returned to long-term stagnation while the EU proves incapable of putting its economy on a road to recovery or keeping unemployment under check. Due to coordinated austerity, the euro area is today on the brink of a third recessionary dip accompanied by deflation, while the gap between core and periphery has widened, calling for a reform of the EMU.

The rise in unemployment is the most important crisis effect on the world of work. Youth unemployment has increased everywhere, leading to emigration from the most crisis-stricken countries. In the EU, the incidence of long term unemployment and the share of households that are either jobless or with low work intensity have increased significantly, pulling upwards income poverty and material deprivation, triggering the development of subsistence strategies, and challenging the effectiveness of employment and social policies as “social shock absorbers”. At the same, there is a growing polarization between EU Member States regarding employment growth, unemployment dynamics and duration and poverty trends, reflecting unequal economic performance, country differences in the intensity and tenacity of austerity policies as well as national disparities in employment and social policy innovation developed during the crisis.

However, in the past 7-8 years, there is a hardly discernible deviation from the longer term trends in the direction and character of institutional change of the employment and welfare regimes. After a short interlude at the beginning of crisis, most developed economies have continued the pursuit of neo-liberal welfare and labour market reforms, which was the main trend of employment and social policy before the crisis, although this general trend had been followed at different speeds and in some cases mitigated or compensated at least in part by new employee and social rights at the national level. Neo-liberal welfare and labour market reforms include policies that further enhance wage flexibility and employer-induced flexible working by eroding minimum standards, employment protection and union power. This is achieved by changing wage-setting institutions and by putting pressure on social benefit recipients to seek paid work. These reforms also include social policies and measures that reduce social benefits and public provision of social services through outsourcing, by subsidizing private providers and families or calling upon the volunteer sector to assume an active role in welfare provision. Finally the reform programme encompasses measures to downsize public sector employment and level down public sector pay, which are detrimental especially for the employment prospects of women and the quality of their jobs.

The above reforms may have reinforced or attenuated labour market segmentation depending on whether they have primarily contributed to the expansion of the secondary sector of the labour market, characterized by low wages and employment

precariousness, or have chiefly targeted the ‘privileges’, ‘premiums’ and trade unions of the ‘over-protected’ employees in the primary sector of the labour market. They have certainly changed the patterns of segmentation, along with other factors such as continuing immigration flows, migration policies, activation and employment policies for the inactive, the unemployed and vulnerable social groups, and so on.

The global financial crisis has fostered debates on economic inequality as one of its structural determinants. In the OECD, the share of income going to labour has been falling while wage incomes have become more unequal during the past 25 years. During the economic crisis the share of the population subject to material deprivation has increased – at least in the EU - while fears of social decline and exclusion have reached the middle classes in many societies. As for gender inequalities in the labour market, these have been narrowed but alongside a clear deterioration of the employment and working conditions of both women and men.

Crises can act as a catalyst for redefining political priorities, rethinking policies and opting for alternative solutions. High and intractable unemployment rates and debt-to-GDP ratios and growing economic polarization in the EU have increased opposition to austerity as a precondition for growth. The very high youth unemployment rates have reinforced the role of training in labour market policies for youth and the need to establish closer links between education and the labour market through institutional reform. It is however questionable if youth unemployment is due to a skills problem or a high minimum wage as suggested by the OECD for some countries before the crisis. The continuing (and increasing?) wage inequalities and labour market segmentation, the lack of wage floors and the gaps in social protection created by the erosion of labour standards and the proliferation of flexible employment contracts or informal work have given rise to employment and social policy innovations and the reregulation of employment on several occasions in recent years- for example the new national minimum wage in Germany. The economic crisis has also posed a challenge to gender equality, whereby in many cases it is regarded as a matter to be relegated to better times but, on the other hand, is still recognized to be an essential component of social investments to promote a more equal, inclusive and productive society.

Last but not least, the future of labour rights, job quality and the welfare state in advanced economies depends crucially on the consolidation of sustainable national growth patterns that base competitive advantage on high productivity, technologically-advanced and high-value-added activities and skilled labour. Regulating economic relations among the different poles of the world economy and rebalancing growth within regional entities such as the EU, the EMU, NAFTA etc. are important prerequisites for sustainability. Although the renewed neoliberal project worldwide does not provide the basis for sustainable growth, alternative strategies and policies have yet to gather the required ideological and political backing from public opinion and electoral majorities at the national and international levels.

In view of these trends in both policy programmes and in the underlying trends in the world of work we invite papers in particular on the following themes:

- Trends and determinants of wage and labour income inequality
- Low-wage work, precarious employment and social protection
- Labour market regulation and labour market segmentation

- Female employment, household organization and gender gaps in paid and unpaid work
- Unemployment, underemployment and employment policies in the crisis
- Long term unemployment, jobless households and subsistence strategies
- Youth unemployment: Are skills the problem?
- Recent migration flows and labour market integration of migrants
- Living wages and employment regulation: problem or solution?
- Social protection and social investment: competing or complementary approaches?
- Innovative employment and social policies during the crisis
- Growth strategies, employment and job quality in a globalized world

As usual in IWPLMS, although we make a specific call for papers, we invite you to submit paper proposals regarding issues you consider relevant.

Submission of Abstracts and Papers

Please submit **abstracts** for a conference paper by **March 12th** – Submission to be done online through the conference website www.iwplms-athens.gr.

The selected abstracts will be announced on **March 23rd**.

Registration to the conference ends on **May 8th**.

Final papers should be submitted by **June 10th** – Submission to be done online through the conference website www.iwplms-athens.gr.

For more information please contact:
Aggeliki Kazani at iwplms.athens@gmail.com