

International Labour Review

SPECIAL ISSUE THE AGE OF FLEXIBILITY

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- 477 **The growth of precarious employment in Europe: Concepts, indicators and the effects of the global economic crisis**
Tomás GUTIÉRREZ-BARBARRUSA

Since the 1970s, the reorganization of production and neoliberal “flexibilization” have made employment increasingly precarious in the developed economies. Examining the concept of precarious employment, the author focuses on two of its dimensions – insecurity and poverty – which he uses to construct a “precariousness index”. Based on Eurostat data for 1995–2015, he then tracks the growth of precarious employment across the EU-15 and assesses the impact of the 2008 global economic crisis in this respect. While precarious employment generally increased after the crisis, this trend was driven more by poverty in the most deregulated labour markets and more by insecurity in the southern European countries.

KEYWORDS: PRECARIOUS EMPLOYMENT, ECONOMIC RECESSION, LABOUR FLEXIBILITY, POVERTY, EU COUNTRIES.

- 509 **The potential effects of labour market duality for countries in a monetary union**

Anna KOSIOR, Michał RUBASZEK and Kamil WIERUS

This article investigates whether the varying prevalence of temporary employment contracts across Economic and Monetary Union (EMU) countries can explain their different unemployment dynamics. Using a database of labour market institutions, dynamic panel regressions are carried out for 11 eurozone countries for 1995–2013. Labour market duality – i.e. the co-existence of permanent and temporary contracts – is found to have a robust and significant effect on unemployment dynamics: a high duality rate increases the response of unemployment to output shocks while decreasing its persistence. The authors suggest that introducing a “single contract” could improve stability at both eurozone and country level.

KEYWORDS: TEMPORARY EMPLOYMENT, LABOUR CONTRACT, UNEMPLOYMENT, EMU.

- 535 **Productivity in German manufacturing firms: Does fixed-term employment matter?** Sebastian NIELEN and Alexander SCHIERSCH

Using a large data set of German manufacturing establishments and various panel data models, the authors investigate the relationship between labour productivity and the use of fixed-term employment, taking account of the possible distortions that may result from self-selection into the use of fixed-term contracts. Their empirical results provide no evidence for the expected inverse U-shaped relationship between fixed-term employment and labour productivity, and testing for a linear relationship leads to mostly negative coefficients that are only significant in a few specifications. Overall, their results thus indicate that there is no significant relationship between the use of fixed-term contracts and labour productivity.

KEYWORDS: FIXED TERM LABOUR CONTRACT, LABOUR PRODUCTIVITY, MANUFACTURING, GERMANY.

- 563 **An analysis of employment dynamics in the Republic of Korea: The role of temporary work and self-employment** Taehyun AHN

Relative to “standard”, permanent employment, the shares of temporary employment and self-employment are on the rise throughout much of the developed world. Here, the author examines the dynamics of this trend in the Republic of Korea by investigating employment choices among prime-age men and women. Using panel data and a dynamic multinomial logit model with a factor-analytic random-effects specification, he finds that temporary employment rarely serves as a stepping stone towards permanent employment. Individuals who are self-employed, however, are less likely than those in any other employment status category to be non-employed in the following year.

KEYWORDS: TEMPORARY EMPLOYMENT, SELF EMPLOYMENT, KOREA.

- 587 **Temporary employment protection and productivity growth in EU economies** Mirella DAMIANI, Fabrizio POMPEI and Andrea RICCI

This article examines national and industry-level differences in total factor productivity (TFP), or efficiency, for 14 European countries and ten industries for the period 1995–2007. The main aim is to ascertain the extent to which employment protection legislation (EPL) for workers with temporary contracts affects TFP, based on difference-in-difference estimations. The results show that the deregulation of temporary employment negatively affects TFP growth in European economies and that, at industry level, this liberalization affects industries with a higher propensity to use temporary workers. Furthermore, the authors find that the deregulation of temporary employment discourages training and the acquisition of firm-specific skills.

KEYWORDS: TEMPORARY EMPLOYMENT, EMPLOYMENT SECURITY, PRODUCTIVITY, INDUSTRY LEVEL, EU COUNTRIES.

- 623 **Labour protection and informal work: A cross-national analysis of European countries, 2004–2012** Luz Adriana FLÓREZ and Francisco PERALES

Informal work, defined as work performed without a formal contract, lowers productivity, reduces tax revenue and hampers economic growth. Reducing informal work is a policy objective in developed and developing countries alike. Yet, particularly since the onset of the global financial crisis in 2008, most socio-economic policy reforms across Europe have reduced the generosity of unemployment benefit schemes and deregulated employment protection. The authors argue that, while such reforms may have contributed to reducing unemployment, they might also have increased the incidence of informal work. Using European Social Survey data for 2004–12, they find that labour protection is effective in reducing informal wage employment.

KEYWORDS: INFORMAL EMPLOYMENT, EMPLOYMENT SECURITY, UNEMPLOYMENT, TREND, EU COUNTRIES.

651 **Youth employment security and labour market institutions:**

A dynamic perspective

Gabriella BERLOFFA, Eleonora MATTEAZZI,
Alina ȘANDOR and Paola VILLA

The shift of policy focus from job security to employment security calls for a more dynamic measurement of young people's labour market performance. This article uses data on monthly employment status trajectories and job duration to investigate young Europeans' employment security around five years after they finished education. The authors show that almost 40 per cent of "job-insecure" individuals actually enjoy employment security – i.e. they are able to re-enter paid employment rapidly after losing their job. The article highlights the need for policy measures to enhance employment security, and the positive role that stricter temporary employment protection, and ALMP expenditure, could play.

KEYWORDS: YOUTH EMPLOYMENT, EMPLOYMENT SECURITY, EMPLOYMENT POLICY, EU COUNTRIES.

679 **Regulating for decent work experience: Meeting the challenge
of the rise of the intern**

Rosemary OWENS and Andrew STEWART

An important (if under-researched) feature of modern labour markets has been the growth of unpaid "internships" and other forms of "work experience". These arrangements may reflect an understandable desire by jobseekers to gain a foothold in highly competitive job markets. But they can open up the possibility of exploitation, as businesses and non-profit organizations replace what might previously have been paid entry-level jobs, and may reduce social mobility. Reviewing the legal and policy responses of selected developed countries, the authors seek to lay the foundation for a more effective response to what has become a clear challenge to the objective of securing decent work.

KEYWORDS: UNPAID WORK, DECENT WORK, PROMOTION OF EMPLOYMENT, VOLUNTARY SERVICE, APPRENTICESHIP.

Book reviews

711 ***International and comparative employment relations: National
regulation, global changes.* Sixth edition. Edited by Greg J. BAMBER,
Russell D. LANSBURY, Nick WAILES and Chris F. WRIGHT.**

Reviewed by Peter AUER