Regulation work and welfare of the future:
Towards a new social contract
or a new gender contract?

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Abstract

This paper starts off by briefly considering some of the problems of future studies; it discusses how the origins and principles of the systems of regulation and security have generated different employment systems in Europe. The concept of employment systems allows us to identify how the future of work may well be managed in different ways according to the capacity and constraints of national and European actors. The paper focuses on the characteristics and changes in European regulatory systems of labour and social welfare. Two key developments are identified in these areas. First there are trends to decentralise collective bargaining and to encourage a trade off between labour flexibility and employment security. Second, there have been trends towards a decentralisation and outsourcing of state monopolies and attempts to develop new forms of caring. The prospects these trends imply for regulating the work of the future are discussed in relation to the development of a new social and gender contract.
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1. Introduction

‘Only a fool, a charlatan or, possibly, the Chancellor of the Exchequer claims to be able to predict what will happen in the future, yet despite the evident failures of these attempts there is an abiding interest in the future and what it might hold.’ (Coyle 1997:77)

Interest in predicting the future is a questionable activity. It has been addressed from one extreme by those with a vivid literary imagination, such as Huxley’s ‘Brave New World’. At the other extreme there are empirically based studies using statistical predictions of salient indicators for economic growth and decline. The fascination with utopian or disutopian visions and more grounded empirical indicators has nevertheless continued to capture the attention of a wide audience as can be seen from the mass popularity of such books by Rifkin, Fukayama, Forrester or Hutton and others. The aim of this paper is to examine the ground between these extremes. This paper does not set out to provide an in-depth empirical analysis of statistical trends and prediction models, nor unfortunately may it have the same degree of riveting tension as found in a good novel. However, what it does do is to bring together and interpret a range of international debates concerned with regulating the work of the future. With this purpose in mind it focuses on current debates concerned with the future development of the social contract between capital and labour in the form of labour and social welfare regulation during the post-war period. The implications of these discussions lead us to conclude that the concept of a new ‘gender contract’ will be an essential part of this dialogue in visions for the future.

This paper starts off by briefly considering some of the problems of future studies; it discusses how the origins and principles of the systems of regulation and security have generated different employment systems in Europe. The concept of employment systems allows us to identify how the future of work may well be managed in different ways according to the capacity and constraints of national and European actors. The main body of the text focuses first on the characteristics and trends related to the future of labour and social security regulation. The final section draws out two key developments in these areas. First, there have been trends to decentralise collective bargaining and encourage a trade off between labour flexibility and employment security. Second, experiments with decentralisation and outsourcing of state monopolies have created new forms of public-private partnerships in the implementation of labour market policy and social welfare. The prospects these trends imply for regulating the work of the future are discussed in relation to the development of a new social and gender contract.
1.1 Problems raised by prospective studies

There are a range of methods, and problems, associated with conducting future studies. Coyle's (1997) critical assessment of such studies provides us with a taxonomy of future methodologies distinguishing between passive, preventive and anticipatory approaches. The latter can be distinguished between numerical approaches such as system dynamics and econometric methods. More subjective approaches which include the extended scenario, Delphi and Field Anomaly Relaxation methods. Although Coyle argues in favour of developing the last of these, he also acknowledges and discusses the problems such studies are likely to encounter.

Bosch (1996) who focuses more on 'numerical' future studies elaborates some of these problems more specifically. He argues that first, the interdependence of explanatory variables make it difficult to isolate one or two determining factors which will shape future changes. For example, supply and demand can not be satisfactorily analysed in isolation. Second, unexpected events such as the 1970s oil crisis, the collapse of Communism and the unification of Germany in the 1990s are trend breaking developments which are difficult if not nearly impossible to include in projections. Third, Bosch also argues that trend analysis tends to be 'politically empty' so it is difficult to include the effect of actors behaviour at the micro- meso and macro level. The intervention of these actors creates a natural 'noise' which can distort identifiable statistical trends.

The differences between 'numerical' and 'subjective' approaches, as well as the difficulties these generate for potentially over optimistic or over pessimistic predictions make future studies a potential quagmire. Nevertheless, the curiosity which encourages us to predict, speculate and estimate can also have value. A broader and long-term vision can allow us to anticipate potential problems in the future. It can also allow us to assess the potential for policy interventions to ameliorate negative developments and propagate advantageous trends.

At the same time we also need to be aware, as in all periods of social change, that these developments may well create new winners and losers from the process. The benefits gained by some groups may well be at the expense of a loss for others.¹ This can mean one of two things: either society will become more polarised or attempts will be made to generate greater social cohesion. The pessimistic scenario of polarisation and increased social exclusion means that the advantaged groups in society may succeed in maintaining and even increasing their privileges whilst less advantaged groups

¹ See for example how the process of German unification affected women, in: Quack and Maier (1994).
experience a further deprivation. Alternatively, there may be a ‘trade-off’ where the rights and benefits of ‘core workers’ are more equally distributed to marginalised groups. These potential outcomes should be kept in mind when considering the implications of the future of work, as new lines of stratification and social division may come to replace traditional ones. Ultimately, despite the inadequacies of the various methods or approaches we use to think about the future and its consequences change will occur, regardless of whether we speculate or not. At least some consideration of the problems allow us to see where we are at present, where we came from and where we may end up.

1.2 Conceptualising regulation within Employment Systems

The idea of regulation can essentially be seen as setting the ‘rules of the game’. Debate about the degree and form of regulation dates back to the writings of Plato, Hobbes, Locke, Rousseau and Marshall. Setting the rules of the game has been discussed in terms of citizenship and the rights and duties shared by individuals and the state; in terms of a social contract between the interests of organised labour and capital; as well as contractual rights between private firms, or even between individuals for example within the marriage contract. The aim of regulation within this broad conceptualisation is to specify the rights and obligations of contracting parties in normal relations, as well as to specify the appropriate sanctions for non-compliance. Within Europe the principles of regulation have largely been based on the concept of Roman law or the Napoleonic code, in contrast with the common law tradition found predominantly in the UK. The essential difference between these two traditions is based on political theory distinctions between positive and negative liberty. These different regulatory traditions continue to have an identifiable impact on contemporary concepts of acceptable levels and forms of regulation within the European Union, as well as affecting patterns of employment and labour use.²

The future of labour and social security regulation needs to be seen in the context of its historical development. The current regulatory systems found in Europe are a product of over a century of industrialisation and political democracy.³ These systems often came into being as a result of political compromise. In response to the process of modernisation political actors at the state level sought to integrate the demands of working class parties and/or middle class interests in attempts to forge social cohesion and nation building. It is widely

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² The implications of these traditions for employment law and company practices is discussed in more detail in O’Reilly (1994:224-321). These differences become apparent in the form of labour flexibility used by firms with contrasting traditions such as those found in the UK and France.

recognised in the welfare state literature that the different underlying principles, be it minimal universal entitlement as in the Beveridge system or an insurance principle as in the Bismark model, shape and reinforce the nature of social inequality in a given society (Schmid, Reissert and Bruche 1992). The basis on which these systems were constructed, and later developed more extensively during the 1960s, largely reflected a society where life-time employment, especially for men, was the norm under conditions of full-employment.

As we broach the end of the century social conditions have changed enormously. For some people work has become more of a ‘patchwork’ career combining a variety of jobs and employment statuses during their working life. In particular for women who have increasingly taken up part-time employment, discontinuous employment and transition between various statuses is the norm. However, traditional forms of employment and social security regulation have tended to based on the male breadwinner, continuous lifetime employment model. Trade union demands for employment protection, wages and social security have often supported the concept of a ‘family wage’. The relationship between employment protection and social security has largely emerged, albeit in different forms, around the basis of a family model with a male wage earner and a housewife as a potential supplementary contributor to household income (Rubery 1998). As a result, entitlement to social security for women is often provided in relation to their marital or intermittent employment status (Bäcker 1995; Quack 1993; Schunter-Kleemann 1992a). Additionally, not only has the nature of the labour force changed in character, but also the provision capacity of these systems has been strained under more difficult economic circumstances of rising and persistent unemployment. Since the mid 1970s predictions of a fiscal crisis of the state have forecast the problems of financing these systems (O’Conner 1973; Offe 1984 and 1985).

This universal experience together with the processes of European integration, prospective monetary union (Hall and Franzese 1997; Mahnkopf 1996) and concern with global competitiveness (Franzmeyer et al 1996; Ministry of Social Affairs 1996; Matzner 1997) and deregulation (Rogowski and Schmid 1997) have created pressures to force researchers and policy makers to go beyond national self-referencing to become increasingly international and comparative. Nevertheless, in order to understand how these common trends are worked out within national systems it is necessary to set these issues within the context and concept of an employment systems approach. Such an approach shows that it is not possible, for example, to understand the organisation of future of work by focusing solely on the characteristics and developments within the sphere of economic production. Feminists in particular have for a number of years argued that the organisation of work is closely linked to the sphere of social reproduction (Humphries and Rubery 1984; Pixley 1993). Comparative research has also further tried to draw the link between the nature of regulation in the fields of work and welfare in order to develop a more integrated perspective to show how the quantity and quality of employment
opportunities are affected by these forms of regulation.⁴ (This conceptual approach can be summarised graphically in Figure 1.)

**Figure 1.**

1. Sphere of economic production  ←------→  2. Sphere of social reproduction  (firms)  (households)

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3. Regulation and Industrial Relations  
   (the State)

The relationship between these three spheres has been theoretically conceptualised in terms of debates on production regimes (Rubery 1994), business systems (Whitley 1992) gendered societal approach and employment systems (O’Reilly 1994; Rubery and Fagan 1995; Schmid 1997; O’Reilly and Fagan 1998). An employment systems approach is particularly interesting as it allows us to identify the similarities and differences between countries. It also allows us to compare how policy interventions in the regulatory field can be directed at the spheres of economic production and social reproduction. Further, it can be used as a tool to identify current changes within each of these spheres and their potential impact on the future of work both between and across countries.

In this paper we set out to argue that the employment systems perspective acknowledges the similar structure of relations between production, reproduction and regulation across countries. But at the same time it is also possible to use this approach to see how different systems develop different solutions in an iterative search-decision process. Further, the reform of the post-war social contract will have implications for the future development of a new or revised gender contract. It is from this perspective that the nature of future regulation needs to be analysed, as this is both sensitive to universal economic pressures, but also the specific capabilities and solutions of actors within these particular systems, both at the national and European level. As regulating the work of the future will largely be concerned with setting new rules to meet social and economic change, encountering the trends associated with de-regulation or re-regulation, this will raise questions as to which bodies have the legitimacy as well as the effective potential to set and implement new rules.

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⁴ These theoretical approaches are discussed in more detail in O’Reilly (1996).
2. Labour Regulation

2.1 Characteristics and change in the systems of labour regulation in Europe

One of the major issues in employment regulation has been related to debates on labour market flexibility. Considerable research and policy attention has been given to this issue. Flexibility can cover a wide range of employment practices. Attention has focused on the degree of rigidity created by systems of employment protection and pay flexibility, in particular over the extent to which these generate barriers to creating new employment opportunities (Büchtemann and Neumann 1990; Blank 1994; Schröder and Suntum 1996). Attention has also focused on skill flexibility or polyvalence. Debate has arisen over the adequacy of existing training systems, or whether firms have incentives to opt out or develop this themselves (Quack et al. 1995). Further, the development of working time flexibility, either through the use of part-time or temporary employment, or the use of over-time and short-time work has also been a major issue in many countries. On one hand working time flexibility has been seen as a potential means to arrest the growth of unemployment, or even to maintain jobs within firms as seen in the case of Volkswagen in Germany (Hartz 1994; Rosdücher and Seifert 1994; Düe 1996; Blyton and Trinczek 1997). On the other hand the development of ‘atypical work’ i.e. those which are not full-time permanent jobs have raised concern as to whether they represent a threat to labour standards and the development of a marginalised labour market segment (Matthies et al. 1994; Rubery forthcoming). The development of labour market flexibility is central to debates about future labour regulation.

Attempts at the supra-national European level to establish common labour standards is gradually being accepted as seen for example in the recent cases of working time and worker consultation Directives. However, this regulation only tends to specifies the basic parameters. For example, maximum working time limits, below which the social partners at the national and sectoral level can negotiate downward reductions in contractual working time or overtime premia. Further controversy exists over attempts to issue directives on atypical workers. The effective implementation of European directives in practice depends on the characteristics of the national system and the level at which regulation is agreed (O’Reilly 1997). Regulation can take place at essentially four levels: at the national level through the universal application of statutory legislation; at the branch or industry level through collective bargaining applied

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to a range of firms or sectors; at the plant or company level through localised collective agreements, and at the purely individual level through the employment contract agreed between an employer and employee.

The relevance and strength of each of these levels of regulation varies considerably between countries. Debates within industrial relations and industrial organisation research have distinguished between co-ordinated and uncoordinated regulatory systems as different varieties of capitalism (Soskice 1997; Crouch 1993; Crouch and Traxler 1995; Hall and Franzese 1997). The future of labour regulation will clearly be tied to the historical legacy of these system characteristics, as well as the capacity of supra-national institutions to bring about change. Debates on the varieties of capitalism distinguish between systems where a more corporatist arrangement exists between the social partners and more liberal contractual systems (Hollingsworth, Schmitter and Streeck 1994; Locke et al. 1995; Crouch 1993). The characteristics of collective bargaining systems can be distinguished between countries which have a strong, moderate or weak tradition. When we combine this earlier research with developments and debates over the issue of labour market flexibility, we would argue that we can identify three main types of regulatory system: Statist flexibility can be seen in countries with a strong statutory and weak collective bargaining system such as France and to some degree Spain. Negotiated flexibility is found in systems with moderate statutory regulation and strong or moderate collective bargaining such as Sweden and Germany, as well as the Netherlands and Ireland. Individualised flexibility is found where there is only a minimal level of statutory regulation and weak collective bargaining as is seen in the UK. The purpose of this categorisation is not to oversimplify the developments and debates which have occurred in different countries, instead, it is designed to provide us with a tool of classification which can allow us to identify common and contrasting institutional arrangements and their affect on future developments.

- Statist flexibility

Statist flexibility refers to countries where statute is the key element of governing employment conditions; trade unions have a relatively weak role in collective bargaining, but coverage rates are relatively high. Countries in Southern Europe could be seen as examples of this type of system, although the flexibility initiatives used by employers in each system seems to vary. In

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6 This typology has been developed from discussions with Dominique Anxo and their characterisation of the Swedish system as a form of negotiated flexibility by Anxo and Storrie (1997).

7 For example, according to the OECD (1994:171-4) in 1990 union density rates in France were 10% and in Spain 11%, but the percentage of the working population covered by collective agreements was 92% and 68% respectively.

8 See for example the comparison by Ruivo, M. et al. (1998).
France, for example, given the politically orientated role of the trade unions and the tradition of autocratic control by French employers, the state has traditionally stepped in to regulate relations between the social partners when negotiations break down (Adam et al. 1972; Gallie 1978; Rogowski and Schmid, 1997). The state has recently been taking a more active role to support the needs of employers to obtain working time flexibility, for example, by creating incentives to help reduce labour costs, with the goal of lowering unemployment. This can be seen for example through the Loi Robien and earlier attempts to introduce solidarity contracts (Boulin et al 1996; Aznar 1997; Béhar 1997; Cette 1997; Hoffmann 1997). The Chirac government found itself in a contradictory position between initially opposing work sharing policies and subsequently promoting them. Whilst simultaneously pursuing this goal of facilitating employers' demands for flexibility, the government has also tried, to a greater or lesser extent at different times, to protect workers rights.9 The ambiguous role that the state plays in regulating employment conditions in France has been further excentuated by changing political parties and their agendas once in power.

The more assertive role of employers in France compared for example to Spain has sought to initiate a range of flexible working practices including the use of fixed-term contracts and annualised working hours which results in a tendency towards more individualised forms of working time regulation at the company or individual level. For example, the introduction of part-time employment does not require collective agreement with the unions or statutory permission, as labour law stipulates equality with full-timers. Despite some attempts to experiment within the regulatory constraints, the majority of French employers continue to use traditional methods of overtime and short-time work to achieve working time flexibility within the firm.

The situation in Spain shares many similarities with the French case particularly in relation to the role of trade unions and the state. Trade unions in Spain have traditionally been organised on a political basis, and during the Franco period the state played a significant role in determining relations between the social partners, leaving managers with a low degree of autonomy and morale. Trade unions have campaigned for a reduction in working time since 1993, especially as Spain has such long working hours. The unions have argued for collectivist solutions to the problems of unemployment through statutory regulation and a reduction of standard working hours, rather than through individualised solutions. Employers on the other hand have argued that longer working hours are required, and bolstered by the election of a conservative government they have become more intransigent in negotiations. Failure to conclude collective agreements has led the government to reconsider further labour reforms (Cebrián et al. 1997:31). In terms of working time

9 See also O'Reilly (1994:131-2) for an example of changes to the law governing the use of temporary employment.
flexibility in the form of part-time work, in both countries part-timers are legally treated as equal to full-timers. Part-time work is largely seen as a means of job sharing in these societies and appears to have comparable status with full-time employment, which is not always the case in other European countries. However, the use of temporary employment creates a blurring of this relationship, where many temporary jobs are organised on a part-time basis, but with a temporary status. The protection or exclusion afforded by these workers is dependent on the degree of statutory protection provided by the state.

Negotiated flexibility

Negotiated flexibility characterises systems with a moderate level of statutory regulation which provides basic protection but leaves room for a strong tradition of collective bargaining such as that found in Sweden and Germany, for example. Government interference in collective bargaining is rare in negotiated systems, in contrast to the patterns seen in statist or individualised systems. This is because the social partners jealously guard their autonomy and decision making is highly centralised and co-ordinated. This can be seen for example in Germany where the social partners have vociferously guarded their right to negotiate independently as symbolised by the recent disputes over government reductions in sick pay allowance (O'Reilly and Bothfeld 1997). The characteristics of the system have been a relatively low level of industrial conflict and a strong tradition of co-operation and consultation. (Anxo and Storrie 1997; Nieminen 1995 and 1997). The success of the system has been attributed to the degree of decentralised negotiations which can take place for example in the Swedish case through the use of the 'subsidiary principle' (Anxo and Storrie 1997:15), together with high levels of union density. The checks and balances between employer and employee interests in this system may help to reduce the extreme versions of the tendency towards individualisation of employment contracts that is visible in other countries.

Nevertheless, significant differences between these systems exists (Nieminen 1997). For example, Sweden has much higher levels of unionisation compared to Germany, (85% compared to 32% OECD 1994:173) and secondly that there are much higher levels of female labour force participation, particularly on a part-time basis. The major difference this creates is that the Swedish system is based on a more egalitarian principle both in terms of wages and welfare, whereas the German system is seen to be a more conservative traditional breadwinner model (Pfau-Effinger 1998; Daune-Richard 1998). The implication this has for labour market transitions is that groups of insiders in the traditional industrial sector protect their interests compared to those who are excluded either because of their status as inactive persons or their dependence on a male breadwinner. (O'Reilly 1996). The use of part-time work is more extensive in Sweden than in Germany; the use of temporary fixed-term
contracts is more limited in both countries but has been growing in recent years.

These changes in employment practices are related to a number of challenges these systems have faced. The maintenance of existing corporatist relations have been questioned by a number of commentators as to whether these models are under threat. Changes in international competition, European integration, and the collapse of Eastern bloc trading partners, in particular for Finland, and the financing of reunification for Germany, has to different degrees produced significant external shocks on these economies. These changes have also occurred alongside rising unemployment, to a degree not seen in the post-war period (Bercusson et al. 1996; Bruun 1994 and 1995; Due et al. 1994 (211-12); Jensen et al. 1994; Kauppinen 1994 and 1997; Kjellberg 1992; Köykkä 1994, Ryberg and Bruun 1996; Rehn 1996; Schiller 1993; Viklund 1996).

One response to these challenges has been for there to be a reconsideration of the decentralisation of collective bargaining in response to growing unemployment and international competition. Nieminen (1997:10) argues that ‘In Denmark and in Finland decentralisation has taken place within centralised industrial relations structures, whereas in Sweden structural changes have been more comprehensive. Yet even decentralised Nordic industrial relations are still very centralised in comparison to market idealistic ideas of atomised labour markets.’ Despite the degree of change which has occurred he argues further that ‘nationalist discourse’ has served as a ‘unifying influence’ in the debates on the future of working life and the attempt to find solidaristic solutions, which belong to these industrial relation traditions.

Change within other industrial relations systems can also be seen for example in the case of the Netherlands and Ireland, which are slightly weaker examples of systems with negotiated flexibility. Both countries appear to moving closer towards each other, albeit from different regulatory traditions. Despite these previous differences they also share a number of common characteristics: both countries are relatively small in population, are examples of economies ‘open’ to foreign investment, and have experienced considerable achievements in both economic and labour market performance in recent year (O’Connell and McGinnity 1997; Zanders and Koerhuis 1997; European Commission 1996).

The Netherlands traditionally had a regulatory structure which was very close to the Swedish or German models. In many senses these common characteristics still exist within the Dutch system. However, where significant

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10 I am grateful to Philip O’Connell (ESRI, Dublin) for comments on this particular point of comparison.
change appears to have taken place has been, for example, in the regulation covering working time. Whereas employees interests were previously protected in statutory legislation the trend is towards encouraging a decentralisation of collective agreements, within minimum statutory norms (Zanders and Koerhuis 1997:8). In contrast to the system in the 1960s and 1970s, a greater degree of wage dispersion has developed, and the role of the trade unions has been somewhat weakened as union density fell from 39% in 1980 to 25% in the mid 1990s. Nevertheless, recommendations made by corporatist decision making bodies are normally taken up as indicators for the parameters of collective bargaining at decentralised levels. The extensive coverage of collective agreements to between 70% and 80% of employees remains a significant feature of continuity in the Dutch system. In terms of working time flexibility there is an extensive use of part-time work which is associated with better forms of employment protection (Fagan, Plantenga and Rubery 1995), unlike Ireland where it is less common, although increasing.

In Ireland there has been more willingness in recent years to regulate labour relations in accordance with European norms, while still holding on to a relatively strong trade union tradition. O'Connell and McGinnity (1997:7-8) argue that the traditional characteristics of the Irish regulatory system have moved away from a British model of 'voluntarism', 'adversarialism', 'sectionalist collective bargaining and fragmented and decentralised trade union organisation.' Previously the social partners had been hostile to statutory regulation which they saw as an infringement on their autonomy. However, since the 1970s a number of Employment Acts, modelled on European Directives, have been introduced. Signs of a new form of regulation can be seen at the national level through a series of 'corporatist-style solidaristic agreements between government and the social partners', covering incomes, labour market policy, public expenditure and taxation which has marked a significant move away from the old model of regulation towards a more continental European one. This has in part contributed to the recent economic success of the Irish economy (Economist May 1997)

Apart from the economic and labour market difficulties faced by Ireland in the 1970s and 1980s, change has also been stimulated by the growing number of foreign multi-nationals in the Irish economy, now accounting for a third of the employees in manufacturing. The conclusion of non-union deals in these firms has further resulted in undermining the inherited 'voluntarist' tradition. In many senses Ireland can be seen as moving from a system with very limited forms of statutory regulation and strong collective bargaining to one where statutory regulation has become more significant and the role of the unions in collective bargaining has been more moderated. This has begun to show a greater resemblance to the negotiated type, in contrast to the more Statist model seen in Southern Europe where the nature of statutory regulation is seen to be much more restrictive, but at the same time quite different from the British system.
Individualised flexibility

The UK could be characterised as having an increasingly individualised form of flexibility. British industrial relations systems experienced a unique challenge during the Thatcher decades resulting in a considerable undermining of trade unions in the democratic process. Although the position of the UK to Europe appears to have changed under the recently elected Labour government, the previous eighteen years of Conservative government represented a persistent hostility to attempts of a European harmonisation of employment legislation and a stalwart opposition to the goals of the Social Chapter. During this period the voluntarist tradition of trade union rights for 'free collective bargaining' witnessed a considerable weakening of a relatively uncoordinated trade union movement. This was particularly exacerbated by the sharp decline in manufacturing sector in the UK, where trade unions were entrenched and the growth of employment in the less well organised service sector. As a result employers in the UK have been able to flout the minimalist forms of regulation as witnessed by the moves to Sunday opening in the retail sector (Smith et al. 1997).

Although extensive use is made of part-time employment, temporary work in the form of fixed term contracts is not as popular as in statist systems such as Spain and France. Part-timers also do not have the same levels of protection in the UK. This type of system provides only minimal rights and protection for employees, which are dependent on the existence of strong trade unions, the type of sector or skills in a buoyant or declining labour market. But as much of the union power in the UK has been undermined this leaves exposed sections of the work force vulnerable to experiencing social exclusion and an increased precariousness and polarisation of employment opportunities.

In sum, the aim of categorising the regulatory characteristics of these different types of systems is that it allows us to distinguish between similar and distinctive features between the employment systems in different European countries which is essential for comparison and prediction of future developments. Within this categorisation we can also identify processes of change. In the statist systems found to a large degree in southern Europe there have been employer initiatives to innovate albeit within a more restrictive legal structure; flexibility is largely achieved either through the use of long hours, overtime and temporary workers. The efficacy of systems with a stronger tradition of negotiation such as Sweden and Germany have been questioned, while the Dutch and Irish cases seem to indicate movement towards a more moderated negotiated system; finally in the UK individualised regulation seems to have increased during the Thatcher-Major period, although this may change with the new Labour government being willing to accept the standards associated with the European Social Chapter. The advantage of this typology is that it can provide a broad brush indicator of the various levels on which regulation takes
place within the employment systems found in different European countries and how it is potentially changing.

One of the key factors to emerge from this analysis is despite the identifiable differences between the systems of labour regulation in Europe, there is a common trend to encourage decentralised bargaining and a more flexible implementation process. A critical issue related to the development of decentralisation is the extent to which it has profoundly created a fundamental change in previous arrangements or whether these changes are only incidental (OECD 1994: 187). This trend should not be seen as a linear process or part of a continuum where some countries are 'further ahead' or 'far behind' in the process. Instead changing forms of regulation should be seen in relation to the constellation of power relations between the institutional arrangements which have regulated these in the past. This structural trend is related to the issue of achieving flexibility and the growing, but differentiated, trend to shift the boundaries of rights and entitlements between core and permanent workers.

2.2 A new trade off between flexible labour and employment protection?

As discussed earlier in this paper, one of the key issues for the future regulation of work is the relationship between standard and non-standard employment, or between core and marginalised workers, and those excluded from work. This has become a particularly important issue because of the growth part-time and temporary employment and the trend of organisational de-layering and unemployment. In this section we will examine two innovative examples for the future regulation of work and attempts to change the relationship between ‘insiders’ and ‘outsiders’. First we look at the development of Flexicurity from the Netherlands (Faber and Schippers 1997; van Rijt 1995; S.Z.W. 1995; Wilthagen 1997; Vogelaar forthcoming), then we examine the attempts to reduce labour costs in France introduced by the Loi Robien (Béhar 1997; Cette 1997). These examples illustrate the alternative approaches being developed to reshape the relationship between flexible working arrangements and attempts to adjust employment protection and labour costs. Similar issues are also being discussed with alternative solutions being developed in other countries, for example the debate over Lohnfortzahlung in Germany (O’Reilly and Bothfeld 1997). One clear lesson to come from these recent experiments in different countries is that the methods used to alter the relationship between labour costs and flexibility are being approached in different ways which are closely related to the patterns of regulation discussed earlier in this paper.

Wilthagen (1997) outlines the political debates and processes which led to the development of the concept of ‘flexicurity’, a combination of flexibility and
security, first discussed by Adriaansens in 1995 (Pennings 1996). According to the Dutch government ‘greater flexibility in contracts may not lead to a disproportionate deterioration of worker protection as far as their legal status is concerned’ (SZW 1997: 1). Workers with traditional contracts have had quite high levels of protection while those in flexible employment are more vulnerable to insecurity. The main components of the legislation have been to strengthen temporary workers rights to unemployment benefit in exchange for reducing the period of notice for terminating a contract for full-time permanent workers.11 This marks a shift from ‘security within a job’ to ‘security of a job’ and form part of wider package related to the development of job pools. In the Netherlands these changes are considered ‘a historic agreement that makes a particularly valuable contribution towards sustaining harmonious employment relationships.’ (SZW 1997: 2). Wilthagen (1997: 15) argues that the trend to deregulation ‘generates new, albeit different kinds of rules’ and the issue of flexicurity represents attempts to limit the process of flexibilisation. In the Netherlands this measure is enthusiastically embraced as a positive reallocation of rights between the ‘haves’ and the ‘have nots’.

Despite the general ebullience for these measures there are a number of critical points which should also be born in mind. Pennings (1996) argues that more emphasis is given to flexibility than to security issues, which could be seen from the difficult negotiations between employers and unions in the temporary agency business (Wilthagen 1997: 23). Additionally, the discussion of security is largely related to employment protection, rather than forms of income security. A focus on the latter would represent a far more radical challenge to the existing work-welfare nexus.

Secondly, there is also the issue of whether this is a unique Dutch solution, or whether it is viable, desirable or even feasible in other countries. The ability for the corporatist bodies to come to an agreement on this issue was based on the fact they had something to bargain over (Wilthagen 1997:18). In countries where individualised flexibility is more common, the limited protection acquired by full-timers makes it difficult to see how this could be traded off for improved rights for some atypical workers within existing collective bargaining structures. In the UK, for example, during the Thatcher-Major period improvement in the conditions for part-timers was largely been dependent on the application of decisions made at the European Court of Rights. Further, in other countries where collective bargaining structures are weaker than in negotiated models like the Netherlands, it may be more difficult for the unions to conceive of supporting the growth of atypical workers. Crouch (1993: 44-5) argues that one

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11 On-call workers must be guaranteed a minimum of 3 hours work per day; it is also no longer necessary to register the extension of temporary employment contracts, and the temporary agency is responsible for social security contributions and income tax for employees working longer than 26 weeks. These laws are likely to come into force in 1998; more details of these legal changes can be found in Wilthagen (1997), Pennings (1996) and SZW (1997).
of the characteristics of the Dutch system of 'bargained corporatism' is the frequent contact between the social partners. This is important in reducing the imbalance of timing between sacrifice and gains. There is no need to put all weight on one big exchange, and at any one moment each side is receiving further present and future commitments.' This is quite different from the situation in France, as the recent Loi Robien illustrates.

The introduction of the Loi Robien in France has created considerable controversy, critique and praise. The aim of the law has been to encourage firms to use working time reductions to employ more staff by reducing social charges over a period of seven years. Although the principles of this argument was traditionally voiced by the left in the early 1980s, it was taken out of the cupboard, 'dusted down' and reintroduced in a new form by the conservative Chirac government in June 1996. Previous reductions in working time failed to create new jobs because firms reorganisation was used to improve productivity with their existing workforce. Controversy over the law polarised opinion as to whether this was a real innovation or just a gadget: supporters and opponents were cut across party and political lines (Aznar 1997:22-23). Opposition from the right came from Giscard d'Estaing and the CNPF who were in favour of longer working hours. On the left, while Rocard expressed some support for this measure, he questioned the voluntaristic and decentralised implementation which could lead to delays and increased costs; other socialists opposed it in favour of a general reduction to 35 hours a week. Amongst the trade unions the CFDT favoured it because it potentially encouraged the extension of collective bargaining at the branch or company level, but the CGT opposed it. Cette (1997) argued that the law would in effect be more expensive on the public authorities than estimates suggested. Passeron's (1997) was more positive when analysed from a micro economic perspective. The change in government is likely to lead to a further reassessment and possible reform of this measure in the future. But what this case clearly illustrates is that, unlike in the Netherlands, there is a much higher degree of controversy over the means to redistribute work between insiders and outsiders.

In the future we could expect that in some countries, especially those with negotiated systems of flexibility, that this issue will be pursued in a trade off between the rights of core employees, with the potential to redistribute the benefits to the less advantage. In more individualised systems there are indications of a more extensive polarisation between work rich and work poor households. In more statist systems of regulation attempts to change the rules and develop more collectivist solutions appear to encounter considerable political controversy. Regulatory change is likely to occur at several levels, in

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12 See Aznar (1997:11), Hoffmann (1997: 20) as well as Boulin et al (1996) for details of how this law is applied. Firms that reduce their working time by 10% (or 15%) and take on at least 10% (or 15%) more employees over two years, can reduce their social contributions by 40% (50%) in the first year and the 30% (40%) in the following years.
particular with the prospects of a strengthened European integration through monetary union. Mahnkopf (1996:60) is pessimistic about the prospects, whereas Traxler et al. (1996) are more optimistic. They do not expect a universal trend to „social dumping“ of wages and standards to occur as a result of decentralisation and deregulation of collective agreements. Instead solutions will be worked out in relation to the different interests of specific actors at the national and local level (O’Reilly et al. 1996). Lange (1992: 253 and 256) argues that firms „establish different mixes among infrastructure, skills, training, and technology that allow them to remain competitive.” He argues that „A social democratic or neocorporatist Europe, redistributing to the „losers“ as markets become freer, is improbable. More likely is a neopluralist social Europe in which temporary coalitions of interests and governments form around proposals for specific European interventions in the social area, while other social issues are left to national or subnational governments or to the results of collective bargaining.“

This analysis suggests that the re-regulation of employment conditions between core and marginal workers need to be situated within the context of the specific employment system and the characteristic type of regulation used. Rubery (1998) looking particularly at the case of part-timers argues that „Opportunities to vary conditions between full and part-timers will depend both on the form of labour market regulation and on the integration of part-time work into standard employment conditions. Variations in these conditions can be expected between countries but also between sectors and organisations dependent upon the strength of regulation and competitive and technical conditions.“ In some countries re-regulation will be mean an improvement of conditions for marginal workers on par, or pro-rata, with full-time permanent standards, in other countries the inclusion of these groups will be seen as undermining the traditional standard employment relationship. She sums up the issues at stake in a particularly pertinent way. She argues that the „extension of rights and benefits could be regarded as a further stage in a general process of labour market regulation and organisation whereby weaker labour market groups are brought, often with the aid of the state, within the system of labour market protection. However, while the transfer of rights appears to be in one direction, from full to part-timers, the indirect impact of part-time work on full-time conditions must also be examined. Historically the incorporation of weaker groups within the collectively regulated system often involved some weakening of the degree of regulation which could be exerted over a smaller more cohesive group of skilled or privileged workers. It is thus only to be expected that the extension of the related system to cover part-timers may involve some changes in the terms and conditions for full-timers.“ The key point for the future of work is that the development of these flexible jobs needs to be examined as a function of the entire employment system and the relationship between economic production and social reproduction. This leads us on to examine the relationship between regulating social welfare in the future of work.
3. Social welfare regulation

3.1 Characteristics and trends in systems of social regulation

The future of welfare provision and social security regulation is closely bound to the historical principles on which existing systems have been built. Rather than seeing a convergence in these systems or a universal retrenchment (Daly 1997, 1997a and 1997b; Pierson 1994), reform is taking place within these particular historical frameworks. Daly (1997) argues that while some services and benefits are being cut back, others are being developed and expanded. Comparative research on welfare states has highlighted the diversity of these systems ranging from minimalist universal entitlement to insurance based systems which currently exist within the European community (Bundesministerium fuer Arbeit und Sozialordnung 1996; Schmid, 1996; Schmid, O'Reilly and Schömann 1996a).

One of the most notable, and much discussed, contribution to this field has been the work of Esping-Andersen (1990). This has had a major influence on debates in comparative social policy and the future prospects for these different regimes. On the basis of empirical indicators from 18 countries he assesses the quality and quantity of income support programmes and their relationship with other institutions. He argues in The Three Worlds of Welfare Capitalism that welfare states can be examined in terms of liberal, conservative and social democratic types. The basis for his classification of 18 countries rests on three key concepts: the degree of decomodification, the principles of stratification and the nature of state-market relations. Decomodification accounts for the cash-wage nexus, i.e. the extent to which the state intervenes in the class system so that ‘a person can maintain a livelihood without reliance on the market’ (Esping-Andersen 1990:21-2). He argues that these different welfare state regimes are ‘unique configurations’ which refute both Marxist and Modernisation theses on convergence.

These regimes have a differential labour market effects, in particular for women. For example social-democratic states (e.g. Sweden) have a stronger commitment to providing public child care services than a liberal state (e.g. the US and UK), and in doing so create a larger demand for women’s labour as public sector employees. In countries with a stronger reliance on private rather than public provision, service sector job opportunities will develop in the market

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13 His empirical indicators include wage replacement rates, length of contribution periods, methods of financing of transfers, degree of equality of transfers, the degree of corporatism, degree of etatism, significance of means-tested poor relief, private pensions, private health spending, the average benefit equality, the range of entitlements, labour market exits and entries and universalism.
sphere. In more conservative regimes where female labour force participation is lower, these services are provided unpaid within the household.

The future work opportunities generated by these systems will also affect the principles of stratification in these regimes. Different types of social divisions, as competitive economic pressures develop, will create 'new axes of social conflict.' The social democratic regime with high levels of occupational segregation between men and women is likely to create conflict between private and public sector wage claims: 'one might easily imagine a war between (largely) male workers in the private sector and (largely) female workers in the welfare state.'(p.227). The conservative regime clearly distinguishes between 'insiders' with jobs, and unemployed or inactive 'outsiders'; and in liberal regimes, relative deprivation will be experienced by those left out of the system as some disadvantaged groups like women and blacks secure individual success and integration (p.228-9).

As with any work which receives such acclaim there are also significant critiques of this approach. Feminists have pointed out that the 'decomodification is far less synonymous of independence for women than it might be for men' (Daly 1997:9). McLaughlin (1994 and 1995: 294) argues that the post-war settlement in the UK resulted in a greater decomodification for men than for women: ‘Working-class men in particular had a strong interest in, and influence over, the development of social rights to weaken their dependency on the labour market, which meant employment legislation and cash social security provision, not care services, since these were already available to them through marriage.’ Orloff (1993 and 1996) suggests that Esping-Andersen’s framework needs to be re-formulated to examine how far the state guarantees women’s access to paid work or the ‘right to be commodified’, and how far the state enables women to form autonomous households. O’Conner (1993 and 1996) is also prepared to accept the framework with the addition of including a measure of the possibility to achieve personal autonomy.

Further, Daly argues that the emphasis on the effects of social stratification created by welfare state regimes ‘is redolent of the long-standing proclivity among mainstream analysts to treat class divisions as the only significant line of social cleavage. This short-sightedness results in many exclusions, the most important of which for our purposes is how welfare states contribute to inequalities between women and men and hence stratification along gender lines.’ (Daly 1997:9). Kvist and Torfing (1996: 8-12) argue that non-worker groups, non-state actors and non-standard, non-state forms of welfare provision are also excluded from Esping-Andersen’s approach. Although his work claims to examine the triad relationship between the family, state and market feminist critiques have also questioned whether family and gender relations can be adequately examined with concepts deriving from a narrow understanding of
political economy, where state-market relations is the key focus of his approach.

Alternative approaches have focused on the ideological basis of the welfare system (Pfau-Effinger forthcoming; Mósesdóttir 1995). Sainsbury (1994 and 1996), argues that differences in the contribution to, the entitlement to and receipt of benefits affects the distribution of both financial resources and power among family members. Other approaches have distinguished between the way the different roles for women as workers, mothers or wives are treated in such systems, for example in the work of Lewis and Ostner. They categorise social policy regimes in terms of strong, moderate or weak 'breadwinner' systems (Lewis 1992). This means the extent to which these systems of taxation and social transfers are based on the principle of households composed of a single, full-time employed, male earner with inactive dependants; women are generally treated as dependent on male earners in strong breadwinner systems, rather than as individuals. This creates a different clustering to that suggested by Esping-Andersen: Britain, Germany and the Netherlands are strong breadwinner societies; France is a moderate breadwinner society because while women are encouraged to work full-time, family policy is also supportive of family-centred motherhood. And, weak breadwinner states such as Sweden and Denmark have high levels of female labour force participation, with a public social infrastructure to support motherhood. The key indicator for allocating countries to these types is based on assessing the extent to which the welfare state supports the traditional division of labour.

Daly (1997) is supportively critical of this approach. She, like Sainsbury (1994), argues however that it provides no perception of the strength of the male breadwinner model. She asks what is the opposite of a male breadwinner model, and suggests it is dual earner model. She argues in favour of developing more sophisticated conceptualisation of household types, be it a traditional male earner model, dual earners, one and half earners (where the woman works part-time), and we could add to this the development of long term no-earner households (Gregg and Wadsworth 1995), as well as single parent households. She suggests that this classification should allow us to identify the ‘underlying logic of the gender dimension of welfare states’ and the contradictory processes of change which are occurring.

Sainsbury (1996) more critically argues that the concepts of ‘decomodification’ or ‘breadwinner’ are too simplistic to capture the complexity and paradoxes found within welfare regimes. She argues that welfare states operate on several principles simultaneously. She identifies five such principles: maintenance (which privileges the traditional marriage model), care (where carers receive benefits in their own right), citizenship, need, and labour market performance or status. Such principles make it more difficult to arrange countries into regime types. Daly (1997) raises the question of whether we
should analyse welfare states in terms of ‘types’ at all, given the critiques which have arisen with regard to genuine misclassification of countries as well as the aroused pique of ‘oh no - what has he done to my welfare state?’. Daly (1997:10) argues that ‘some country cases are definitely problematic for the purpose of regime clustering à la Esping-Andersen. Failing to emerge clearly from his empirical work, they had to dragged kicking and screaming by Esping-Andersen into particular clusters. The Netherlands, Italy, Germany, France, United Kingdom, Ireland and Australia are the most obvious outliers.’ Daly (1997) further argues that only the US and Sweden really fit into the regimes unproblematically, and instead the other countries could be placed on some continuum between these two extremes.

Clearly the work of Esping-Andersen and others have created considerable controversy with regard to how welfare systems operate, what they share in common and what differentiates them from others. The distinctive types of analysis presented here has important implications for how we analyse the future of welfare regulation. On one hand the regime approach suggests that the trajectory of change will be divergent in different systems. On the other hand an alternative approach would emphasise the extent of convergence between systems on a continuum of benchmarks. These differences can also be seen in the contrasting approaches used for example by Blank (1994) and Schroeder and van Suntum (1996). The latter focus on collecting a series of interesting employment ranking indicators for a number of OECD countries. However, Blank argues that these measures can be misleading as they do not fully account for how labour market adjustment to flexibility demands are managed. This, for example, is illustrated in the work of Abraham and Houseman (1994). They show that in the case of Germany high levels of job security can be compatible with labour market adjustment through working time rather than through job loss. We would argue that the evidence from these debates indicate, first, that welfare regimes are not converging. Second, that the future reform and regulation of these systems is likely to develop contrasting trajectories which have implications for the future of work, the characteristics of social divisions and how policies are developed, or not, to generate social cohesion. In order to catch sight of these potential developments we discuss two illustrative trends: first how the financial constraints on the welfare system has led to a number of attempts in different countries to develop innovative public-private partnerships; second, we look at a number of experiments to create new patterns of providing care and creating employment.
3.2 Public-private partnerships and new forms of caring and employment

The gradual altering of the state’s monopoly in the provision of welfare can be seen occurring in a number of European countries. One of the key issues of debate arising from these changes has focused on reassessing the extent and limits of the state’s responsibility to provide welfare services. Matzner (1997) argues that the reasons for this reassessment and perceived ‘crisis’ are related to changing ideological and competitive factors. First, the dominance of neoliberal economic values and the end of system competition with the previous communist bloc countries has changed the terms of the debate on the role of the state. Second, competitive conditions created by globalised capital and financial markets, together with attempts to meet the Maastrict criteria for monetary union have created severe constraints to reduce public sector deficits. These factors have forced states to reconsider how they provide welfare to their citizens under conditions of efficiency and quality (Auer et al 1996; Farnham et al. 1996).

A range of problems currently facing European welfare systems are the rising and persistently high number of people without work, along side a predicted demographic trends which forecast a disproportionate number of elderly people exiting the labour market in the early part of the next century (Bosch 1996; de Vroom and Naschold 1994; OECD 1996; Cases, Saunier and Volovitch 1996 Euzéby 1996; de Foucault 1995; L'Horty, Méary and Sobczack 1994; Masson 1995; Maillard 1995; Pallier and Bonoli 1995; Brocas and Hadolph 1995). However, some countries like Germany will be more affected by demographic trends than the UK and Ireland for example. The major problem these trends create in terms of social welfare is based on who will pay for soaring pensions and care bills? Attempts to develop new forms of public-private partnerships have been motivated on one hand by pressure to reduce, or at least optimise limited public resources. On the other hand, there has also been attempts to develop policy solutions that are nearer to the market, more ‘customer-orientated’, and therefore potentially more effective. One example of this can be seen in the reorganisation of the public employment agencies (Walwei 1996; Mosley and Speckesser 1997; OECD 1996c). In many ways the development of these ideas for New Public Sector Management has come as a result of trends in the private sector and the interest in ‘Lean’ organisational restructuring. Examples can be seen in Austria where in 1994 employment offices were out-sourced from the federal administration and given to a service agency

14 Several country studies can be found in Naschold and de Vroom (1994). A more fundamental stock-taking of this problem is provided by the OECD (1996) report.
15 See for example O’Connell and McGinnity (1996) for a discussion and evaluation of the effectiveness of market focused training schemes in Ireland.
„Arbeitsmarktservice“ (Schröder and van Suntum 1996:81). In Germany there have been gradual attempts to implement model-agencies „Arbeitsamt 2000“ (Geuer 1997). And in the Netherlands a more fundamental change was introduced in 1991 where the introduction of an independent tripartite organisation, with a strong degree of regional autonomy abolished the monopoly position of the state (Dercksen and de Koning 1996; van den Berg and van der Veer 1996). Similar debates have also been occurring in Sweden (Elander 1996) and the UK (Bullmann 1996).

Although some of these developments have been praised for their innovativeness and effectiveness, there are also potential weaknesses arising from such trends. One concern involves the quality of services provided by these new arrangements. It is possible that private organisations may either provide an inferior service, or alternatively they may cream off the less difficult cases leaving the state to pick up the needs of the most disadvantaged from the long term unemployed and socially excluded. Although some researchers have argued that the region is becoming the more important “interface“ for economic restructuring, modernisation and new structural, sectoral strategies (Bullmann and Heinze 1997; Peschel 1997; Umberti-Garcia forthcoming), others such as Prigge and Ronneberger (1996) have suggested that regional momentum on its own is often overestimated and structural influence of supra-national or national institutions often underestimated.

Despite the common trend to look for new ways to provide services outside of the state monopoly, the extent of this varies between countries. The UK has possibly gone the furthest in introducing market principles into the public sector. In contrast, Scandinavian countries, especially Sweden, and to a lesser extent in the Netherlands, have developed other forms of public sector modernisation through the re-integration and re-organisation of tasks to improve responsiveness (Elander 1996).

Further Oppen (1994) points out the dual effects of disadvantage for women created by privatisation. On the one hand the state as employer often provides good working opportunities for women and the possibility to combine work and family demands (Nordli Hansen 1997). On the other hand women are also affected by the provision of public goods (for example the provision of child care). When privatisation and deregulation imply a reduction of posts in the public sector and a cut back in public good provision women are doubly affected by these changes, as could be seen most starkly, for example, in the former East Germany.

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16 Basic for this have been an organization-analysis of the Austrian Public Employment Service in 1992 (Bundesministerium für Arbeit und Soziales 1992).
17 Further examples of decentralised decision making and implementation of labour market policy can be found in (OECD 1993, 1996a and 1996b), and experiments in the former GDR (Knuth 1996; Rabe 1995).
Attempts to develop new forms of delivering welfare services as well as creating jobs has occurred with the experimental introduction of service cheques, for example in France (Knigge and Rijnbout 1995; Heinzemann 1996; Finger 1997). This created an estimated 160,000 part-time domestic services jobs. A further development of this idea would be to combine it with experiments to develop labour pools which have been established in harbours, the building sector, the trade sector or agriculture. The idea could also be extend towards the service sector and personal services (Gräbe 1995; Weinkopf 1996a). One aim of this would to make these jobs more professionalised and legalised. These pools can also be used in combination with the Danish model of sabbaticals, which would allow people to adapt their working time over the life cycle an ensure a more secure distribution of employment (Hoff 1994). It would also mean that seconded employed would have socially secured jobs. When combined with training programmes this would allow them to obtain qualifications and experience to allow them to apply for „typical“ jobs. There have been experiments with „new“ work-force pools in Netherlands and in Germany (Northern-Westfalia) (Weinkopf 1996, Weinkopf and Krone 1995) as well as in France (Beaujolin 1997; Rappport Boissonnat 995), These developments in many ways reflect the type of arrangements which would develop transitional labour markets (Schmid 1993).

Although evaluations of these developments have on the whole been enthusiastic, there are still a number of critical points to be kept in mind. Some concern has been expressed that developing this type of work will further perpetuate labour market segmentation and lead to a growth in low paid employment, in particular for women. In some countries, particularly in Sweden, the idea of encouraging job growth through the use of 'domestic servants' is seen as unacceptable to the principles of equality and conceptions of citizenship (Pakulski 1997, Davidson 1997). These developments clearly raise the whole issue of the relationship between new forms of flexible work, care provision and social security and risk. More radical suggestions of ways to avoid the development of a two-thirds society, first voiced by the Greens in Germany, was to introduce a guaranteed citizen income or a negative income tax an idea (Robins 1985) which has also been revived by Rifkin (1995: 191-193) and continues to be a contentious area of debate (Spermann 1994; Schäfers 1992; Jerger and Spermann 1996: 119-122; Schmähl 1993a; and Scharpf 1993: 441/442).

What debates in the future of welfare reveal is that there has been a re-conceptualisation of the nature of risk, social exclusion and citizenship in modern societies. Earlier concepts saw welfare either as a means to integrate the working class or the bourgeoisie in building national forms of social cohesion. Today there has been decoupled from forms of class stratification: new risk groups are emerging from those outside the workforce, for example single mothers, the underclass or long term unemployed, the old and the ill. While the concept of social exclusion has largely been imported from the US it
is increasingly been applied to Europe. The implications of this are the need to identify a new consensus about the future social and gender contract.

4. Conclusions

In this paper we set out to examine the issues raised by the future regulation of work and welfare. We have drawn on contemporary debates and experiments from a number of European countries to show that despite universal pressures for societies to modernise and adapt, in many cases nationally specific solutions are being developed. We have argued that in order to understand how the future will unfold we need to adopt an employment system perspective. Such an approach can provide a prism through which we can examine the changing relationship between the fields of economic production, social reproduction and regulation. This approach can also be used for future research to allow us to identify the role of actors at local, national and supra-national levels.

From our review of changes in labour regulation we examined the development of a new trade off between flexible labour and employment protection. We pointed out how there is potential to integrate and improve the conditions for marginalised workers, however, in some cases this may also lead to a deterioration of the conditions of standard workers. When looking at changes in the characteristics of social welfare regimes we saw how attempts to decentralise and build new public-private partnerships have led to innovations in the provision of care as well as creating new forms of employment. However, the quality of these services and the jobs they create will be dependent on the extent to which they are formalised and linked to other measures to encourage secure labour market transitions. Finally we argued that new forms of risk generated by trends in labour flexibility and welfare security will lead to the reconsideration of the post-war social contract and its implications for a new or revised gender contract, to which we now turn in more detail.

In search of a new social contract or a revised gender contract?

The future organisation of work and welfare in contemporary society will emerge from the conflict between two inherent tensions in the principles of organisation found in the sphere of public production and private reproduction. Weber (1978) argued that the public sphere is organised on the principle of individual political citizenship and employment contracts. Women's entry into waged employment produces a growing ‘contradiction of equality’ as they are increasingly involved in competitive relations based on the principle of individual merit and citizenship, which is largely defined with reference to institutionalised
male norms. The 'conflict of difference' arises because women realise that this individualised, public role stands in sharp contradiction to the family responsibilities and dependencies in the sphere of social reproduction. A similar argument about the inherent tension between the sexual division of labour and the development of individual political citizenship is made by Stockman et al. (1995). These tensions produce a 'renegotiation' of the gender contract, which is more to do with changes in social practices and particular institutional reform rather than explicit and open political negotiation.

In her analysis of Sweden, Hirdmann (1988) argues that economic and political pressures eroded the 'housewife contract', which was replaced by the 'equality contract' of the 1960s. This contract normalised women's employment through institutional reform and the expansion of the welfare state. However, the contradictions between the organisation of production and reproduction were still experienced by women through their day-to-day involvement in paid and unpaid care work. This produced new political pressures and by the 1980s a new transitional phase had emerged in the direction of an 'equal status contract' which coincides with competing economic pressures of recession and restructuring (Duncan 1994 and 1995).

The tensions which result can provide a catalyst for change by challenging the status quo. As a result a new, or revised gender contract may emerge in the subsequent process of negotiation and compromise. Hirdmann (1988), for example, stresses the inherent contradictions of equality and difference as women are integrated into the public political and economic sphere. The constellation of conditions which challenged the existing gender relations in the 1960s and 1970s included the availability of more reliable contraception, expansion of women's access to higher education, the tension between the 'rhetoric of equality and the practice of sexual oppression' experienced by women involved in the civil rights movements (Connell 1987:160). Certain groups will have more resources and incentives to challenge the dominant gender culture. This may be seen at the individual level, where professional qualifications raise women's employment aspirations and opportunities. Similarly, the resources to rebel may come via collective action with other women and coalitions with supportive men, for example when implementing equal opportunities at the workplace (Cockburn 1991), and in the development of trade unions policies in connection with equality and distribution issues.

Gender is increasingly conceptualised as a process which permeates institutions and social relations throughout the employment system, albeit that gender-blind analyses still pre-dominate when women are not the self-evident focus of the research. The key point is that particular institutional arrangements and 'gender contracts' give rise to particularly forms of gender relations, and how the inherent tensions can be identified within a given society and their implications for the future. Part of the dynamic comes simply from women and
men responding to economic restructuring and changes in their material conditions; carving out their way of life in light of their resources, values and the constraints that they face. But another important dynamic in modern states is organised political action premised on notions of citizenship, so that gender relations in any society are a form of 'gender compromise' in the sense that they have resulted from coalitions of interests supporting, or opposing, a more equal treatment of men and women in the workplace and the household, at particular historical periods. A particularly important part of this has been the different intersections of the feminist movement and the traditional labour movement. For example, Jenson (1991) argues that in Sweden, the strong commitment of women to involvement in political parties and trade unions enabled them to widen the scope of thinking on equality beyond the labour market and into the private domain of family life. In contrast the absence of any link between the feminist movement and political power or even the trade unions in France means that demands for equality remained more confined to the productive system (Daune-Richard 1989; Anxo and Daune-Richard 1991). These different forms of political alliances have had a marked impact on the welfare state regime which emerged and how they will change in the future (Mósesdóttir 1995).

The implications for the future of work where deregulation is occurring in response to high levels of unemployment and the political quest for more flexible labour markets may be to generate further levels of marginalisation. Those women and men who are able to do so will avoid non standard forms of employment, contributing to a polarisation of employment conditions and standards of living between the sexes and between households. Alternatively, where policies are being developed to modernise rather than dilute labour market standards as an explicit response to accommodate or encourage flexibility, then the quality of this non-standard work is likely to increase and become normalised. The terms of the post-war settlement are being challenged and in some cases eroded or reformed in all European countries. The challenge for the future will be to establish a new social contract in the sphere of labour and social welfare regulation. As in the past these sought to integrate members of a nation the future will require us to develop forms of regulation which prevents a further polarisation of society, provides new forms of social cohesion and solidarity between the generations, the sexes, the working poor and the rich. The implications of these changes are likely to lead to a new, or at least revised, form of the gender contract, specifying the relations and rights between men and women in society. But the progressive nature of this will depend on the degree to which citizenship rights for equality are extended to the private as well as the public sphere.
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4. Conclusions: Towards a new social contract or a new gender contract?


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