

Institution: The University of Warwick
Unit of Assessment: Warwick Business School
Title of case study: Marketization and the Consequences of Insecurity in European Labour Markets - Informing the Policy Debate
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>There is an inherent tension between progress in the European Union's marketization agenda on the one hand, and the agenda for the development of European social citizenship on the other. Although markets internalise and manage many aspects of economic activity, the process of marketization also creates and ignores negative social and economic consequences. Focussing on uncertainty and insecurity in labour markets, the research by Crouch, Marginson and Meardi addressed the capacity of public and private employee relations and corporate governance arrangements, including collective bargaining and immigration, to offset these negative consequences. European policy makers are now gaining an interest in mitigating the effects of marketization. As a result, this timely research has challenged conventional wisdom that marketization promises unqualified gains and has stimulated significant ongoing policy and trade union debate across Europe.</p>
<p>2. Underpinning research (indicative maximum 500 words)</p> <p>In the European labour market of the early 2000s, strategies for 'flexicurity' (the combination of labour market flexibility in a dynamic economy and security for workers), seemed to offer policy-makers a way of combining gains from marketization with institutionalised commitments to limit the impact of associated negative effects, falling primarily on the workforce, but these were thwarted by the 2008 financial crisis.</p> <p>The three-year 'Governance of Uncertainty and Sustainability: Tensions and Opportunities' (GUSTO) project (March 2009-February 2012), funded by the EU Framework Programme 7 and led by Professor Colin Crouch addressed the role of marketization in exacerbating uncertainty and insecurity in European labour markets. It also considered the capacity of public and private governance arrangements to mitigate and offset the negative social and economic consequences of marketization. Utilizing both qualitative and quantitative methods, the research focused on uncertainty in labour markets, and the capacity of public, private and associational governance arrangements (including joint employer-trade union governance), to mitigate and offset negative consequences of marketization, in the following five policy areas: (1) individuals' labour market transitions; (2) immigration; (3) pensions; (4) collective bargaining; (5) the role of the EU.</p> <p>The GUSTO project brought together academic teams from ten European countries and Canada. Warwick Business School's contribution included Professors Crouch, as overall coordinator, and Marginson, Meardi and Neuberger (see our impact case study for his work on pensions; the research on defined contributions by Neuberger also constituted a dimension of the GUSTO project). Professors Marginson and Meardi co-led the work on collective bargaining and immigration, respectively. Marginson secured an additional European Commission contract (2009-10) to consider the ways in which collective bargaining, and social dialogue more generally, responded to the crisis.</p> <p>GUSTO's overall conclusion was that labour market and social policy is not just another arena in which markets should be promoted, rather it is one in which their effects need to be counter-balanced. It identified the ways in which working and dependent populations are being exposed to new and intensified uncertainties, including constant pressure for: flexibility in labour markets (Crouch); decentralization of collective bargaining (Marginson); and restrictions on migrants' economic and social rights (Meardi). The project highlighted the possibilities for constructive, 'positive-sum' solutions, under which there are gains for all parties, whereby marketization is accompanied by institutional innovations and commitments which address its negative effects.</p>
<p>3. References to the research (indicative maximum of six references)</p> <p>1. Crouch, C. (2012) Beyond the flexibility/security trade-off: reconciling confident consumers with insecure workers. <i>British Journal of Industrial Relations</i>, 50, pp. 1-22. <u>Peer reviewed journal article.</u></p>

Impact case study (REF3b)

2. Crouch, C. (2012) Employment, consumption, debt, and European industrial relations. *Industrial Relations: A Journal of Economy and Society*, 51, pp. 389-412. Peer reviewed journal article.
3. Galetto, M., Marginson, P. and Spieser, C. (2013) Collective bargaining and reforms to hospital healthcare provision: A comparison of the UK, Italy and France, *European Journal of Industrial Relations* (early view: online version) Peer reviewed journal article.
4. Glassner, V., Keune, M. and Marginson, P. (2011) Collective bargaining in a time of crisis, *Transfer: European Review of Labour and Research*, 17, pp. 303-21. Peer reviewed journal article.
5. Meardi, G. (2012) Union Immobility? Trade unions and the freedoms of movement in the enlarged EU, *British Journal of Industrial Relations*, 50:1, pp: 99-120 Peer reviewed journal article.
6. Meardi, G., Martín, A. and Lozano Riera, M. (2012) Constructing uncertainty: Unions and migrant labour in construction in UK and Spain, *Journal of Industrial Relations*, 54:1, pp. 5-21 Peer reviewed journal article.

Associated grants

1. Crouch, C. (PI) 'Meeting the challenges of economic uncertainty and sustainability through employment, industrial relations, social and environmental policies in European countries' (GUSTO), European Commission Framework Programme 7 SSH-225301. Total award EUR1.5million, (2009-12) including EUR565k to University of Warwick, of which EUR360k assigned to Warwick Business School
2. Marginson, P. (PI) 'Europeanisation of industrial relations – Chief editor of the European Commission's Industrial Relations in Europe report, 2010'. Awarded by the European Commission DG Economic and Social Affairs. Total award EUR56.1k, (2009-10)

4. Details of the impact (indicative maximum 750 words)

The distinctive impact of the research is its challenge to conventional wisdom, which accords market freedoms' primacy over social guarantees, by illuminating the potentially negative consequences for economic and social sustainability. The research demonstrates the need for institutions and resources capable of addressing the negative externalities of continued marketization, and identifies indicative examples of these.

The overall findings on labour market flexibility have enhanced policy maker and practitioner understanding of the relationship between policies promoting marketization and the often negative outcomes in terms of uncertainty and insecurity in labour markets This is attested to by the Director of the Research Department, European Trade Union Institute (ETUI), "ETUI provides evidence based research to the trade union movement in the European Union, and the results from the GUSTO project are a vital part of the documentation we today use to inform trade unions about trends, consequences and ways forward".

The research was communicated to a broad audience through a range of activities led by Crouch, including:

- The production of European Policy Briefs distilling the key policy messages of GUSTO's overall analysis and findings, and on collective bargaining and immigration, as required by the European Commission, including 3 (co)authored by Crouch, 3 (co)authored by Marginson and 6 (co)authored by Meardi. The Briefs are available from the project's website (www.gusto-project.eu). Two Briefs (one by Crouch, the other by Marginson and Meardi) have subsequently been published by DG Research of the European Commission on its website: http://ec.europa.eu/research/social-sciences/projects/398_en.html. Crouch has been invited to present relevant findings from GUSTO as an opening keynote speech at the conference on inequality being organized by the European Commission to mark the start of the Greek Presidency in Athens 20 June 2014.
- Organising a high-level practitioner conference, together with the ETUI, in Brussels in February, 2012. The 118 participants were drawn from the European Commission, other EU bodies, national administrations, trade unions, employers' organisations and academia. Key findings, including immigration and the economics of migrant flows, and the possible gains of

Impact case study (REF3b)

collective bargaining, were presented. Debate focused on the need to move beyond the previous pre-occupation with 'flexicurity' and to frame EU- and national level policies and interventions responding to the effects of intensified insecurity in the labour market.

Marginson's findings on the responses of collective bargaining and social dialogue to the financial crisis, engaged European and national-level policy makers and practitioners and stimulated debate and informed understanding through activities, which included two high-level roundtables in the UK organised by WBS's Industrial Relations Research Unit: (i) 'Employment relations through and beyond recession' March 29th, 2010; (ii) 'Challenges facing employment relations in the public sector' March 20th, 2012. Discussions involved senior officials from Acas, CIPD, EEF, TUC and other employment relations professionals.

Marginson's research underpinned two chapters (2 and 3) of the European Commission's report 'Industrial Relations in Europe Report, 2010' (<http://ec.europa.eu/social/main.jsp?catId=575&langId=en>), and its finding on the key role of social dialogue and collective bargaining has influenced the thinking of European policy makers, as cited by the European Commissioner for Employment, Social Affairs and Inclusion in a speech, 3 March 2011. Key findings were also presented at a launch conference organised by the European Commission on 17-18th March 2011, in Brussels with Social Affairs Commissioner Andor and Marginson as keynote speakers. 138 participants from across all 27 EU member states attended, including senior officials from government, employers' organisations and trade unions.

In looking at the relationship between labour market insecurity and migration, Meardi's research contributed to current policy debates by engaging union representatives, policy makers and ethnic associations on the finding that social regulations and policies are complementary, rather than alternatives, to beneficial migration flows. Stakeholder understanding of the topic was enhanced through:

- A practice-orientated workshop with employer associations (CECOT), trade unions (CCOO) and ethnic associations (Federación de Entidades Latinoamericanas de Cataluña) migration in construction held in Barcelona, on the 11th of February 2010.
- Invited articles in practitioner publications, i.e. 'Strikes against foreign contractors', *International Union Rights*, 16:3, 2009, 9-10 (readership includes trade unionists and labour lawyers); 'Il modello sociale europeo alla prova', *Emilia Romagna Europa*, 10, 2012, 23-33 (readership includes public policy makers, employers and trade unionists).

5. Sources to corroborate the impact (indicative maximum of 10 references)

Evidence of impact on shaping policy thinking amongst European trade unions.

1. **Director of the Research Department, European Trade Union Institute (ETUI)** (Email; 8 July 2013): '[...] The ETUI has had the pleasure to benefit from the research results of the GUSTO project ... including those on migration and collective bargaining. This strong interest in the results is based on the observation that welfare states, including labour market regulation and industrial relations systems are undergoing in-depth reform in a host of countries. The GUSTO project ... in particular unearths what the consequences are of increased uncertainty and insecurity. It tackles the issues of what security and for whom the security. These are some of the fundamental questions that trade unions are asking themselves. As the collective institutions are losing the ability to provide security under the new conditions, it is becoming ever more crucial that research findings on this exact issue are available and that the policy implications are debated in an open and constructive manner".

Evidence of impact by enhancing understanding of the European Commission the contribution of social dialogue and collective bargaining in addressing consequences of the economic crisis

2. **Speech by European Commissioner responsible for Employment, Social Affairs and Inclusion, at the Industrial Relations in Europe Conference**, (17 March 2011). The speech relates to the European Commission 2010 report 'Industrial Relations in Europe' which includes the research of Professors Marginson and Meardi. The Commissioner underlines the capacity of social dialogue and collective bargaining as effective crisis-response mechanisms, as identified by the WBS underpinning research. Available online from:

http://europa.eu/rapid/press-release_SPEECH-11-200_hu.htm?locale=en.

3. **European Commission, DG Employment, Social Affairs and Inclusion, Press Release on the Industrial Relations in Europe Report, 2010** (3 March 2011). 'Europe's social dialogue vital to overcoming crisis says new report', which underlines the capacity of social dialogue and collective bargaining as effective crisis-response mechanisms, identified in the underpinning research. Online, available from: http://europa.eu/rapid/press-release_MEMO-11-134_en.htm

Evidence of informing policy debate amongst UK union bodies and policy makers

4. **UK High-level Roundtables, Transcripts, WBS** [Confidential status. Available from WBS]. (1) 'Employment relations through and beyond recession' March 29th, 2010; and (2) 'Challenges facing employment relations in the public sector' March 20th, 2012. Transcripts confirm that Marginson's research findings stimulated further debate and gained the interest of UK-based union bodies, policy-makers and practitioners.

Evidence of impact of influencing thinking on migration and stimulating policy debate in different European countries

5. **Letter from the Vice-President of the Polish union confederation OPZZ** (18 June 2012). Following the Warsaw presentation (24/5/2011), and mention in an article of the magazine of the same union (May 2011), which confirms the influence of Professor Meardi's underpinning research on migration (available from WBS).
6. **E-mail from the Forschungs- und Beratungstelle Arbeitswelt (FORBA) research institute** (12 June 2013), confirming the relevance of, and interest in, Professor Meardi's underpinning research on migration on the part of Austrian Ministerial officials, experts from the public labour market service, and employers' organisation and trade union officials participating in the seminar hosted by FORBA in Vienna held on 17 February 2011, three months before Austria opened its borders to migrant workers from the EU's new member states. (Available from WBS).
7. **Employers Association Roundtable Transcripts (Italian)**. Attended by employer associations (CECOT), trade unions (CCOO) and ethnic associations (Federación de Entidades Latinoamericanas de Cataluña) on migration in construction held in Barcelona on 11th February 2010. The transcripts confirm the influence of Professor Meardi's underpinning research in stimulating policy debate (available from WBS).