

Informal structures and institutional change: Forms and consequences of flexible employment in Germany

**Birgit Apitzsch, Max Weber Fellow, European University Institute
(birgit.apitzsch@eui.eu)**

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Abstract:

Over recent decades, we have witnessed profound changes in labour markets with an increase in flexible forms of work and employment, driven by organizational restructuring and institutional change at the macro- and at the sectoral level. In order to understand transformations of employment it is central to grasp the interrelations between the organisation of work, recruitment practices, and labour market institutions. Yet, despite the growing interest in flexible work practices and the growing number of in-depth case studies in industries seen as forerunners of flexibilisation, labour market theory and research into new forms of work are not well coordinated. Therefore it is difficult to generalize findings and to anticipate outcomes of institutional changes in training, industrial relations and labour law, or of organizational restructuring such as the externalization of employment or a shift towards temporary cooperation in projects. This paper aims to contribute to the understanding of forms and preconditions of flexible work arrangements. To this aim it relates labour market theory to concepts of work control and empirically compares two highly flexible, yet differently regulated labour market segments in Germany. The comparison of work, hiring and mobility in labour market segments with different degrees of professionalization allows estimating how organizations and labour market institutions shape skill demand and recognition. On this basis, this paper specifies and conceptualises the skill demand that results from personal forms of control and analyses the conditions under which networks are used for hiring. It also shows that while professional and personal control are functionally equivalent in terms of recruitment, their impact on individual strategies of adaptation to flexibility differs markedly. Thus, the findings contradict the assumption that projects and networks, which are often seen as paradigmatic for new, post-fordist work, increase individual autonomy.