Re-introducing the firm in the study of labour market dualisation: a macro-micro analysis of the factors shaping employment conditions and their variation across (and within) firms in four European countries.

Maarten Keune (University of Amsterdam), Valeria Pulignano and Nadja Doerflinger (KU Leuven)

Paper for the ILERA-World Conference South Africa, September 2015

DRAFT– PLEASE DO NOT QUOTE

1. Introduction

One of the key developments in contemporary capitalism is that job quality is under pressure, as exemplified by the growth of jobs with non-standard, flexible contracts, bad working conditions, low wages, low voice and/or limited social security rights (Peña-Casas and Pochet 2009; Greenan et al. 2010). In the wake of the growth of low quality jobs, labour market dualisation has re-emerged on the academic agenda in recent years. Dualisation refers to a division of the labour market into various segments, and each of them has its own internal and institutional logic. The segments differ in terms of security, wages, development and career possibilities, and/or social rights. Labour market dualisation was first put on the academic map in the 1970s (Doeringer and Piore 1971; Sengenberger 1978; Berger & Piore 1980). These early works argue that the primary segment of the labour market consisted of jobs governed by the rules of the internal labour markets of companies (career ladders, collective agreements, company norms, etc.) while the secondary segment consisted of jobs that were subject to the demand and supply logic of the market. Jobs in the primary segment were first of all more stable, providing more security to workers and also performed better in terms of wages or provision of training or career possibilities. Certain groups, noticeably migrant, low-skilled workers and parts of the female workforce were overrepresented in the secondary segment (Berger and Piore 1980). Since then the dualisation thesis has been followed up or adapted in a variety of ways (for an overview, see Davidsson and Naczyk 2009). With the rise of unemployment in the 1980s, labour economists came up with theories about labour market insiders (the employed) and outsiders (the unemployed) (Lindbeck and Snower 1988; Saint-Paul 2002). More recently, with the growth of non-standard types of employment, the attention has shifted towards the divide between workers on permanent contracts and the workers in so-called atypical jobs, including fixed-term contracts, certain types of self-employment, part-time work or temporary agency work (Polavieja 2003; Eichhorst and Marx 2011; Palier and Thelen 2010). Apart from explaining dualisation, from a sociology perspective the links with inequality and social exclusion are of major interest while the growing number of the atypically employed has also roused the interest in their political preferences and voting behaviour (Schwander and Häusermann 2013; Marx 2014).

In trying to understand and explain dualisation, three types of approaches have been dominant. One is a functionalist approach which basically argues that the ongoing globalisation of markets and hence competition requires firms to increase flexibility, among others by creating a flexible periphery around their stable core workforce, to increase efficiency, reduce costs and allow for easy adaptation to fluctuations in the market. A second, structuralist approach claims that structural changes in the economy, in particular the technological change and the decline of industry and the growth of the service sector, leads to a growth of atypical employment, since atypical jobs are more compatible with services (Castells 2010). Recently, this is complemented by the polarisation thesis, which argues that structural changes result in the growth of in particular high skilled but also low skilled jobs and in the decrease of intermediate jobs (Dolphin et al. 2014; Goos et al. 2009). Low skilled jobs are then often atypical jobs. Thirdly, and core to the present paper, the institutionalist approach focuses on the role of labour market and welfare state regulations. It argues that political actors set the institutional context for labour market behaviour, putting constraints to certain types of behaviour and enabling others, e.g. through rules and regulations concerning the possibilities to use temporary contracts or temporary agency work, the easiness or difficulty of dismissals or the level of the minimum wage. In this way they steer micro-actors towards certain types of behaviour and reforms in this sphere foster flexibilisation and, following the increased use of flexible atypical contracts, deepen dualisation (e.g. Emmeneger et. al. 2012). In addition, industrial relations regimes are often pointed towards as leading to or cementing dualisation, because trade unions only defend the interests of their members, i.e. the labour market insiders (Lindbeck and Snower, 2002; Lindvall & Rueda 2013), or because of the declining membership of unions and coverage rate of collective agreements that leave more and more workers outside the reach of their protective functions (Palier & Thelen 2010). These are all largely macro-level accounts that give little attention to micro-level explanations and to agency. They neglect actors and processes at the firm level: firms are largely treated as equal and unitary, and remain black boxes. This is surprising because of two major reasons. One is that there is major diversity between firms of similar characteristics operating in the same macro context where the level of flexibility and the use of atypical employment is concerned. This sheds doubts on singularly macro-level explanations. What is more, it is at the firm level that work organisation and employment relationships are taking shape, including the decisions concerning the use of flexible employment, and major changes have been taking place in this respect in recent years (Kalleberg 2009). Indeed, as will be argued below, we cannot mechanically read firm-level decisions from macro variables. Hence, the dualisation literature lacks attention to understanding why and how such decisions are taken.

In this paper we want to fill some of this gap by reintroducing the firm and agency into the dualisation debate. We present a study of four multinationals in the metal sector, each with subsidiaries in Germany, Belgium and the UK, leading to a total sample of 12 firms. We will show how the use of atypical employment at the micro-level and the differences in working conditions between regular and atypical workers are determined by a combination of macro and micro factors. At the macro-level rules and regulations governing the use of such employment play a key role in determining what is possible and what incentives are at play. However, firm-specific factors determine what is actually done. These factors are on the one hand related to the firm's technology, nature of the product and level of competition faced. On the other hand, they concern the strategies followed by and conflicts, cooperation and bargaining between management, headquarters (in the case of MNCs) and workers' representatives in the firm. Indeed, the interplay between different combinations of these macro- and micro-factors produces different employment conditions with different dualisation effects within and across firms. The extent and type of dualisation within a company is then the outcome of the interplay between macro and micro factors.

In the next section we will elaborate on the importance of including the analysis of firm in the dualisation debate and on our choice to do so through the study of subsidiaries of MNCs (section 2). We then present our research design, methodology and case study description (section 3). Section 4 describes the firms analysed and section 5 offers a view on the legal and industrial relations systems in Belgium, Germany and UK. Section 6 presents our empirical findings and section 7 concludes.

2. Macro and micro factors and dualisation

Combining macro and micro factors

Macro accounts building on globalisation-related pressures, technological and structural changes, or institutional arrangements may all help to understand dualisation processes. They underline the importance of the competitive, structural and institutional contexts in which firms and jobs are situated, which put constraints to certain types of jobs and micro-behaviour, and foster others. However, contrary to functionalist and deterministic expectations, a wide variety of firm strategies and policies can be observed within the same macro context. Contextual factors do not determine what micro level actions. Even in a globalised economy there is no one single strategy that leads to competitiveness. Also, institutions facilitate certain types of behaviour and discourage others (e.g. the ease with which atypical contracts can be used); however, they do not determine what actors do (e.g. if they use atypical contracts) (Scharpf, 1997) and allow for a range of local repertoires.

Indeed, within the macro context, choices are made at the firm level concerning competitive strategies as well as the kind of jobs, contracts, work organisation and employment conditions (Pulignano and Keune forthcoming). Hence it is at this level that we can observe the mechanisms that produce atypical jobs and that lead to dualisation. Indeed, even companies operating in the same industry in the same country can show very different levels of dualisation. See for example Benassi (2013) who shows that there is a substantial variation of dualisation across four automotive plants in Germany.

Below we will discuss the respective micro and macro factors of importance for this study and their potential effect on dualisation. First we discuss the micro factors, divided in two groups: (i) technology, product and competition; and (ii) actors and strategies. Then we discuss the macro factors: employment protection, regulation of temporary work and bargaining systems.

Technology, product and competition

The technology, nature of the product and extent to which a firm is subject to competitive pressures play important roles in determining the space for the use of atypical contracts. When products are standardised and the technological level of work is low, it is easier to make broad use of fixed term contracts or temporary agency work since skill requirements are relatively low and non-specialised. They can be used to reduce costs and/or to absorb fluctuations in demand. This also means that regular workers can relatively easily be replaced by workers on flexible contracts, and hence that the former face competition from the latter. Also, when a firm operates in a highly competitive market, pressures for cost reduction will be stronger, which may lead to a more extensive use of atypical jobs if these indeed lower costs.

Vice versa, if products are differentiated and technological level is high, skill requirements are higher and more specialised, and regular workers cannot easily be replaced by workers on fixed-term contacts or temporary agency workers. They can also not be used easily to absorb demand fluctuations or to reduce costs on core activities. They are likely to be used only for peripheral, low added value activities that do not belong to the core activities of the firm. Also, when a firm operates in a not too competitive market, it will have less cost pressures and less motives to use atypical jobs.

Actors and strategies

In the short and medium run, actors at the firm level have the macro context and well as the technology, product and level of competition as a given. They condition what actors do at the company level. However, they do not determine their actions and there is space for strategies, bargaining and conflict. Management strategies are key here. Building on the resources the firm has available (Barney 1991; Kraaijenbrink et al. 2010), such strategies set objectives concerning the level and types of flexibility a firm pursues, in particular in terms of the balance it seeks between internal and external flexibility or between core and periphery. And for subsidiaries of multinationals, also the is the extent to which headquarters want and can impose HRM policies onto subsidiaries is highly relevant (Almond et al. 2005). The autonomy of subsidiaries in this respect varies across MNCs according to the level of standardisation of product and process: in standardised product markets, where the type of work and work organisation is fairly similar across an MNC's subsidiaries, central management has more options to use benchmarking and relocation threats to impose standardised HRM and work organisation solutions than with differentiated product markets (Meardi et al. 2009; Pulignano and Keune forthcoming).

Last but not least, management strategies can be contested by local trade unions or other types of company-level workers representatives like works councils. The two sides interact to determine how to use flexibility arrangements in order to accommodate economic (market fluctuations) and social (job stability) uncertainties at the workplace (Marginson et al., 2014). Depending on their degree of collective organization, resources and capacity to bargain and compromise, i.e. their level of power, unions or works councils can steer the respective management strategies in directions more in line with their views and interests. The extent to which they can do so also depends on the competitive environment the firm operates in: in a strongly competitive environment in which firms run a greater risk of losing customers and hence jobs, workers' representatives will be more inclined to make concessions to management strategies than when competitive pressures are low. In the former situation the negotiating space for unions or works councils will be more limited. The respective objectives can differ depending on the view of workers' representatives have on their roles: are they insider representatives or do they represent the entire company workforce?; and on how they see the relationship between core and periphery: can a flexible periphery protect the standards of the core or does a growing periphery eventually undermine standards in the core as well (Keune forthcoming).

Macro factors: employment protection, regulation of temporary work and bargaining systems

Legislation on employment protection, the use of fixed-term contracts and the use of temporary agency work determine to an important extent the strategies of flexibilisation that companies can follow. Strict EPL for regular workers may lead to internal and functional forms of flexibility since workers are not easily dismissed. Similarly, the stricter EPL is for fixed-term contracts, the lesser they will be used as external flexibility instrument, and additionally it is of importance if they have the same rights in terms of e.g. social security or training. The same counts for temporary agency workers, where additionally the question rises if they have the right to the same pay as regular workers. Where it is less attractive for companies to hire fixed-term or temporary agency workers, companies are likely to have a larger group of core workers and a smaller periphery. Where legislation favours similar conditions for both groups the differences between them are likely to be smaller.

Apart from legislation, also the collective bargaining system is a key macro variable. A first question is if the national system is a multi-employer bargaining system or a single employer bargaining system. In a single-employer bargaining system collective agreements are mainly made at the company level. In a multi-employer bargaining system, agreements are first of all made for groups of companies, often entire sectors, setting standards above company level. In some systems these standards are imperative for the companies falling under the agreement, allowing them only to deviate in favour of the workers. In others, there exists the possibility of opening- or hardship clauses, which allow companies, under certain circumstances, to deviate to the detriment of the workers on certain issues, often in case of economic difficulties. Multi-employer agreements can regulate the same issues as previously discussed for legislation. Multi-employer bargaining systems allow for less autonomy at the company level than single-employer bargaining systems, especially when there are no options for opening clauses.

Dualisation effects

We operationalise dualisation in terms of (i) the size of the core (regular contracts) and the periphery (atypical contracts) within the firm; and (ii) the differences between the two groups in terms of pay, working conditions, social security and the flexibility demands (internal, functional or external) they are confronted with[1]. Different combinations between macro and micro factors then produce diverse dualisation effects. Within their macro context, at the micro-level management and workers' representatives strategize, bargain and produce policies that determine the sizes of and differences between the two groups. Within a company, such differences can be large or small when observed at a particular point in time, indicating strong or weak dualisation. They can also change over time in two basic ways:

- Polarisation (increasing dualisation), where the differences between core and peripheral groups get larger as the result of improved standards for the better off groups and/or reduced standards for the worse off groups;
- Equalisation (weakening dualisation), where the differences between core and peripheral groups get smaller as the result of reduced standards for the better off groups and/or improved standards for the worse off groups;

By studying these dualisation effects of micro strategies and bargaining within their macro context we can describe and explain dualisation at the company level. Based on the above discussion, we propose the following three propositions:

- P1: Equalisation takes place within plants where product markets are standardised, market competition is high and technology is relatively low;
- P2: Polarisation takes place in plants where product market are differentiated, market competition is high and technology is relatively high;

[1] In this respect we follow the classification of functional and numerical (internal and external) flexibility proposed by Atkinson (1984) in accordance to which functional flexibility is considered as the capacity to move employees between jobs and tasks, whereas numerical flexibility deals with changing workforce numbers, in terms of layoffs, subcontractors and temporary agency workers (external numerical) and overtime, working time and flexible hours (as internal numerical flexibility).

- P3: In companies where unions have more power (as a result of higher membership and/or back up from higher level unions or collective agreements, they are better at safeguarding or improving the conditions of core workers than in companies where they have less power.
- P4: In countries where fixed-term workers and temporary agency workers are more protected by law or multi-employer collective agreements, companies will make less use of such workers. Similarly, where the law or multi-employer agreements favour equal working conditions for the two groups, differences between them will be smaller.

3. Research design and methods

The paper analyses dualisation in four multinationals in the metal sector, each with subsidiaries in Germany, Belgium and the UK, leading to a total sample of 12 firms. The 12 case studies include around 70 semi-structured interviews with strategic management and local managers, trade unions and employee representatives at the European headquarters and subsidiary level, sector and national level employers and trade union officers. Interviews provided insights into the local practices and negotiations, strategic issues and actors' strategic choices with regard to employment conditions for different categories of workers. The case studies also include document analysis (i.e. collective agreements), extensive site visits and observation of the workplaces, corporate publications, press reports, and company and trade union websites. Data from different interviewees was triangulated in order to improve validity and provide a comprehensive representation of the bargaining processes occurred at the workplaces.

This empirical work was complemented by secondary literature on macro-characteristics and developments in the three countries. In particular the elements of the national institutional context that have a potential effect on firm level dualisation will be highlighted, with a focus on dismissal protection regulations, rules concerning the use of atypical contracts and the industrial relations system. The analysis then integrates the macro-level diversity of the three countries with firm-level features, including the firms' structural features (e.g. the nature of the product, product market characteristics and technology) as well as the strategies followed by and conflicts, cooperation and bargaining between management and workers' representatives in the firm. It shows how the interplay between different combinations of these macro- and micro-factors produces different employment conditions with different dualisation effects within and across firms.

4. The case study companies

US1 is a big conglomerate operating in several subsectors of the manufacturing industry, including the production of standardised components for the automotive and ship-building sector. Its international expansion was carried out in the last 60 years both through green-field and brown-field investments, and has resulted in a highly complex structure. Moreover, clients include end customers as well as other manufacturing companies. US1 operates as a leader in most of the markets where it sells, but is exposed to strong international competition from both global and local companies. About 70-75% of US2's staffs are blue-collar workers, except in Germany where half of employees are instead white collars.

US2 is a company that shifted its activities from their original public utility core business to the automotive component sub-sector. It has production units in Europe, North America and the Asia-Pacific region. The company operates through a wide range of global brands, selling standardized products, and slightly less than 40% of revenues come from three big (automotive) groups. *US2* faces strong competition, especially coming from East Asia and therefore, cost-competitiveness and flexibility have become more pronounced in recent years. The UK plant is medium-sized (about 200 employees), while big plants operate in Germany and Belgium with over 1,000 employees. Most of the workforce is blue collars, reflecting the strong production character of the company, with the exception of Germany where slightly above 50% of employees are white collars.

EU1 operates in several different highly-technological markets, following a multi-domestic business organisation. The high degree of specialisation arguably decreases the company's exposure to competition, which is generally low. The company can count on nearly 70,000 employees worldwide and is strongly R&D-based, with investments in this area that amount to about 20% of its revenues. Their main shareholders are the State and another private company, while the main customers are public bodies and the world-leading aircraft manufacturers. When interviews were carried out, EU1 employed 600 people in Belgium, about 4.300 in Germany, while 7,500 employees were on the payroll (thus excluding agency workers) in the UK. The workforce in EU1 has a strong component of engineers, given the very high technological grade and differentiation of its products. In the UK 3,500 people are engineers, while there are about 300-400 (skilled and semi-skilled) blue collar workers. In Belgium, 100 people are blue collar workers, 200 skilled (white-collar) technicians, and about 280 engineers (including top management). The German plant employs some 4,300 employees with a strong focus on highly-skilled engineers and a decreasing share of blue-collar workers.

EU2 operates mainly in the business of energy and transport and is one of the world leaders in each of these markets. The group pursued a strong strategy of expansion through M&A in the 1990s and 2000s and a widespread setup of new manufacturing facilities. EU2's market leadership is based on strong investments in R&D, on the strong technological base of its highly differentiated products and relatively low competition it faces. The strategies of expansion in emerging markets are also securing growth in revenues at a time when the economic outlook in Europe is negative, with the accumulation of a substantial order backlog which secures constant revenues for the future. EU2 is a strong industrial company, although two general tendencies are apparent in Western Europe. The first is a trend towards a focus on higher added value activities, while the second is a transition from production to maintenance activities, a response to changes in demand from the (Western) public sector in times of austerity. These trends have clear effects on the labour force. While about half of the workforce is still composed of blue collar workers, there has been a steady increase of the white collar (engineering) base, already the majority in Belgium and the UK while in Germany white-collar employees make up about half of the staff.

Further information on the company cases is provided in Table 1.

Table 1: Overview of case-study companies

	US1	**US2**	**EU1**	**EU2**
Origin	USA	USA	Europe	Europe
Global workforce	Almost 130,000	24,000	Almost 70,000	100,000
Sites worldwide	301	114	>250	>200
Coverage of production worldwide	70 % in Europe, Africa and the Middle East; 30% in North and South America, Asia	80 manufacturing and 10 distribution facilities; 14 engineering and technical centres in Europe, North America and Asia-Pacific	56 countries in Europe and North America	100 countries including Europe
Products	Construction machines, components for the automotive and shipbuilding sector	Emission control and ride control systems for the automotive industry	Defence, security, ground transport, space and aerospace	Transport, power generation and transmission
Workforce	Moslty blue-collar	Mostly blue-collar	Mainly engineers	Mainly engineers
Customers	Private	Private	Mostly public, less private	Mostly public, less private
		Independent variables		
Technology	Low technology (automated assembly lines)	Low technology (highly-automated assembly lines, rigid, continuous production process)	High technology, techniques are adapted according to the customers' requirements (strongly R&D based)	High technology (strongly R&D based)
Nature of the product	Standardised product	Standardised product	Differentiated product	Differentiated product
Competition	High competitive pressures	High competitive pressures	Low competitive pressures	Low competitive pressures

5. Legal framework and institutional settings: Belgium, Germany and the United Kingdom compared.

It is widely recognized that European labour markets have changed dramatically in recent years and that there have been significant upheavals in the structure of employment, demonstrated by a decrease in permanent, full-time 'typical' employment and an upsurge in the level of part-time work, fixed-term contracts, temporary agency work, ostensible self-employment, in other words, in all forms of work frequently described as 'atypical', 'contingent' or 'non-standard' employment. Although the full-time job with a permanent contract is still the norm in most countries, accounting for the majority of jobs, in recent years there has been a rapid growth in other forms of employment. This growth has been accompanied by relevant transformations in national institutions of industrial relations and labour market and social protection measures. These transformations concurred to change to a certain extent the dualistic configurations between coordinated and liberal market economy given by the Variety of Capitalism (VoC) approach (Hall and Soskice, 2001).

In accordance to this typology Belgium and Germany are usually defined as coordinated market economies in contrast to the United Kingdom which is a liberal market economy. This difference usually reflects not only a diversity in the mechanisms used (market vs. state) to regulate the economy but also in the nature of the institutions of industrial relations typical of each country.

Table 2: Characteristics of the selected countries

	Germany	**Belgium**	**The UK**
Type of market economy	Coordinated market economy	Coordinated market economy	Liberal market economy
Employment regime	Dual	Dual	Liberal
Employment protection legislation (following the OECD indicator)	High level	High level	Low level
Regulation of temporary work	Relatively medium level of regulation for fixed-term work, low level of regulation for agency work	Relatively high level of regulation for fixed-term and agency work	Relatively low level of regulation for temporary workers
Relationship between permanent and temporary workers	Equality principle does not apply due to the presence of sector-level collective agreements; especially agency workers suffer from low wages, lack of training provision and limited career prospects	Equality principle applies, guaranteeing equal pay and working conditions	Agency workers suffer from low pay levels and lacking job prospects
Bargaining system	Multi-employer bargaining (delegation and derogation)	Multi-employer bargaining (delegation)	Single-employer bargaining
Union density 2011 (OECD trade union density indicator)	18%	50.4%	25.6%

Employment Protection Legislation (EPL) is usually referred to vary in accordance to this classification, with Belgium and Germany retaining a stronger level of EPL in comparison with the United Kingdom. However since the 2000s we have observed a weakening of EPL in most

EU countries, particularly for temporary workers. The steepest declines in the EPL for temporary workers occurred in coordinated market economies such as Germany and Belgium which have lessened protection for these workers. Nevertheless in Germany this reduction is stronger than in Belgium, where, in spite of some decline in protection, temporary workers can benefit of relevant social rights and equality in pay and working conditions. On the other side, the United Kingdom has slightly tightened protection for temporary workers recently, albeit from a very low level, so that they retained a comparatively flexible temporary work sector (the resulting level in 2007 was still among the lowest in Western Europe).

Furthermore, in this context, it is worth exploring in comparison the regulatory environment surrounding atypical work in the UK, Belgium and Germany. This is because EU-level regulations have, in recent years, sought to ensure equal treatment between various forms of atypical work and comparable permanent work in all countries in Europe. Particularly, in the UK context, the European Agency Working Directive implemented in 2011, attempted to attribute equal rights to temporary workers. This contrasted to British industrial relations traditions in accordance to which minimal regulation of temporary or atypical forms of employment, in the context of a liberal labour market regime in which there are few limitations on employers' right to end employment contracts of any kind, was considered the main feature (Bergström, 2003). However, the extensive role of temporary agencies and temporary employment coincided with poor career progression. Moreover the interaction between employment and social aspects in the UK reinforces a downward spiral in terms not only of pay and training, but also working hours and work-family tensions (Krestos and Martinez Lucio, 2013). This is because coverage of collective bargaining for atypical workers is still very weak in the UK, where, in a context of decentralized bargaining structures, these issues are largely decided at the level of workplaces where those workers are often not represented.

Conversely, in Belgium relatively high union density and well-functioning structures for social dialogue and participation in decision making at all levels (Vandaele, 2009; Pulignano 2010) contributed to ensure that the use of atypical workers is well regulated and those workers are guaranteed the same rights as permanent workers. Permanent employment as the basic principle is strongly established in Belgium and when agency work was legalized and regulated in the 1980s, the possibility was foreseen for temporary agency workers to shift into permanent jobs. In addition, in Belgium atypical workers, including agency workers are covered by sectoral collective agreements. The relevant sector unions collectively organize around 60% of agency workers.

In Germany, there have been major structural transformations mainly affecting non-standard or atypical jobs, because of structural changes in the labour markets and institutional reforms. As above mentioned, regarding open-ended full-time contracts, dismissal protection has remained more or less at the same level in Germany as it used to be in the 1990s. However, collective bargaining coverage has dropped in Germany since the last decades and today it is particularly low in private services where most of atypical work is concentrated. This contributes to increase wage dispersion and low pay which in Germany is much higher than in other 'coordinated' market economies as Belgium (Dutsmann et al., 2014). Regarding the use of atypical work, legislation in Germany has liberalised the use of those forms of work, sharing in this respect some similarities with the British liberal tradition. For example, the use of fixed-term contracts is relatively deregulated in Germany today. Specifically, German law establishes that fixed-term contracts, without having to provide a valid reason, are legal for up to two years with possibility of three renewals. Although since 2000 it is no longer possible to have a fixed-term contract with the same employer if fixed-term employment had already taken place in the past, fixed-term employment without having to provide a valid reason is basically unrestricted in Germany when hiring older unemployed individuals and during the first years of a business start-up. Similarly, the use of temporary agency work has also been increasingly liberalised over the last decades in Germany in comparison to Belgium. Here, virtually all restrictions, such as the maximum duration of assignments, the ban on synchronicity between employment contract and individual assignments or the ban on rehiring, have been lifted. Moreover, different of Belgium, deviations are allowed for initial periods of employment after phases of unemployment and, most importantly, by way of collective agreements. The emergence of 'opening clauses' in Germany has led to the development of a process of 'destandardisation' (Holst and Dörre, 2013) as an element of further flexibility is introduced into the formally still binding sector agreements (Hauptmeir, 2010). It consists of the fact that under specific contingent conditions, such as an unexpected loss of orders, employers can deviate from the pay levels agreed in the sector agreement, if works councils agree on the deviation.

This highlights another important element of distinction between Germany, Belgium and the UK which is the diverse institutional arrangements in bargaining systems. Particularly, cross-national differences with regard to structures of collective bargaining refer to the distinction between multi-employer (i.e. Germany and Belgium) and single-employer bargaining arrangements. In the former, articulation mechanisms between sector and company level exist whereas under single-employer bargaining the procedural security offered by the sector agreement is missing. Furthermore, there are various articulation mechanisms within multi-employer bargaining frameworks as well (Arrowsmith and Marginson 2006). Specifically, articulation can be achieved through delegation like in Germany and Belgium, where sector-level negotiations determine a wide range of issues and open scope for additional company-level negotiations. However, as previously mentioned in Germany company-level agreements can derogate via 'opening clauses' from sector negotiations, whereas this is generally not possible in Belgium, implying the higher leeway of German works councils and management to negotiate company-level agreements which can accommodate with contingencies.

6. Findings

6.1 The case of US1

US1 is a company that is highly exposed to competition, with rather simple technology and standardized products. This concurred to create a situation where unions had to make concessions on flexibility for the overall workforce in order not to lose jobs.

Specifically, all plants belonging to US1 coped with internal pressures caused by management and market pressures by increasing the use of external-numerical flexibility. This was realized particularly through using temporary agency work in Germany (20%-quota) and in the UK (about 30% of the workforce), while the Belgian unions negotiated a 20% fixed-term work quota instead:

"It is a flexible workforce; as always when you have peak employment agency work makes a lot of sense because when this peak is gone, it's quite easy to reduce your workforce to an acceptable level without the need to terminate the jobs of people in your team." (US1, German HR Manager)

Within all the different subsidiaries of US1 temporary employees and the regular (core) workers worked side by side. This had visible repercussions on the regular workforce, who suffered from the pressure for flexibility coming from the temporary workers. In Germany, for example, local management strategically used the non-regular workers (particularly agency workers) to put pressure on the regular staff by introducing pay premiums and performance indicators. Those pay premiums were used as a 'stick and carrot' mechanism to enhance performance among both regular and non-regular workers (Pulignano and Doerflinger, 2013). Furthermore, working-time was made highly flexible for the core workforce, in order to increase the internal adaptability in the case of fluctuating production volumes, with a consequent intensification of work during peak demand. Apart from using working-time accounts and a regularly changing shift system, the works council and management agreed on a flexible weekly working-time corridor of 28 to 42 hours, depending on the plant's current demand. This created a situation in which the core workforce had to substantially concede in terms of flexibility and accept worsening working conditions and intensification of work in order to secure their jobs. Despite the relatively high level of employment protection legislation in Germany, the deregulatory context concerning the use and social protection of temporary work as well as the erosion which occurred in collective bargaining institutions, allowed for the implementation of measures for the reduction in the working standards for the regular workers as well. Among those measures, the extensive use of various instruments of working-time flexibility was allowed through opening clauses, which enable derogations from sector-level agreements via company-level agreements if the local works council agrees. On the other hand, the fact that the sector-level agreement for the agency work sets by far lower standards compared to the agreements applying to the metal sector, was used by management to encourage better performance among agency workers. Since there is no equal pay between permanent and agency workers, management used pay premiums to enhance the agency workers' performance. .Moreover, the presence of a sector-level agreement ruled out the equality principle set by German law. This was used by local management to put pressure on the plant's regular workers to improve their performance while at the same time not improving the working standards of the non-regular workers.

The situation looked slightly different in the Belgian plant. Despite the fact that regular workers had to face the challenge of seeing their working standards reduced somewhat because of the direct competition with the temporary workforce, the strongly coordinated multi-level bargaining system helped to contain this degradation. In Belgium, derogation from sector-level agreements via opening clauses hardly occurs. Thus, management and works councillors had to respect the standards set at the sector-level, which arguably decreased their leeway in negotiating company-level practices. However, the core workforce was exposed to increasing pressure and needed to adapt. This was primarily done via working-time measures, since instead of hiring new employees to cope with peaks in production, the core workforce had to balance those fluctuations by paid overtime. At the same time, the shift system was made more flexible in order to adapt to fluctuating volumes, which also demanded more flexibility of the core workforce. Finally, job rotation among the regular workers became more pronounced in order to also increase functional flexibility, thus leading to a better internal adaptability. As a result, the working conditions of regular workers did deteriorate to some extent, since the level of flexibility the core workforce had to provide arguably augmented.

However, the unions in the Belgian subsidiary were able to complement the reduction in the working standards of the regular (core) workers with a slight improvement of the working conditions of the temporary workers. This was particularly due to the legal framework in Belgium, which guarantees equality in working conditions and social rights between regular and non-regular workers, as well as the union strength at the workplace, where union density was at about 95%. Belgian local unions were successful in avoiding the use of agency work while they negotiated a maximum of 20% of fixed- term contracts instead. In doing this they created the conditions for more job security for those employed on fixed-term contracts, because of the possibility to transform those into permanent ones over time in accordance to national law. A plant-level collective agreement about such 'employment paths' from temporary to permanent jobs was negotiated by local unions and management, concluding that the contractual upgrade was made after having worked one to three years on fixed-term contracts.

In the British subsidiary, unions agreed to cut working hours of (hourly-paid) blue collar workers and wages of white collar workers. The relatively liberal UK regulatory system with single-employer bargaining did not forbid wage cuts if unions and management agreed to it. Local unions also conceded on increasing the use of sometimes not compensated reductions in working-time and wage flexibility for the internal (regular) workforce. Again, there were no restrictions in this respect due to the agreement of the works council. Moreover, regular workers were not being paid a premium when working on night shifts. Flexibility was set by market demands and production requirements rather than the type of contract or workers' skills. An HR manager explains:

"[Flexibility] is much more dependent upon which assembly track you're working on. […] The most important factor for the number of temporary employees we have is the demand for our product. And then, within the recruitment process, we need to understand and determine what skills we need."

(US1, UK HR Manager)

Hence, to keep their regular and relatively secure position, core workers were obliged to work overtime, guarantee internal flexibility via working time reductions, and wage cuts. Hence, their working conditions worsened. On the other hand, the national unions' rejection of the "Swedish Derogation" (the possibility in EU regulations to introduce wage differences between regular and temporary agency workers) enabled local unions in the British subsidiary to push strongly for equality in working conditions between regular employees and agency workers at the workplace. Fixed-term contracts would in their opinion be better than agency ones to guarantee flexibility while negotiating locally in order to avoid differences in working conditions. However, the unions in the plant were not able to avoid the use of agency workers like in Belgium and to guarantee security to them due to the rather weak regulation of atypical work in the UK. Moreover, the single-level bargaining structure in the UK left power relations at the local level to decide whether unions were able to retain capacity to resist employer strategies. Besides, the use of agency workers was high because of their low cost rather than the high level of external flexibility they can offer. The low level of bargaining coverage of these workers contributes to explain this.

6.2 The case of US2

US2 makes use of low technology to produce its standardized products, which makes them highly exposed to international competition. Benchmarking across plants by management was widespread, and 'inefficient' plants – especially those with high labour cost – were put under pressure to cut costs in order not to risk closure. Therefore, local unions were pushed within all the investigated plants to increase flexibility but without being able to compensate in security for both regular and not regular workers.

In order to cope with internal and external pressures, the three subsidiaries made extensive use of temporary forms of employment, especially in order to flexibly react to volume fluctuations. Those were caused by customers, who could on a weekly basis order possibly different amounts of parts or components needed. Therefore, the German plant used about 15% agency workers, the UK subsidiary about 7%, and in Belgium, unionists and management agreed on 10% fixed-term and 5% agency workers. This level of external-numerical flexibility ensured that production peaks could be covered, and that declining volumes could be handled by letting temporary staff go. The production process used across all subsidiaries, which was driven by an automated assembly line, did not allow for separating regular and non-regular workers. This led to the evolvement of internal competition between the different groups of workers in all plants. In order to be able to compete, core workers had to concede and accept degradation in their working conditions. Moreover, the strong level of inter-plant competition and the resulting fear of plant closure contributed to reduce the union capacity in local negotiation with management to negotiate improvements in the working standards for the overall workforce.

In the German plant, for example, so-called 'team performance pay premiums' were implemented and strategically used by local management to introduce 'coercive comparisons' across regular and agency workers, since they worked side-by-side in the same team. As all team members – independent of contractual status – were entitled to the same amount of money, they were used to put pressure on the 'core' workers to enhance their level of productivity in the plant. Similar to the situation of US1's German plant, this was possible because of the institutional framework and the fact that valid sector-level agreements could rule out the equality principle set by law. Unequal pay levels between regular and non-regular workers – set by the different sector-level agreements for the metal and the temporary work industry – were thus used by management to enhance the overall workforce's performance.

Furthermore, working-time flexibility measures were implemented, which enforced higher levels of flexibility for the core workers (Pulignano, De Franceschi Doerflinger, 2013). For example, an unpaid working-time extension means working 2.5 hours every week for free.

"Every permanent employee works 2.5 hours per week for free. This system is part of an agreement to secure flexible and cheap solutions to the customer. Cost considerations made us go into negotiations with the unions some years ago to make the plant more attractive for the customer."

(US2, German HR manager)

Officially, those 2.5 hours should have been used for on-the-job-learning, but this did not happen in practice. Besides this implicit wage cut, working-time accounts were introduced and the shift system was made more flexible in order to respond to market contingencies in demand. Derogation from sector-level agreements via opening clauses were used to make working-time more flexible. Furthermore, changes in training provision led to unequal distribution. In particular, while agency workers were never entitled to training, regular blue-collar workers got less training than before. Overall, the consequence of those measures was a forced increase of internal flexibility of the regular workers, which contributed to worsen their working conditions and shortening the distance to the peripheral workers. The use of agency work was very pronounced, enabling employers to take advantage of the low costs and high flexibility connected to it.

Similarly, in Belgium, core workers had to provide higher levels of flexibility, although the strong regulative context with regard to the use of atypical work slightly limited the possibilities of management and works councils at the company-level to deviate or negotiate beyond the rules and norms indicated in sector-level agreements. It could decrease – in comparison with Germany – the employer's leeway to negotiate on new employment practices in order to deal with the pressures the plant faced. One measure implemented, for example, was an adaptation of the shift system in the Belgian subsidiary in order to adjust it to production volumes on a weekly basis. This enforced higher levels of internal flexibility provided by the core workforce. Furthermore, the company started to ask for more functional flexibility among the regular workers, coming along with the fact that they needed to be able to handle more than one machine in order to increase the plant's internal adaptability and competitiveness:.

"Our blue-collars have to be able to work on more than one machine. We want them to learn to handle more and more machines to be more flexible. Previously, people who started working here thought that they will work at the same machine until they are 58 and could retire. That used to be the mentality here, but this needs to change." (US2, Belgian HR Manager)

Thus, the fact that the use of temporary workers was limited by a quota of 10% for fixed-term and 5% for agency workers resulted in the need to increase internal flexibility of the core workforce to deal with fluctuating volumes. When negotiating the quotas for temporary workers, the unions could push for 'employment paths' similar as those used in US1's Belgian subsidiary. A union density rate in the plant of 95% gave them the necessary strength to rule that agency contracts were followed by fixed-term ones, and after two years in total, the worker was entitled to receive a permanent contract because of Belgian law. This arguably increased the job security of the non-regular workforce, giving them a clear employment perspective.

In the British subsidiary of US2, the unions could not resist that about 7% of the workforce was employed via work agencies in order to buffer volume fluctuations. Core workers, however, needed to provide more flexibility as well, especially via (unpaid) overtime to deal with peak production times. Furthermore, they were requested to adapt to the newly implemented flexible shift system to cushion fluctuating volumes. Under the pressure of coercive comparisons on the one hand, and the weak regulatory context in the UK, the British local unions were unable to resist change locally. Finally, employers pushed for cost reductions related to training for everybody although this had undesired effects in terms of overall qualification.

"When companies want to cut costs, the first thing they cut is training. Ten years ago, the workforce here was highly skilled. At this moment in time, there are issues with quality and efficiencies. […] "

(US2, British unionist)

6.3 The case of EU1

EU1 faced relatively low market competition and manufactures differentiated products making use of high technology. Being a market leader offering highly specialised and customized products led to a situation where unions and employee representatives were better equipped to preserve their bargaining power at the local level and negotiate good working conditions, particularly for regular employees. EU1's HR policy was strongly centralized and standardized across countries, which decreased the leeway for local actors to negotiate plant-level agreements. In EU1, differences in treatment between the core and the periphery were pronounced and they mostly reflected existing contractual and skill differences among the workforce. In order to be flexible and competitive, a reservoir of low-skilled non-regular workers was used, which also protected the highly-skilled core. As a result, the working standards for regular workers improved, while those of the periphery remained the same. This was particularly the option in those countries with relatively low employment protection standards for atypical work, and non-encompassing collective bargaining structures, particularly under single-level bargaining with low levels of collective bargaining coverage for the most vulnerable categories of workers.

The use of contractual flexibility in EU1 was limited compared to the two US multinationals, with about 8% in Belgium and the UK, and less than 4% in Germany. Thus, the size of the periphery was much smaller compared to US1 and US2. Those non-regular workers mainly performed less added-value production activities and did not enter in conflict with regular employees. This is due to the fact that the production process was organised in such a way that it allowed the separation of tasks between regular and non-regular employees in accordance to the differentiated nature of the product and the corresponding task requirements. Besides differences across contractual groups, blue-collar workers in general across all countries had only limited career opportunities. For example, when asked whether career plans defined the salary that workers would get in the following years according to the time spent in the company, the Belgian HR Director answered that this occurred only for technicians, and that blue-collar workers did not have a career plan at all. The production area was in any case only one of the 15 professional families in the career path framework developed by EU1's HR management. Training investments were also mainly focused on general skills transferred to engineers and other highly-skilled employees, reinforcing their already high employability and employment security. Besides such group-wide differential treatment of different categories of workers, we also observe differences at the plant level.

In Germany, in order to stimulate employees' retention local unions pushed for wage levels for regular employees above those already set in the sector-level agreement. It made EU1's regular employees gain more than in other companies in the same sector. Furthermore, life-long working-time accounts were implemented for regular workers in order to give a strong extra-incentive to stay with the company. Such accounts created the possibility of compensated extended parental leaves, sabbaticals, or early retirement and thus stress the positive aspects of flexibility for the core workforce. Improving the provisions of sector-level agreements by company-level ones is always possible in the German context, so wage increases could easily be negotiated. In terms of working-time, this is different, but possible via an opening clause if both works council and management at the local level agree. Due to this agreement, lifelong working-time accounts could be implemented. Finally, works councillors protected the labour force from working overtime by refusing to increase the quota of 40-hour-contracts (the normal weekly working-time in the sector is 35 hours), forcing management to use agency work to cope with fluctuating production volumes instead (Pulignano and Doerflinger, forthcoming). This was possible because of the relatively weak regulation of agency work in the German labour market which made it possible for the local actors to use non-regular workers to protect the regular core staff. Moreover, it can also be argued that the weak encompassing nature of collective bargaining structures in Germany for temporary labour encouraged all this by providing more leeway at the local level for works councils and management to come up with plant-level solutions in order to meet corporate strategies of flexibility.

"The company is always interested in more flexibility. But I think – and this is the opinion of the works council – that whenever more flexibility is introduced, it automatically exploits our employees. We have to protect them."

(EU1, German works councillor)

Similarly, in Belgium, local unions engaged in negotiating attractive financial compensations for overtime and weekend work for the core workforce, in case that it was needed to cope with fluctuations. So if the regular staff had to work more, they were paid well for it. This was also in accordance with the corresponding sector-level agreement, which foresaw compensated overtime only. Furthermore, management and unions agreed on an increased training provision for the regular staff in order to guarantee up-skilling for the demanded job rotation. In general, the centrally developed training policy foresaw extensive training provision across all plants for regular workers. In contrast, non-regular workers were not entitled to extra trainings and only got general on-the-job training and a health-and-safety instruction when entering the plant. Since agency workers do not have a contractual relationship with the user firm, it is their work agency which should provide training. Although agency workers had a 'management relationship' with the user firm, the fact that they did not have a contractual relationship as well contributed to their outsider-status. Although the equality principle applies in terms of wages and working conditions in the Belgian context, the issue of training provision remains an ambiguous one, since according to the user firm, the work agency is responsible and vice versa. Despite the unions were strong at the local level they did not negotiate training provisions for agency workers in order to protect the core.

Similarly, in Britain unions locally negotiated further measures to ensure the continuous up-skilling of the workforce complementary to group-wide training programmes. However, those measures were only accessible for regular workers because of the same reason as stated in the case of the Belgian subsidiary. Furthermore, the lack of 'institutional resources' to be used by unions to improve the working conditions of non-regular workers was limited due to the single-level bargaining, which led to a situation in which bargaining outcomes reflected power-relations at the local level. As a result, the working conditions of regular workers improved, while those of the periphery remained the same.

6.4 The case of EU2

EU2 is a firm which is generally in a decent economic situation, with a strong order backlog guaranteeing medium- to long-term financial stability in the investigated plants. However, in order to guarantee flexibility to its customers, relatively high levels of temporary contracts were used. In particular, the British subsidiary employed about 35-40% of agency workers while the Belgian plants used about 20%. In Germany, there were two quotas of 10% each for fixed-term and agency work contracts. For its core staff, EU2 highly relied on polyvalence and job rotation in order to be able to have personnel available for a variety of different tasks. In contrast, agency and temporary workers were widely used for lower added-value activities and were thus not entitled to training provision. EU2's strategy strongly focused on R&D activities and after-sale services, implying an increasing use of a highly-trained white-collar workforce, with a layer of workers providing external-numerical flexibility at the margins.

"What we're trying to do is to develop the classic model of a core workforce and then apparently outside of that having either our own temporary people that we will use an agency to recruit for us, or if appropriate and we don't have the capacity from a manufacturing point of view, we will subcontract some of the metal bashing."

(EU2, British HR Manager)

The German plant made use of various qualification measures only for its core workforce. Training programmes for up-skilling were widespread in order to fulfil the requirement of polyvalence. Job rotation was extensively used for the regular workforce as well to maintain a high level of internal, functional flexibility. At the same time, the flexibility used to cover peak production times was provided by the relatively high number of temporary workers in the plant. Considering the fact that agency workers can be flexibly send back to their agency at any time gave a strong incentive to make use of this form of work to buffer volume fluctuations. The German regulatory framework allowed using this kind of flexibility. The works council also pushed for the giving financial support to former apprentices in the core workforce if they decided to continue their education at technical schools or university, which can be considered another attempt to promote training for its regular staff and strengthen employee retention. However, this only applied to members of the regular workforce, since former apprentices mostly got a permanent contract after their three-year training. Finally, working-time accounts were made available for the regular workforce on the one hand because of flexibility requirements of the company, and on the other hand in order to give possibilities like compensated extended parental leaves, sabbaticals or early retirement. As mentioned before, this was possible due to opening clauses which are frequently used in Germany related to working-time.

In Belgium, qualification measures and career development programmes were available to the regular workforce, and especially to engineers and former blue-collar workers, starting to take up white-collar functions. This led to a rising level of functional flexibility and internal adaptability in the plant, which proved to be especially beneficial to deal with diversified customer requirements. Furthermore, labour mobility schemes available for the core workforce increased their job security, particularly during the crisis. Specifically, regular employees were sent to other plants in the neighbouring countries for short periods of time where workloads were higher in order to safeguard employment, strengthen international mobility and the workers' intercultural skills. Finally, unions and management concluded an agreement ruling that newly hired skilled workers were directly entitled to permanent employment contracts. Non-skilled workers, in contrast, were hardly entitled to fixed-term or event permanent contracts and mostly remained with a temporary work agency.

In the British plant, structured training programmes for the regular workforce were complemented by long-term competence development plans in order to ensure that the required qualifications were present, also in the future. This increased the plant's internal adaptability and flexibility to cope with changing (skill) requirements. While unions could push for such agreements to improve the working conditions for the regular workers, they could not negotiate similar agreements covering the periphery. Temporary staff at the margins was solely used for less added-value tasks and to cope with fluctuations. This could be due to the relatively weak regulatory framework, with low levels of protection for agency staff. Furthermore, the unions at the plant level with a density of around 50% struggled to represent all parts of the workforce equally. Additionally and similar to EU1, the relatively unfavourable regulatory framework of agency work constraint unions at the subsidiary level to negotiate protection for them.

7. Conclusion

Based on the case studies we can draw a number of conclusions concerning the mechanisms of dualisation in the companies under study. First, there is a clear differences between on the one hand US1 and US2 and on the other EU1 and EU2, and these findings support our first two propositions. The former two operate in very competitive markets, their products are standardised and their technological level is relatively low. As a result, the companies are on a constant search for cost reduction and flexibilisation to absorb demand fluctuations. To this end, they created substantial numbers of atypical jobs, made possible by the limited skill and experience requirements of their production processes. This also allows management to develop benchmarking systems and foster competition between regular workers and flexible workers, resulting in concessions by the regular workers and in the gradual equalisation of pay and working conditions.

In EU1 and EU2 markets are less competitive, products are differentiated and the technological level is high. As a result, cost and flexibilisation pressures are less present than in US1 and US2. Skill levels and specialisation required for the core activities are high, making it harder to employ flexible workers in core jobs. Flexible workers are mainly employed in lower skilled peripheral activities and do not compete with the core. As a result, we see a process of polarisation in which the core has very good and improving pay and working conditions while the periphery has comparatively bad pay and working conditions.

At the same time, we see clear differences between the subsidiaries of the MNCs operating in different countries. The legal regulation of EPL, fixed-term contracts and temporary agency work make a difference in the extent to which flexible jobs are created and in the extent to which the pay and working conditions of the two groups differ. Where flexible types of work enjoy more protection they are used less; and where they legally enjoy the same or similar rights as regular workers, dualisation in terms of pay and working conditions is more limited. Similar conclusions can be drawn for collective bargaining systems. Multi-employer systems (Belgium and Germany) leave less space for company-specific flexibilisation policies than single bargaining systems (UK). Between Belgium and Germany we then see two major differences: Belgium unions have more power than their German counter parts because of much higher levels of membership and coverage of collective agreements; and opening clauses are rare in Belgium and very present in Germany, meaning that in Germany protective measures for flexible workers included in sector agreements often do not apply.

Overall, then, we can conclude that dualisation processes in companies are the result of a combination of micro and macro factors. Only by considering the interaction between the two we can understand the mechanisms that lead to equalisation or polarisation at the level of companies. For the dualisation debate this means that the single focus on macro variables should be adjusted. Macro variables clearly matter but they cannot deal with the substantial within country differences.

References

Arrowsmith J and Marginson P (2006) 'The European cross-border dimension to collective bargaining in multinational companies' *European Journal of Industrial Relations* 12:3, 245-66.

Atkinson, J. (1984), Manpower strategies for flexible organisations, *Personnel Management* 16, 28–31.

Barney, J. (1991) 'Firm Resources and Competitive Advantage', *Journal of Management* 17(1): 99-120.

Benassi, C. (2013) *Political economy of labour market segmentation: agency work in the automotive industry*, Working Paper 2013.06, Brussels: ETUI

Berger, S. and Piore, M. (1980) *Dualism and Discontinuity*, Cambridge: Cambridge University Press.

Castells, M. (2010) *The Information Age: Economy, Society and Culture Volume 1: The Rise of the Network Society. 2nd ed.* Oxford: Wiley Blackwell.

Dolphin T., Gottfried G., Raikes L., Silim A. and Thampson S. (2014) *European Jobs and Skills: A Comprehensive Review 2014*, IPPR, London.

Dustmann, C., Fitzenberger, B., Schönberg, U., Spitz-Oener, A.: From Sick Man of Europe to Economic Superstar: Germany's Resurgent Economy. Journal of Economic Perspectives **28** (1): 167-188

Eichhorst, W. and Tobsch V. (2014) *Not So Standard Anymore? Employment Duality in Germany,* IZA paper 8155

Eichhorst, W. and Marx, P. (2011) 'Reforming German Labor Market Institutions: A Dual Path to Flexibility', *Journal of European Social Policy*, 21(1), 73-87.

Emmenegger, P., Häusermann, S., Palier, B. and Seeleib-Kaiser, M. (2012) *The Age of Dualization. The Changing Face of Inequality in Deindustrializing Societies*, Oxford and New York: Oxford University Press.

Goos M., Manning A. and Salomons A. (2009) 'Job polarization in Europe', *The American Economic Review* 99(2), 58-63.

Hall P and Soskice D. (2001) *Varieties of Capitalism. The Institutional Foundations of Competitive Advantage*, Oxford: Oxford University Press.

Holst H. and Dörre K. (2013) "Revival of the 'German Model'? Destandardization and the New Labour Market Regime" in Koch M. and M. Fritz (eds) Non-standard Employment in Europe, London: Palgrave-Macmillan

Kalleberg, A. (2009) Precarious work, insecure workers: Employment relations in transition', *American Sociological Review* 74 (1): 1-22.

Keune, M. (forthcoming 2014) 'Trade unions, precarious work and dualisation in Europe', in: Eichhorst, W. and Marx, P. (eds.) *Non-standard employment in comparative perspective*, Edward Elgar.

Kraaijenbrink, J., Spender, J and Groen, A. (2010) 'The Resource-Based View: A Review and Assessment of Its Critiques', *Journal of Management* 36 (1): 349-372.

Krestos L. and Martines Lucio M. (2013) "Destandardization of Employment in the UK: Issues, Politics and Policy Re-Invention" in Koch M. and M. Fritz (eds) Non-standard Employment in Europe, London: Palgrave- Macmillan

Lindbeck A, Snower D. (1988) *The Insider Outsider Theory of Employment and Unemployment*, Cambridge: MIT Press.

Lindbeck, A. and Snower, D. (2002) *The Insider-Outsider Theory: A Survey*, IZA DP No. 534, IZA: Bonn.

Lindvall, J. and Rueda, D. (2013) The Insider–Outsider Dilemma, *British Journal of Political Science* / FirstView Article / DOI: http://dx.doi.org/10.1017/S0007123412000804 March 2013, pp 1 - 16.

Marginson, P., Keune, M. and Bohle, D. (2014) 'Negotiating the effects of uncertainty? The governance capacity of collective bargaining under pressure', *Transfer* 20(1): 37–51

Marx, P. (2012) 'Labour Market Dualisation in France: Assessing different explanatory approaches', *European Societies* 14 (5), 704-726

Palier B. and Thelen K. (2010) Institutionalizing Dualism: Complementarities and Change in France and Germany, *Politics&Society* 38(1), 119-148.

Polavieja, J. (2003) Temporary Contracts and Labour Market Segmentation in Spain: An Employment-Rent Approach, *European Sociological Review* , Vol. 19 No. 5, 501–517

Pulignano, V. (2012), 'Recente ontwikkelingen in de Belgische sociale dialoog: beschouwingen vanuit Europees perspectief,' Nieuw Arbeidsblad/Nouvelle Revue du Travail, 1, 1, 108–129.

Pulignano, V. and Keune, M. (forthcoming) Understanding varieties of flexibility and security in multinationals: Product markets, institutional variation and local bargaining, *European Journal of Industrial Relations.*

Pulignano, V., Doerflinger, N. (2013). A head with two tales: trade unions' influence on temporary agency work in Belgian and German workplaces. *International Journal of Human Resource Management*, 24 (22), 4149-4165.

Pulignano, V., De Franceschi, F., Doerflinger, N. (2013). Local bargaining over flexibility and security: varieties of outcomes and diversity of "dualisation" effects for the European workforce. European Conference of ILERA. Amsterdam, 20-22 June 2013.

Saint-Paul, G. (2002) 'The Political Economy of Employment Protection', Journal of Political Economy 110 (3): 672–704.

Scharpf F (1997) *Games Real Actors Play. Actor-centred Institutionalism in Policy Research*. Boulder, CO: Westview.

Sengenberger, W. (Ed.) (1978) *Der gespaltene Arbeitsmarkt. Probleme der Arbeitsmarktsegmentation*, Frankfurt/New York: Campus Verlag.

Vandaele, K. (2009) *The Ghent-system, temporary unemployment and the Belgian trade unions since the economic downturn*. Transfer, 16 (3-4): 589-596