

## **Fragmentation? The Future of Work in Europe in a Global Economy: the WORKS Final International Conference debate**

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The WORKS Final International Conference in Rome, was organized by IRES at the CGIL premises on the 8 and 9 October 2008, and had as main title "Fragmentation? The Future of Work in Europe in a Global Economy". It presented for the first time some important results from a major European-funded project involving systematic research in 14 countries by 17 research institutes. The WORKS project has been funded by the European Commission under its 6th Research Framework Programme with the aim of aims of improving our understanding of the major changes in work in the knowledge-based society. And some of the research results from this major European-funded project involving 14 countries and 17 research institutes are surprising.

After three years of work, the project WORKS is now going to the final stage of its development. With the main purpose of understanding the major changes in work in the knowledge-based society, it developed in the first year the theoretical framework, in the second year was made a detailed analysis of a wide range of statistics and in-depth case studies in 13 different countries, and the third year were dedicated to the construction of thematic reports that focus the main interest areas of the project, putting together all the data collected before:

- Value chain restructuring in Europe in a global economy
- Value chain restructuring and company strategies to reach flexibility
- Global value chain restructuring and the use of knowledge and skills
- Employers' use of technology and the impact on organisational structures
- Changing careers and trajectories: how individuals cope with organizational change and restructuring

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- Working time, gender, work-life balance
- Impact of restructuring on health and safety and quality of work life: psychosocial risks
- Changing patterns of segregation and power relations in the workplace: results from the WORKS project
- Value chain restructuring and industrial representation – the role of workplace representation in changing conditions of employment and work
- The position of transitional economies in the new global division of labour
- Changes processes and methodologies of future perspectives of work

The rich quantitative and qualitative empirical data of WORKS had been analysed in a comparative perspective and according to a broad range of thematic dimensions, that are all relevant if we want to understand changes in work today.

This final conference intended to present every of each thematic report, having at the same time important contributions from researchers working outside the project that helped to clarify some concepts, trends and next steps, and also to enrich the content of the conference. In order to give an idea about the development of the conference and its diversity we will give some examples. About contributions from Works partners we can mention the session *Work in Europe in the 21<sup>st</sup> century: Current trends and policy challenges*, where it was made reference to some important conclusions from the project in what concern the value chain restructuring and flexibility (HIVA, Belgium) and also about fragmentation of labour process (FORBA, Austria).

In another session called *The impact on workers. Wellbeing, autonomy and representation*, the presentation point out some of the main psychosocial risks that are appearing with restructuring of work (IRES, Italy), but focus also changes in representation at the workplace (ATK, Sweden). Another one was about *Changing career patterns, risks and opportunities for women and men*, focusing the trends of occupations in the knowledge-based society, the diversification of career patterns and the identities at work (FTU, Belgium), but also questions related with gender segregation and ethnic power relations (PU, Greece).

From outside the project important contributions were also made: about the future of work in Europe, the importance of knowledge workers in the economy, the impact of restructuring on workers, and also some questions that could be important in the development of future researches: what kind of society are we building? Is this a European tendency or a global tendency? Where do we want to go? The future will mean the end of long term employment? Is 'knowledge work' always a good work?

The Portuguese team (co-ordinated by António B. Moniz and Margarida R. Paulos)

from IET, in collaboration with other two institutes (University of Twente, the Netherlands, and ITAS-FZK, Germany) are responsible for the thematic report number 11 – *Changes processes and methodologies of future perspectives of work*, and presented in the conference some of the main trends of changes in work, foresight methodologies and exercises to built future scenarios of work in Europe. The next step is to build the scenarios and political recommendations and present it next year (2009) to the consortium for further publication. The development of the discussion taken in this Rome conference is also referenced in some articles published in this IET journal issue.

The WORKS research project adopted an innovative approach in avoiding looking in isolation at individual firms but recognizing that firms are increasingly linked together in *value chains*. These value chains have both a spatial and a contractual dimension – work may be relocated to another region or country, or it may be outsourced, or both. The research showed simultaneous processes of fragmentation and integration of value chains.

It was also concluded that the outsourcing process is not only a strong tendency in manufacturing sectors. Most of the studies present cases from these industries (automotive, electronics, metal, clothing, food). It occurs obviously also in service industries and in public services. Both quantitative analyses and case study research confirm that support business activities, such as ICT services, logistics, customer services and so on, are increasingly outsourced to specialised firms and sectors, thus contributing to a growing specialisation of industries and to a lengthening of value chains. However, in addition, and sometimes simultaneously, processes of in-sourcing and geographical and organisational consolidation are observed. Such 'integration' tendencies take place in view of strengthening overall control over the global value chain and improving the competitive position of the firm within the chain.

In most of the observations was verified that restructuring often deeply affects employment and working conditions. In the case of value chain restructuring differences in wage levels and employment regulations between countries, sectors and companies directly impact on employment conditions. Contractual relations between organisations have consequences for, or even directly shape, employment relations and working conditions within the organisations.

Finally, an overriding research finding from this WORKS project is an increase in the fragmentation of employment conditions both across and within firms. In IT service provision workers formerly employed under the same contracts become fragmented workforces with different terms and conditions. In customer services, subsidiaries and external service providers operate under different labour regulations than their public sector counterparts.

The research included the analysis of European data on employment and on the

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quality of work and case studies in organisations and with individuals. The case studies covered a number of business functions (R&D, production, logistics, customer services and IT) in manufacturing industries (food and clothing), the service and the public sectors (software development, public administrations and public services). They represent a wide variety of activities and labour processes in the 'knowledge society' ranging from highly skilled 'knowledge work' to semi-skilled manual tasks. Each business function was studied in a range of countries with diverse employment and welfare regimes.

Overall, 58 case studies were conducted in 14 countries and 30 case studies were conducted with six occupational groups: designers in the clothing industry; researchers in information and communication technology; IT professionals in software services; production workers in food or clothing; logistics workers in food or clothing; front office employees in customer relationships in public services. For the occupational studies the key perspective was to understand how individuals perceive and experience these changes and how they cope with restructuring in their everyday life.

Several other external experts also participated in this discussion. Just to mention some, Will Hutton, director Work Foundation (UK) that presented the topic on the future of work in Europe in a global knowledge economy, or Tymothy Sturgeon from the Industrial Performance Center (IPC) at the Massachusetts Institute of Technology (MIT) that spoke about conceptualizing and measuring the global value chains using the business function approach. Another interesting discussion was promoted by Chris Benner of the University of California at Davis on different perspectives from across the Atlantic about alternate futures of knowledge society.