

## LABOUR MARKET DYNAMICS

The labour market is currently undergoing major shifts. These shifts have important consequences for target group participants, as they increase the number of individuals located outside the labour market. Therefore, they make it more difficult to (re)integrate those who are already in the margins of society. This is a major challenge for Work Integration Programmes.

The main shifts in the labour market are the following: an increasing instability, precariousness and uncertainty affecting an increasing number of people; rising unemployment (also among young people and those most qualified); technological change; a growing number of working poor, synonym of the fact that work no longer guarantees a proper living wage.

The beginning of these shifts may be traced to the 1970's. Their trigger was the oil crisis of 1973. The need to compensate for the rise of energy costs in total production costs, in addition to the growing automation in industrial processes, led to a large part of the traditional workforce being made redundant, namely people belonging to the urban and suburban working classes. Only a few years later, however, due to the escalating globalisation and the introduction of new elements of competitiveness, did these shifts become apparent. It became clear, then, that they were taking place both in the labour market dynamics and in the structure of work itself.

In advanced capitalist countries, these shifts engendered important de-industrialisation processes. Together with the new demands brought about by a knowledge economy, they produced two significant consequences for the labour market:

- **Polarisation:** there is now a larger gap between qualified jobs and lowly qualified jobs. They have become increasingly distant poles.
- **Exclusion:** the fact that it was hard to convert former factory workers to emergent jobs in trade and the services sector caused poverty and, in more vulnerable social and territorial margins, intense social exclusion. Exclusion from the labour market is now dictated not by physical or intellectual handicaps, nor by lack of adaptation due to emotional distress or addictions. Indeed, some labour market analysts now talk about the 'useless normal people' and the 'supernumeraries'.

Precariousness is the most salient condition resulting from these changes. It is expanding: while in the past it was mostly confined to the working classes, it has been gaining expression in the middle classes, and even among highly qualified individuals. It now affects a large spectrum of professions. Precariousness is now an important feature of inequality. This moves the problem of inequality from a relatively stable location in the social classes to a more or less transversal condition: inequality now runs through different social classes.

To be sure, it still affects the disadvantaged classes more than the rest of the population. It is the disadvantaged who keep facing more difficulties in access to training and job opportunities.

In their turn, employers seek to adapt to the reconfiguration of the labour market by privileging flexibility, both in terms of the contractual relationship with the worker and of his/her characteristics. Employers privilege individuals who are able to perform well in a variety of tasks. This trend impacts regular work trajectories, which become roller coasters rather than careers.

Indeed, a worker's trajectory used to be stably grounded in the notion of 'career', whether inside the same organisation or in the progressive, sequential steps that could be taken in any given profession. Career moves were accompanied by increasingly more challenging tasks, responsibilities, autonomy, status, and wages. Careers were allied to sequentially positive expectations. On the contrary, a roller coaster is a metaphor for the consequences of precariousness in the labour market. It is a trajectory characterised by successive moves between unstable, distressing, dangerous jobs and eventually unemployment, even if sometimes job conditions and work contracts are better. Positive expectations are substituted by a sense of risk: work is a scarce resource that can be quickly lost; the next job may well be less qualified, less autonomous, less motivating and worse paid. The notion of employment as a roller coaster lies at the antipodes of the notion of career. There is a continuous start-and-stop movement, defined more by what is absent than by its own specific features: absence of wage progression, absence of increased responsibilities, and absence of gains in status within the organisation. Individuals in a roller coaster trajectory benefit from none of the material, social and symbolic benefits associated with career trajectories (see: [Observatory of Inequalities](#)).

This context of precariousness, transience and uncertainty impacts the individuals' mental dispositions. This impact is perhaps greater in Europe, given that our societies have grown accustomed to higher levels of ontological security as a result of the welfare states. Ontological security is characterised by the notion that fundamental aspects of our lives remain constant; this is instrumental in diminishing our exposition to risks and threats. Giddens (1990, p.91), for instance, defines ontological security as "a very important form of feelings of security (...) [which] refers to the trust that most human beings have in the continuity of their identity and in the constancy of their social and material contexts".

Contemporary labour market dynamics produce ontological insecurity. Their potential to disrupt individuals and societies is extremely high.

Certainly, these shifts in the labour market have important consequences for target group participants, as they create conditions for the increase of the number of individuals located outside the labour market, and make it more difficult to (re)integrate those who are already in the margins of society. This is a major challenge for work programmes.

Indeed, rising unemployment and falling job availability are hampering effective integration of the vulnerable individuals in the open labour market. This weak dynamic of labour market constrains not only the possibility of finding employment, but also of maintaining regular employment. Some Work Integration Programmes aim to move people into mainstream employment, where there are few vacancies available. As such, the lack of jobs in the open market may cause the setback of the integration trajectories achieved by some individuals. Work experiences enabled by Work Integration Programmes are motivating and enable people to reactivate skills that were numbed or lost during the time of prolonged unemployment. Therefore, the inability to continue working can create frustration and a break in expectations and work routines that were created. Also, low wages are a problem when trying to move from benefits to work. Wage levels and working conditions that currently prevail are deteriorated to the point of not constituting a stimulus for effective job

transition. People are unwilling to initiate a process of change when there is a significant risk of getting worse than in the initial situation.

In short, the economic crisis makes it more difficult to focus on marginalised groups. In fact, additional support for marginalised groups to ensure participation and employment is one of the first things which is being cut down in times of crisis. Great resilience is needed for those who engage in developing Work Integration Programmes, the more so because Work Integration Programmes can also play a relevant role in promoting an alternative labour market culture, focused on creating and promoting dignified jobs, wages, and working conditions. This is a major challenge to be addressed in the design of Work Integration Programmes.

References:

Giddens, Anthony (1990). *The Consequences of Modernity*. Cambridge: Polity Press.