
Le marché du travail allemand : quels défis ?

Discussion et pistes de réflexion

France Stratégie - Mercredi 22 novembre 2017 12h30 -14h30

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- 1) Discussing the « dualisation hypothesis » of the '*German employment model*'
 - 2) Did Germany reach a new stable equilibrium (« a new German social model ») where the price for high employment rate is a high level of flexibility ? Some upcoming issues

Discussing the « dualization hypothesis » (1)

- 1) « the adjustment of the German model can only be understood by taking into account” :
 - the interaction of policy change [**sequence of reforms affecting the margins**] and
 - actors’ adaptive behaviour” » [**micro-level dynamics in industrial relations and company employment practices :**
 - Reinforcing a process of **dualisation** by combining :
 - **increased internal flexibility [organized decentralization for insiders]**
 - **Increased external flexibility [atypical work at the margins]**
 - This interaction played a role in explaining the success of German Labour Market → Not only because manufacturing sector benefited from “cheap” inputs : **Necessity to consider the dynamics of job creation in households related and social services.**
 - This interaction contributed to an increased dualisation of German Labor market → **atypical work rather complements than substitutes to standard work.**

Discussing the « dualization hypothesis » (2)

- 2) At the intersection of two strands of literature :
 - **Political science** : contributes to the “dualization-liberalization” debate (Palier and Thelen 2010, Streeck 2009, Busemeyer and Trampusch 2003).
 - **Economics** : contributing to the debate on explaining German Labor performances (Dustmann et al. (2014)., Le Moigne M. et X. Ragot (2015), Febelmayr (2016).

Discussing the « dualization hypothesis » (3)

3) What is indisputable :

- Articulation between core and margins as a core factor.
- It would be misleading to argue that the private service sector has only created 'bad jobs'.
- Necessity of having a broader look at low skilled services sectors (too much focus often put on manufacturing sector and related inputs?).

Nota bene

idea of promoting low skill jobs at the core of the relaxation of Minijobs in 2003. Rationale behind : skilled biased technological progress not in favour of low skilled employment, necessity to compensate for the negative incidence of high labour costs (social contribution funded welfare system) on low qualified.

Discussing the « dualization hypothesis » (4)

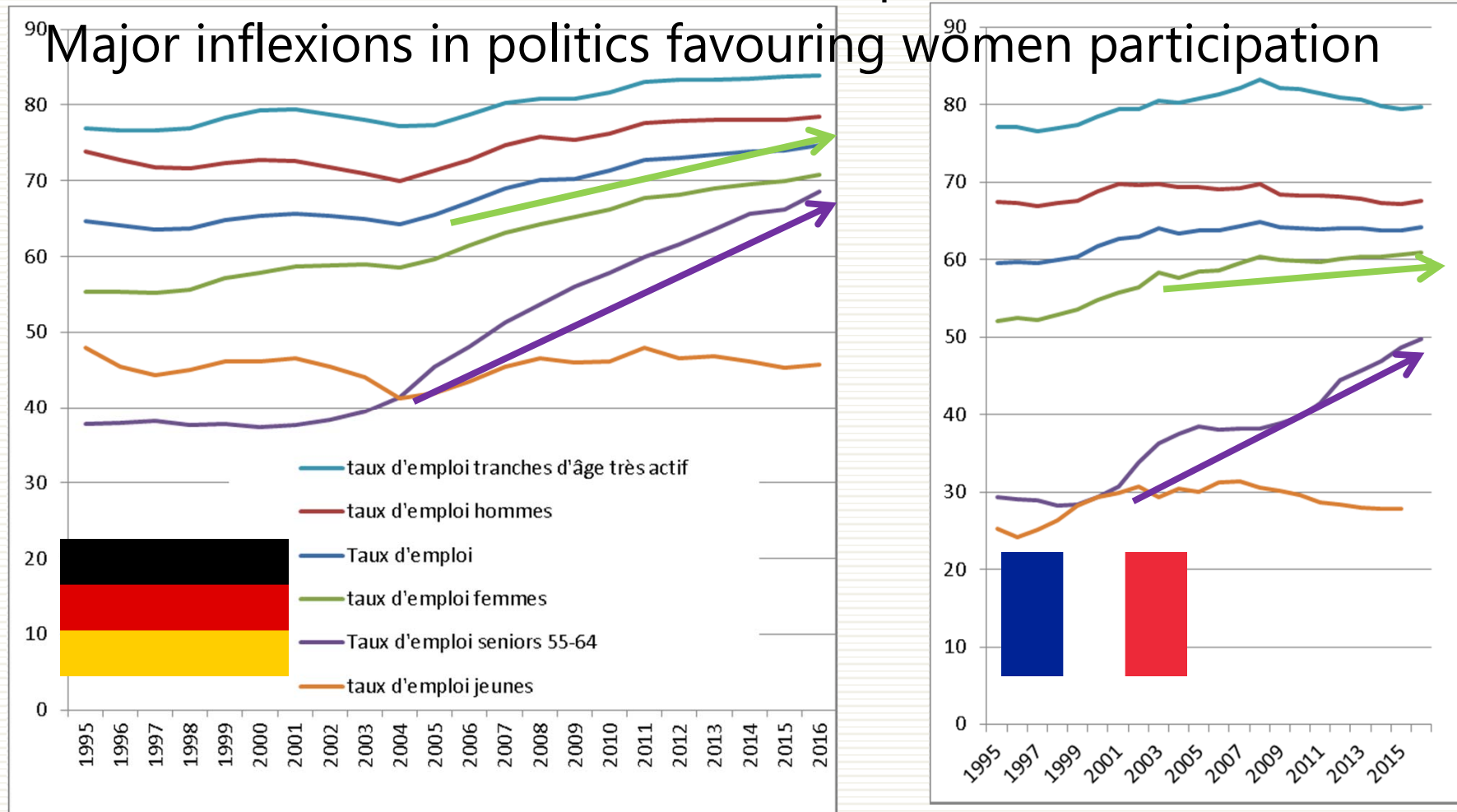
4) What can be discussed :

- There was some evidence of **substitution effects** : retail and horeca (Brandt, 2006). 1€ jobs : non market sectors (Hohendanner, 2007). Interim : standard jobs (Promberger, 2008). And ...recent evidence in the opposite direction following the introduction of the minimum wage (vom Berge et al 2016).
- The **blurring frontiers** of employment statuses impacts the capability to measure some transformations. Example : according to IG Metall, 2/3 of metallworking establishment used "*Werkverträge*" contracts in 2015, +22% over 3 years period. What about posted workers? What about semi independent workers? In the future, what about platform workers?
- **Dualization** by some aspects constituent of German labour market (tolerance for wage discrepancies, more and more unequal distribution of productivity gains in manufacturing sectors). What was new ? : (1) fundamental erosion of collective bargaining system. → the way periphery reached the core : **wage moderation** (2) less and less capability of social and fiscal transfers to compensate for market income inequalities (3) transformation of family patterns.

Discussing the « dualization hypothesis » (5)

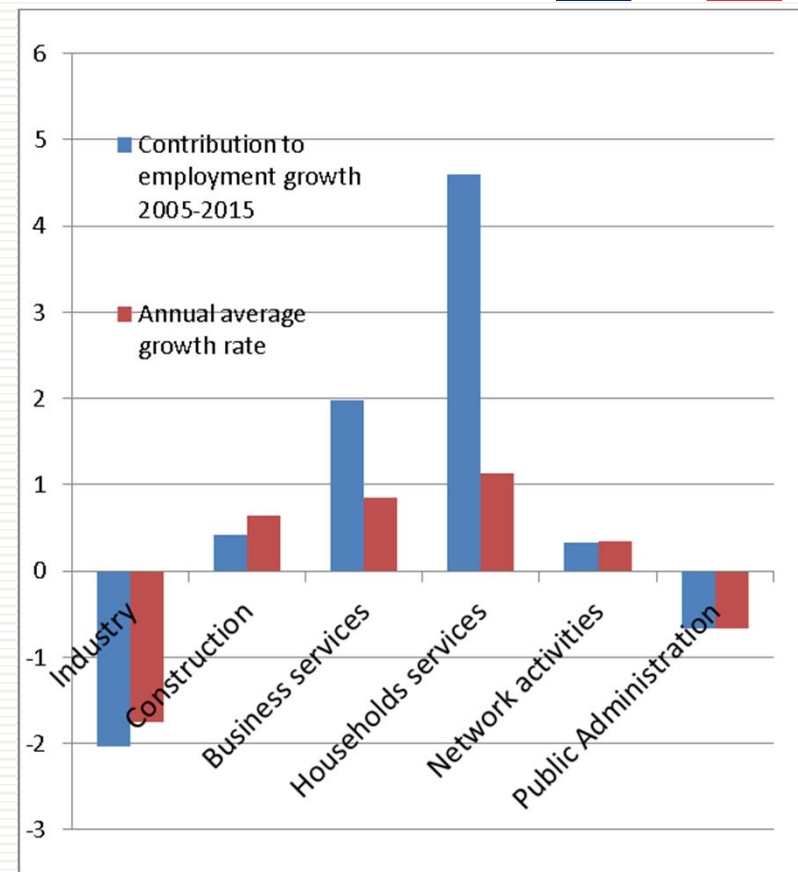
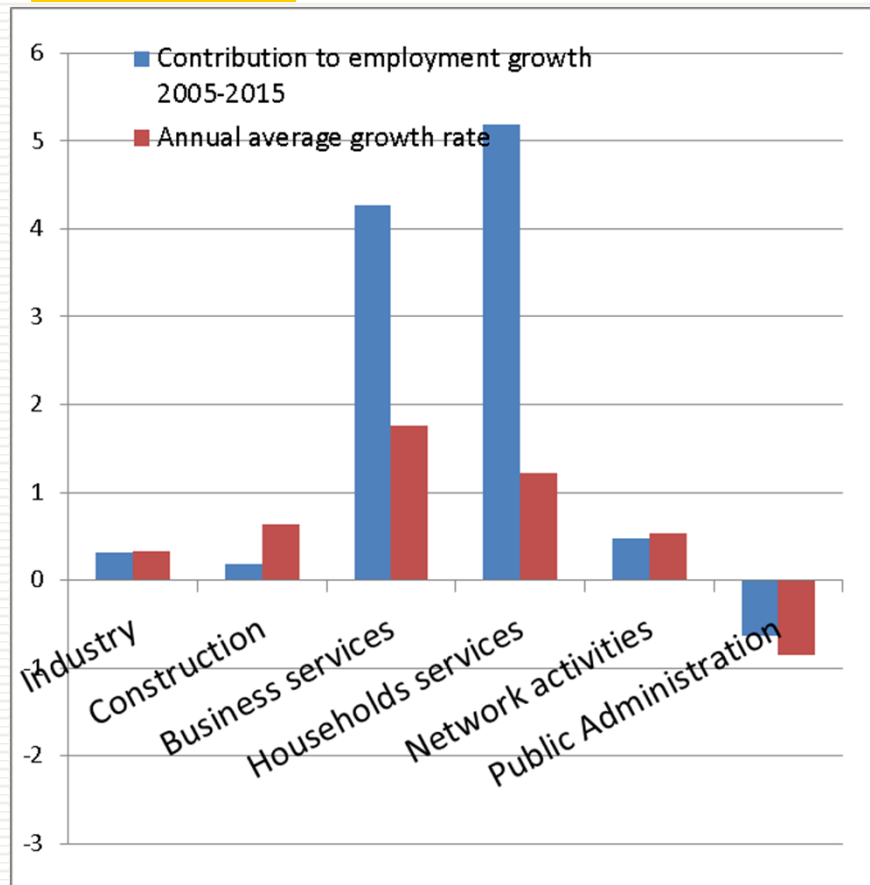
Employment rate by age/gender

Fundamental articulation with pension reforms



Discussing the « dualization hypothesis » (6)

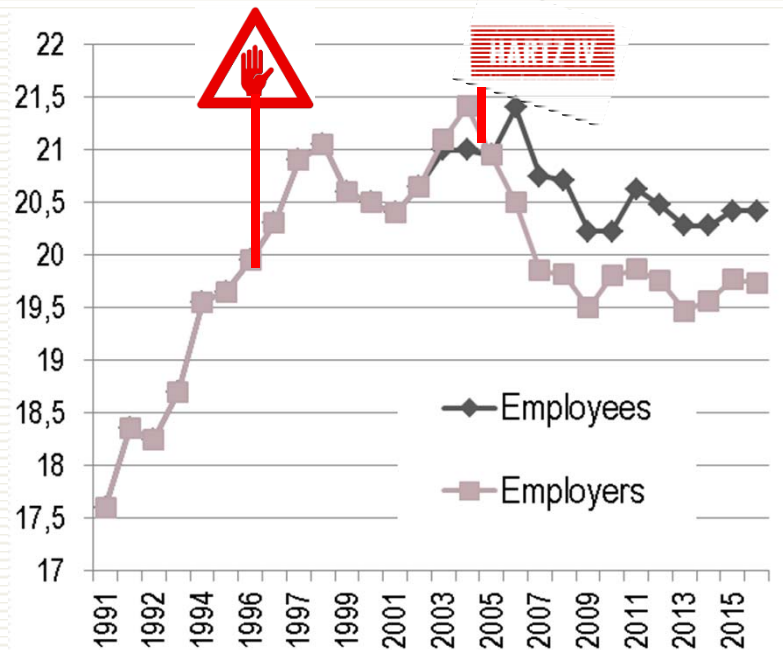
Households jobs yes, but necessity also to account for the dynamics of business services



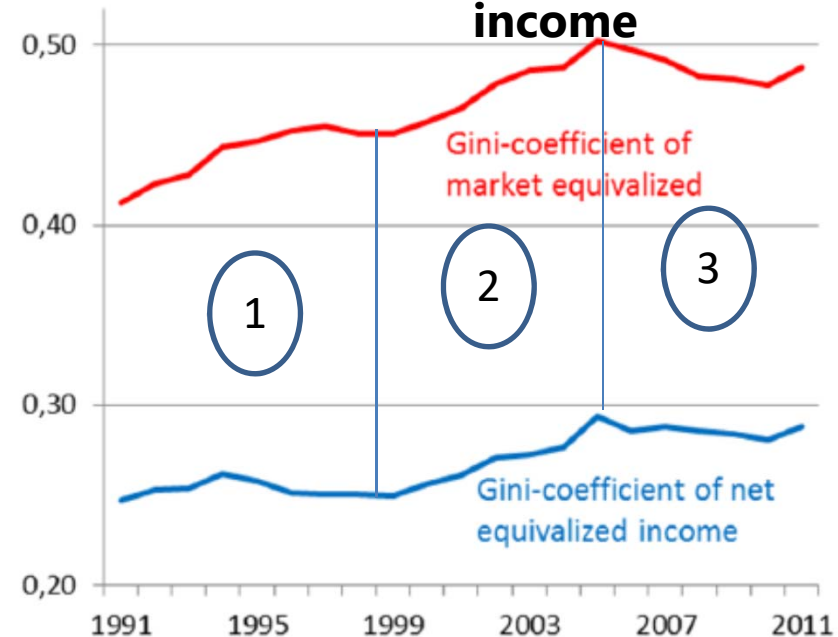
Discussing the « dualization hypothesis » (7)

The three graphs that « summarize [almost] the whole story »

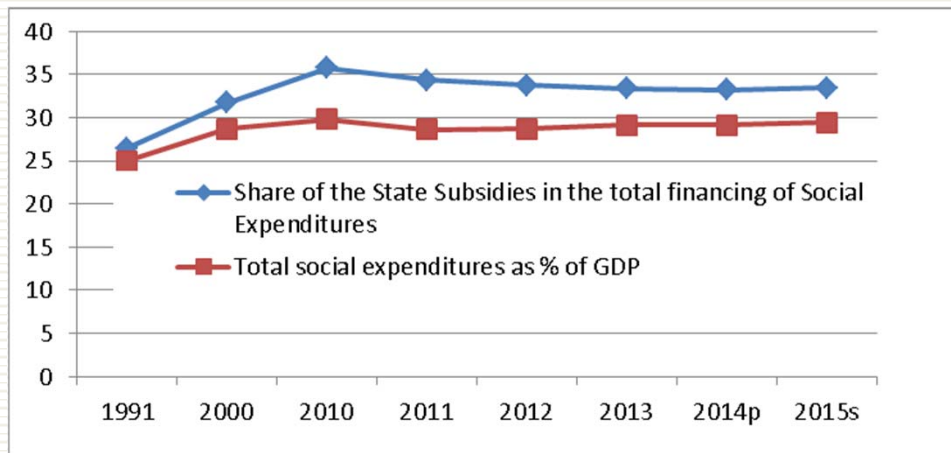
Social contribution rate



Gini coefficients of equivalized income



Social Expenditure & Financing



Discussing the « dualization hypothesis » (8)

Role of internal outsourcing in explaining unit labor cost divergence between France and Germany 1993-2012

	Effet total	Contrib. écart prix	Contrib. écart volume
Biens importés du RDM	-2.23	-0.43	-1.80
Biens importés d'All.	-0.24	0	-0.24
Biens importés de Fr.	0.65	0	0.65
Biens non-échangeables	0.76	0.36	0.40
Travail	2.05	0.53	1.51
<i>Somme</i>	1	0.46	0.54

TABLE 1 – Décomposition de l'écart de coût unitaire total entre France et Allemagne

Le Moigne. et X. Ragot, 2015 : « France et Allemagne : Une histoire du désajustement européen », *Document de travail OFCE 2015-17 M*

Did German « social model » reach a new stable equilibrium?/Upcoming issues

•1) **A new stable state?**

- Reregulation does not mean
- The « second kiss cool effect » of the transformation of the welfare system and the fiscal golden rule : increased concerns for retirement and dependency systems, recent re acceleration of poverty rate, territorial and social segregation increasing (Municipalities)

•2) **Upcoming issues**

- Ageing and the changing structure of demand (cf BIBB projections);
- migration
- women participation
- digital!

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Thank you for your attention

