



The Rationale for Research into the Social Construction of New Labour Markets

edited by the ADAPT research fellows and presented by Margherita Roiatti during the opening plenary session of the XII edition of ADAPT International Conference, Bergamo 24 November 2022

Tag: #labourmarket #futureofwork

The aim of this speech is to provide an overview of the reasons behind the choice of the title -and thus the scope - of this international conference. It is from this rationale that the study paths of the ADAPT Researchers and doctoral students then took off in the run-up to this event. To define the perimeter of the Social Construction of New Labour Markets we soon realized that this topic and area of research is a point of convergence for an interdisciplinary reflection on the changing world of work.

In the very first place and without no claim to exhaustiveness, it can be argued that the subject of this conference is of interest to studies in the area of occupational sociology, industrial sociology, the sociology of organizations, labor economics and labour law.

Still on the line of reasoning, the concept of "labor markets" has itself many connotations. In the effort to investigate and identify the forces and actors responsible for the construction of labour markets, it was not possible to disregard the review of the conceptions of labour markets by tapping (chronologically speaking) from the classical economic conception the market, to the dual labor market theory and related work on labor market segmentation in the radical/Marxist tradition, passing to the concept of internal (and local) labor markets (developed by institutional economists in the 1950s) and considering the theory that consider labor markets in terms of social relations. This also with reference to the importance of the social relations in determining job structures and career trajectories and taking into account that the relative roles exercised by traditional and new labor market actors and technological features of the production process which determine and change labor market structure and, in turn, the social and economic systems accordingly.

With respect to this last point, it is important to emphasize that the assumption from which the **ADAPT School's reflections on the subject have started is precisely that the labour market(s) do not exist in nature, they are a social construction.** This, on the one hand in continuity with the thinking of Karl Polanyi from which not only drew the inspiration to dedicate ADAPT's international conference series to the Great Transformation (of Work), but who provided us, as a School, with the coordinates to determine what the labour market is, with a critical eye on the claims of "pure" economic theories (POLANYI, 1974). Indeed, although he did not develop a self-standing theory of social construction of labour markets, Polanyi made it possible by dismantling both the thesis of the self-regulated market as an element of nature and the -fallacious- narrative of social relations reduced only to economic relations. On the other, a reference should be made to R. M. SOLOW, who in the 1990s questioned what the labour market is, contrasting the typical approach of the economic sciences with the "common-sense"

perspective and arriving at the conclusion that the labour market is therefore not governed (only) by economic logic, but is something much more "special": a social institution (SOLOW, 1990)

In the light of the above, it is therefore possible to say that there is a process of construction of labour market(s) that has its own historical dimension but is at the same time a constant and continuous dynamic: that is why this vision, this approach, can help understand today as well.

In this regard, looking back to our days and precisely by embracing the theories just illustrated, it is possible to say that the social and economic changes occurring in recent years are impacting labour markets in important respects. On the one hand, the pandemic and its effects have highlighted the existing imbalances within the markets. On the other hand, the legal-institutional effort to promote the environmental and digital transition has become a pressing issue, which will certainly affect workers and companies. In light of these trends – which are already changing the economy and labour situations – the adjustments made to current labour markets appear insufficient to counter the risks resulting from weakening protection and new inequalities. Instead, a major overhaul is needed in the awareness that today's actors can play a significant role in the social construction of labour markets. In this respect, attention must be paid to representation and intermediate bodies, which enjoy a privileged vantage point for interpreting, defining, and advancing the interests of the different social entities that make-up the world of work.

Looking at intermediate bodies and broadening the investigation to the sphere of industrial relations, it is worth recalling the priority role that industrial relations assume both in general for the ADAPT School and in this reflection. In continuity with the reflections developed by North American economic institutionalism that industrial relations can't be considered mere social factors, but are the framework, the privileged angle of approach for investigating the social construction of labour markets. Significantly, Gino Giugni¹, an authority on labour law and a great reformer of social policies in Italy, rereading John R. Commons, states that *'the premise of economic choice is not a logical and crystal-clear evaluation of economic gain, but it is the complex result of institutional factors to which man's will is linked (...) which develops in groups among which are also (...) producer and consumer associations, trade unions (...) alongside the political government there must develop an economic government, i.e. industrial government, a spontaneous form of self-government of economic forces (...) the plasma of the pluralist society is collective bargaining, through which groups define their reciprocal spheres of jurisdiction, regulate common relations, create rights and status and interpenetrate the common law'*² (GIUGNI, 1952).

Before illustrating the core thematic insights that will be explored in these days by anchoring them to the relevant disciplines, it is important to take a step forward and enable a common vocabulary and share our definition of the social construction of labour markets. What do we mean by 'social construction of labour markets'?

For the disciplines in the sphere of sociology, the concept of "social construction" denotes a process by which a set of norms, institutions or, more generally, tacit and con diffuse conventions or decisions on the meanings to be attributed to things are established in society. Furthermore, paraphrasing further definitional insights which we have agreed on, the social construction -of reality, in general terms- is understood as the set of interior and exterior processes, dialectically interdependent, through which human beings elaborate norms and values, moral codes and institutions (i.e. social relations and relationships normatively regulated on the level of action and legitimized on the moral and affective level), which impose

¹ Luigi Giugni, better known as Gino, was an Italian politician, jurist, lawyer and academic who played a key role in the drafting of the 1970 Workers' Statute.

² Author's translation.

themselves on others and on themselves with a concreteness, hardness and indifference to the will and fate of the individual, analogous to material reality (GALLINO, 2014). Social construction is thus a very broad process within which the construction of norms, laws and, in turn, labour markets is (also) included.

There is no doubt, therefore, **that the social construction of labour markets is the result of social, cultural and territorial patterns featured by a finely woven network of different actors playing different roles and animating different spheres (i.e. the state system; private systems; the collective autonomy system; society as a whole).**

The Social Construction of Labour Markets is a dynamic process, to which correspond heterogeneous outcomes that are closely linked to the society in which they occur and for this reason not universalistic. The labour construction process is the living and evolving result of different interactions of features and subjects which give rise to different jobs and a plurality of markets.

In the light of the above, the conference intends to place itself within the framework of these considerations and intends to do so primarily thanks to the speakers who will contribute to plenary sessions and workshops. With respect to the plenary sessions, and without dwelling on today's, one already introduced by Silvia, it is worth noting that alongside the legal-institutional perspective, the themes of the role of education and training in the social construction of skills and occupations and the role of industrial relations in the construction of new labour markets will be addressed. **While, looking at key thematic and disciplinary insights, the following will characterize these days in Bergamo.**

1. **The role of industrial relations and collective bargaining for the social construction of new labour markets.** Built on the rejection of the orthodox proposition of perfectly competitive labour markets and the inevitable existence of labour problems, industrial relations have developed from the outset of the 20th century onwards both as a field of study and practice (KAUFMAN, 2007). Then they were subject to various challenges between the 1980s and early 2000s, such as the advancement of the unilateral approach backed by Human Resource Management and lean production and high-performance work models, compounded by labour market segmentation, the rise of neoliberal ideas in economic policy and the decline in trade union density and collective bargaining coverage rates across several Western countries. In response to these pressures, researchers in industrial relations have focused their attention on the effects of new organizational practices on firm performance and workers welfare as well as on new forms of voice, new groups of workers and union revitalisation efforts. Yet, despite a few attempts (ACKERS, 2002), no radical change has definitely spread in the way industrial relations are conceptualised to pave the way for a profound update of labour markets governance. Today, though, the twin digital and environmental transition is further shaking the traditional industrial relations structures and processes (namely, trade unions and collective bargaining, on which we concentrated so much in the past), by urging researchers and scholars to think beyond the bounds of current institutions and advance fundamental changes in industrial relations theory. The effort should be intended not to dismiss industrial relations but after acknowledging the persistence of their *raison d'être*, to grant them a new effective role in the construction of modern and sustainable labour markets. As remarked by KOCHA quite long ago now (1998), as researchers in this field, we are called to a task similar to that of Commons and the Webbs, who laid down the intellectual foundations of the 20th century labour market institutions.

Having in mind such a challenging invitation, we sought and gathered in this conference

empirical and theoretical contributions focused not only on how industrial relations institutions are adapting to tackle critical issues (such as, digitalisation, remote work and algorithmic management, migration, the Covid-19 pandemic, unpaid care work and minimum income) but also on the emergence and development of new forms of labour representation and social regulation within new or very peculiar fields (such as platform work, agricultural seasonal jobs, self-employment and research sector). In the belief they could represent relevant test benches not merely for an adaptation and modernisation, but also for an audacious renovation of industrial relations theory and practice.

2. **One further central element in any theory concerning the social construction of labour markets is the one on skills formation.** Analyses that investigate how workers' skills are built - i.e. through which channels, which tools and which forms of collaboration, integration and governance between training institutions, companies and social partners - are a particularly interesting angle from which to approach the theme of this international conference, also in the light of rapidly growing phenomena such as skill mismatches, the declining attractiveness of certain 'traditional' professions, the importance of promoting quality employment and combating youth unemployment and inactivity, the implementation of innovation and, specifically, of technologies and organisational methodologies linked to the twin transition, but also the impacts that the main demographic trends indicate, with a progressively ageing population. Particularly interesting, in this sense, is the study and in-depth study of competence training systems (BUSEMEYER, TRAMPUSH, 2012), through an interdisciplinary methodological approach that is able to properly highlight, also in the framework of the theories on how institutions "evolve" (THELEN, 2004), how different forms of institutional collaboration between the main stakeholders - as mentioned training systems, enterprises, governments, social partners - correspond to different ways of building competences, more or less effective in responding to the new needs generated by the transformations taking place and in including young people (and not) in the creation of pathways capable of providing them with enabling competences.
3. **Therefore, we need to consider the implications of these phenomena with respect to the regulation of labour markets and, in general, to labor law.** We have wondered about the legal and institutional framework in order to understand whether it is adequate to the challenges of a just transition, to counter the risks to which workers are exposed as part of their paths within transitional labour markets. In this regard, multiple aspects of labor regulation shall be considered. First, the rules of organization and regulation of labour markets, with the definition of the functions of its intermediaries (e.g. labour market enablers), understood in a broad sense with reference to professional intermediaries (agencies) and social partners, and of their relationship with administrations and territories. It is adequate legal-institutional infrastructure of the labor markets the basis for different forms of reasoning: the management of active labor policies, also in terms of conditionality, and the connections between these and income protection; the tools for building school to work transitions, but also those for ensuring lifelong learning; the systems of certification of skills as well as the definition of the rules for accessing professions. The inclusion of disadvantaged workers should also be examined, as their position could be further aggravated by the pressures arising from the "twin" transitions. These are issues that concern the protection of the worker in the market, but also in the employment relationship, and are a precondition for efficient labor markets, where the management of transitions between sectors, job positions or different employment statuses, is not left to the ability of the individual, but should be governed with the most appropriate regulatory tools according to national and territorial areas.

To conclude, three days, 100 speakers, more than 20 countries, different disciplinary approaches, different professional backgrounds and theoretical references. This is our effort as a School to bring our contribution to the reflections on the social construction of labour markets during this conference and to build the future of work, together.