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THE REGULATION OF SHORT-HOURS PART-TIME WORK IN GERMANY AND SEGMENTATION IN INTERNAL LABOUR MARKETS IN THE RETAIL TRADE

Abstract

Marginal part-time is currently growing rapidly in Germany. One question is what changes occur in internal labour markets when short-hours, part-time employment is no longer a sporadic, marginal phenomena but a firmly established element of corporate strategies. Research in ten retail companies shows that in some companies the high proportion of “minijobs” leads to an increased segmentation into core and peripheral workforce while in other company’s marginal part-timers belong to the core of the workforce. Taking the societal context of employment, the increasing heterogeneity of work orientations of employees and the demand for numerical flexibility of employers into account the growing number of marginal part-timers in the retail trade can be explained by a coincidence of wants between the supply and demand sides of the labour market. It is debatable whether the regulation of marginal part-time is socially desirable under the aspect of reducing unemployment and with regard to the integration of specific groups into the labour market.

Key words: Female employment, working time, labour market flexibility, work organisation

Introduction

Marginal part-time employment in so-called 'mini-jobs' is currently growing rapidly in Germany. According to government statistics, the number of people employed in such jobs rose by 35% to 4.9 million between June 1999 and March 2006. However, it is not only the dynamic of growth in this segment of the labour market that is worthy of note, since its relative share in total dependent employment (19% as of March 2006) shows that this type of employment relationship, which in Germany is subject to special regulations, is already firmly established within the fabric of the German labour market (Bundesagentur für Arbeit 2004).

These developments raise a number of questions. Who holds these mini-jobs? For which occupational groups is short-hours, part-time employment an interesting proposition? What firms make use of marginal part-time employment and what is the position of such workers within the labour process? And what changes occur in internal labour markets when short-hours, part-time employment is no longer a sporadic, marginal phenomenon but a firmly established element of corporate personnel strategies? We investigated these questions in the course of a research project, the results of which are presented in this paper. The hypothesis guiding our research was that the increase in marginal part-time employment must inevitably lead to an even more firmly entrenched divisions within the workforce, that is to increasing segmentation into core and peripheral workforces within internal labour markets. Our research was carried out in the retail trade, which is particularly well suited to our purposes, since this major service industry is one of the sectors of the economy that make most frequent

use of marginal part-time employment relationships. One in four jobs in German retailing is a so-called mini-job. In the course of the research project, which was carried out between October 2003 and February 2004, works councillors from ten retail companies (including five food retail companies operating various forms of outlets, the central warehouse of a department store company, a large textiles store, two department stores and a drugstore company) were questioned about the extent and structure of marginal part-time employment as well as about the areas in which marginal part-time workers are deployed.

The paper is structured as follows. Section 2, which follows this introduction, is given over to a brief survey of the traditional and more recent approaches to labour market segmentation that form the theoretical framework for the analysis of segmentation in internal labour markets. In the next section, we outline the specific regulations governing marginal part-time employment in Germany and then examine the remuneration of marginal part-time workers in the retail trade. Marginal part-timers' attitudes to paid work are the focus of the next section. In section 5, we examine the segmentation lines we identified in the retail companies investigated. It emerges, firstly, that it is essential to take account of societal context in order to be able to capture segmentation in all its aspects and, secondly, that segmentation operates somewhat differently than is commonly supposed. The results of our investigation are then summarised by way of conclusion.

The theoretical framework: the various approaches to segmentation

The composition of internal labour markets is a central theme of approaches to labour market segmentation, which makes them well suited for use as the analytical framework for this paper. Doeringer and Piore's approach to the formation of internal labour markets (Doeringer/Piore 1971) makes an appropriate starting and reference point for an analysis of labour market segmentation. These two authors, writing about the USA of the 1960s and 70s, identified a dual economic structure that was reflected in a dual labour market divided into a primary and secondary segment. Technological developments and differences in the nature of demand in the various product markets were identified as the driving forces of segmentation, leading to rigidities that impede the free play of market forces and the formation of compartmentalised segments in the labour market. This approach was taken up in the German debate, and its best-known advocates, Lutz and Sengenberger (1987), developed the 'firm-centred approach to segmentation' (Lutz 1987; Sengenberger 1987). They identified the specific conditions prevailing in the West German vocational training system as the basis for segmentation in the German labour market. Consequently, it is workers' qualifications that constitute the demarcation criterion when it comes to classifying the various segments. In the firm-centred approach to the labour market, one of the three segments of the labour market is one in which the resources allocated are non-specific qualifications. This 'all-comers' labour market is separate from the segment for technical qualifications (external primary segment) and that for firm-specific qualifications (internal primary segment). Lutz and Sengenberger argued that the specifically German situation in product and labour markets had led to the dominance of firm-centred labour markets. However, firm-centred labour markets were not all the same with regard to workforce structure, it was argued, but could differ in the degree to which employment was internalised. Thus firms could considerably reduce the costs and risks associated with the closed nature of internal labour markets, which lie in a reduced capacity for adjustment to external influences and a high level of dependency on the productive efficiency of the core workforce, through the combined use of core and peripheral workforces.

The attraction of the core/periphery metaphor lies in its graphic quality, but it is overly simplistic in two respects. Firstly, the results of more recent research on labour market

segmentation in Germany show that fixed-term and atypical employment relationships, now as before, play an important role in firms' employment policies (Köhler et al. 2004). However, whereas in older approaches it was assumed that jobs in peripheral workforces were assigned primarily to groups that encounter discrimination in the labour market, particularly women, migrants and those without qualifications, it is now clear that atypical employment extends beyond the typical labour market problem groups and that new segmentation lines are to be found in skilled and highly skilled workforce structures (ibid; Kratzer 2003). The framework for analysing segmentation also has to be extended. Segmentation is no longer to be found solely in internal labour markets; rather, the empirical evidence pointing to an increasing division of labour between firms makes it necessary, in analysing the divisions within labour markets, to look beyond the boundaries of individual firms in order to investigate the networks in which they are involved (Döhl et al. 2000; Lehndorff/Voss-Dahm 2004; Rubery et al. 2003; for the retail trade: Wirth 1999). For this reason, Köhler et al. (2004) suggest adding a third type, which they call 'market-oriented employment systems', to the open/closed employment system typology that emerged from the German debate (this typology equates to the external/internal labour market terminology). This segment of the labour market is characterised, according to Köhler et al., by 1. a predominance of employment relationships that resemble sales contracts mediated through the market; 2. high shares of atypical employment (fixed-term contracts, temporary work, marginal part-time employment, freelancing etc.) and 3. a short period of on-the-job training that is sufficient to acquire the necessary qualifications. In contrast to the earlier approaches to segmentation, market-oriented employment systems encompass all three types of qualification: professional/technical qualifications (e.g. project managers in the construction and software industries), activity-based qualifications (e.g. lecturers and journalists) and 'ordinary' qualifications (e.g. sales staff in the retail trade).

However, it is not just the changes in the structure and size of peripheral workforces that give grounds for a re-examination of approaches to labour market segmentation. In her outline of a more general approach to segmentation theory, Rubery (2004) argues that the traditional approaches take insufficient account of the influence of the labour supply on the formation of segmentation lines in labour markets. Different modes of social organisation, including differences in class affiliation, gender, ethnic origin and qualifications, have led to the formation of segmented and/or non-competing groups. These external segmentation processes, Rubery argues, exert a strong influence on the formation of segmentation lines within labour markets. As greater account has been taken of dividing lines within the labour supply and the interactions between the demand and supply sides of the labour market, the environment in which paid work takes place is now much more the focus of interest. True, corporate organisation has remained the main reference point of analyses, but greater attention is being paid to the labour market and social institutions in which corporate organisation is embedded.

Both aspects, that is the new structures in peripheral workforces and the greater attention being paid to the labour supply and national institutional systems, will play a role in the following analysis of segmentation in retail companies.

The legal regulation of marginal part-time employment

The current legal framework governing marginal part-time employment in Germany came into force on 1 April 2003. The main differences between so-called 'mini-jobs' and jobs liable for full social security contributions lie in the tax and social security arrangements. The former are defined by an upper income limit of €400 per month. Incomes up to this limit are exempt from income tax and employees do not have to pay social security contributions

either. Consequently, the net income from a marginal part-time job is the same as the gross income. Since some groups in the labour markets, such as married women, pensioners and university or high-school students, usually derive their social security entitlements from sources other than their own paid work, mini-jobs are attractive for precisely such groups because they are exempt from income tax and social security contributions. Employers have to play a flat-rate contribution of 12% for old-age insurance, 11% for health insurance and 2% in respect of income tax. Thus the exemption from tax and social security contributions does not apply to employers (cf. Hauptverband des Deutschen Einzelhandels 2003; Weinkopf 2003).

The limit of 15 hours per week that applied until April 2003 was abolished when the new regulations came into force and has not been replaced. As a result, given the upper earnings limit of €400, the number of hours worked by marginal part-time employees is determined indirectly by the hourly pay rate. The holders of mini-jobs have the same legal rights as those in fully insured employment. This applies not only to hourly pay rates but also to working time regulations, holiday entitlement, sick pay and company benefits such as Christmas bonuses, holiday pay and pensions. Since there is no difference between the gross hourly pay rates of marginal part-time workers and those in fully insured employment, the new regulations on marginal part-time employment have not created or extended a low *wage* sector. Rather, the legislature's aim was to stabilise the low *earnings* sector and/or make it attractive to certain groups of workers.

Wages and salaries in the retail trade are laid down in collective agreements. Until recently, the collectively agreed rates of pay were declared to be binding throughout the industry, that is employers paid them irrespective of whether their employees were members of the relevant trade union or the retailer was a member of the employers' association and hence a party to the collective bargaining (Bispinck et al. 2003). The collective agreement contains a number of different wage and salary scales linked to job profiles and employees are further differentiated (to a lesser extent) by age and (to a greater extent) by seniority. The seniority principle is firmly established among white-collar or clerical workers, which is the category most marginal part-time workers fall into. Thus marginal part-time workers with long service records in the retail trade and with recognised retail qualifications who are employed in sales activities (e.g. pay scale 1 in the collective agreement covering the retail trade in North Rhine-Westphalia) are generally paid the hourly rate for workers with 6 years' seniority, which is €11.94. Given the upper earnings limit of €400 for so-called 'mini-jobs', the number of hours that can be worked by an employee on this rate of pay is about 30 hours per month or just 7 hours a week. Thus marginal part-time workers with experience in the relevant occupation are paid accordingly, and this is reflected in a relatively low weekly working time. The difference becomes clear when the rates of pay for experienced workers are compared with those for young employees without recognised retail qualifications. The hourly rate for a sales assistant under 19 years of age and without any qualifications and with less than a year's experience in the retail trade (e.g. a high school or university student) is 40% less than that for a sales assistant with appropriate qualifications and 6 years' experience (€6.95, compared with €11.94 per hour). An hourly rate of €6.95 means an employee can work about 50 hours per month before reaching the €400 ceiling.

The wage spread specified in the collective agreement covering the retail trade reflects the assumption that workers should be integrated into the work process in different ways depending on their experience and qualifications. For example, young people who are employed in a 'mini-job' while at high school or university tend to be allocated to simple, entry-level jobs within a functionally differentiated system of work organisation. Experienced workers with appropriate qualifications tend to be functionally flexible and the greater demands made of them are reflected in higher rates of pay.

Attitudes to paid work among marginal part-time employees

The research project's starting hypothesis was that an increase in marginal part-time employment in the retail trade would tend to be accompanied by a reinforcement of segmentation in the retail labour market. The standard approaches to segmentation emphasise that firms' personnel strategies are determined largely by technical change and conditions in product markets. In other words, the forces driving segmentation are, it is argued, on the demand side of the labour markets. However, the more recent approaches taken into account in the present analysis stress that these strategies have to connect with a suitable labour supply if they are to succeed. This raises the question of what influence the supply side of the labour market exerts on segmentation. What groups in the labour market seek mini-jobs and to what extent are they committed to such work? A representative survey of marginal part-time employment in Germany shows¹ that the majority of marginal part-time workers have other, important dimensions to their lives outside the labour market. In 2001/2002, 28% of such workers were still at school, 14% were students and 14% were pensioners, while about 25% were women with an economically active partner (Infratest Sozialforschung 2003, p. 101 ff.) Offe (1984, p. 73 ff.) argues that factors such as job security, career development, income and good employment and working conditions are less urgent considerations for these groups of workers than for 'normal' employees because of their involvement in other spheres outside of the labour market. Firms in turn anticipate this (supposed) attitude to paid work and assume that they would not have to contend with any serious industrial relations disputes if such workers were to have their contracts terminated. Thus employers' and employees' expectations coincide, albeit for different reasons. Rubery (2004) speaks of a 'mutual coincidence of wants', which leads to these groups being channelled into the peripheral workforce in internal labour markets.

However, are these imputed or anticipated alternative social roles and their part in shaping attitudes to paid work sufficient to explain the apparent preference for marginal part-time work among these groups? The answer would appear to be yes, since the overwhelming share (83%) of marginal part-time workers in Western Germany are employed voluntarily in 'mini-jobs', 37% because they are also studying, 21% because they would like to have time for other things and 16% because they have children or other family members in need of care (Infratest Sozialforschung 2003, p. 122 ff.). Nevertheless, 17% of marginal part-time workers in Western Germany would like to work longer hours but cannot find suitable jobs. The ratio of voluntary to involuntary marginal part-time employment is different in Eastern Germany, where no fewer than 44% of those in mini-jobs hold them involuntarily and would like to work longer hours. Thirty per cent of those voluntarily employed in mini-jobs say they are still in education, while 13% say that their social security benefits or subsistence allowances would be cut if they were to take a job subject to full social security contributions. It is particularly noteworthy that only 4% of those surveyed gave domestic or family obligations as their reason for deciding to take a marginal part-time job. This suggests that, 15 years after unification, West and East German women still have very different attitudes to paid work.

The pronounced differences between East and West Germany with regard to marginal part-time employment are also found in the retail trade. The share of 'mini-jobs' in

¹ This survey of marginal part-time and secondary employment was carried out at a time when the legal framework governing marginal part-time employment that was in force between 1998 and 2003 still applied. It can reasonably be assumed that both the extent and structure of marginal part-time employment have changed once again since the survey was conducted. Nevertheless, the survey is cited here because it provides information on such employment relationships at job, individual and household level. It should also be noted that the survey does not relate solely to the retail trade. Twelve per cent of all marginal part-time employees in the survey sample were employed in sales jobs.

East Germany is between 5 and 10% lower than that in West Germany, depending on the segment of the retail trade in question. Employment forms are also distributed by gender, with three quarters of all male retail employees working full-time and 18% in marginal part-time jobs. Among women, on the other hand, who account for about three quarters of total retail employment, 27% are in marginal part-time employment and 32% in part-time jobs subject to full social security contributions.

In sum, it would seem that the majority of people in marginal part-time jobs in Germany have voluntarily chosen that particular employment form. This finding from quantitative studies is consistent with the statements made by the works councillors surveyed in the course of our research project. It is true that individual workers employed in 'mini-jobs' want, or are obliged, to switch back to fully insurable employment. On the whole, however, marginal part-time workers would appear to be content with their employment status. As far as the demand for labour is concerned, this means that firms seeking to extend their use of marginal part-time employment as part of their personnel strategy are likely to find a corresponding labour supply.

Segmentation in occupational labour markets in the retail trade

What particular personnel strategies have each of the ten retail companies adopted? Empirical findings show that they all attach considerable importance to flexible personnel deployment. However, they have taken very different routes to achieving that end. Indeed, so great are the differences that it is impossible to discern a single uniform trend in the differentiation of working time and employment, and particularly in the expansion of marginal part-time work. While some firms rely on their core workforce and stable employment relationships to provide the flexibility typically required in retailing, adopting what might be called the internal flexibility strategy, others react by differentiating their working time and employment structures and functionally differentiating jobs in accordance with market requirements. These differences are reflected in the shares of marginal part-time employment in the various companies, which vary between 0 and 69%. Thus internal labour markets in the retail trade differ markedly from each other in terms of employment structures and hence also in the way in which the work process is organised.

Only three of the ten retail firms investigated rigorously pursue a strategy based on a segmented internal labour market divided into core and peripheral segments. Employees in the core workforce act as the 'anchors' of the work process, while the peripheral workforce provides a high level of (external) numerical flexibility, which is required to deal with fluctuations in flows of customers and goods.

The example of one of the department stores illustrates this divided labour market particularly clearly. The core and peripheral workforces differ markedly with regard to qualifications, commitment to the firm, working time and employment conditions. This segmentation goes hand in hand with a mode of work organisation with a high level of functional differentiation, in which individual work areas are deliberately separated from each other organisationally and broken down into clearly demarcated areas of activity. This process of functional differentiation is accompanied by a corresponding fragmentation of working time and employment structures. Employees in the core workforce, which constitutes 31% of the total workforce, are on full-time or long-hours part-time contracts and are deployed exclusively in coordination and control functions, with regard to both goods and personnel. Sixty-nine per cent of all employees hold marginal part-time positions; they include many high-school and university students, as well as other occupational groups. They are engaged in operational tasks, such as manning the checkout tills, stacking shelves and tidying up the sales floor. Seniority and commitment to the company are high among the qualified core

workforce; the marginal part-time workers, on the other hand, have high turnover rates and little if any desire for long-term employment with the company. The core and peripheral workforces constitute two separate segments; there is no mobility between the two and their working and employment conditions differ with regard to all the fundamental aspects of the employment contract.

Jobs in the peripheral workforce are integrated into the work process in such a way that a brief period of on-the-job training is sufficient for workers to be able to perform clearly defined and easily supervised activities. Thus 'mini-job' holders need no more than everyday skills and qualifications to be able to take up employment in this segment of the internal labour market. In view of the wide availability of such workers in the external labour market, the barriers to the rapid expansion and reduction of this segment of the workforce are low. The costs to the employer of high turnover rates are low, since the provision of training for the peripheral workforce requires little investment. The firm is able to react quickly and flexibly to fluctuations in demand and adjust manning levels accordingly. Thus the internal labour market in this company is characterised by its openness to the external labour market, since the personnel strategy is geared to close links and high levels of exchange with the external labour market.

The examples of two discount warehouse companies show that high-school and university students are obviously a particularly attractive group for firms seeking suitable candidates for jobs in a peripheral workforce that operates within a functionally and temporally differentiated mode of work organisation. In one of these companies, marginal part-time workers account for no less than 35% of the workforce and half of them are high-school and university students. The other discount warehouse company shows that focusing solely on the nature of the employment relationship (fully insured employment, on the one hand, and 'atypical' employment, on the other) is not sufficient to identify segmentation within internal labour markets. This company offers full-time and part-time jobs, but no 'mini-jobs'. However, 35% of its employees work fewer than 20 hours per week, including many high-school and university students.²

In both companies, young workers without recognised retail qualifications are mainly employed to work in the evenings and at weekends and are therefore deployed to cover specific time slots. In one of the companies, the deployment of high-school and university students at what are generally regarded as unsocial hours is expressly supported by the employees' representative body, since it relieves the pressure on the core workforce to work at such times. There is a similar link between the actual tasks performed by the peripheral workforce and the working conditions enjoyed by the core workforce: if high-school and university students do the simple, monotonous tasks (shelf-stacking, operating the check-out tills) or the physically strenuous work (e.g. carrying crates and cases in the drinks section or hauling goods out of the storeroom on to the sales floor) – as is the case in both companies –, then the core workforce is relieved of such tasks.

However, does such a policy of rigorously distributing the burdens of flexibility and allocating the monotonous and strenuous work to the young employees in the peripheral workforce not make the position of those workers precarious? Does not the old criticism, that the core workforce is being protected at the expense of the peripheral workforce, apply here too? Although these objections cannot be completely ignored, it has to be said that, for high-

² Recruiting high-school and university students to work longer hours per week than the 'mini-job' threshold while remaining below the 20-hour mark is attractive to employers because their special status means that normal rates of tax and social security contributions do not apply, even though they are working the hours of part-timers in fully insured employment. (Bundesversicherungsanstalt für Angestellte 2004; Jobber GmbH 2004)

school and university students, retail work generally represents a temporary or transitional phase. For this group, the retail trade offers jobs that generally fit in with the time constraints of attendance at school or university, are mostly in easily accessible locations and require no particular training.

Only in three of the ten companies investigated did we discover that young people in marginal part-time jobs constituted a sub-segment within the internal labour market. Nevertheless, it is reasonable to suppose that this sub-segment will increase in size in future in the German retail trade. This supposition is supported by three discernible trends. Firstly, it was clear from some of the interviews that, in view of the often inadequate capacity for training of applicants for training positions, managers are increasingly using entry-level and other menial jobs as a pool from which to recruit replacement staff. Young marginal part-time workers with the appropriate aptitude are being offered training and opportunities for internal promotion. Secondly, a special analysis of the German Microcensus carried out by the Institut Arbeit und Technik shows that the number of high-school and university students combining employment in the retail trade with their studies more than doubled between 1995 and 1999 from 31,000 to 76,000 (Voss-Dahm 2002). Thirdly, this trend can also be discerned in neighbouring countries. Thus in the Dutch retail trade, for example, 34% of all retail employees in 1995 were under 23 years of age, and in general food retailing no fewer than 40% were under 21 years of age (Hoofbedrifschap Detailhandel 1996). The picture in the Danish retail trade is similar: in 1999, high-school and university students accounted for 28% of all employees and 44% of all employees were under 25 (Boll 2001). In Great Britain also, the employment of students has become the norm in retailing. In 2001, 1 million students were working part-time in the retail trade, compared with only 320,000 in 1984 (Labour Research 2001). In all three countries, therefore, the employment of high-school and university students ceased to be a marginal phenomenon some time ago and is now a structural element of the retail labour market.

We have shown in this section that the differentiation of core and peripheral workforces, both organisationally and in terms of personnel, is a characteristic of internal labour markets in the retail trade. Firms that have adopted a policy of workforce segmentation create jobs in the peripheral segment and fill them with recruits from the general labour market. High-school and university students epitomise the categories of workers that provide firms with a high degree of numerical flexibility but do not have the specialist training or qualifications to be fully integrated into workplace operational procedures.

In seven of the ten firms investigated, management strategy in respect of employment structure and work organisation is based on stable employment relationships. A core workforce made up of appropriately qualified personnel provides management with a high degree of functional flexibility, which is underpinned, on the one hand, by regulated flexible working time systems (such as annualised working time systems) and, on the other, by a cross-departmental system of labour deployment. The majority of these employees have considerable retail experience and a high level of commitment to the company; as a result, they are able to meet the day-to-day demands of work in the retail trade by deploying their skills in a versatile way to match the varying demands made of them. Work processes are largely autonomous and usually coordinated within teams. In these companies, work organisation and workplace relations are shaped by the internal flexibility provided by a skilled and qualified core workforce and by employment relationships geared to long-term stability. The internal labour market in these companies is characterised not by dynamism and openness to the external labour market but rather by a high degree of closure (cf. Köhler et al. 2004).

In three of the companies, the workforce is made up predominantly of full-timers, although these companies also make considerable use of part-timers working more hours than

the standard half-time (so-called 'long-hours' part-time jobs). Thus these companies' personnel strategies are not based on the fragmentation of employment relationships into small and very small units. Nor do they make any use of marginal part-time jobs.

Four other companies, which will be the focus of attention in what follows, combine a strategy based on functional flexibility with numerical flexibility. In these companies, marginal part-time employment comes into play again. In two large food retail companies, the shares of marginal part-time employment averaged out over the various stores in a region are 25% and 35% respectively, while in one drugstore company permanent assistant staff, some of whom are marginal part-timers, make up 15% of the workforce. The marginal part-timers include employees with many years' service with the company (special anniversary celebrations are by no means an unusual event among employees in this category, according to our interviewees); they generally have a relevant vocational qualification and can be deployed in a number of different areas. Two categories should be particularly mentioned in this regard. The first is women who, having completed their vocational training and a period of fully insured employment in retailing, are in the 'family phase' of their lives and explicitly interested in a 'mini-job', often finding one in the same firm that employed them previously. The same applies to pensioners who were in fully insured employment in retailing before their retirement and want a marginal part-time job to top up their pensions. Clearly companies are succeeding in retaining qualified, experienced staff, even among the marginal part-time workforce, and are therefore able to continue to use the human capital built up in the past. This also means that, in these firms, the increase in marginal part-time employment is not accompanied by an erosion of professional standards. These qualified sales assistants, that is core employees who work particularly short hours, can be deployed in various areas without any additional training (e.g. in goods ordering, on full-service counters or in customer advice and service jobs in specialist food and non-food departments) and are familiar with the company's work procedures. They are strongly committed to working in the retail trade and in a particular firm.

Thus the core workforce in these companies includes employees who used to be fully integrated into the internal labour market and, despite their switchover to marginal part-time employment, continue to be part of the occupational labour market. Such workers are particularly attractive to firms seeking to reduce the volume of hours worked. Furthermore the switchover to marginal part-time employment is reflected in a reduction in labour costs. True, manning levels are reduced (leading to work intensification for the remaining personnel), but the marginal part-timers, who are functionally flexible and can be deployed to cover precise time slots, are able to fill most of the gaps that open up in workplace organisation.

From the employees' perspective and from a dynamic point of view, the move to marginal part-time employment points to the existence of downward mobility in internal labour markets. This downward mobility from fully insured jobs providing a living wage to 'mini-jobs' is usually linked to a change in personal circumstances. This brings the societal context in which paid work takes place into the spotlight. Women with family responsibilities are subject to restrictions in respect of their labour market activity and react by withdrawing their labour supply.³ By taking on 'mini-jobs', they are keeping a 'foot in the door' of the labour market, as it were, but are not seeking complete integration, at least not for the moment. This attitude is reinforced by two further factors. Firstly, firms are keen to recruit

³ These remarks refer to the (West) German situation. Lehndorff (2001) and Jany-Catrice/Lehndorff (2004) have established, from international comparisons of the retail labour market, that women's labour market behaviour is shaped and influenced to a considerable degree by national employment systems. Thus in some countries, including Germany, many women are employed in marginal part-time jobs, while in others, including France and the Scandinavian countries, women working in retailing, particularly those in the 'family phase', are not employed predominantly in 'short-hours' jobs.

workers who are both functionally flexible and can be deployed at peak periods. Secondly, women operate under specific conditions, the most significant of which in this regard is inadequate childcare facilities. Thus both push and pull factors conspire to force women into short-hours or marginal part-time employment, particularly at certain stages of the life course; it is these factors that are the forces driving the downward mobility, with the associated reductions in both working time and incomes, that is observed within core workforces in retail companies.

Coincidence of interests between firms and employees with regard to marginal part-time employment

The examples cited above show that marginal part-time employment now plays an important role in the retail labour market. In some but by no means all the retail firms investigated, the increase in 'mini-jobs' is associated with a more pronounced division of the workforce into core and peripheral segments. Firms are in fact adopting a range of different strategies as they seek to introduce greater temporal and functional differentiation into their systems of work organisation and drawing on various categories of workers in shaping their workforce structures. Those firms whose personnel strategies rely on the fragmentation, to varying degrees, of employment relationships currently have at their disposal an ample supply of workers willing to offer only a very limited amount of labour and seeking neither to build a career nor to earn a living wage. In implementing their personnel strategies, therefore, these firms are assisted by the existence of a group of economically active people who are only partially committed to the labour market. In other words, there is a coincidence of interests on the supply and demand side of the labour market that is driving the rapid increase in marginal part-time employment and is supported by the institutional environment.

The case study examples also show that, in several respects, the formation of sub-segments within internal labour markets in retail firms is taking place in ways that tend to confound the prevailing notions of segmented labour markets. Workers in so-called atypical employment relations, such as 'mini-jobs', remain in the stable sub-segment of the internal labour market, despite the move out of insured employment, while those in insured employment may be so integrated into the firm's operational procedures that they are deployed mainly at peak periods and/or allocated to a narrow range of tasks. However, some examples show that marginal part-time employees may also be allocated to jobs in the peripheral workforce.

Conclusions

The empirical findings from the retail trade show that various categories of workers are employed in marginal part-time jobs. Thus such workers do not constitute an homogeneous segment within the retail trade but can be differentiated in terms of a number of basic characteristics. This also means that positive and/or negative characteristics impacting on job quality, such as those relating to working time, job stability or the social and legal protection provided by this very particular form of employment relationship, do not have an unambiguous cumulative effect. Clearly, it is increasingly difficult to assess job quality by taking account solely of the nature of the employment relationship; at least in the retail companies we investigated, using the nature of the employment relationship as the sole criterion does not reveal clear dividing lines that would make it possible to distinguish between 'winners' and 'losers'. What emerges, rather, is that the subtle forms of segmentation within internal labour markets are characterised by a multiplicity of intertwined certainties and risks inherent in the various types of employment relationships. These intertwined

certainties and risks are the result of the various demands firms make on different groups of employees with regard to working time and task content, the variable degree to which the different types of employment relationship are integrated into the social security and taxation systems and the differing attitudes to paid work among the various groups of workers at different stages of the life course.

These developments in internal labour markets also have implications at the macro level. Firstly, the legal regulation of marginal part-time employment which, by virtue of the reduced liabilities for income tax and social security contributions, has to be seen as subsidised employment, clearly does nothing to help the unemployed or those in receipt of transfer payments re-enter the retail labour market. The declared policy aim of reducing unemployment by amending the regulations governing marginal part-time employment has not been fulfilled. Secondly, it is debatable whether it is socially desirable, from the point of view of educational standards, for young people to combine study and paid work. And thirdly, it should be asked whether economically active women in Germany, whose labour market participation is influenced in many cases by derived entitlements to health care insurance, by the 'splitting' system governing the taxation of married couples and by the inadequacy of childcare provision, should really in the long term continue to be pushed and channelled into short-hours part-time employment (Bosch 2001; Wagner 2000). As long as this institutional environment continues to shape women's labour market participation, it is hardly surprising that many (West) German women aspire to little more than 'tiny morsels' of work, thereby setting in motion the downwards spiral that can be observed in internal labour markets. The current regulations governing marginal part-time work offer every incentive for women to put their own aspirations for an independent career on the back burner and run counter to the notion of equal labour market participation for both sexes.

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