The Transnationalization of Labor Mobility: Development Trends and Selected Challenges Involved in Its Regulation

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Abstract

Internationalization of value chains and of for-profit as well as non-profit organizations, and as a result of cheaper and safer mass migration, transnational labor mobility is of increasing importance. The article presents the development of the different types of cross-border labor mobility (from long-term labor migration over expatriats/inpatriats up to business traveling); it analyses crucial aspects of labor conditions and how the collective regulation of working, employment and participation conditions in general is affected: could local or national forms of labor regulation cope with these new conditions? What are the main challenges when it comes to collective bargaining and the monitoring of labor conditions? The article is based on a three year international and comparative research in Germany and Mexico. First, different ideal types of transnational labor mobility are distinguished that have emerged as a result of increasing cross-border labor mobility. Then potential sources of labor related social inequality and challenges in the regulation of the working, employment and participation conditions for transnational workers are discussed. Finally, some conclusions are drawn for further research.

Keywords: transnational labor mobility, expats/inpats, labor migration, labor regulation, Germany, Mexico

1. Introduction

Cross-border labor mobility is as old as mankind. But from the early development of the industrial mode of production until the end of the 20th century gainful employment was to a large extent structured by mobility spaces that were defined by regional or, at most, national boundaries. In most cases, getting to work involved commuting on a daily basis, and only small groups of technical experts and construction workers ever travelled long distances to get to their workplaces. For centuries, people have been travelling long geographic distances between the actual center of their lives and places in which to perform additional seasonal work, but these individuals represented only a fairly small segment of the working population. Activities that involve continuous mobility have existed for over a millennium in the form of long-distance trade, but in the past this occupation focused primarily on luxury goods and provided work for relatively few mobile individuals compared with non-mobile workers.

With the internationalization of value chains and performance organizations, and as a result of relatively cheaper and safer mass migration movements, this picture has changed fundamentally. For an ever-increasing percentage of the working population, labor mobility is becoming transnational in the general sense of crossing national and cultural boundaries. This is true not only of individuals who migrate within Europe to find work in other countries because they cannot find any in their own due to the recent economic downturn, but also of contractors and subcontractors and of employees of for-profit and not-for-profit organizations, whose work is increasingly characterized by cross-border mobility. Given the growing number of individuals from a wide variety of different cultures and countries who are living in many places around the world, international organizations find it increasingly easy to recruit employees with intercultural experience and skills in the language of the headquarters and hire them on the local terms and conditions of employment. This leads to social inequality between the mobile workers, such as between individuals who are posted by their organization and those who migrate on their own initiative, and between workers who are posted to a peripheral subsidiary by their organization’s headquarters and those who are ordered to leave their workplace in the “periphery” and work at a central subsidiary of a transnational organization.
How do these increasingly transnational forms of labor mobility influence the established forms of the collective regulation of working, employment and participation conditions? What challenges do they bring? Are local or national forms of labor regulation even still appropriate and effective? What are the main challenges when it comes to collective bargaining and the monitoring of labor conditions? These questions are explored in the following sections. It begins with proposing different ideal types of transnational labor mobility that have emerged as a result of increasing cross-border labor mobility (Section 1), and to discuss potential sources of inequality and challenges in the regulation of the working, employment and participation conditions for transnational workers (Section 2). In the final section (Section 3), some conclusions will be drawn for further research.

2. Types of Transnational Labor Mobility

Economic, political, cultural and social globalization and transnationalization, especially of organizations (Pries, 2008), cause that employment conditions and labor-related events in one specific place can have effects on regions and national societies in completely different and far-away parts of the world. Simultaneously, forms of transnational labor migration become increasingly widespread, resulting in cross-border migration as becoming a regular part of the employment histories of an ever-growing number of people. For a smaller segment of the population, even maintaining a clear local or national identity becomes increasingly difficult. For a growing number of individuals, migration no longer involves only two geographic points (the regions of origin and arrival) and one or two points in time (the time of emigration and return migration). Frequent migration movements are becoming part of transnational migrants’ life courses, which can still be continuous. The everyday lives, employment expectations, career paths, budgetary strategies and biographical orientations of a growing number of (labor) migrants are no longer rooted in only one local community or one national society. Rather, social practices, symbolic systems and artifact structures lead to the creation of ever-denser networks of transnational social relationships, which form new transnational social spaces that span across multiple locations in different national societies. Recently, there has been research on such transnational labor migration networks and social spaces in North America (e.g., Besserer, 2002; Smith, 2005) and in Europe (Pallaske, 2001; Pries, 2001). Given the general trend towards internationalization and socialization, they will be of increasing importance in the future; generally speaking, the lines between migration and other forms of geographic mobility are becoming increasingly blurred. The lines between individual and organized labor mobility are blurred; for example, employees who are sent to another country by their organization, may make the individual decision to stay in that other country permanently, or individuals, who have migrated to another country on their own initiative, can take up employment in that country with an organization, which may then require them to engage in organizational transnational labor mobility.

Thus, transnational labor mobility encompasses several types of migration, chief among which are the traditional forms of individual (labor) migration in the sense of individuals moving to another society and establishing their home there, as was typical of a certain segment of the “guest worker” population in Germany. Four groups of individual (labor) migrants can be distinguished: (1) emigrants/immigrants (migrants who gradually adapt their identity and their life world to assimilate into their country of arrival); (2) remigrants (individuals who leave their country of origin for a limited period of time with the intention of returning at some point); (3) diaspora migrants (migrants who have migrated for religious or organizational reasons and do not assimilate fully into their country of arrival); and (4) transmigrants (individuals who engage in alternative forms of migration, such as repeat and multi-directional circular migration). The latter group is an ideal type of migrants whose life praxis and life projects create social spaces which span locations in different countries.

Organized labor mobility, on the other hand, is mobility that is induced by an organization. Depending on the perspective one takes, individuals who engage in this form of mobility are referred to as (1) expatriates (employees whom the head office sends to an overseas subsidiary on a long-term assignment); (2) posted workers (workers whom an organization in a European country sends overseas on a short-term assignment to perform [service] work); (3) inpatriates (employees from an overseas subsidiary who come to the head office, usually to learn about processes and concepts); and (4) third-country nationals (employees who are sent between two overseas subsidiaries. Another group are (5) commuting assignees, that is, employees who are at home and are rooted in two locations. In addition, there are (6) frequent business travelers. These employees are here today, there tomorrow, but they usually perform the work of their home office and they still have a localized home base, unlike the commuting assignees, who have multi-local and multi-national affiliations and are confronted with different working conditions whenever they are sent on a new assignment.

Organized mobility in particular has become increasingly important over the last few years. According to the German Business Travel Association, in 2013 there were 171.1 million national and international business
travels in Germany (Verband Deutsches Reisemanagemente.V. [VDR], 2014). Individual employees in Germany have also been subject to processes of rationalization and normalization (Kesselring, 2012; VDR, 2014), with the result that employees are increasingly expected to be mobile, and that compensation and benefits are now lower than in years past, while the job requirements they have to meet are becoming ever more demanding. There has also been a growing number of employees of companies that operate internationally who relocate for long periods of time. It is expected that in many companies the number of such employees will continue to grow (Brookfield, 2012a, 2012b; Mercer, 2013), and one study has observed that there has been a trend towards normalization, with compensation packages becoming less and less generous (Adick et al., 2014; FAZ, 2010; Brookfield, 2012a). For years, this development has been affecting not only high-level employees in multi-national corporations but also a growing number of lower-level employees in small and medium enterprises (Schmierl, 2011).

The number of posted workers has also been growing steadily, although reliable figures are difficult to obtain (Staples et al., 2013). Since the 1990s, workers coming to Germany have been posted on the basis of bilateral agreements, most notably with countries in Central and Eastern Europe and with Turkey. Most of these workers were posted in the mid-1990s. In the wake of the financial crisis, the number of newly posted workers was drastically reduced, at first only in a few sectors (construction, cleaning, domestic work) but, starting in 2004, also in other industries, such as meat packing (Cremers et al., 2007). This variety of different forms of mobility represents a potential source of inequality, which in the past has often been neglected as a subject of labor regulation and which presents challenges for labor regulation that increase exponentially due to the transnational dimension (see Table 1).

Table 1. Types and characteristics of individual and organized labor mobility

<table>
<thead>
<tr>
<th>Types</th>
<th>Characteristics</th>
<th>Potential sources of inequality</th>
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<tbody>
<tr>
<td><strong>Individual (Labor) Mobility</strong></td>
<td></td>
<td></td>
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<tr>
<td>Emigrants/immigrants</td>
<td>Still in contact with their region of origin</td>
<td>In some cases, irregular employment</td>
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<tr>
<td></td>
<td>Assimilate gradually</td>
<td>Niche occupations, job queues, elevator effect, discrimination</td>
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<tr>
<td></td>
<td>Migrate only temporarily</td>
<td>In many cases, non-recognition of qualifications and professional experience</td>
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<td></td>
<td>Migrate to earn money</td>
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<tr>
<td></td>
<td>Constantly in contact with their region of origin</td>
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<tr>
<td></td>
<td>Maintain their identity</td>
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<td></td>
<td>Cultural distance to the host country</td>
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<td></td>
<td>Stay in the host country temporarily</td>
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<td></td>
<td>Migrate for economic or political reasons</td>
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<tr>
<td>Diasporamigrants</td>
<td>Migrate for religious reasons (e.g., as missionaries) and/or migration is motivated by strong loyalty and dependence relationship with the organization (e.g., diplomatic corps)</td>
<td>Close involvement in transnational organization and its logics, which are different from those of the country of arrival and may thus produce inequality</td>
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<td></td>
<td>Very limited mental and social assimilation into the country of arrival</td>
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<tr>
<td></td>
<td>Very strong socio-cultural ties to the country of arrival</td>
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<tr>
<td>Transmigrants</td>
<td>Relationship to the regions of origin and arrival mediated by transnational social spaces in the form of transnational multi-local social practices, symbolic systems and artefacts</td>
<td>In some cases, irregular employment</td>
</tr>
<tr>
<td></td>
<td>Of increasing importance the area of labor migrants stimulated by globalization</td>
<td>Transnational inequality structures in the sense of multi-local reference systems</td>
</tr>
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<td><strong>“Organized” Labor Mobility</strong></td>
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<tr>
<td>Posted workers</td>
<td>Sent from one EU country to another by an employer to carry out specific work (often construction work)</td>
<td>Wage differentials are exploited by sending to a high-income country as</td>
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<tr>
<td>Expatriates</td>
<td>Inpatriates</td>
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<td>------------------------------------------------</td>
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<td></td>
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<tr>
<td>• Sent abroad by the headquarters (long-term assignments of 3-5 years)</td>
<td>• Sent from another country to the headquarters or its home country (long-term assignments of 3-5 years)</td>
<td></td>
</tr>
<tr>
<td>• Identity and strategy ideal-typically rooted in the headquarters/country of origin and sent to pursue interests of the same</td>
<td>• Identity and strategy ideal-typically rooted in the home country/foreign subsidiary</td>
<td></td>
</tr>
<tr>
<td>Expatriates/transpatries who migrate on their own initiatives</td>
<td>Expatriates/transpatries who migrate on their own initiatives</td>
<td></td>
</tr>
<tr>
<td>• Sent to a subsidiary in another country without an expatriate agreement</td>
<td>• Multi-tier system among mobile workers</td>
<td></td>
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<tr>
<td>• Mobility initiated by the organization OR work as migrants for an organization with headquarters in home country and perform work that in the past would have been carried out by expatriates</td>
<td></td>
<td></td>
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<tr>
<td>Frequent business travelers/lexpatratees</td>
<td>Frequent business travelers/lexpatratees</td>
<td></td>
</tr>
<tr>
<td>• Frequent travel (abroad)</td>
<td>• Often sent for troubleshooting</td>
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<tr>
<td>Circular commuters</td>
<td>Circular commuters</td>
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<tr>
<td>• Multi-local belonging and multi-local roots</td>
<td>• Multi-local belonging and multi-local roots</td>
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Immigrants and remigrants are faced with discrimination and declining opportunities in the labor markets (Nohl et al., 2010a; Kogan, 2011). In extreme cases, this results in the emergence of sources of inequality between these migrants and the members of the society of arrival, such as when irregular employment opens the door for discrimination, the development of intricate dependence structures and threats by employers (see, e.g., Shinozaki, 2013; Schönwälder et al., 2004). Many migrants are forced into precarious work in certain niches in the labor market (on domestic work, see, e.g., Moha, 2007), not least because their qualifications are not recognized at all or only after a very long delay (see, e.g., Neumann, 2010; Constant & Massey, 2003). According to the labor queuing theory developed by Reskin (1991), there is a shortage of workers in these niche areas of employment because of the unattractiveness of these jobs. The German labor market in particular is characterized by a sharp distinction between insiders and outsiders (Kogan, 2011) that creates a climate in which migrants often experience discrimination (Neumann, 2010). Because access to the labor market is difficult, work within social networks is done by migrants, who follow their own logics of justice and participation; often these logics are based on those prevalent in the migrants’ country of origin and associated with low pay (Schmidtke, 2010).

Many migrants who take up such jobs are forced to work under worse working conditions than German employees, and their niche jobs are commonly associated with “migrant worker” (Nohl et al., 2010b). In many cases, this leads to “elevator effects”, meaning that non-migrant employees are elevated to a higher social level by the fact alone that other groups—in this case, the migrants—are forced to accept work and employment conditions at the lower end of the social hierarchy. Studies have also shown that migrants display less labor...
Diaspora migrants are closely involved in their transnational organization and its logics; these logics are different from those in the country of origin and therefore may be a potential source of inequality (Salustowicz, 2009). For example, when employees from the home country of a diaspora organization work with local employees, the differences between their working conditions and their logics can lead to conflicts that are similar to those observed for organized mobility. Like migration and remigration (see above), diaspora migration is likely to lead to the formation of ethnic niches and, depending on the status on the members of the diaspora, to either positive or negative queuing.

**Organized labor mobility** is influenced even more by a transnationalization of the working conditions and of the structures of social inequality that affect the lives of migrants than individual labor migration, which is taken as a long-term strategy. This is because in the country to which they are sent, actors who engage in cross-border mobility work in direct contact with co-workers who are on the same hierarchy level and in the same functional group as they are, but whose working conditions are significantly different from their own. This creates a situation of competition that might prove difficult for organizations and their employees (Hailey, 1996), and that might affect the motivation of local employees who feel that they are paid and treated less well than their transnationally mobile peers (see, e.g., Chao et al., 2002; Konopaske & Werner, 2002). However, the degree of transnational inequality varies depending on the countries involved and on the (collectively bargained) employment conditions for posted workers. Inpatriates and third-country nationals who are sent from a low-cost country to the country in which the organization’s headquarters is located usually find themselves in a better financial situation compared with the situation in their country of arrival—with the result that, if anything, it is more of a challenge for them to again get used to the wage structure of their home country after their return. Most companies pay their expatriates according to the wage structure of the employees’ country of origin (KPMG, 2012, p. 31), although this can still put employees at a disadvantage, such as when employees who are working in another time zone are expected to work overtime because of the time difference, or when they are expected to use work practices that are not managed appropriately by using a transparent time account system. Intransnational organizations with a pronounced center-periphery structure, actors from the periphery might also be stigmatized or discriminated against; after all, such behavior would reflect the dominant transnational status structure and social structure within the organization (Harvey et al., 2005). In addition, employees from the periphery are often seen as competitors. They often have inadequate information about individual and collective rights and about the relevant labor law provisions (which also means that they are more likely to be prepared to make concessions). Generally speaking, international mobility appears to have been normalizing recently (Adick et al., 2014), with special privileges and employee benefits being reduced and international mobility no longer being regarded as something that merits additional compensation (Brookfield, 2014). The more the transnationalization of life worlds progresses, the more individuals everywhere are prepared to be mobile. The fact that an increasing number of employees are now expected to be mobile also confirms many people—especially young employees and jobseekers—in the belief that to have a career, one must go abroad and be prepared to forgo privileged working and employment conditions (Adick et al., 2014). In many cases, mobility is organized without according employees special expatriate status, which depending on the countries involved may leave them at a disadvantage. This is particularly true of employees who are mobile within the same geographic region (Europe, North America). One of the more recent trends in this area is what has been referred to as “local-plus compensation” for expatriate employees (Brookfield, 2012b; AIRINC, 2011). A cost-saving alternative are locally hired foreign employees from the organizations’ home country, some of whom also receive compensation under local-plus agreements, which is just slightly above the host country average (on the situation in Asia, see Mercer, 2011).

Being posted abroad also brings with it multiple forms of inequality, not least for the employees’ partnerswho travel with them, most of whom are women. Because they find it difficult to access the labor market in the foreign country, many of them are forced to stop working altogether for the time of their partner’s assignment abroad, which might affect their own career prospects. Some steps have already been taken to address the
dual-career issue, especially in large corporations, but in most companies, the management of mobility continues
to be based on traditional views of gender roles and family structures and on the assumption that an expatriate
is a male employee who travels with his wife, who is primarily responsible for the reproduction of the family.
Companies’ mobility regimes thus reflect the structure of hegemonic masculinity. Some companies have special
programs to support their travelling employees’ marriage partners in finding employment in the country of
assignment (KPMG, 2010), but very often these programs are prescriptive in that they are geared towards male
employees with an accompanying female partner. According to the Global Assignment Policies and Practices
Survey, only about 20% of the companies surveyed help female partners find employment; about the same
percentage pay for further training and education; and only 14% paid the work visa fees for the partners who
went abroad with the employees’ (KPMG, 2010). The Brookfield Global Relocation Services’ 2012
Survey Report on Global Relocation Trends, which is based on a sample of companies from a variety of different
countries, found that 49% of the partners who went abroad with the companies’ employees were employed
before the start of the assignment, but only 6% were still employed during the assignment (Brookfield, 2012, p.
32). It seems reasonable to assume that these figures would be even more pronounced for German companies
and their employees: Kupka and Cathro (2007) note that German companies display particularly little sensitivity
to the needs of the partners of employees who are sent abroad on assignments (Note 1). One study has found that
while abroad, female partners take on responsibilities, sometimes as part of dual career programs, which are not
directly related to furthering their own professional career, such as when a company’s dual career program also
includes club memberships (KPMG, 2010).

When we look at business travel, the general trend towards a normalization of mobility becomes even more
apparent than in the case of worker posting. The line between working time and leisure time is becoming
increasingly blurred. In the past going on a business trip was a privilege—today it is a perfectly normal part of
work that merits no special recognition (Kesselring, 2012, p. 88). In many companies, travel time no longer
counts as working time, and business trips are becoming shorter and less comfortable (Kesselring, 2012, p. 88;
Adick et al., 2014). Companies regard business travel as an important area for cost saving and seek to make the
conditions for, and the management of, mobility more efficient. Organizations do not necessarily reduce the
volume of business travel in times of financial difficulty, but they consider business trips as an item in the budget
that allows them to save considerable amounts of resources. By establishing organizational barriers (application
procedures, expense reporting, department- or project-related cost application), lowering standards (economy
class instead of business class, hotel downgrading, limited expense accounts) and relying increasingly on virtual
communication, organizations are trying to make business trips less attractive and reduce the volume of business
travel (Adick et al., 2014). But this comes at the expense of those who have no choice but to travel. The blurring
of the line between working time and leisure time (as when employees are expected to be on call twenty-four
hours a day, seven days a week) and activities that are tied to a particular location are features of everyday
practice that are structured by the organizations’ mobility regimes (Kesselring, 2012).

Posted workers are a hybrid of expatriates and circular migrants (Staples et al., 2013). The members of this
group are hired by a service provider that is located in a poorer EU country and sent on short-time assignments
in various different locations in richer EU countries, usually in occupations that do not require a high level of
qualification, such as meat packing, working on large building sites or seasonal harvest work. The
commissioning and the contracting firms involved systematically exploit the wage differentials between the EU
countries. The majority of posted workers are marginalized in the society of arrival and experience isolation, a
precarious residence status and discrimination (Staples et al., 2013). The fact that posted workers are paid
according to the wage structure of their home country has often led to demands for minimum wages in the past.
For example, Cremer (2007) reports questionable practices of employers in this area, many of whom do not pay
posted workers according to their qualifications and working hours, with unpaid overtime often being the rule
rather than the exception. Many posted workers are officially hired and paid to work 40 hours a week, but
actually work 60 hours and have little free time to rest. In many cases, companies which hire posted workers
do not comply with health and safety regulations and do not provide their workers with information about safety
measures. Employers have also been known to charge too much for the accommodation they offer, and the fact
that posted workers labor under poor working conditions is not an insignificant factor in strengthening the
position of employers in negotiations with their own local employees, which can lead to a general decline of
working standards (on the situation in Finland, see Liljle, 2012).
3. Challenges for Collective Labor Regulation

Labor migration as a subject of labor regulation has always been a contested terrain between employers’ associations and trade unions. Whereas companies and their trade associations are usually in favor of high levels of labor immigration, many trade unions are concerned that immigration might lead to increasing competition among employees, lower wages and declining working conditions, because most labor migrants come from countries where the rights of workers are not protected as well as in Germany. There has been extensive research on the challenges that individual international migration presents for collective labor regulation (see, e.g., Penninx & Roosblad, 2006).

However, there is very little in the literature of the social sciences on organization-related cross-border mobility, and even less research has been done to address the relevant questions concerning the collective regulation of working, employment and participation conditions in sufficient detail. Cross-border mobility is also neglected as a subject of co-determination in organizations (Schmierl, 2011). Given the spread and diversity of cross-border mobility outlined above, there is little to justify the neglect of the subject any longer. Individual and organizational cross-border labor mobility is affecting an ever-growing group of individuals. It is no longer just limited to certain expatriate elites within companies, who are widely assumed to be offered generous working and employment conditions anyway. Organizational transnational labor mobility is affecting an ever larger group of employees from across all hierarchy levels of small, medium and large enterprises (Schmierl, 2011) and international not-for-profit organizations. Of the last-mentioned type of organization regarding the percentage of local and internationally mobile employees, more employees work abroad as mobile employees than in POs (Brewster & Lee, 2006), and their working and employment conditions are often even more precarious than those of company employees (Maletzky & Weiler, 2013). From this, we can derive a number of specific topics related to the regulation of transnational labor mobility.

Migration presents a variety of different challenges depending on the type of migration under study. Permanent immigration that also involves the granting of full citizen rights allows trade unions to integrate the immigrants into existing working cultures. However, the question both the employing organizations and the trade unions which represent the interests of the mobile employees have to ask themselves is whether specifically targeted programs—for example, programs to manage diversity or promote intercultural skills—are actually needed, and if so, how to demand that such programs be implemented. The policies of many trade unions has been based on an assimilationist understanding of migration and integration processes, according to which immigrants gradually assimilate into society more or less automatically, so specific diversity and intercultural-awareness programs would not be necessary. It is also often argued that such activities are costly and time-consuming, and that they might actually further entrench rather than reconcile divergent views on work, employment and trade unions. However, because they are bound to the principle of international solidarity and because they must maintain credibility, both internally and externally, trade unions must give special attention to labor migrants, who are usually in a weaker position in the employment system (Examples in Germany include the “Faire Mobilität” and “MigrAr” initiatives of the Confederation of German Trade Unions) (Note 2). Providing support for refugees and asylum seekers also poses a challenge, not only because of the humanitarian needs of these migrants but also because those among them who do not have a work permit might be forced to take up irregular work, which in turn can lead to a decline of existing employment standards.

The same effect occurs if organizations systematically exploit wage differentials within the EU, a practice that often leads to precarious working conditions for posted workers despite EU-wide regulations (Note 3). This is due to a lack of information and alternatives for the employees and to loopholes that undermine the implementation of the regulation on the national levels (cf., Staples et al., 2013; on the situation in Finland, see Lillie, 2012). “Worker posting facilitates the undermining of national industrial relations systems through the introduction of alternative firm practices and regulatory regimes into spaces where they are foreign, fueling direct competition between (national) groups of workers” (Lillie, 2012, p. 148). Posted workers are in a less favorable position than migrants, who are at least formally subject to the labor standards of the country of arrival and who have a right to equal treatment. The European Court of Justice allows companies to create what could be called a space of exception between the Europe-wide and the national regulations to give the working relationships of transnational sub-contractors an extraterritorial character (Lillie, 2012, p. 151). This presents a variety of challenges in the implementation of the directives: “As far as the practical application was concerned the Commission identified a number of problems: difficulties to verify whether a genuine employment relationship exists, the failure to monitor compliance, the difficulty in comparing the host country requirements and the working conditions in the country where the worker normally executes the work, and, not least, the lack of access to relevant provisions applicable in the host country” (Cremers et al., 2007, p. 529).
The same question—of who might be responsible and what collective regulations might serve to prevent, or at least compensate for, discrimination and declining working standards—arises when we look at the other forms of organized mobility. Although transnationally mobile employees belong to a cross-border organization that acts as a single entity, they are always actors who, at least temporarily, move within two or more different institutional frameworks that regulate working, employment and participation conditions. Therefore, the question that always presents itself is which criteria to use: those of the host country or those of the migrants’ country of origin? The general rule in most organizations is that being sent abroad on an assignment should not have a negative effect on the assignee’s working, employment and participation conditions (Adick et al., 2014). However, when it comes to the different types of transnational mobile individuals listed in Table 1 above, there are very different ways of implementing this rule in practice. One reason often given to justify the working and employment conditions for one-year intern or trainee assignments (small salary, no comprehensive benefit packages as for regular expatriates, high expectations regarding performance and initiative) is that applicants go abroad to prove themselves and to learn, and that they will reap the rewards later (Adick et al., 2014; Maletzky & Weiler, 2013). Most applicants are not explicitly promised that they would have a career in the organization or that they would be considered for future assignments, and if they are, such promises are not always kept.

Many companies also nurture the belief that employees can make a career jump if they are sent abroad on assignments, which motivates employees to improve their performance. However, many of them become frustrated when they realize that the functional areas or the positions in the hierarchies they are offered after their return are not what they had expected, and that the return process is usually not particularly well planned (Schmierl, 2011). The myth of the career jump after an assignment abroad can also be observed in not-for-profit organizations (Maletzky & Weiler, 2013). Some of them send trainees or assistants on assignments on fixed-term contracts and without any guarantee that they can continue working for the organization after their assignment is over. Many of them have to perform the same highly demanding work as regular expatriates and accept the blurred line between working time and leisure time, but without being accorded the privileges and benefits that would normally come with these positions. This makes this group a cost-saving and flexible replacement for expensive expatriates (Maletzky & Weiler, 2013).

Until the beginning of the 21st century, work agreements guaranteed that employees on business travel would receive substantial benefits (removal costs, support in finding new accommodation and compensation for additional costs, arrangements for the family to travel along with employees on short-term assignments, frequent flights home). Today negotiations over individual agreements are often more about making sure that the employees on business travel are not put at a disadvantage (cf. e.g., Adick et al., 2014). To give an example: When inpatriates from a low-cost country are posted to the home country of their organization they are in a better position financially than their co-workers in their country of origin but may still earn less than their co-workers in the country of arrival. This can create tension.

Workers’ employment conditions always depend on their contractual status. The principle of freedom of contract ensures that employees and employers are generally free to choose the jurisdiction that will govern the employment agreement between them, provided that the law of the jurisdiction they choose is not in conflict with the law applicable in the employee’s place of habitual residence, which protects the employee and which is binding on both parties (Internationale Handels Kammer [IHK], 2014). The country of arrival’s statutory regulations on issues such as working-hour limits or health and safety in the workplace apply regardless of the choice of jurisdiction.

With cross-border labor mobility losing its status of being the exclusive privilege of small groups of managers who have decided to forgo the benefits of collectively bargained working, employment and participation conditions because they have other resources at their disposal, the actors involved in labor regulation are dealing with new issues, such as taxation and retirement planning for employees. Another important question is how employees who are posted abroad can achieve a satisfactory work-life balance, considering that many HR departments issue regulations that are impossible to comply with or unrealistic (Shortland & Cunnings, 2007; Shaffer et al., 2001). Kesselring (2012) notes that issues that are particularly important for commuting assignees and frequent business travelers include the achievement of a satisfactory work-life balance and the consideration of travel time as work time, but also corporate career planning and training, and opportunities to participate actively in the forms of collective labor regulation used within the organization, which latter includes the active and passive right to vote in matters of employee representation and the opportunity to get into direct personal contact with the responsible bodies of interest representation in the first place. It would appear that the old adage “out of sight, out of mind” is also true in most of the cases considered here: employee groups who are not
present and visible all the time must make strenuous efforts to get into the focus of attention of the HR departments and the bodies of interest representation within their organization.

With transnational mobility increasingly becoming a routine aspect of employees’ everyday work life, general sending conditions are being gradually downgraded across the board. This creates a need for more extensive regulation. Faced with growing cost pressures, many organizations have started to turn to alternatives to the costly practice of posting employees abroad and its associated benefits. For HR departments, benefit packages are a major cost element and, for this very reason, an item in the budget that offers enormous cost-saving potential. The normalization of labor mobility Kesselring (2012) and others have observed is accompanied by a minimization of expatriate bonuses and an increase in the number of employees who are sent abroad alone, without their partners (This, incidentally, is the reason why the issue has become a matter of public interest, which has also been taken up by the press; see, e.g., FAZ, 2010). HR departments are now planning to reduce labor costs by hiring more and more local staff on the basis of “local plus” agreements, which are less attractive to employees than expatriate agreements (Mercer, 2013). One strategy HR departments have been using is to hire employees for foreign subsidiaries from the organization’s home country on the basis of agreements which fall under the jurisdiction of the other country and which may provide special rights (“local plus”), and then to have these employees perform work in the foreign subsidiary that in the past would have been carried out by expatriates (which would have been much costlier to the organization). This strategy has also been used by many not-for-profit organizations, even well-renowned ones. The German Education and Science Workers’ Union has warned that this has been leading to the creation of a two-tier hierarchy among mobile employees at foreign schools—a situation which will be exacerbated by employing cheap teachers and which in many cases has already had negative effects on the work climate (GEW, 2009). Similar trends have been observed for other not-for-profit organizations, such as the Goethe Institute, and a number of political foundations (Adick et al., 2014; Maletzky & Weiler, 2013).

When it comes to existing rights and the functioning of bodies of collective labor regulation in Germany (works councils, trade unions, representative committees of executive employees, local groups of the Association of Employed Academics and Executives in the Chemical Industry, union workplace representative groups), transnationally mobile employees from other countries, such as inpatriates, pose special challenges. These employee groups usually have little or no information about issues of collective interest representation, and since they stay only for a short time, they have little interest in such matters, not least because working, employment and participation conditions that are perceived as fair are increasingly assessed on the basis of transnational-justice and social-inequality considerations (Pielage et al., 2012). For example, inpatriates from a poorer country who are sent to Germany on short assignments (of up to one year) perceive their situation as privileged compared with their situation in their country of origin, and while they may feel lonely and have trouble getting used to their new surroundings, their situation is by no means serious enough to make them wish for collective labor regulation. Employees who are sent to Germany on short-term assignments compare their situation in Germany with the situation in their country of origin; however, employees who have been in the country longer tend to compare their situation with the general—more privileged—working and living conditions of the employees in Germany. This is the reason many companies and global-assignment policy developers are very critical about sending inpatriates on overlong assignments, and many of those who have been interviewed for research into this issue have emphasized that after a few years these inpatriates are reluctant to return to their country of origin (Adick et al., 2014).

4. Conclusion

This contribution proposes that labor mobility should be analyzed integrating perspectives of business studies, sociology of work and of organizations. Based on an overview of the general historical development of the scope of international labor mobility, the article has shown that the forms of transnational labor mobility are becoming increasingly diverse, and that this development poses new challenges for labor regulation, which lead to the formation of multiple spheres of belonging for employees that create areas which are not covered by the provisions of existing labor regulations and result in transnational inequalities. The members of the traditional migrant groups, who stay in their country of arrival permanently, are—at least officially—subject to the labor standards of the country of arrival and are considered to have the same rights as local employees. In practice, however, many potential sources of inequality and discrimination can be observed. The recent EU enlargements, the introduction of new legislation to enable the migration of third-country nationals, the increasing complexity of temporary solutions to issues of labor and residence laws and the asymmetric distribution of information about employee rights caused by the low level of education and poor language skills of certain groups of immigrants all contribute to the creation of opportunity structures that facilitate the misuse and circumvention of
labor standards, which may have a negative effect on existing standards. In many cases, there are not enough resources available to monitor these standards, and the ethnical segregation of labor markets leads to a separation of life worlds. Other contributing causes include the non-recognition of qualifications, systematic discrimination against migrants in the labor market and the migrants’ social capital (Neumann, 2010). However, in all of these cases it is relatively easy to identify the potential sources of inequality and the standards that should be applied, and to demand compliance with those standards.

It is much more difficult to analyze the situation of those engaging in any of the new or previously largely neglected though increasingly important forms of labor mobility that have been developing in connection with transnational social and working spaces. Multiple belonging can increase migrants’ scope of opportunities and the amount of resources available to them but, in extreme cases, it can also lead to permanent marginalization in their country of origin and in the countries to which they might be sent on assignments in the future. Another potential problem is that migrants who are relatively privileged compared with the organization’s employees in the country of assignment may still be left at a disadvantage on the level of the family, such as when going abroad has a negative effect on the career of the partners who is going with them.

To fully understand this situation, an integrated analysis is needed that considers the complex interplay of interests involved and includes a comprehensive characterization of the transnational environment. An analysis of expatriates, for example, would have to give special consideration to the interests of the increasing number of dual career couples. It is far from standard procedure for organizations to support the partners of assignees in finding employment in the country of assignment or to help assignees achieve a satisfactory work-family balance, which is particularly important for employees on assignments abroad (Hailey, 1996). The general trend towards a rationalization of employee posting also has specific negative effects on assignees’ families, such as when employees are sent on short-term or regional distance assignments without due consideration of the effect this might have on the assignees’ partner (Adick et al., 2014; Park/Mense-Petermann, 2014).

Foreign employees who are hired under local employment conditions and who are then sent to another country to perform work there that in the past would have been carried out by expatriates also find themselves confronted with specific issues of labor regulation, which can contribute to the creation of a two-tier workforce (Maletzky & Weiler, 2013) considering that the conditions for foreign assignments are declining for the traditional groups of employees and the negotiating position of employers is strengthened at the employees’ expense. The same is true of inpatriates and third-country nationals, who become competitors of local employees if they work under less favorable employment conditions than the local employees and, being used to lower working standards in their country of origin, introduce new acceptance criteria concerning working, employment and participation conditions.

In the last two decades, a variety of different strategies have been developed to strengthen collective labor regulation on the supranational, transnational and global levels. One such strategy is to establish transnational bodies of co-determination in the form of European works councils or world works councils for large international corporations (Hauser-Ditz et al., 2013; Rosenbohm, 2014). Other strategies include supporting the implementation of international minimum standards, such as those defined by ILO, and the negotiation of international framework agreements between international corporations and trade union associations (Cremers et al., 2007; Hessler, 2012; Dehnen, 2014). These and other important strategic approaches to the transnationalization of labor regulation each have their strengths and weaknesses in terms of actor involvement, distribution of powers and chances to succeed. Their actual and potential roles with regard to working, employment and participation relationships can be analyzed appropriately only if they are conceptualized as threads in an emerging transnational network texture of labor regulation. The transnationalization of labor migration and labor mobility is increasing, and it is especially for this reason that those involved in, and those conducting research on, labor regulation must abandon the concept of national containers and face the fact that the social world is in the process of transnationalization.

References


Notes
Note 1. While the situation has probably improved a little since the study was conducted, there is still little research on the life worlds of the female partners of employees who are sent abroad and on the views of gender roles in German companies.

Note 2. “MigrAr” is short for “Migration und Arbeit” (“Migration and Labour”).

Note 3. For example, the Posting-of-Workers Directive (Directive 96/71/EC) provides regulations on maximum work periods and minimum rest periods; minimum paid annual holidays; the minimum rates of pay; the conditions of hiring-out of workers; health, safety and hygiene at work; measures to protect pregnant women or women who have recently given birth; equality of treatment between men and women and other provisions on non-discrimination.

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