

Precarious Work, Institutions and Inequality

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Overview

- **Employers and Governments have Shifted Risks to Workers**
- **Institutional Differences among Countries in Insecurity and Well-Being**
- **Confronting Precarious Work: Politics and Policies**

Precarious Lives

Job Insecurity
and
Well-Being
in Rich
Democracies

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Kalleberg

Precarious Work

➤ Work that is:

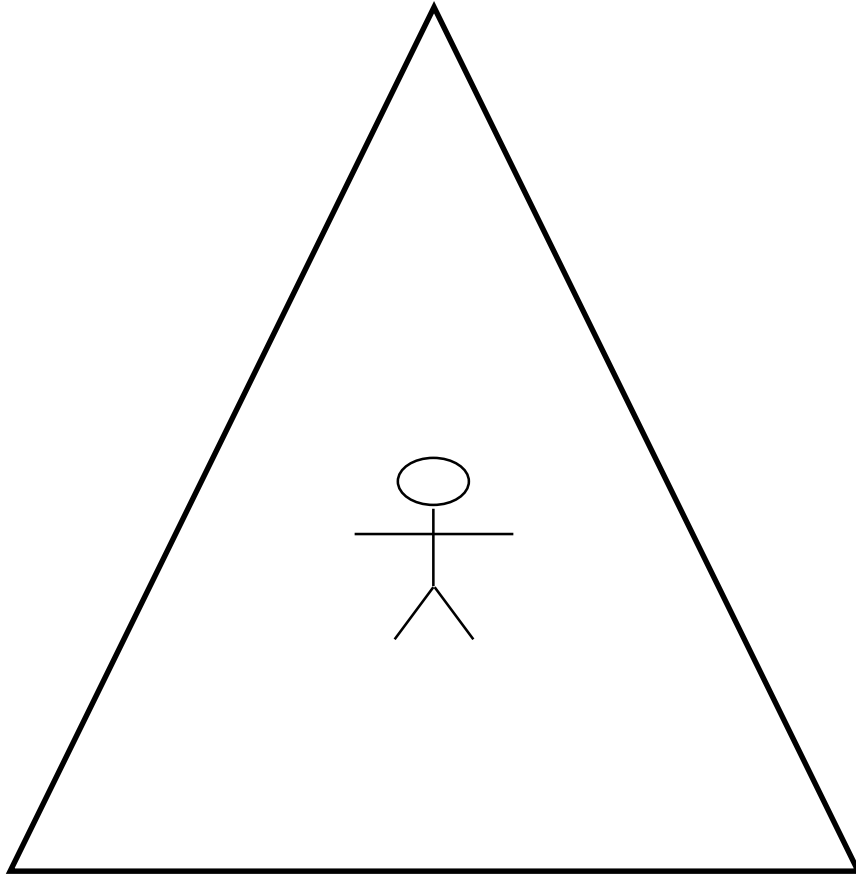
- **Risks borne by workers** (vs. employers or the state)
- **Insecure and Uncertain**
- **Limited income and benefits**
- **Little potential for better jobs**

(PW = Non-regular work + lack of social protections)

➤ *Examples:*

- **Informal economy work**
- **Temporary work**
- **Some “gig economy” jobs**
- **> Insecurity in “regular” jobs in the formal economy**

Standard Employment Relationship



- Pillars:
 - Bilateral Employment Relation
 - Standardized Hours
 - Continuous Employment
- Access to
 - Regulatory protections
 - Training
 - Careers
- Adult Male Citizens (Male breadwinner model)
- Fordist Manufacturing

1975-Present

**COUNTRY DIFFERENCES in
Liberalization Policies and their
Consequences**

**Changing
Economic
Structures**

Globalization

Technology

Deregulation of
Markets

↓ Unions

**Changing
Workers**

Women in LF

Education

Immigration

Standard
Employment
Relationship

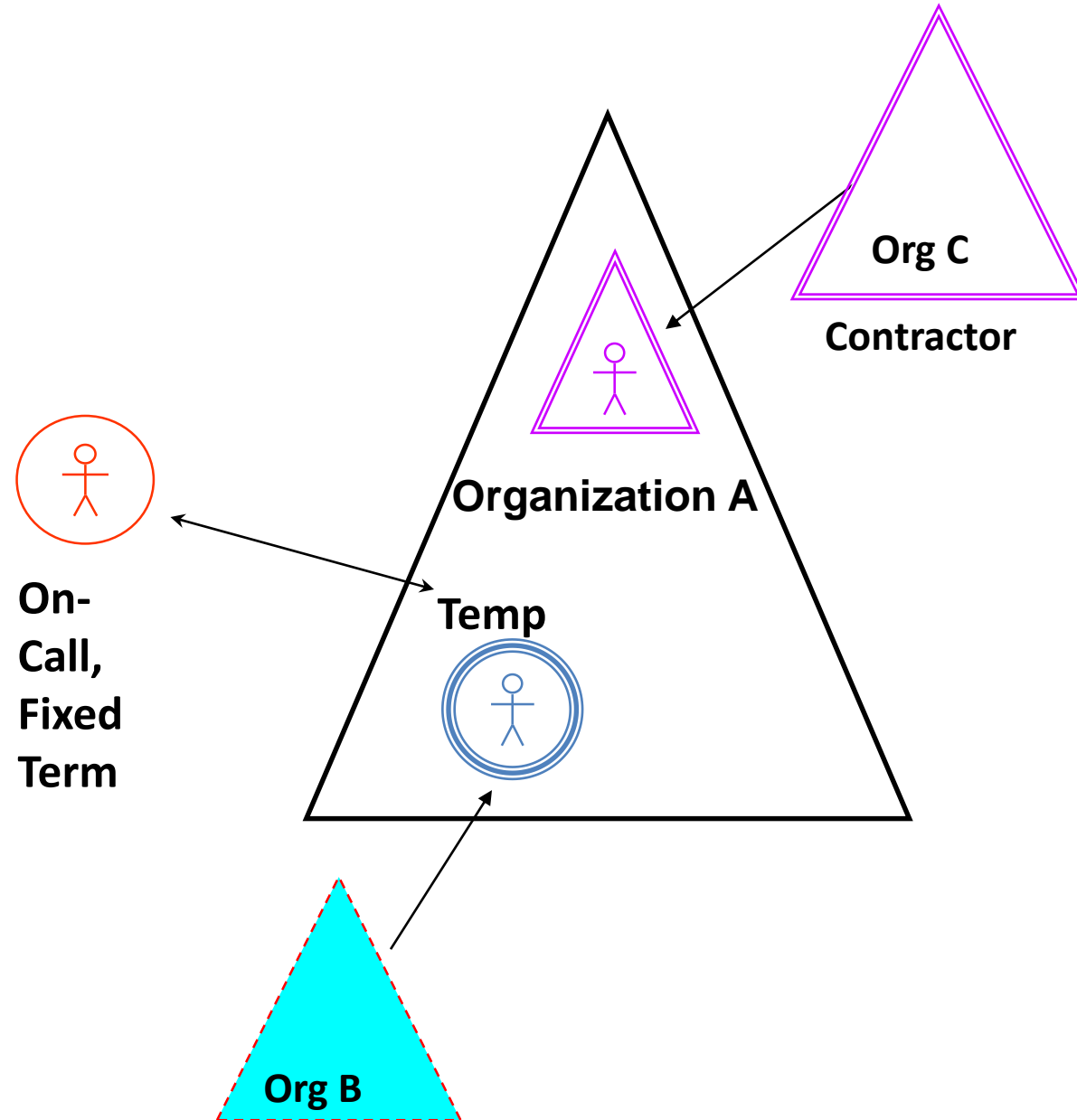


Nonstandard
Work



Shift in Employment Norms

Nonstandard Employment Relations



Countries and Employment/Welfare Regimes (*Rich Democracies*)

➤ **Liberal Market Economies:**



➤ **Coordinated Market Economies:**



➤ **Mediterranean:**



➤ **Productivist:**



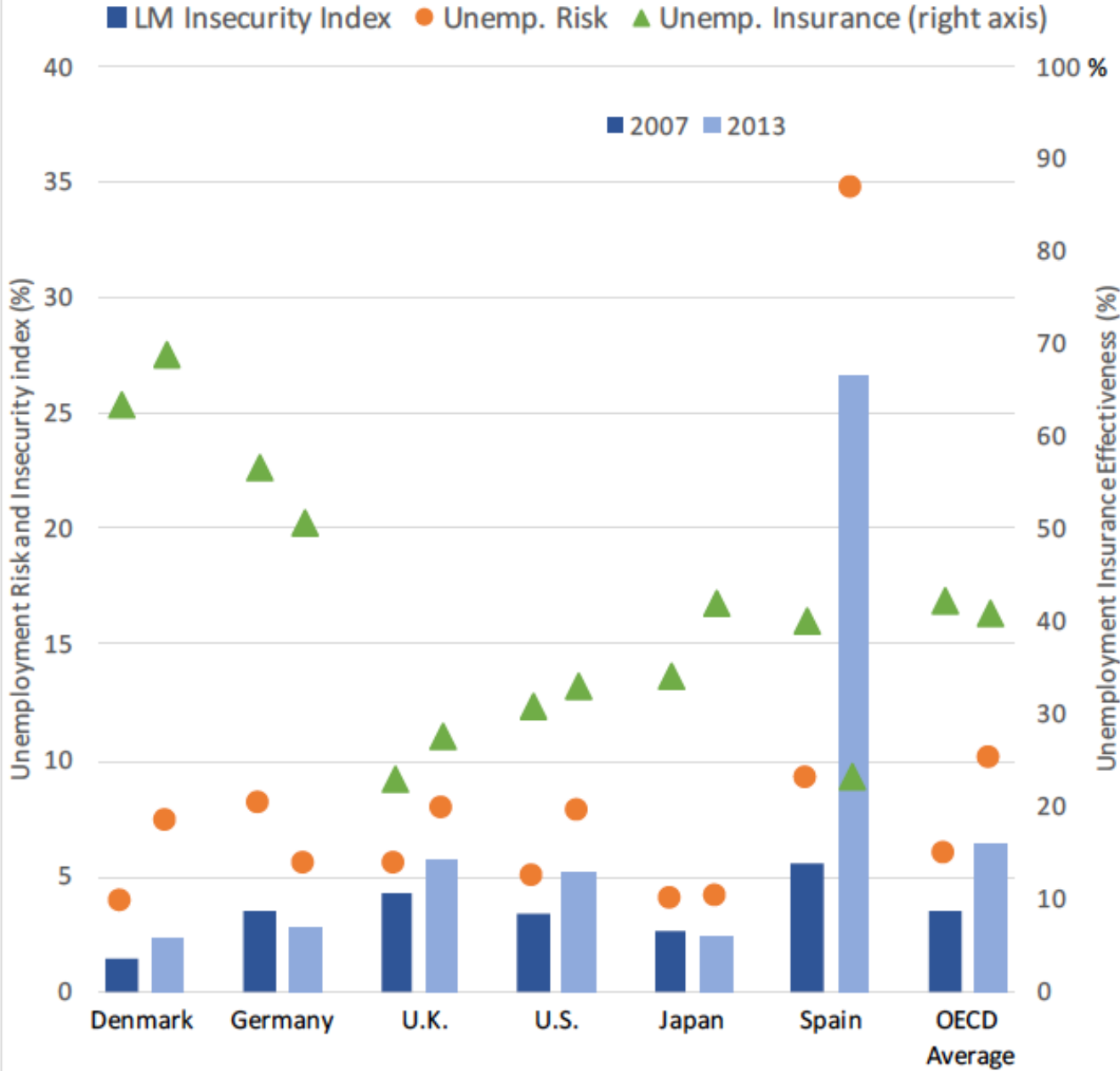
Forms of Liberalization

- **Deregulatory Liberalization** (U.S., U.K)
 - Increased marketization/decline of institutional protections; individualization of risk
- **Dualism** (Germany, Japan, Spain)
 - Growing gaps between regular and nonstandard workers; labor market insiders and outsiders
- **Embedded Flexibilization** (Denmark)
 - Market liberalization, collectivization of risk

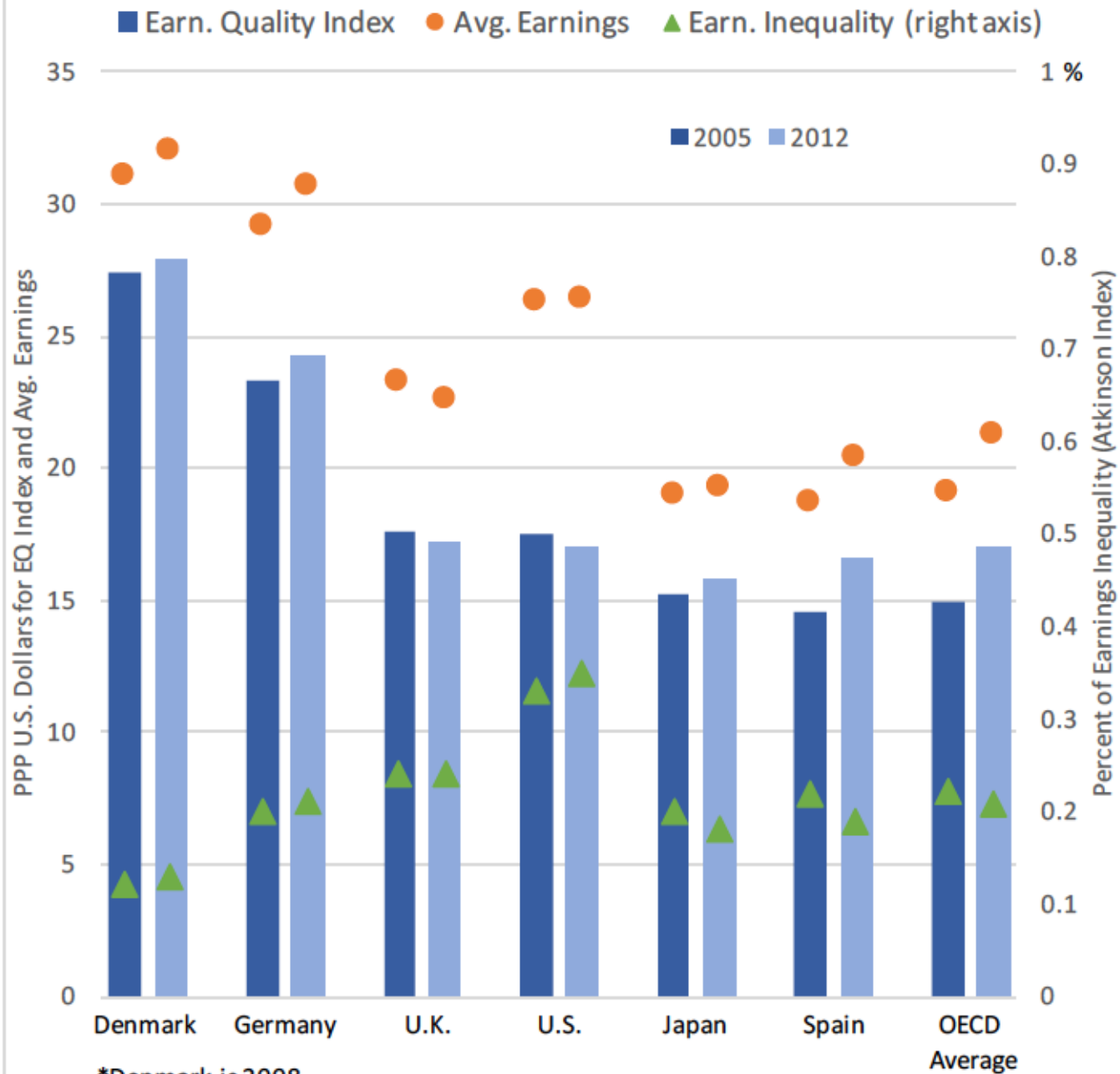
Labor Market and Social Welfare Protection Policies

- **Labor Market Policies**
 - Active Labor Market Policies
 - EPL
- **Generosity of Social Welfare Protections**
 - NRR
- **Workers' Voice**
 - CBC
- **These differ among countries due to:**
 - Politics
 - Unions
 - Economic Climate

OECD Labor Market Insecurity 2007 and 2013

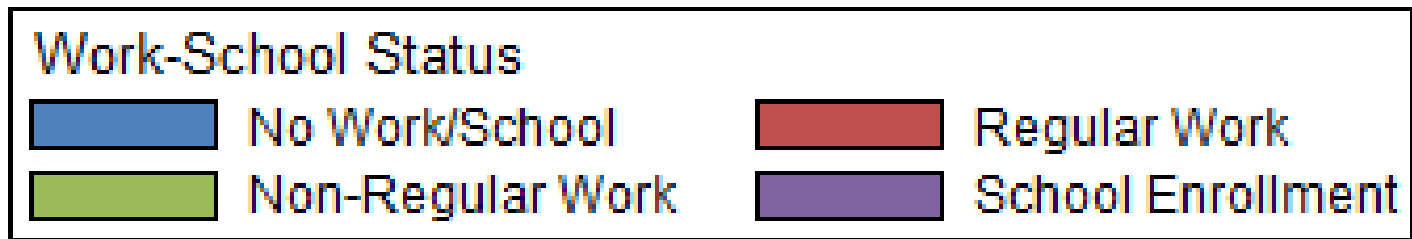
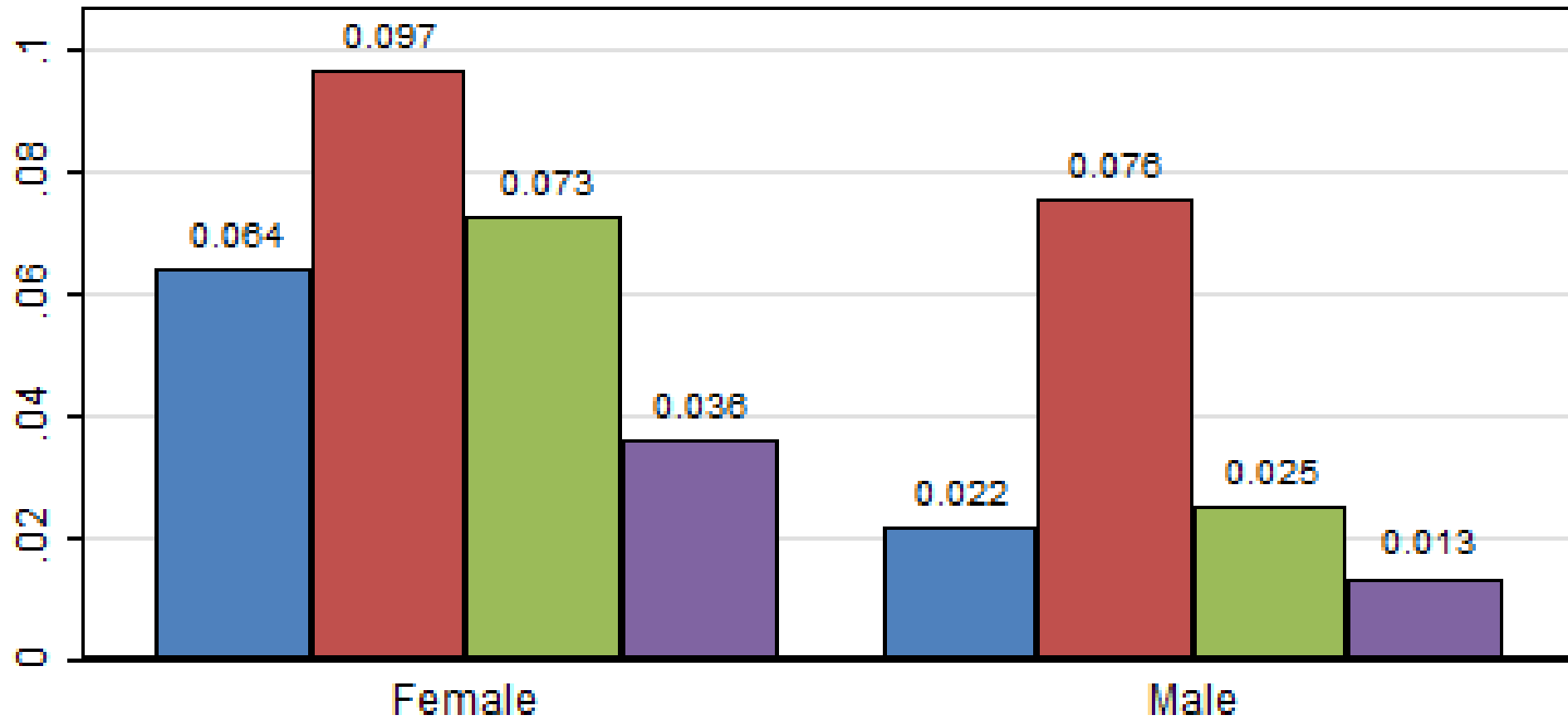


OECD Earnings Quality 2005* and 2012



*Denmark is 2008

Figure 2. Predicted Probability of Marriage over Work-School Measures by Sex

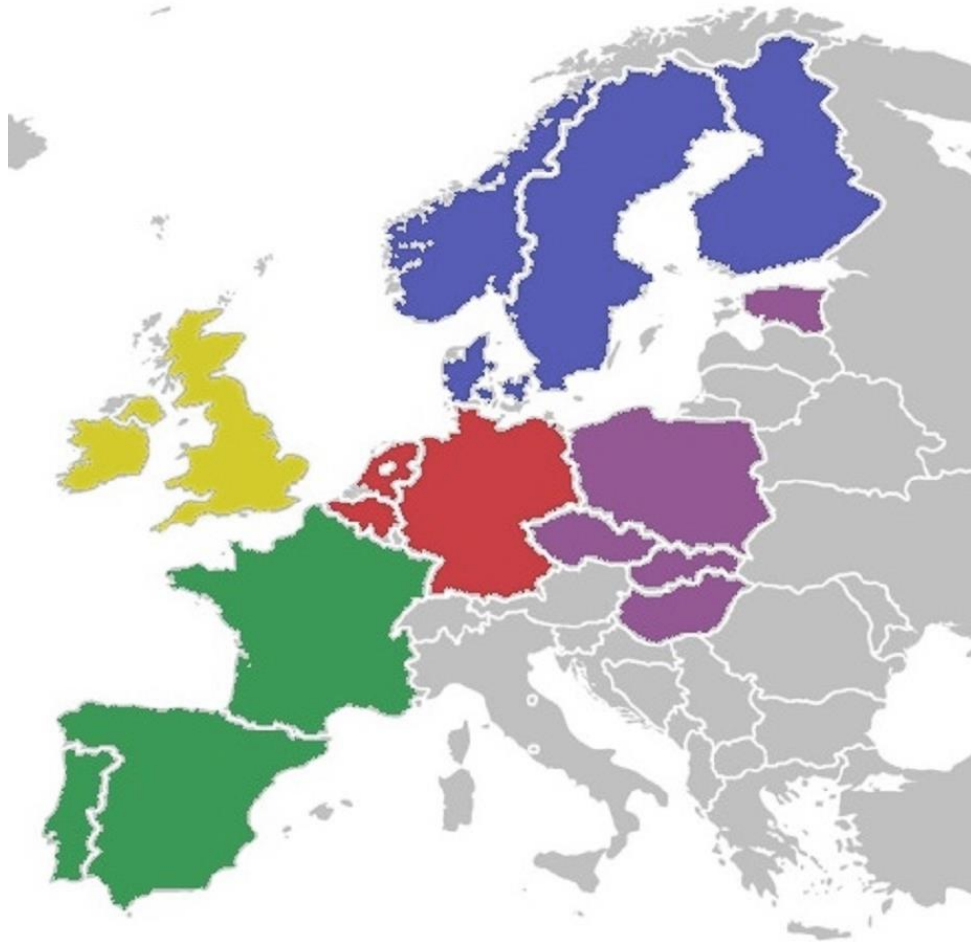


Note: Model also contains controls for school attainment, age, cohabitation, cohort, migration, and data wave

N = 5,485 Males & 4,924 Females

Institutions, Labor Market Insecurity and Well-Being in Europe

(Hande Inanc and Arne L. Kalleberg)



Data and analysis sample:

- European Social Survey R2 and R5 (2004 & 2010)
- Employees, 20-65
- circa 22,700 individuals nested in 17 countries

Methods:

3 level Multi-Level Models

- L1: individuals; L2: countries; L3: data point
- Decompose within and between country variance
- Random-intercept models for institution X crisis

Dependent Variables

Job insecurity: “My current job is secure” (1=Very true, 2=Quite true)(=0), (3=A little true, 4=Not at all true)(=1)

Employment insecurity: “How difficult or easy would it be for you to get a similar or better job with another employer if you had to leave your current job?” (0=extremely easy; 10=Extremely difficult).

Economic security: Perception about respondent’s household’s income: (0=Living comfortably on personal income, 1= Coping on personal income)(=1), (2=Finding it difficult on personal income, 3=Finding it very difficult on personal income.)(=0)

Subjective well-being: Average of: (1) “Taking all things together, how happy would you say you are?” (0=Extremely unhappy, 10=Extremely happy), and (2) “All things considered, how satisfied are you with your life as a whole nowadays?” (0=Extremely dissatisfied, 10=Extremely satisfied)(Cronbach’s alpha = .82).

Institutions, Insecurity and Subjective Well-Being

	Job Insecurity	Employment Insecurity	Economic Security	SWB
Job insecurity		0.59*** (0.04)	-0.42*** (0.05)	-0.27*** (0.02)
Employment insecurity			-0.05*** (0.01)	-0.03*** (0.00)
Economic security				0.87*** (0.03)
<i>Precarious work</i>				
Temporary contract	1.05*** (0.05)	0.00 (0.06)	-0.02 (0.07)	0.02 (-0.02)
Tenure with current employer	-0.02*** (0.00)	0.02*** (0.00)	0.02*** (0.00)	0.00*** (0.00)
Unemployment experience	0.33*** (0.05)	0.45*** (0.06)	-0.37*** (0.07)	-0.18*** (0.04)
<i>Labor market policies</i>				
ALMP+	-0.26** (0.13)	-0.32** (0.13)	0.68*** (.010)	0.28*** 0.08
EPRC	0.36*** (0.11)	0.25* (0.13)	-0.17 (0.14)	-0.14* (0.08)
EPT	-0.28** (0.11)	-0.20 (0.13)	0.21 (0.14)	0.12 (0.09)
Temporary contract*EPRC	-0.02 (0.05)	-0.02 (0.06)	-0.13** (0.06)	0.04 (0.04)
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NRR+	-0.23* (0.13)	-0.21 (0.14)	0.36** (0.14)	0.14 (0.09)
<i>Workers' voice</i>				
CBC rate	-0.22* (0.12)	-0.31** (0.12)	0.50*** (0.12)	0.30*** (0.07)

Note: ESS 2004 and 2010 data pooled. 3 level models. All L1 controls and economic climate macro indicators (unemployment rate and income inequality) controlled. L2 variables entered one at a time.

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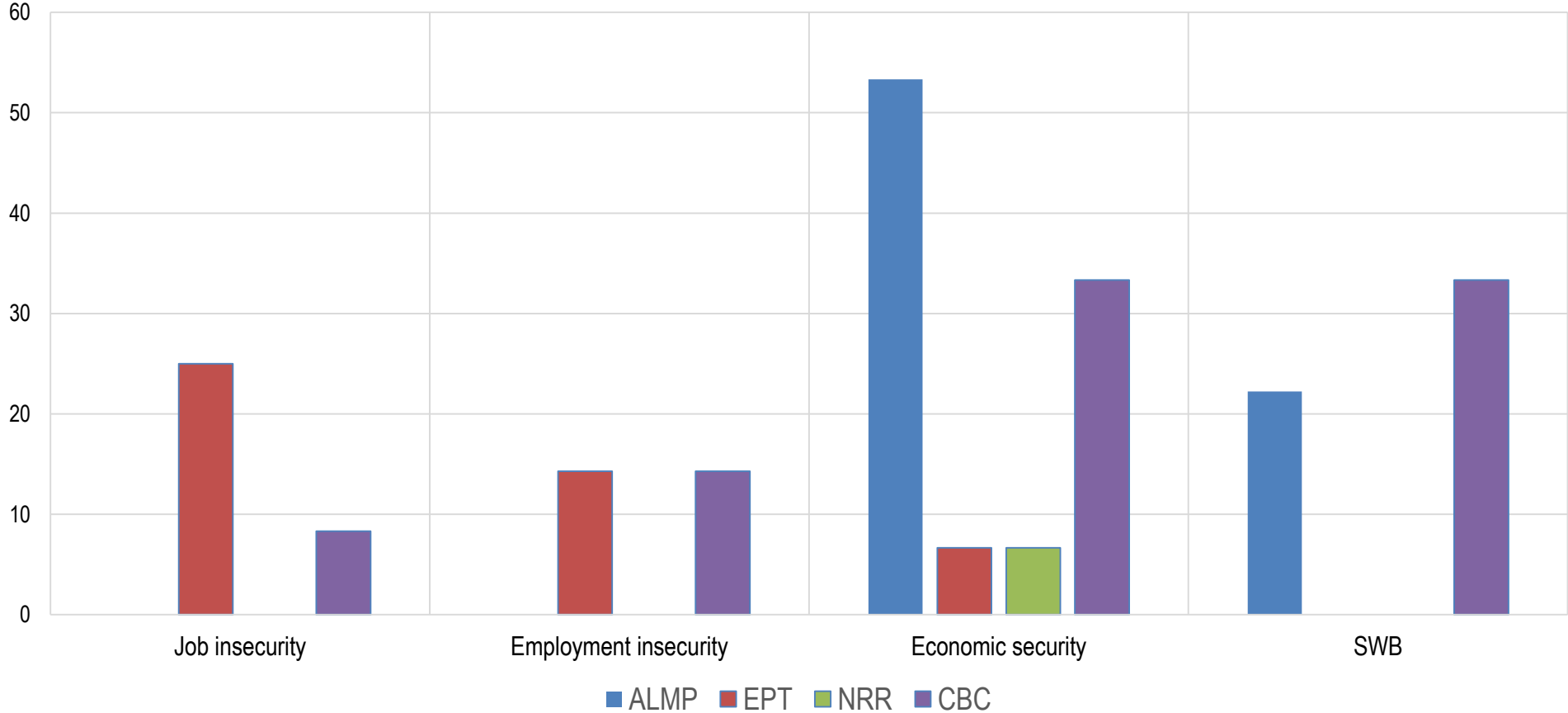
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Reduction in VPC after controlling for individual-level and mecro-economic factors



Summary of Results

- Between-country differences in job (13%) and employment Insecurity (10%), economic security (21%) and SWB (17%)
- ALMPs lower job and economic insecurity, and increase economic security and SWB
- Among temporary workers: higher EPL for permanent contracts increases economic insecurity and lowers SWB, while higher EPL for temporary work increases job insecurity
- Social spending is negatively related to job insecurity and positively related to SWB
- Workers' voice is negatively related to job and employment insecurity among employees, and positively related to economic security and SWB
- Income inequality is unrelated to job and employment insecurity, but is negatively related to economic security and SWB
- Unemployment rate is positively related to job and employment insecurity, and negatively related to economic security and SWB



New Risks Require a New Social and Political Accord

➤ Collectivize Risk

- Social insurance and economic security not tied to employment with a particular employer**

➤ Social Investments in Education and Skills

- Broader Access**
- Retraining, Lifelong Learning**

➤ Revise Labor Laws

➤ Manage Diversity

- Gender, Age, Family, Immigration Status, Race/Ethnicity, Etc.**

Implementing a New Social and Political Contract

➤ Need **government** policy to:

- Provide social protections (health, pensions, economic security, etc.)
- Facilitate education and training systems
- Broker and sustain coalitions between employers and workers
- Balance interests of employers and workers (e.g., via flexicurity)
- **National vs. Local Regions (e.g., communities)** as sites of policy implementation (e.g., Principle of *Subsidiarity*).

➤ Need greater solidarity among **organized labor and social movement and political organizations**

➤ Need greater sense of social responsibility/concern by large and small **businesses.**

Possible Future Scenarios

➤ **Dystopian**

- Weak economic growth
- Continued expansion of **BJ** and Precarious Work (Low pay, poor benefits insecurity, dead-end jobs, scheduling uncertainty); “Uberization” of economy
- Continued increase in Inequality

➤ **Utopian**

- Decoupling of social protections and income from paid work
- Expansion of **GJ**, perhaps fueled by revival of local areas as loci of economic activity
- Moving beyond “work” as an economic activity