

Subjective Well-Being of Atypically Employed across Europe

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Problem and Motivation

- In the end of 20th century the economic changes and value transition lead to a lot of deviations from standard labor relationships
- Non-standard contracts (part-time, self-employed, seasonal work, daily work, casual work,) are very widespread now.
- Previous research proved that in many cases atypical employment means low qualified work, lower wages, lack of social benefits and guarantees, ends up in feeling of inferiority and uncertainty in the future (Houseman, 2001; Kalleberg et al., 2000; Guell, 2000; Booth et al., 2002; Lindbeck & Snower, 2002).
- We assume that subjective well-being depends to large extent on work a person has.



Does the type of employment contribute to subjective well-being?

Are there any countries' difference in this?

ILO and OECD Terms and Definitions

- **Temporary employment** – labor contract of limited or specified duration with no guarantee of continuation.
- **Informal employment** – includes all remunerative work (i.e. both self-employment and wage employment), that is not registered, regulated or protected by existing legal or regulatory frameworks, as well as non-remunerative work undertaken in an income-producing enterprise. Informal workers do not have written employment contracts.
- **Part-time employment** – employment on a regular and voluntary basis for hours substantially shorter than the standard hours (less than 29 hours).
- **Self-employment** – jobs where remuneration is directly dependent upon profits, and incumbents make operational decisions or are responsible for the welfare of the enterprise. Not hired employment.

Literature Review

Independent Variables	Dependent Variables	
	Job Satisfaction	Life Satisfaction
Part-time	- (Bardasi & Francesconi 2004)	- (Brereton, Clinch & Ferreira 2008)
Self-employment	+ (Andersson 2008) + (Binder & Coad 2013)	+ (Binder & Coad 2013) + (Andersson 2008)
Control Variables		
Age	+ (Binder & Coad 2013)	+ (Binder & Coad 2013)
Gender (Male, bc=female)	- (Green, Kler & Leeves 2010)	- (Brereton et al. 2008)
Lower secondary/Junior high school (bc=Primary)		+ (Brereton et al. 2008)
Upper secondary/Senior high school (bc=Primary)		+ (Brereton et al. 2008)
Degree (bc=Primary)		+ (Brereton et al. 2008)
Married (bc=Single)	-(Marital status, cv=Married; Green, Kler&Leeves 2010)	+ (Brereton et al. 2008)
Co-habiting (bc=Single)		- (Brereton et al. 2008)
Widowed (bc=Single)		- (Brereton et al. 2008)
Separated and Divorced (bc=Single)		- (Brereton et al. 2008)
1 Child in the household (bc=no children)		+ (Brereton et al. 2008)
2 Children in the household (bc=no children)		- (Brereton et al. 2008)
3 or more children in the household (bc=no children)		- (Brereton et al. 2008)

Contribution of the paper

- Evaluation of the impact of four types of non-standard employment
- Broad range of European countries
- Taking into consideration macro-indicators of the rigidness of the labor market (EPL, long-term unemployment rate) and testing the interaction effect on countries level

Hypotheses on Individual Level

H₁. Informal and temporary employment negatively affect subjective well-being, because workers have no guarantees and social benefits and because of uncertainty in future.

H₂. Self-employment positively affects subjective well-being, because workers are more independent in their job and show their creativity.

H₃. Part-time employment positively affects subjective well-being mainly through women's subjective well-being, because it allows them to combine work and family care.

Hypothesis on the Country Level

Countries differ in labor market regulations (strictness or openness)



Strong overregulation leads to the increase of atypical employment



If we assume that atypical employment (in particular, informal and temporary) negatively affects subjective well-being, so that general well-being of employed in the country will be lower



H₅. The stricter the labor law is the lower subjective well-being of temporary and informally employed is.

Database and Key Variables

European Social Survey 2010

- Sample size (19 605) – only employed
- 20 countries

Main dependant variable:

Subjective well-being (SWB) is the sum of

- Life satisfaction – 11-point scale
- Happiness – 11-point scale

Compendium of OECD well-being indicators. 2011.
(<http://www.oecd.org/std/47917288.pdf>)

Independent Variables

Individual level

- temporary
- informal
- part-time
- self-employed

Control: gender, education, age, living in a big city, household income, marital status, children,

Country level

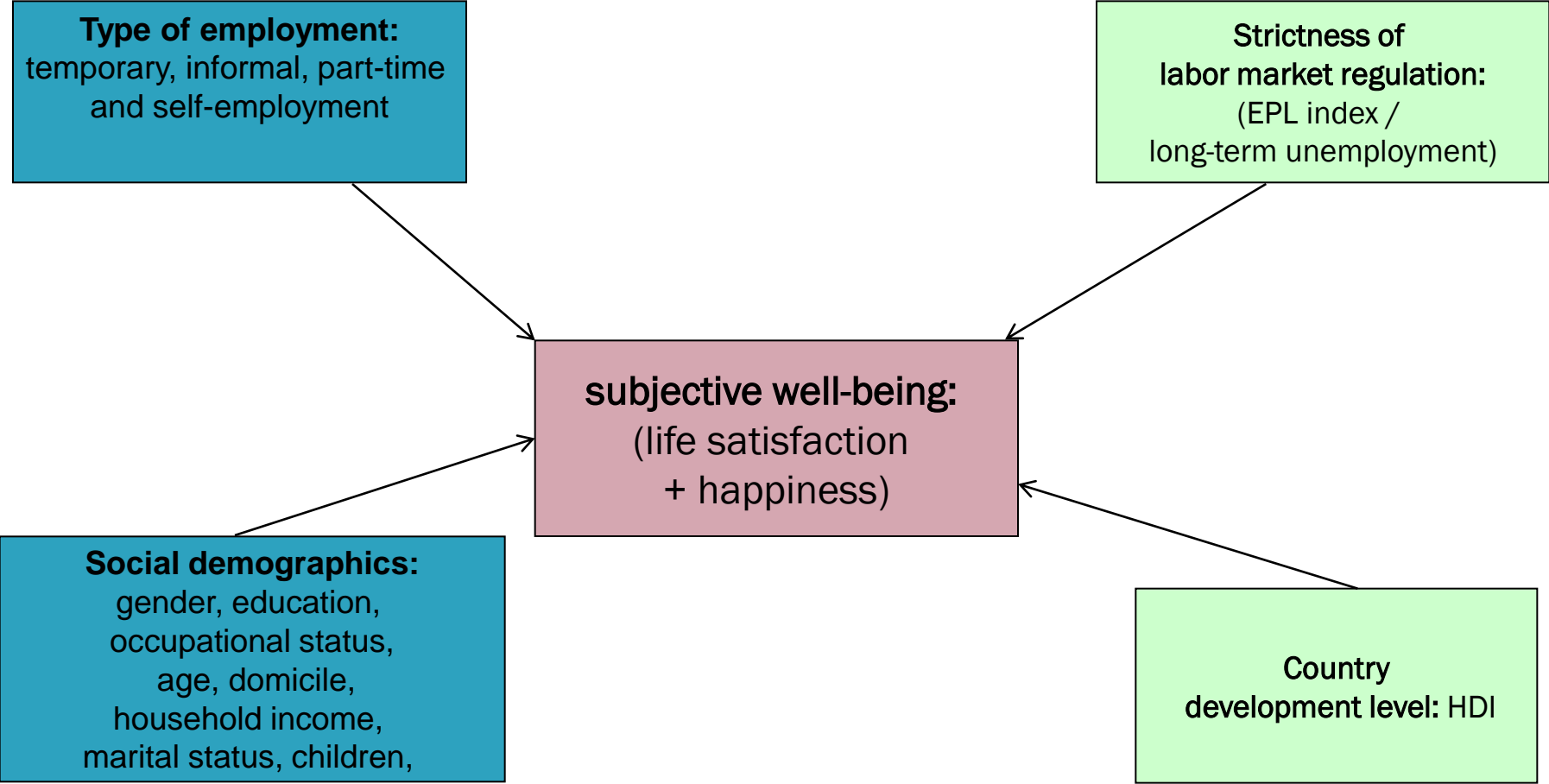
- EPL (produced by OECD, ranking from 0 to 6 based on evaluation of individual dismissal of workers with regular contracts, additional costs for collective dismissals and regulation of temporary contracts)
- Long-term unemployment rate (% of total unemployment)

Control: HDI

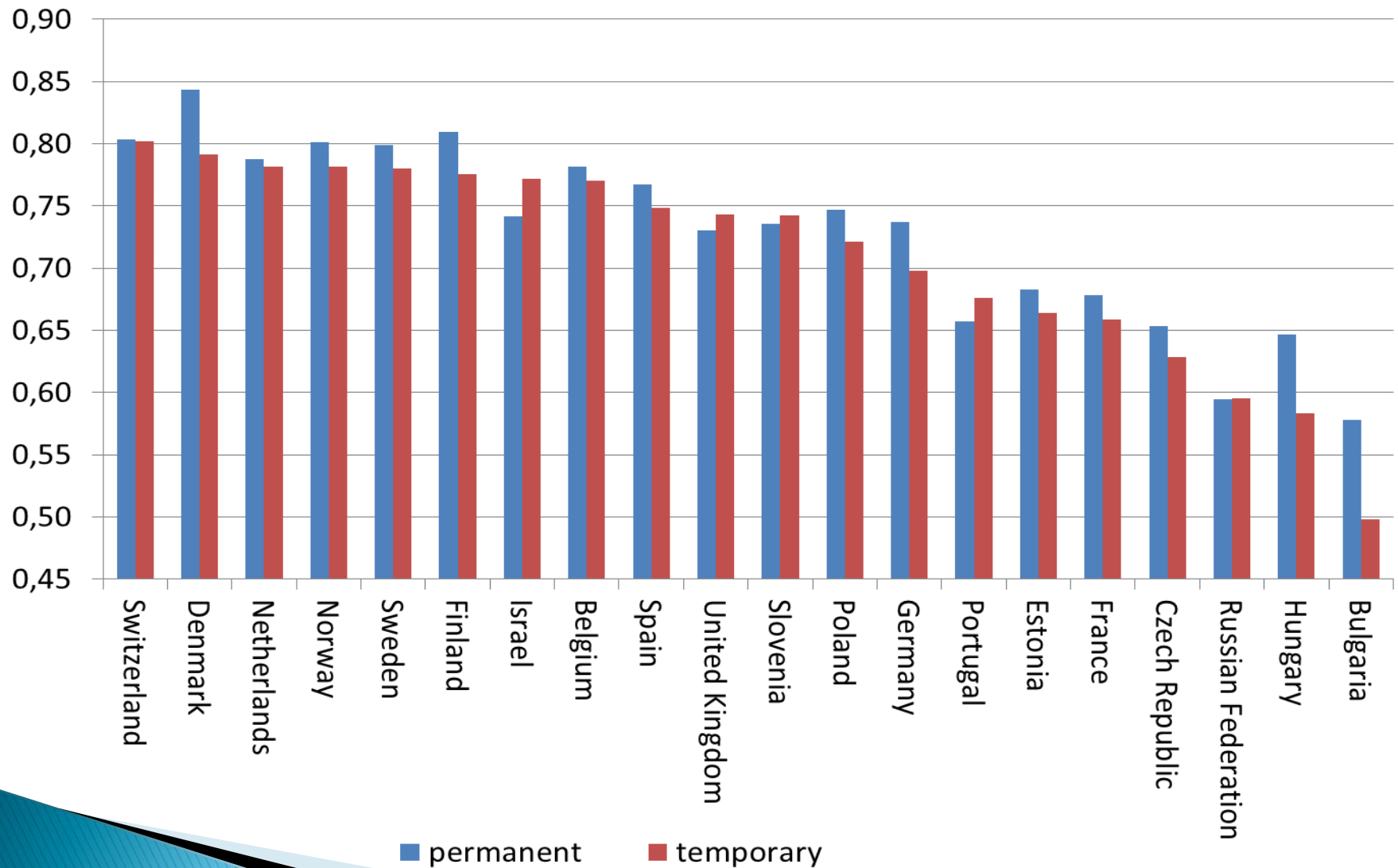
Countries

1. Belgium
2. Bulgaria
3. Switzerland
4. Czech Republic
5. Germany
6. Denmark
7. Estonia
8. Spain
9. Finland
10. France
11. United Kingdom
12. Hungary
13. Israel
14. Netherlands
15. Norway
16. Poland
17. Portugal
18. Russian Federation
19. Sweden
20. Slovenia

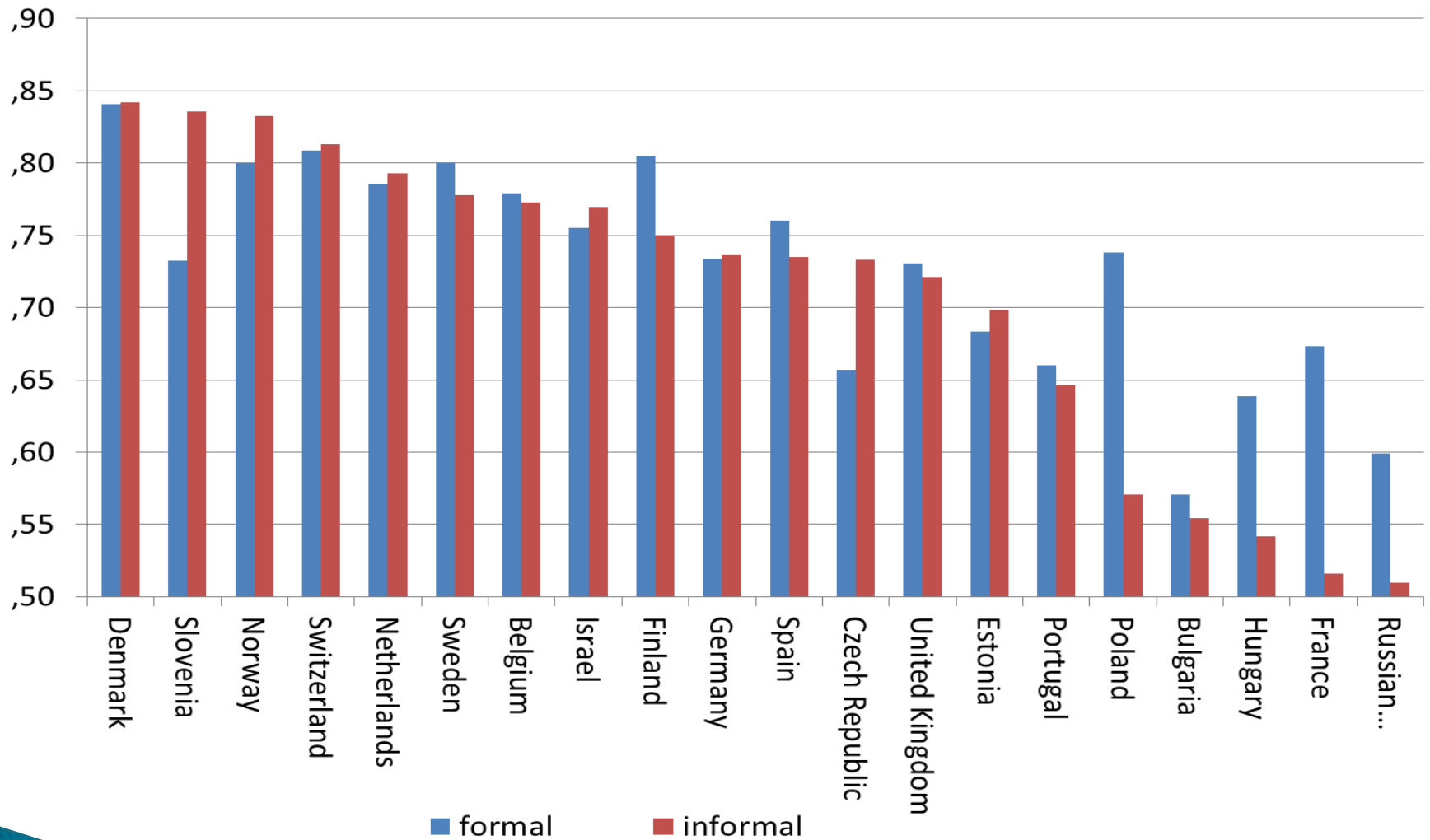
Basic Model



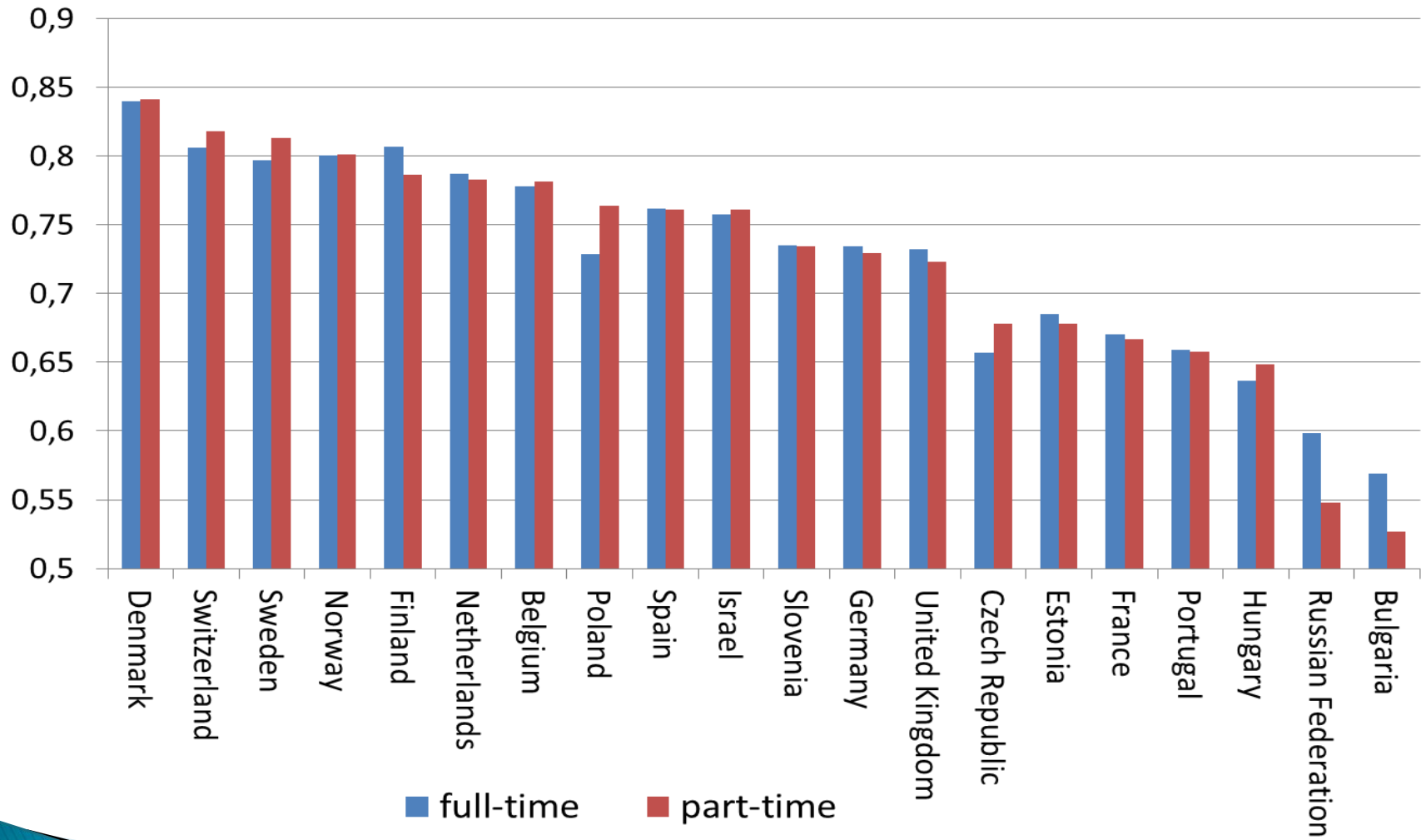
SWB of permanent and temporary employed



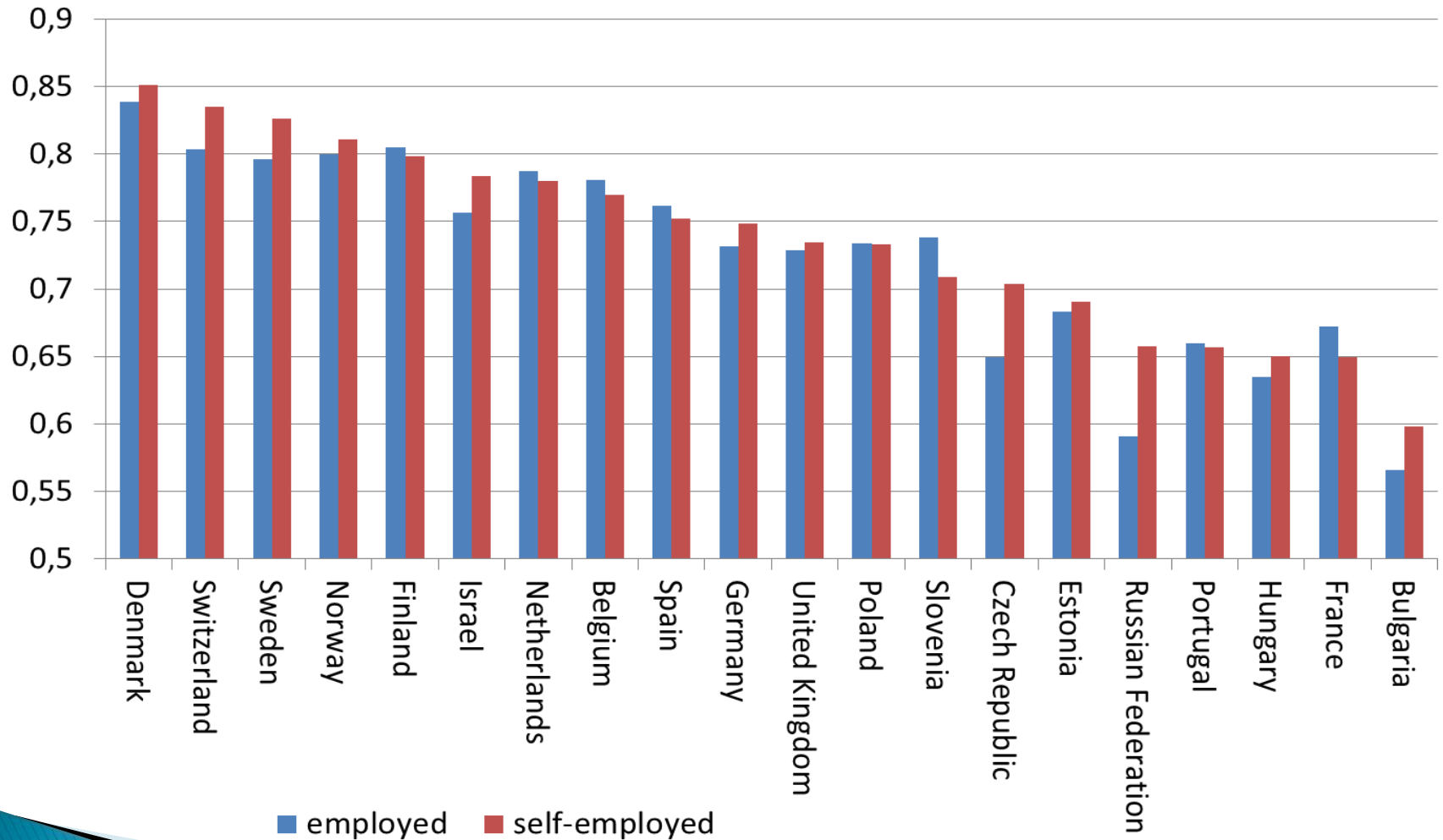
SWB of formally and informally employed



SWB of full-timers and part-timers



SWB of Hired and Self-employed



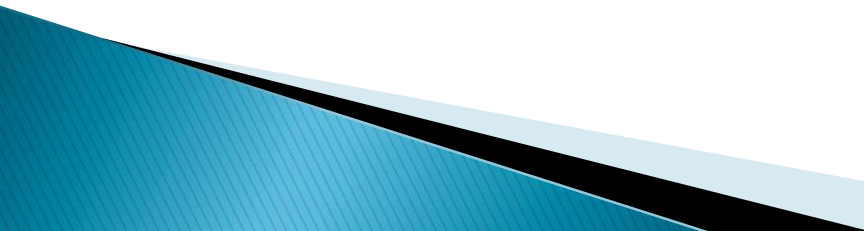
Zero model (without country differences), OLS

SWB	1	2	3	4
Temporary	-0.009484*			
Informal		0.01099*		
Part-time			0.01518***	
Self-employed				0.007033*
N	13999	16897	16098	17104
R2	0.206	0.202	0.198	0.220

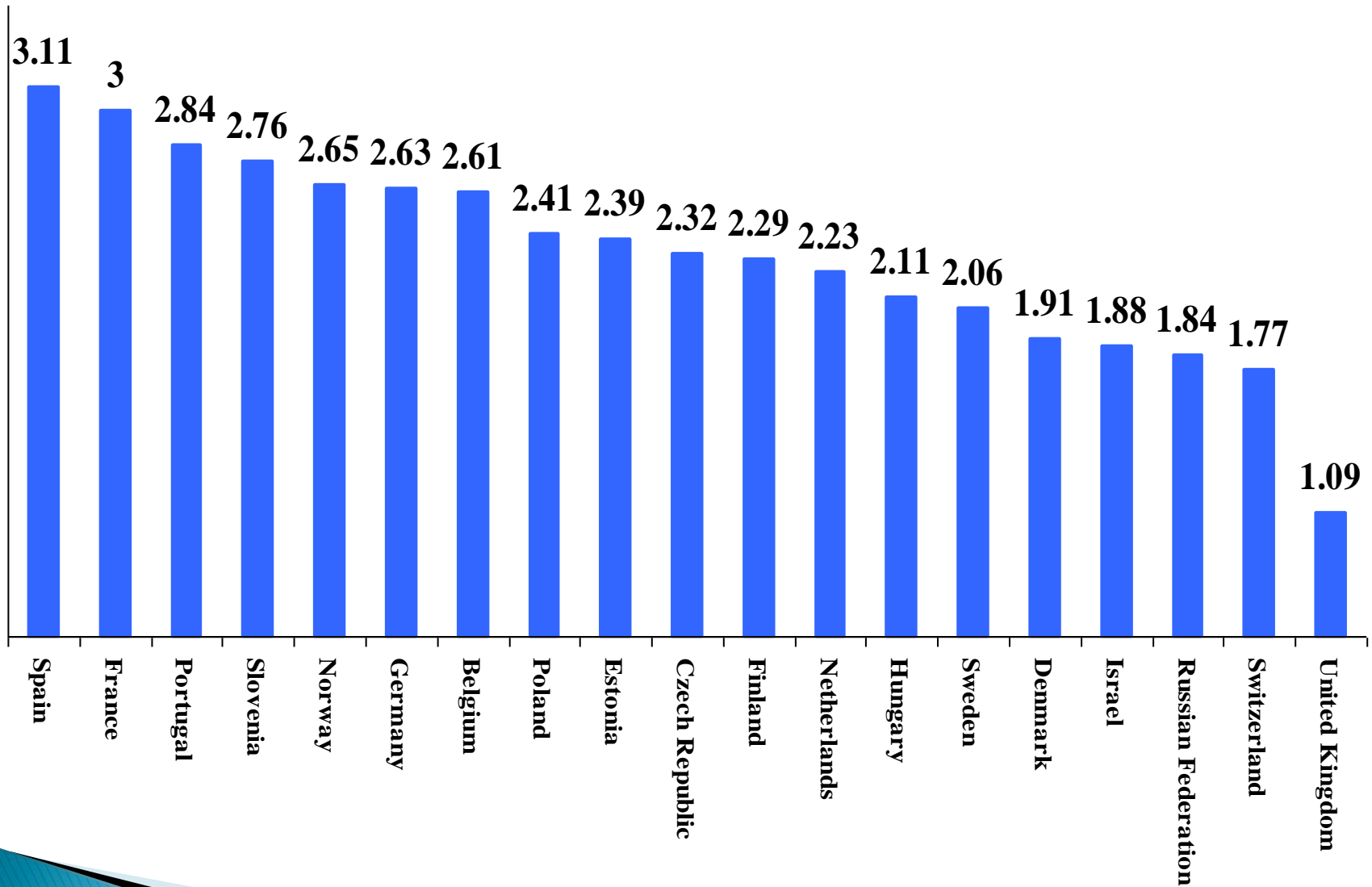
Coefficients in OLS–regression models. Individual level indicators

	Specification 1	Specification 2	Specification 3	Specification 4
Intercept	0.6716***	0.6545 ***	0.6597***	0.6663***
<i>temporary</i>	<i>-0.009484*</i>			
<i>informal</i>		<i>0.01099*</i>		
<i>part-time</i>			<i>0.01518***</i>	
<i>self-employed</i>				<i>0.007033*</i>
R ² adjusted	0.2067	0.2026	0.1976	0.1996
N	13999	16897	16098	17104

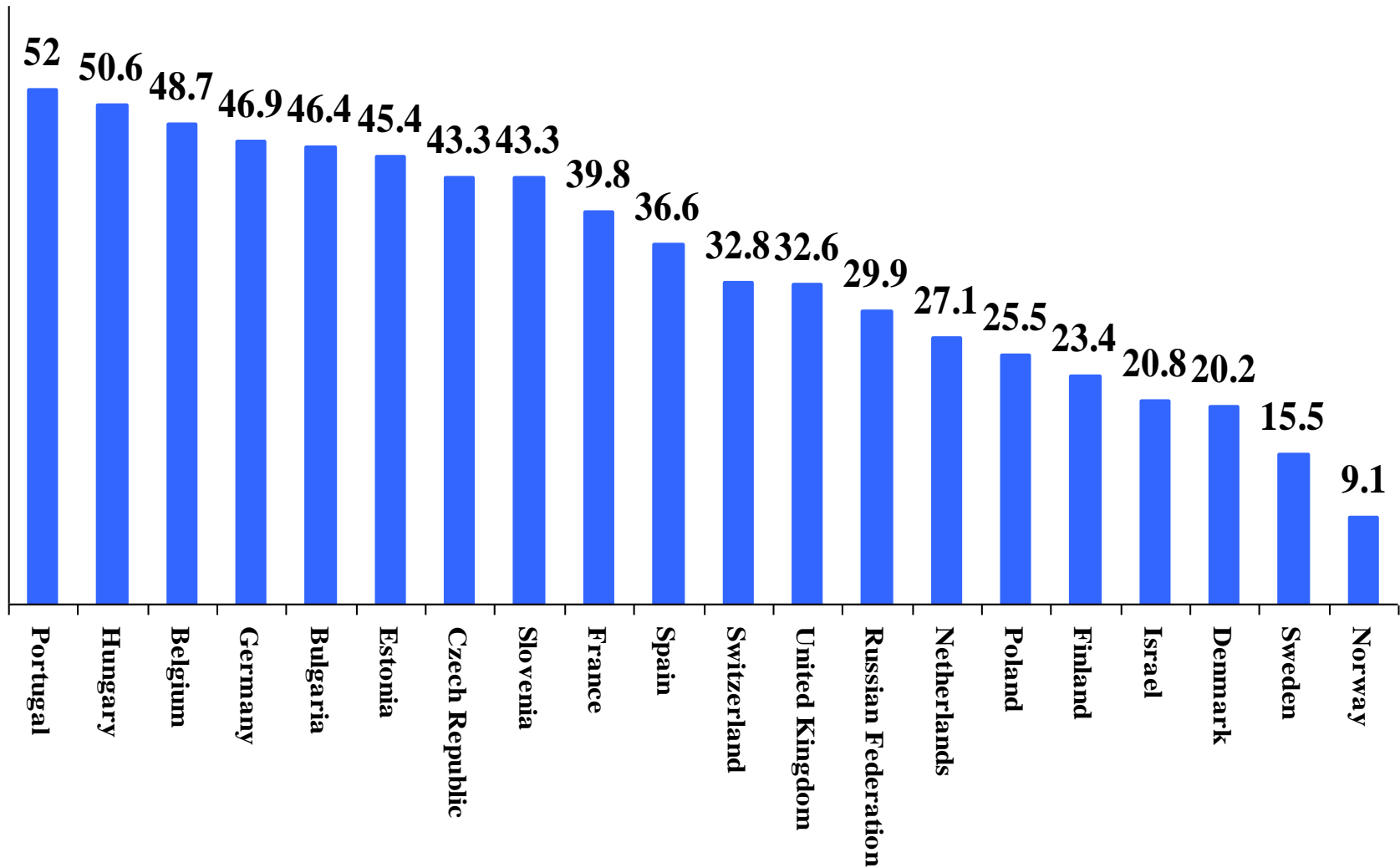
Control variables

- Occupational status: managers and professionals (+), technicians and associate professionals, and workers (+), Agricultural craft and plant workers (not significant)
 - Male (-)
 - Income group (4 dummies) (+)
 - Age (-)
 - Age squared (+)
 - Education (3 dummies) (lower and middle) (-)
 - Married (+)
 - Living with children (+)
 - Living in big city (-)
- 

EPL (2008)



Long-term unemployment (2010)



OLS regression models (with EPL and HDI)

	Specification 1	Specification 2	Specification 3	Specification 4
intercept	0.2298***	0.1875***	0.2019***	0.1852***
<i>temporary</i>	<i>-0.01019*</i>			
<i>informal</i>		<i>0.00277</i>		
<i>part-time</i>			<i>0.0009587</i>	
<i>self-employed</i>				<i>0.007338*</i>
HDI	0.6163***	0.6539***	0.6471***	0.6678***
<i>EPL</i>	<i>-0.01854***</i>	<i>-0.02210***</i>	<i>-0.02319***</i>	<i>-0.02295***</i>
R2	0.2324	0.2327	0.2246	0.2302
N	13997	16895	16096	17102

OLS regression models (with long-term unemployment rate and HDI)

	temporaly	informal	part-time	self-employed
intercept	0.3020***	0.2679***	0.2966***	0.2699***
<i>temporary1</i>	<i>-0.01199**</i>			
<i>informal</i>		<i>0.003507</i>		
<i>part-time</i>			<i>0.003966</i>	
<i>self-employed</i>				<i>0.00753*</i>
HDI	0.5170***	0.5390***	0.55127***	0.5447***
<i>Long-term unemployment</i>	<i>-0.00093***</i>	<i>-0.001033***</i>	<i>-0.001119***</i>	<i>-0.001088***</i>
R2	0.2336	0.258	0.2256	0.2311
N	13997	17978	16096	17102

Control variables

- HDI (+)
- Male (-)
- Income group (4 dummies) (+)
- Age (-)
- Age squared (+)
- Education (3 dummies) (lower and middle (-))
- Married (+)
- Living with children (+)
- Living in big city (-)

OLS regression model with interaction effect (for self-employed)

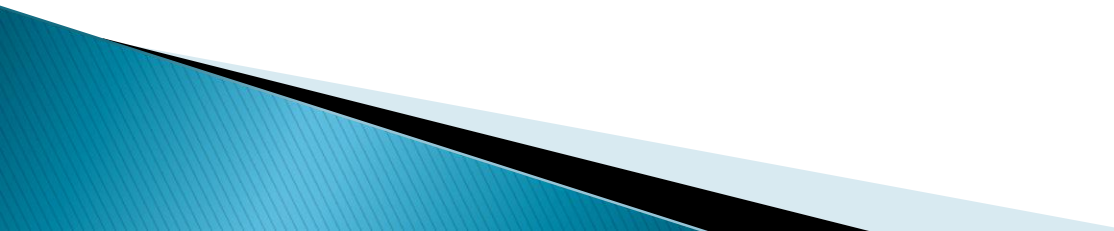
	Specification 4
intercept	0.2672***
self-employed	0.03096**
HDI	0.5475***
<i>lt_unempl_rate</i>	<i>-0.001007***</i>
<i>lt_unempl_rate*self-employed</i>	<i>-0.0006693*</i>
R2	0.2313
N	17101

Findings

Our **hypothesis 1** about the negative effect of temporary $\phi\phi\tau\beta$ informal employment upon subjective well-being has been confirmed. Temporary employed feel less secure in their future in their jobs. Informal employment positively affects subjective well-being although this effect blends with the addition of macro-variables. It could be due to lower share of informally employed.

The **hypothesis 3** concerning the part-time employment was partly supported. Part-time employment has a positive effect upon subjective well-being and it mostly concerns the well-being of women.

The **hypothesis 4** about self-employment was supported. Self-employed are happier than hired. This could be explained by a higher on-the-job freedom and independence of self-employed.



Findings

- The strictness of the labor market regulation affects SWB: the higher is EPL and long-term unemployment rate, the lower is SWB in the country
- The effects of **temporary and self-employment** remain **significant**, while informal and **part-time employment** become **insignificant**
- The only significant **interaction effect** concerned the **self-employed**. In the countries with higher long-term unemployment rate self-employed are less happy than in countries with more flexible labor market legislation

Findings

Why is the effect of employment type on subjective well-being weak but significant?



- With the spread of self-expression values the role of job in person's life is weaker
- Non-standard employment is a way to realize other preferences in job besides income maximization (on-the-job freedom, more free time, interesting activity)

**Thank you for your attention
and comments!**