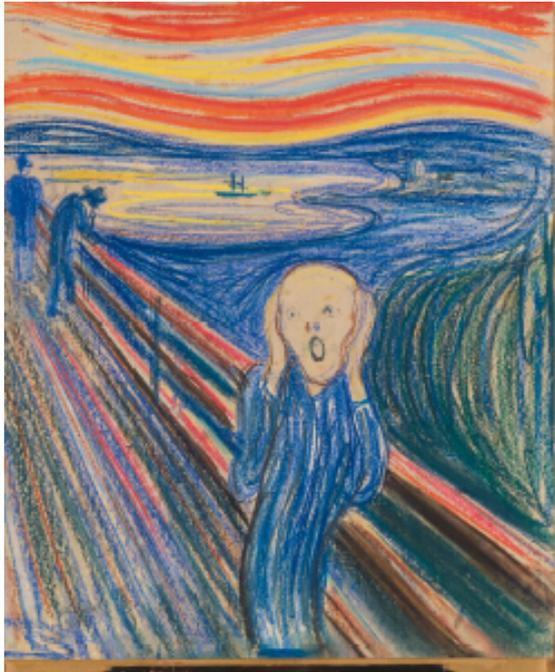


The Perils of Precarity: The Impacts of Precarious Work on Individuals and Families in Comparative Perspective



Arne L. Kalleberg
University of North Carolina at Chapel Hill

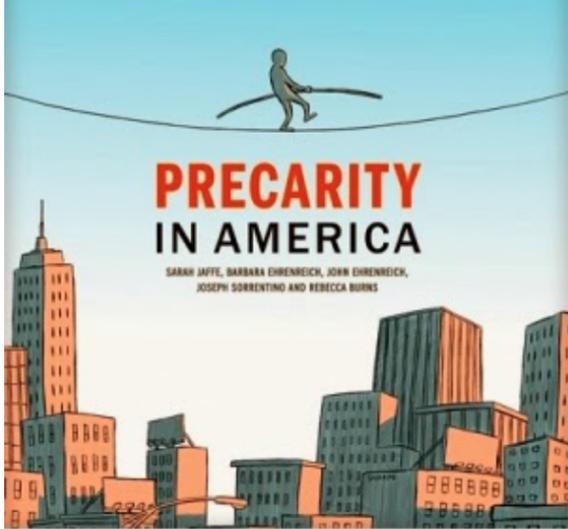
**4th Annual LCSR International Conference
Saint-Petersburg, Russia
November 13, 2014**

Overview

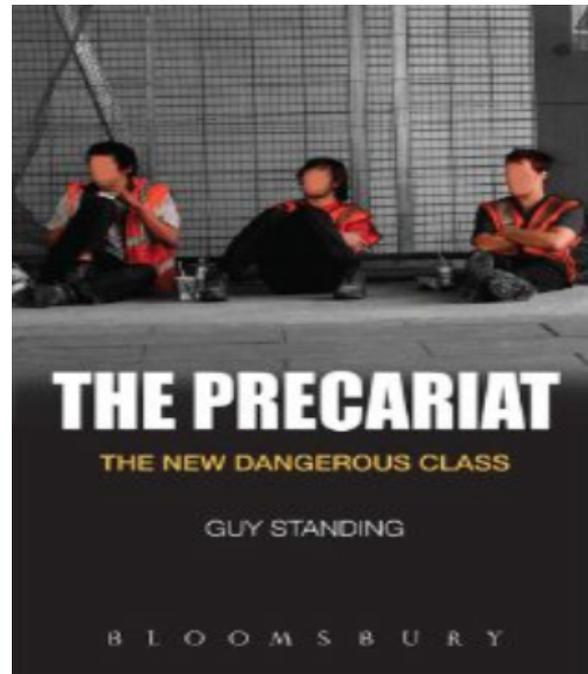
- The Growth of Precarious Work
- Consequences of Precarious Work
 - Job Insecurity
 - Economic Insecurity
 - Transition to Adulthood
 - Family Formation
 - Personal Well-Being
- Confronting Precarity: Policies and Prospects

Precurity

- An existence characterized by lack of predictability or security
- Social precarity: Social isolation and exclusion from institutions (used especially in Europe)
- Increasingly used to describe consequences of neoliberal policy & decline of 20th century social contracts
- Sources of precarity in 21st century
 - Terrorism, Wars and Political Conflict
 - Climate Change
 - Rapid Technological Change
 - **Work**
 - Etc.



In These Times, January 2014



"America the Anxious",
Newsweek August 2012



Precarious Work

➤ Work that is:

- Insecure
- Uncertain
- Risks borne by workers
- Limited income and benefits
- Little potential for better jobs

➤ *Examples:*

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

Increase in Precarious Work: *Evidence for the U.S.*

(and for many other industrial countries)

- Growing importance of nonstandard work arrangements (temporary work, outsourcing, independent contractors)
- Decline in employer tenure (esp. among older white men)
- Weakening of firm internal labor markets
- Some evidence of increase in job displacement (esp. for white-collar workers and prime-age males)
- Risk shifting: defined benefit → defined contribution pension plans

Polanyi's "Double Movement"

Flexibility



Security

1800

Market Mechanisms

Uncertainty

1930

Social Contract

Relative Certainty

1975

Market Mechanisms

Uncertainty

2014

A New Social Contract???



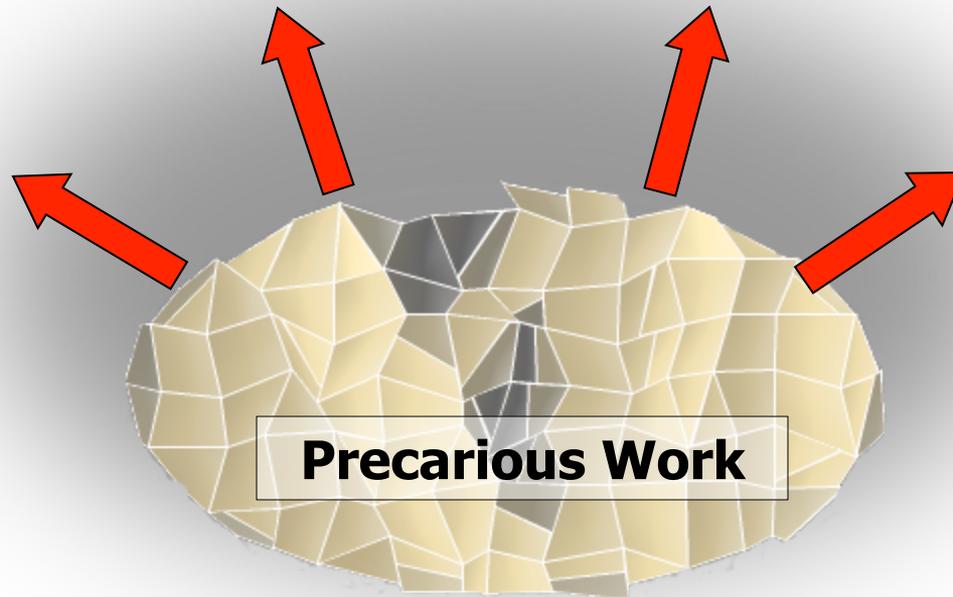
Consequences of Precarious Work

**Family
Formation**

**Individual
Well-Being**

**Economic
Insecurity**

**Community
Outcomes**



COUNTRY DIFFERENCES

Country Differences

- Active & Passive Labor Market Policies
- Degree of Employment Protections
- Generosity of Social Welfare System (Degree of Decommmodification)
- Education and Skills Acquisition
- Prominence of Male-Breadwinner, Female-Homemaker Model
- Cultural Factors (Family, Religion, etc.)

5 Countries

➤ **United States**



➤ **United Kingdom**



➤ **Japan**



➤ **Germany**

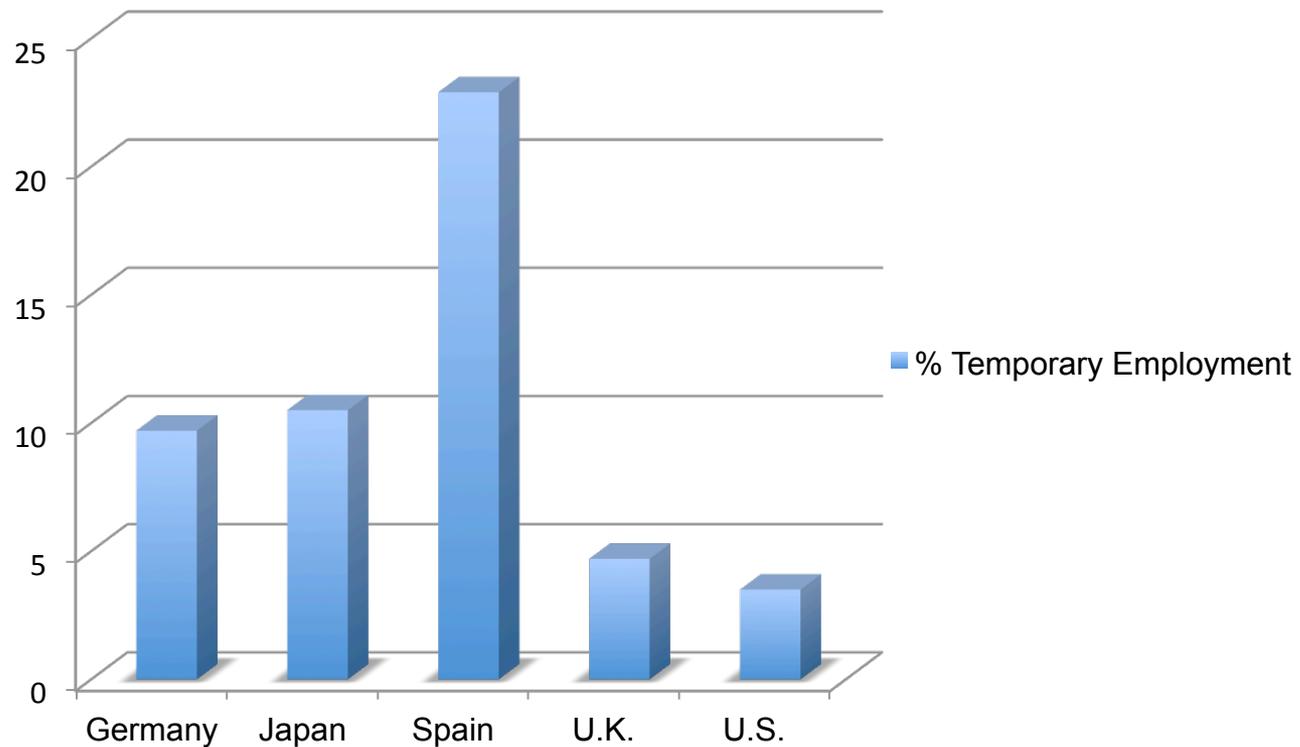


➤ **Spain**



	US	UK	Japan	Germany	Spain
Labour Market Policies					
Active: % GDP Spent on retraining	0.05	0.03	0.04	0.27	0.17
Passive: % of GDP spent on unemployment insurance	0.24	0.18	0.38	1.89	1.39
Employment Protection					
Regular Workers	0.17	1.12	1.87	3	2.46
Temporary Workers	0.25	0.38	1	1.25	3.5
Collective Bargaining Coverage	13.7	34.9	16.58	63.5	88
Welfare State Typology (Esping-Andersen, revised)	Low regulation, non-familialist, liberal welfare state	Low regulation, non-familialist, liberal welfare state	Productivist, Medium to high regulation, familialist, social insurance welfare state	Medium to high regulation, familialist, social insurance welfare state	Medium to high regulation, familialist, social insurance welfare state
% GDP Spent on Social and Welfare Programs	19.84	23.84	22.3	27.12	26.69
Women's LFPR (25-64)	71.63	70.92	63.91	71.18	61.5

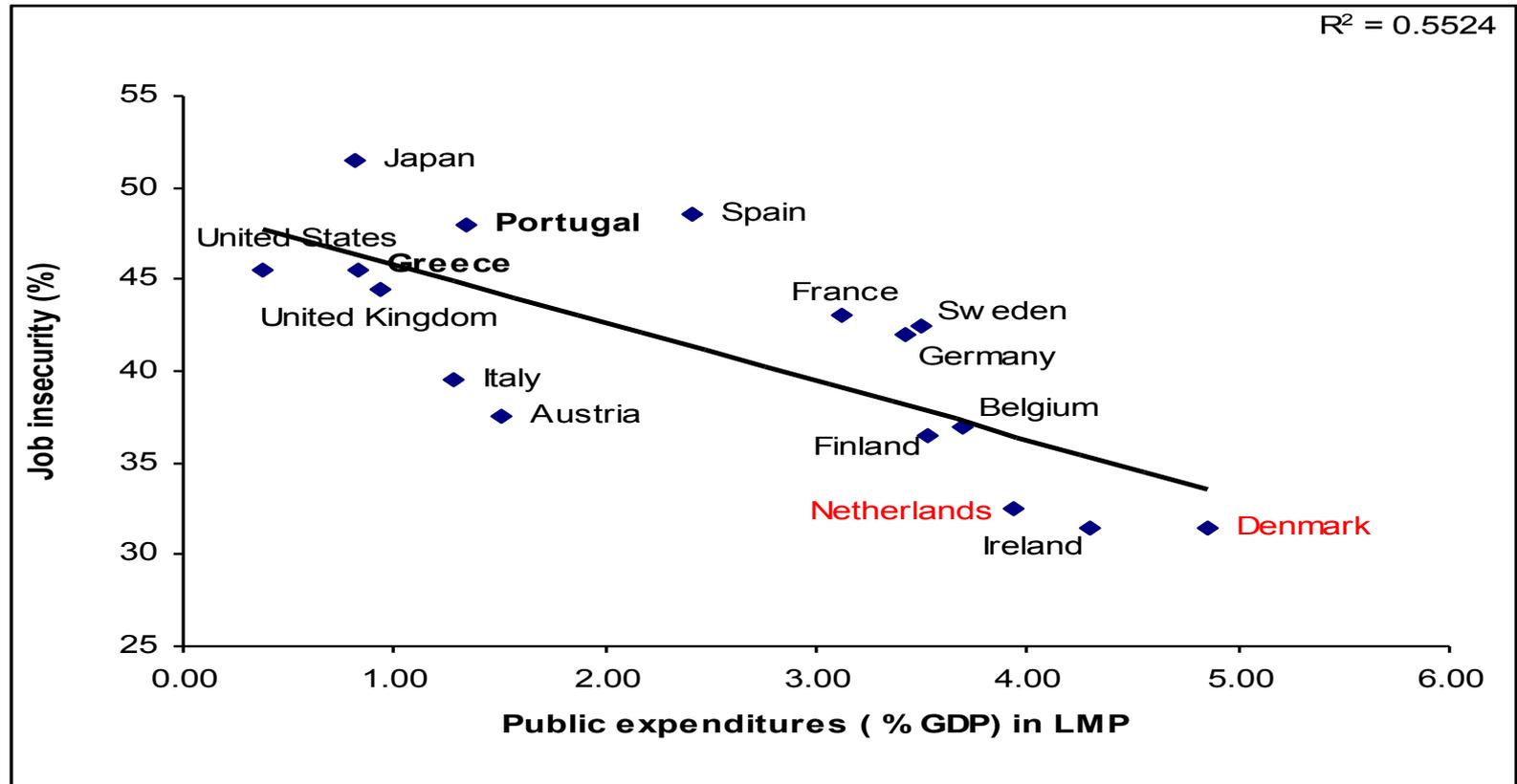
% Temporary Employment



OECD, % of Dependent Employment (Ages 25-55; 2012 data except for U.S.--2005)

Labor Market Policies and Job Insecurity

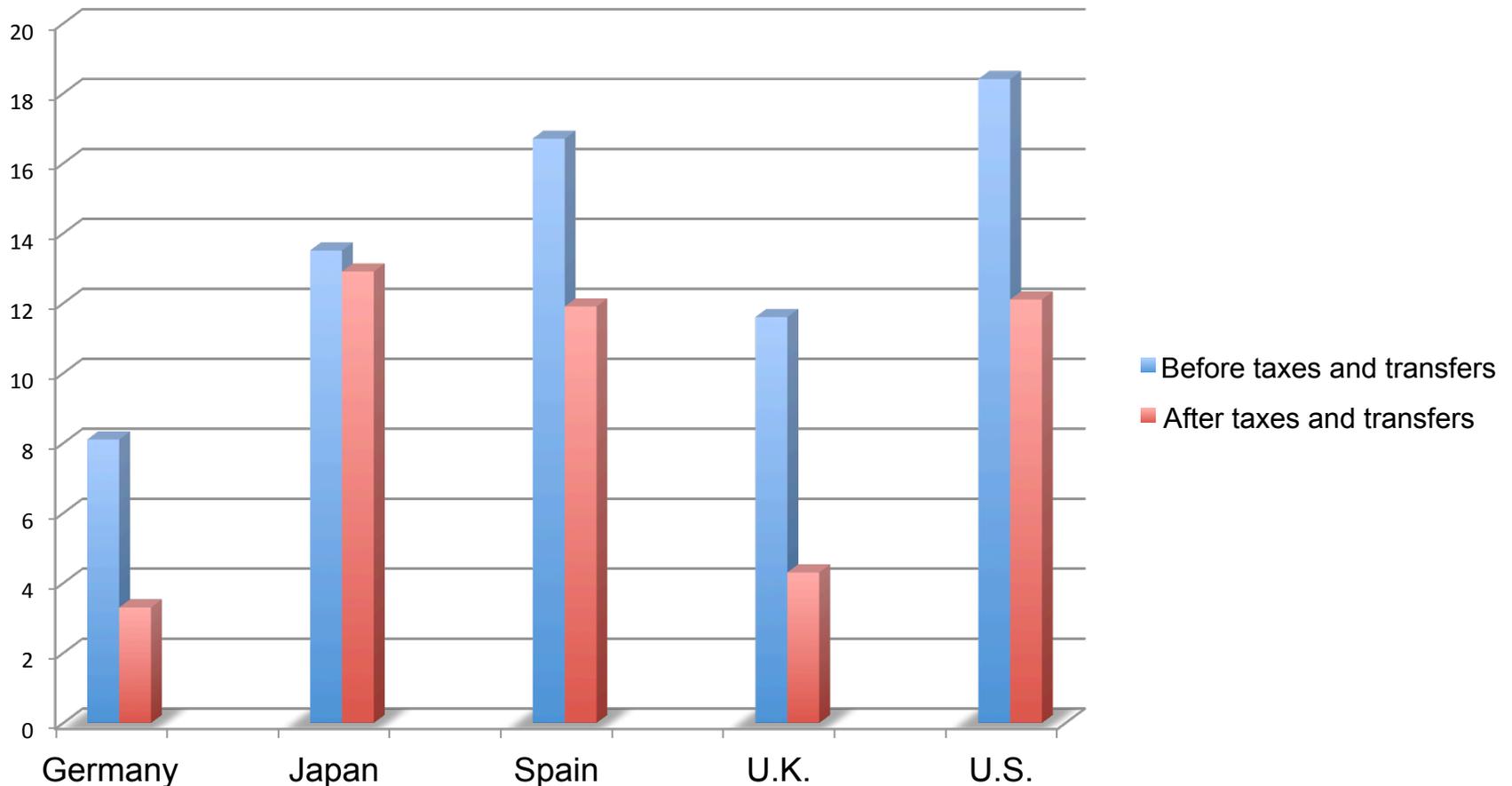
Source: Peter Auer (2006)



Coefficients are significant at 5% level; worried = percentage worried about the future of their company, unsure = percentage unsure of a job with their company even if they perform well. Note: job insecurity is the average percentage among worried and unsure people.

Source: OECD

In-Work Poverty Rates (OECD, 2010)

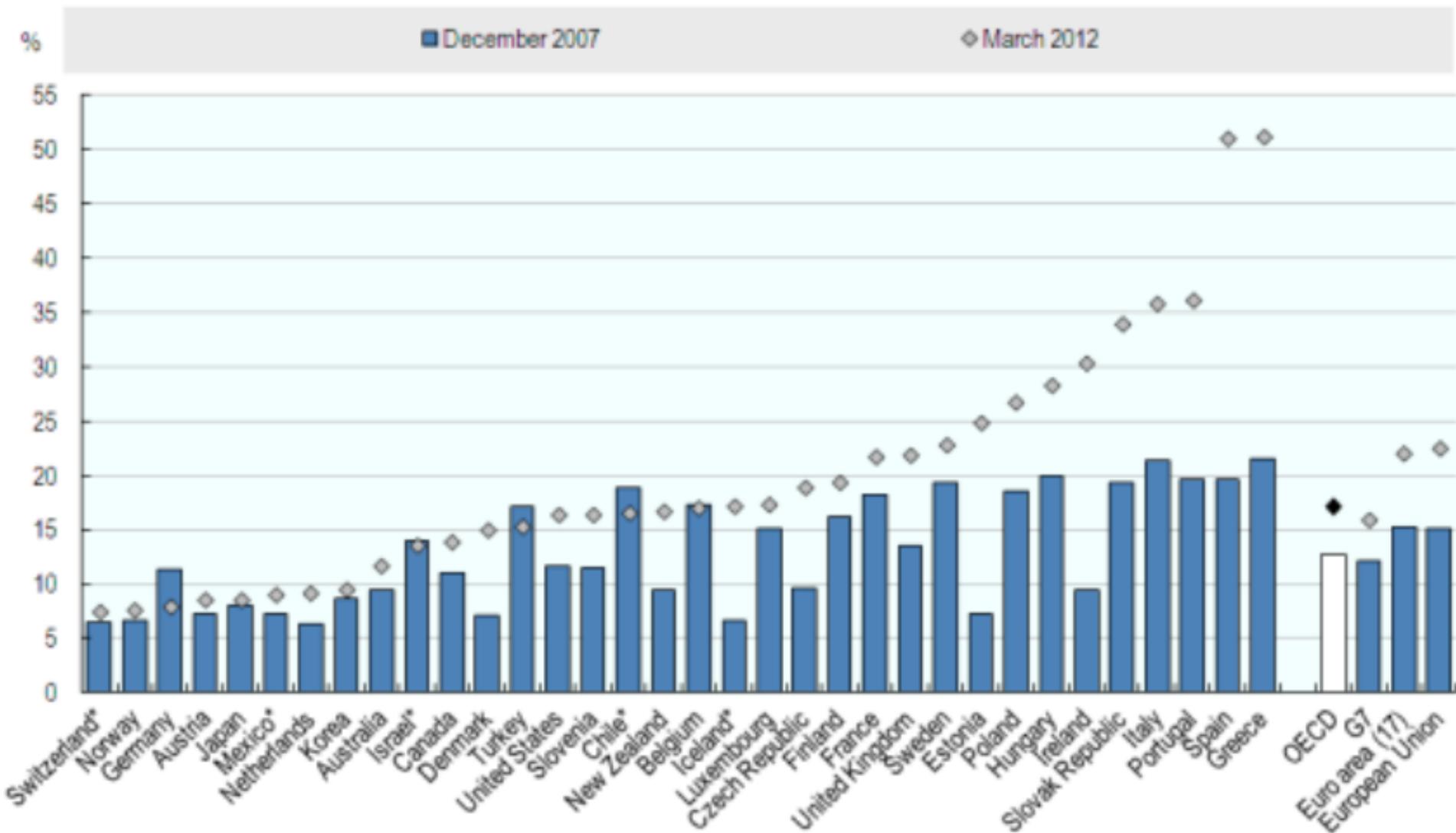


Percentage of individuals living in households with disposable income below 50% of the median income, among all individuals living in a given type of household with a head of working age and at least one worker

Transition to Adulthood

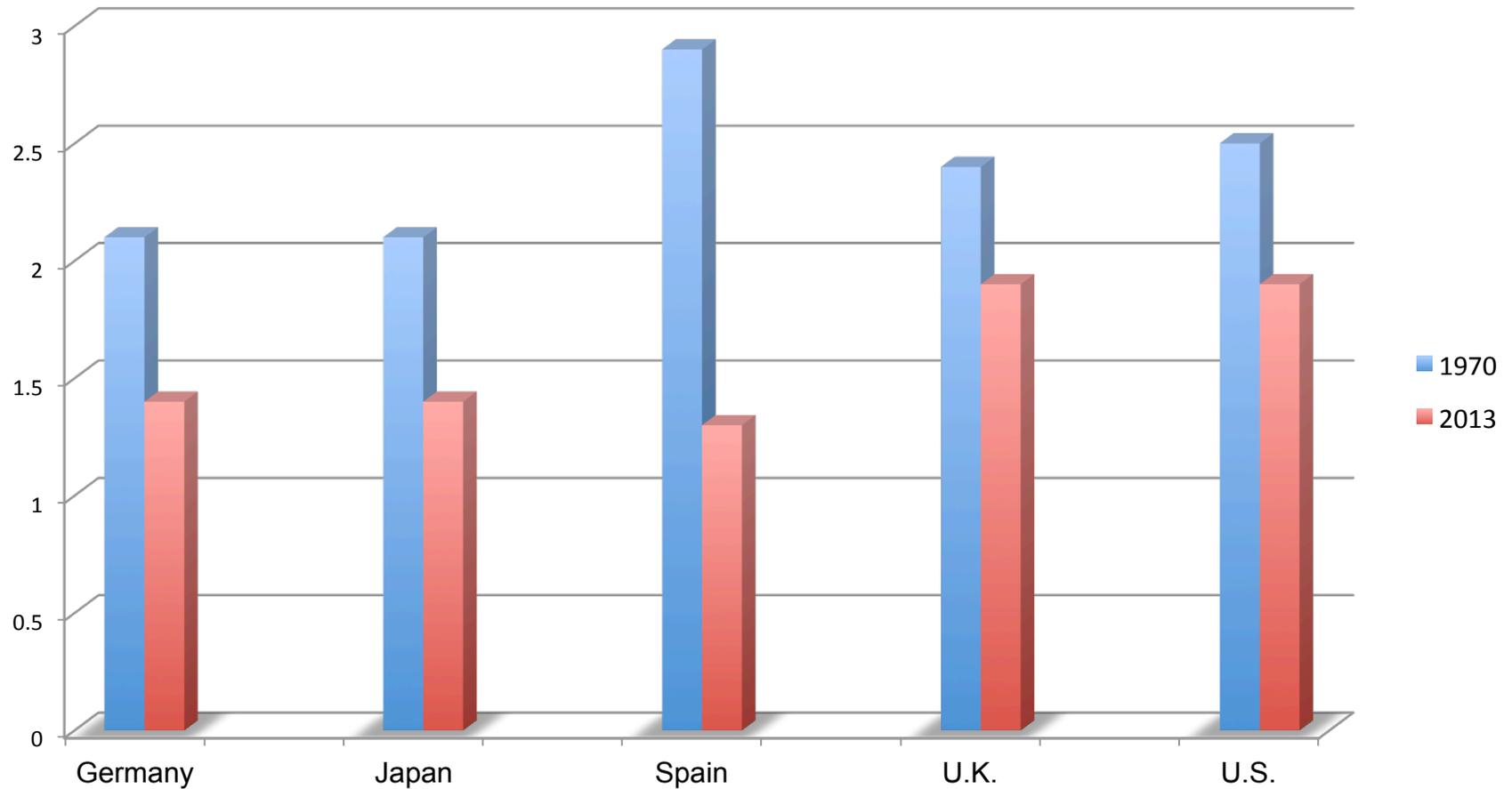
- Leaving School
- Starting a Full-Time Job
- Leaving the Home of Origin
- Getting Married
- Becoming a Parent for the First Time

Youth Unemployment, 2007-2012 (% of Youth LF, 15-24)



Total Fertility Rates, 1970 and 2013

Source: Population Reference Bureau



Japan: % and # of Regular vs. Non-Regular Workers, 1985-2010

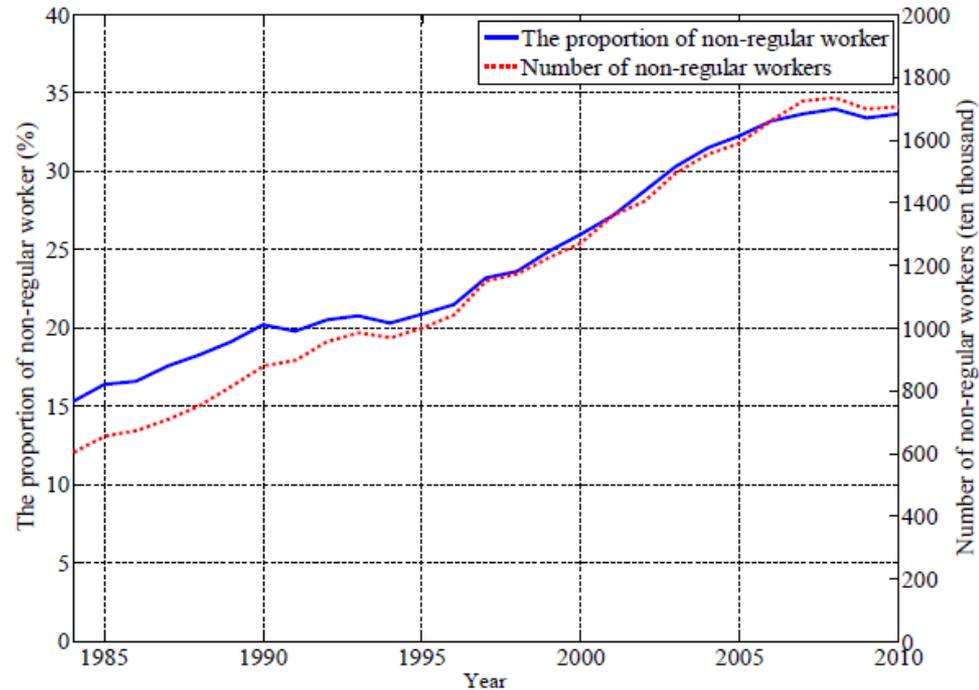


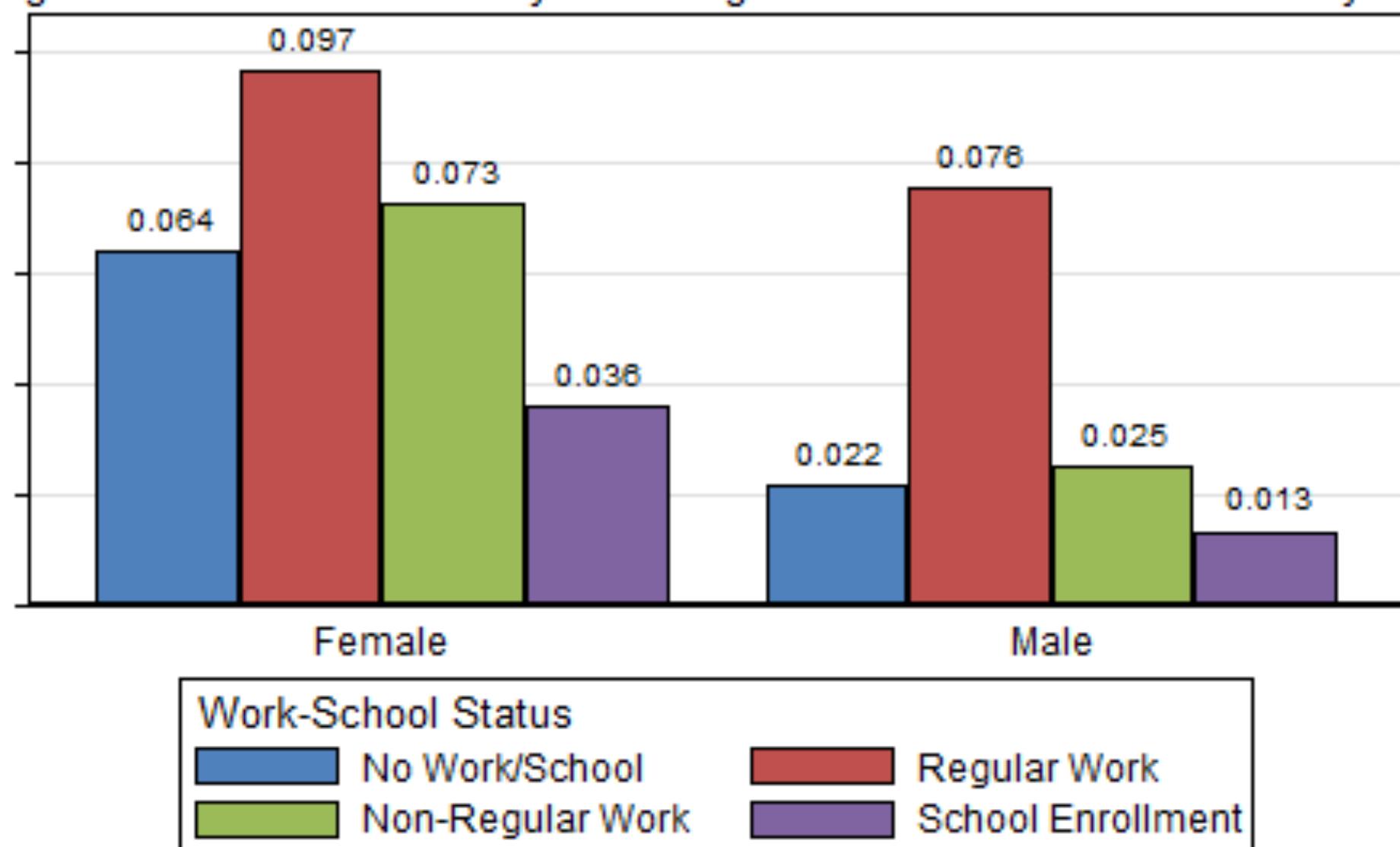
Figure 1: The share and number of non-regular workers. *Note:* The solid line indicates the proportion of non-regular workers the total employed workers. The dashed line indicates the number of non-regular workers. Sample covers 1984-2010.

Source: Miyamoto, Hiroaki. 2012. "Growth and Non-Regular Employment" International University of Japan (IUJ) Working Paper, Economics and Management Series EMS-2012-04.

Family Formation in Japan

- Paper on timing of marriage for young men and women, with Martin Piotrowski and Ron Rindfuss
- **Data:** 2000 and 2009 cross-sectional surveys collected using two-stage, national probability samples of men and women aged 20-49 (also, a 2000-2009 panel).
 - Use retrospective event history data to reconstruct individual life histories for anyone born between 1970 and 1973 (i.e., those aged 36-39 in 2009).
- **Analysis:** main analysis used a total of 4,924 and 5,485 person-years for men and women, respectively, contributed by 504 women and 462 men.
 - Use discrete-time event history analysis to model the determinants of the hazard of first marriage.

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

Work Insecurity and Happiness in the United States: 1977-2012

- 1977-2012 GSS cross-sectional and 2006-2012 panel surveys
- *Likelihood of losing current job (Job Insecurity):*

“Thinking about the next 12 months, how likely do you think it is that you will lose your job or be laid off?”

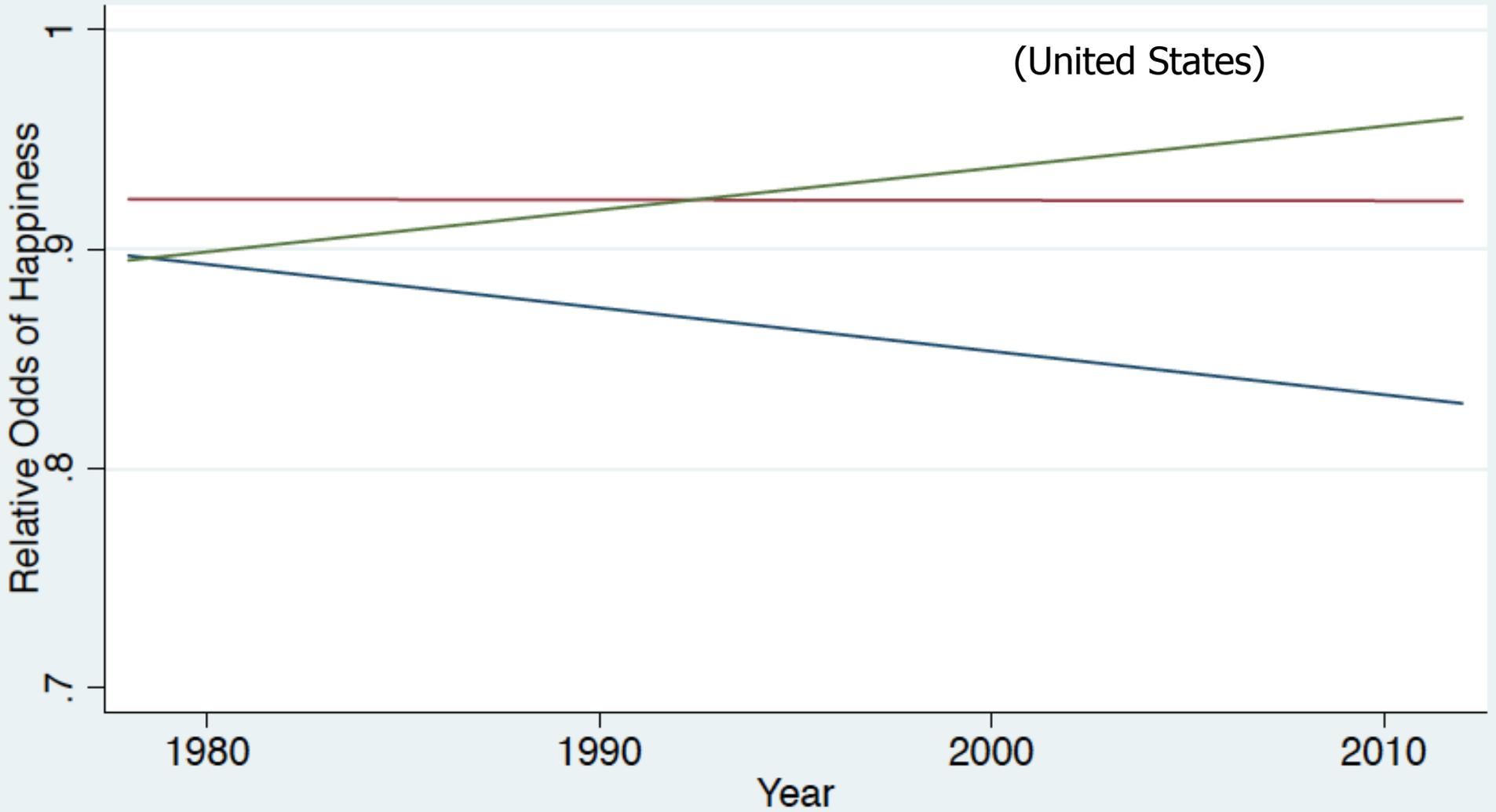
Possible answers are very likely [4], fairly likely [3], not too likely [2], and not at all likely [1].
- *Difficulty of finding a comparable job (employment insecurity):*

“About how easy would it be for you to find a job with another employer with approximately the same income and fringe benefits you now have?”

Would you say: very easy [1], somewhat easy [2], or not easy at all [3]?
- **Happiness:** “Taken all together, how would you say things are these days—would you say that you are very happy [=3], pretty happy [=2], or not too happy[=1]”

Happiness

(United States)



— Unadjusted Trend

— Adjusted for Demographic Covariates

— Adjusted for Demographic Covariates and Precarity

Precurity as Mismatch

Between Structures and Expectations

- **Cultural lag**: changes in non-material culture (e.g., norms and attitudes toward family formation) do not keep up with changes in material culture (e.g., technology, availability of opportunities for work careers) (Ogburn 1922)
- “... when the changes happen faster than expectations and/or institutions can adjust, the transition can be cataclysmic” (Brynjolfsson and McAfee, 2011:49)
- **Reduce mismatch by**: changing structures and/or expectations

Because inequality [also
precarity**] is a social problem, it
will generate a political response**

...

Ronald Inglehart (November 10, 2014)

The Economist

JUNE 28TH - JULY 5TH 2013

economist.com

How bad is China's credit crisis?

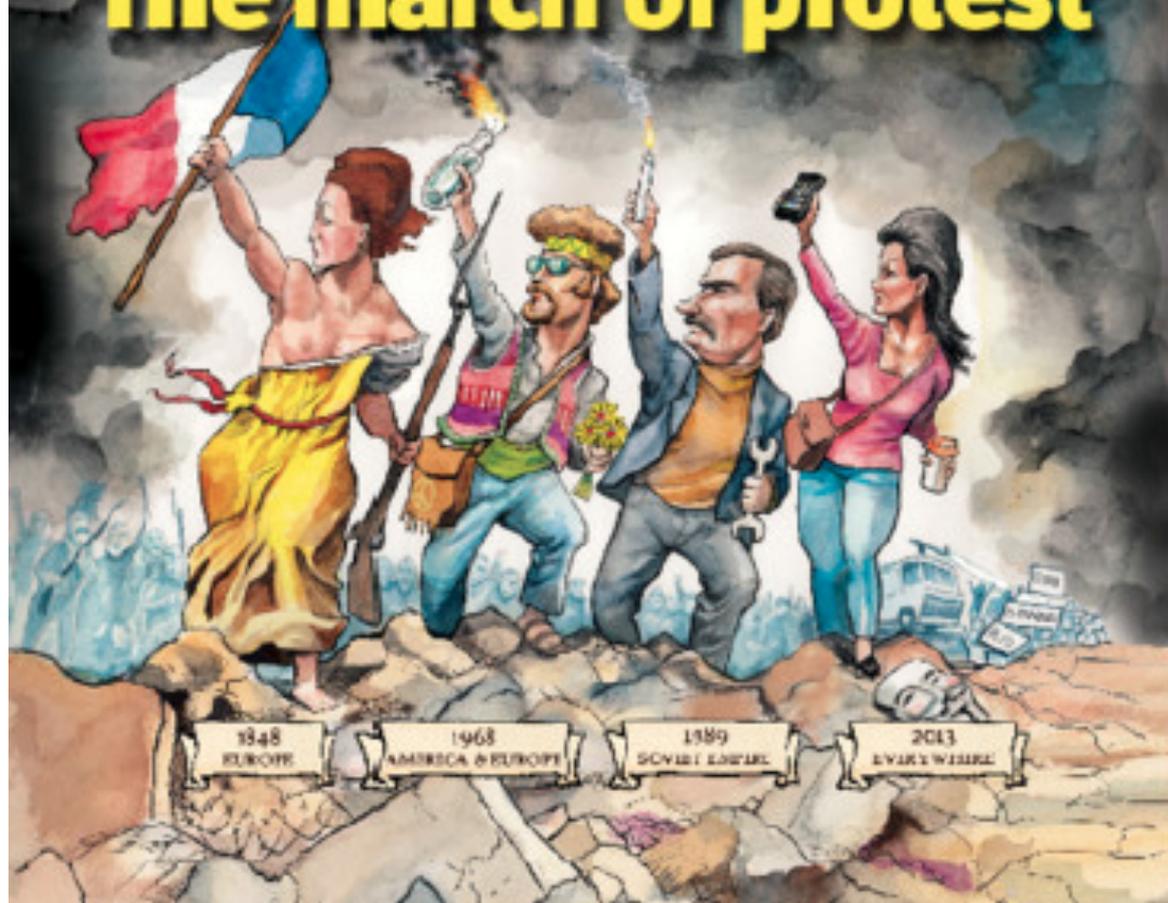
Shale shakes up Russia

A tech revolution in schools, at last

Why we need more property taxes

Of mice and Manet

The march of protest





Japan IMF



Indignados in Spain



Occupy Wall Street



Occupy Berlin



Occupy London

A New Social Contract: Components

➤ **Basic Economic Security**

- **Social Insurance**

- **Safety Net**

➤ **Enhance Education and Skills**

- **Access**

- **Retraining, Lifelong Learning**

➤ **Stronger Worker Representation**

- **Unions/Worker Organizations**

- **Labor Laws**

Implementing a New Social Contract: Obstacles

- **Political, Economic, Social, Cultural, Psychological Obstacles**
- **Political Gridlock**
- **Current Economic Crisis:**
 - **Quantity vs. Quality of Jobs**
- **“Let Markets Do it”**
- **Distrust** of Institutions
 - **Government, Big Business, Big Labor**
- **General Opposition to Taxes**
- **Weak Labor Movement**

Some Challenges

- Developing clear alternative ideologies to neoliberalism; these are necessary for battle of ideas across an increasingly polarized landscape
- Linking protest movements and worker organizations to political actions
- Reconciling market-based strategies with social protection welfare systems
- Restoring trust in government, business and labor institutions

Thank you!
Спасибо
Danke
Gracias
ありがとう

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