

Precarious Lives: Insecurity, Exclusion and Well-Being in Post-Industrial Societies



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Overview

- **The Growth of Precarious Work**
- **Consequences of Precarious Work**
 - **Insecurity**
 - Job
 - Economic
 - **Social Exclusion**
 - Transition to Adulthood
 - Family Formation
 - **Individual Well-Being**
- **Confronting Precarity: Politics and Policies**

Precarity

- An existence characterized by lack of predictability or security
- 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.
- Precarity in Context (Rich Democracies, 21st Century, etc.)



THE NEW DANGEROUS CLASS

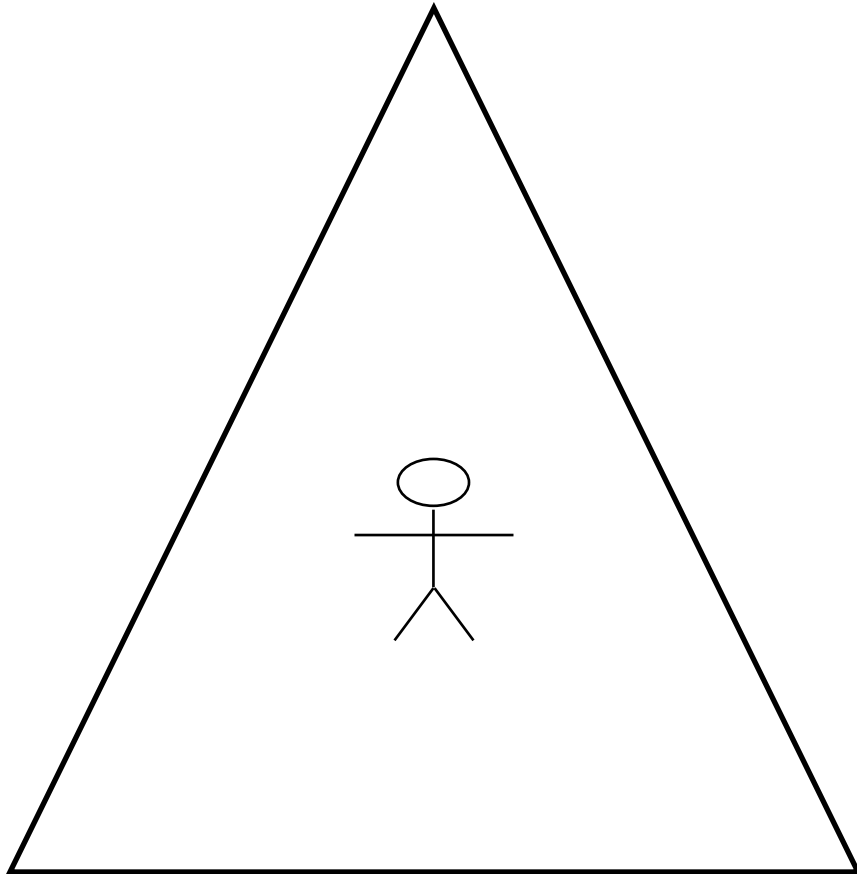
GUY STANDING

B L O O M S B U R Y

Precarity Office Vienna

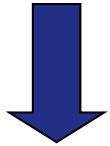


Standard Employment Relationship

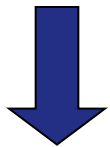


- Pillars:
 - Bilateral Employment Relation
 - Standardized Hours
 - Continuous Employment
- Psychological Contract
- Access to
 - Regulatory protections
 - Training
 - Careers
- (Adult Male Citizens)

Macro Changes



**Pressures for
Greater Flexibility**



**Liberalization
Policies as
Response by
Employer & State**

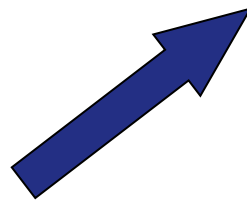
**COUNTRY DIFFERENCES in Liberalization
Policies and their Consequences**

**Standard
Employment
Relationship**



**Precarious
Work**

Shift in Employment Norms



Precarious Work

➤ Work that is:

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

➤ *Examples:*

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

Polanyi's "Double Movement"

Flexibility



Security



1800

Market Mechanisms

Uncertainty

1930

Social Contract

Relative Certainty

1975

Market Mechanisms

Uncertainty

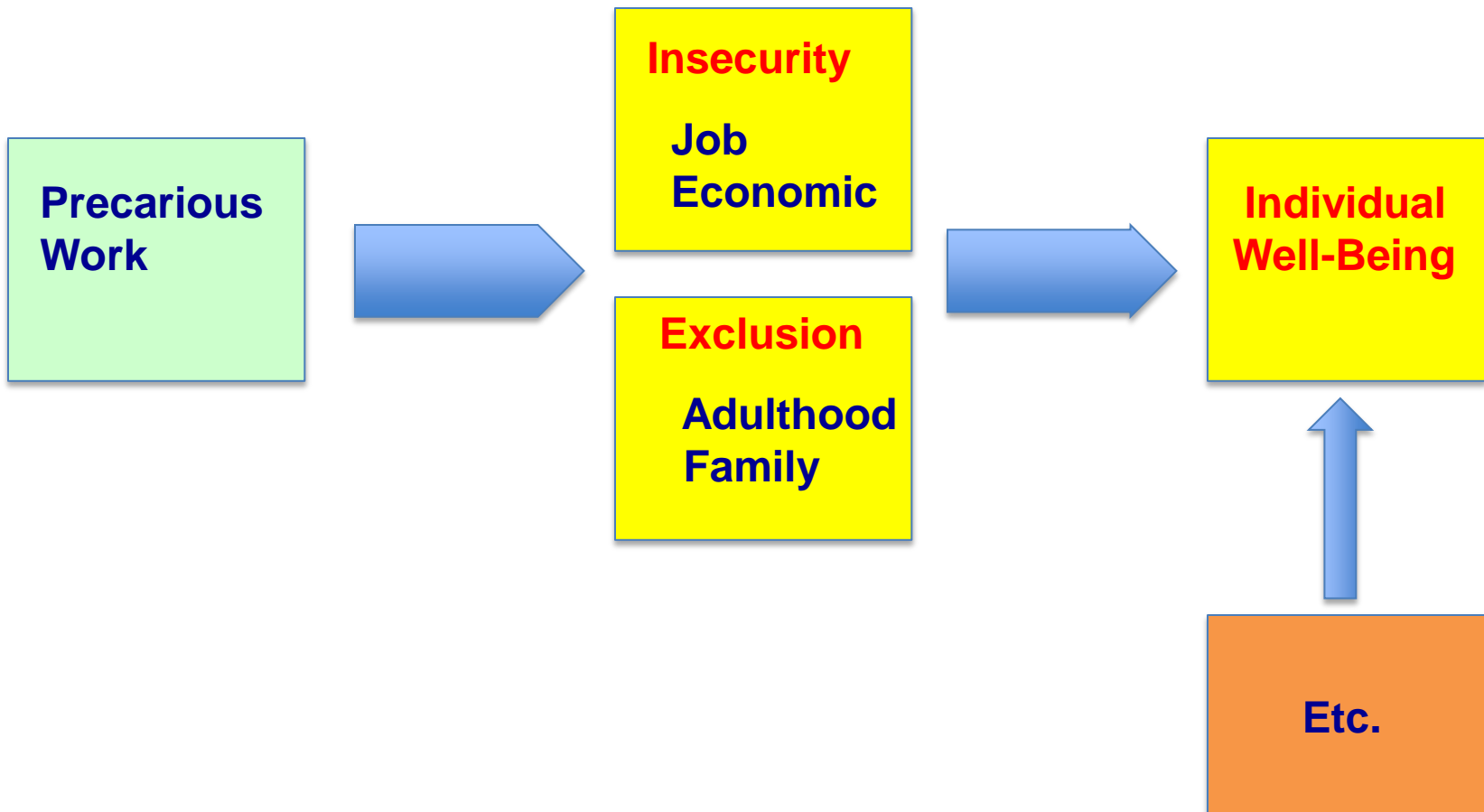
2015

A New Social Contract???



Country Differences

(Labor Market and Welfare Policies, Culture, etc.)



Conceptual Model

Countries and Employment/Welfare Regimes

➤ **Liberal Market Economies:**



➤ **Coordinated Market Economies:**



➤ **Mediterranean:**



➤ **Productivist:**



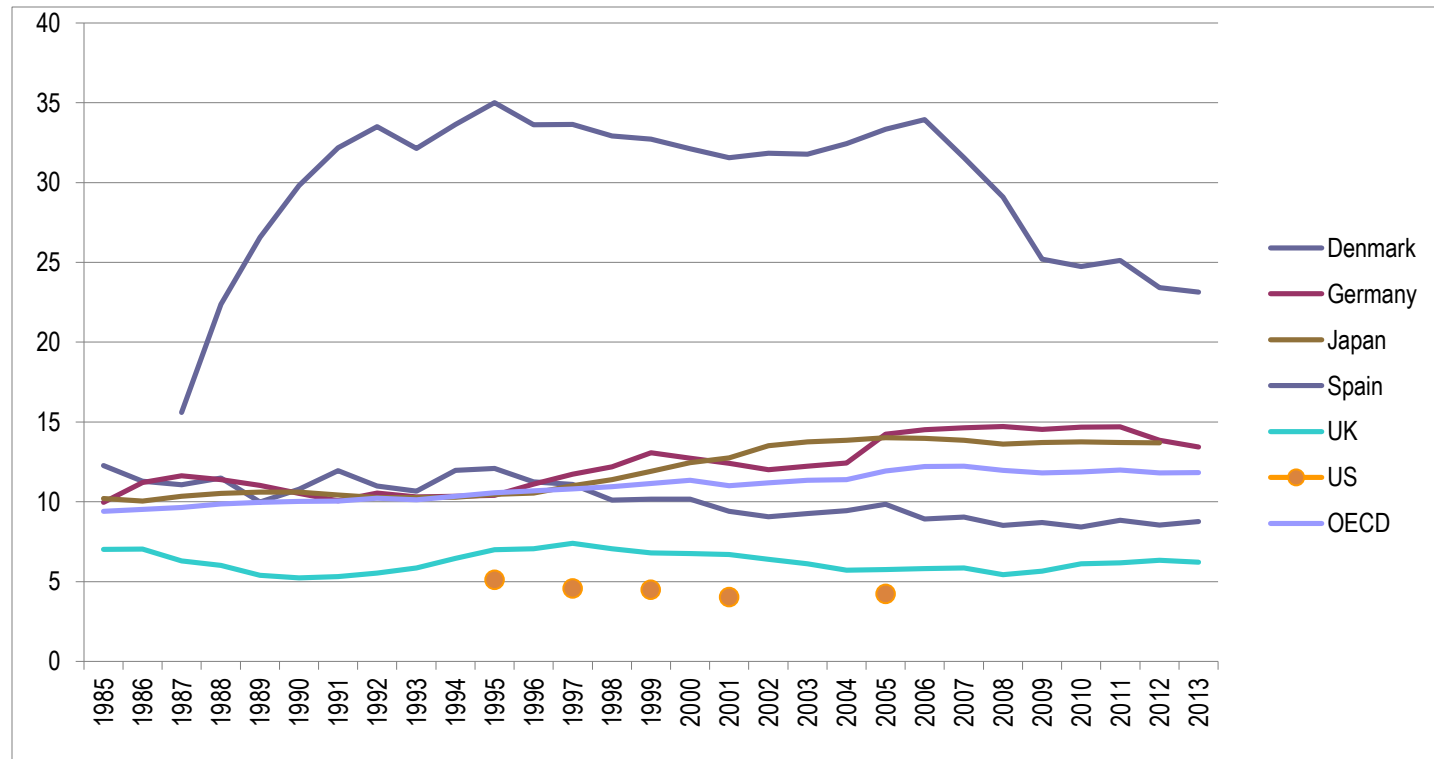
Country Differences

	Denmark	Germany	Japan	Spain	UK	US
Labour Market Policies						
Active: % GDP Spent on retraining, etc. (2009)	1.61	1.01	0.43	0.86	0.33	0.15
Passive: % of GDP spent on unemployment benefits (2009)	2.3	1.68	0.72	3.45	0.66	0.88
Employment Protection: Regular Workers (2008)	1.63	3	1.87	2.46	1.12	0.17
Employment Protection: Temporary Workers (2008)	1.38	1.25	1	3.5	0.38	0.25
Collective Bargaining Coverage (2007)	85	64.05	16.1	77.35	34.6	13.3
Index of Overall Welfare Benefit Generosity (Unemployment, Sickness, Pensions)(2010)	34.1	32	25.7	35.6	27.5	21.7
Women's LFPR (25-64)(2013)	78.8	76.97	68.88	74.26	74.29	70.32

Forms of Liberalization

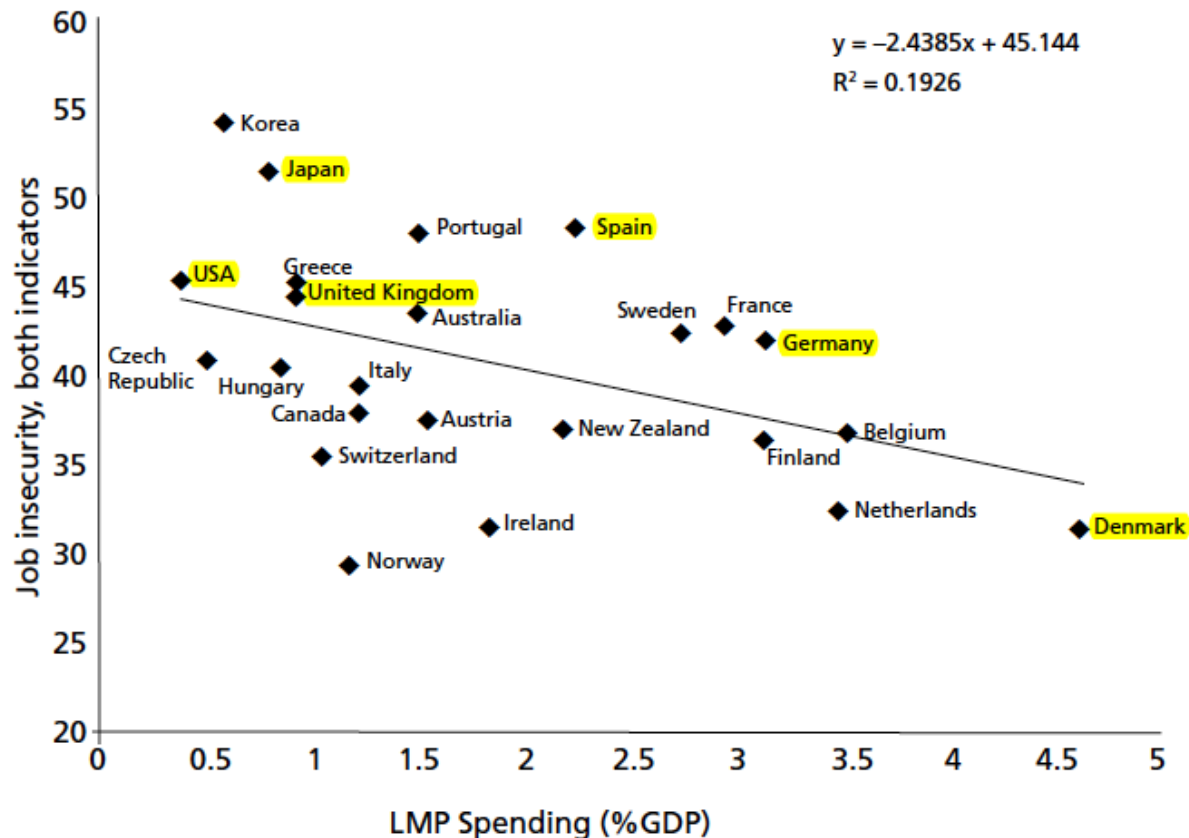
- **Deregulatory Liberalization** (U.S., U.K)
 - Increased marketization/decline of institutional protections; individualization of risk
- **Dualism** (Germany, Japan, Spain)
 - Growing gaps between regular and nonstandard workers; labor market insiders and outsiders
- **Embedded Flexibilization** (Denmark)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

% Temporary Employment, 1985-2013 All Persons, (OECD Data)



Labor Market Policies and Job Insecurity

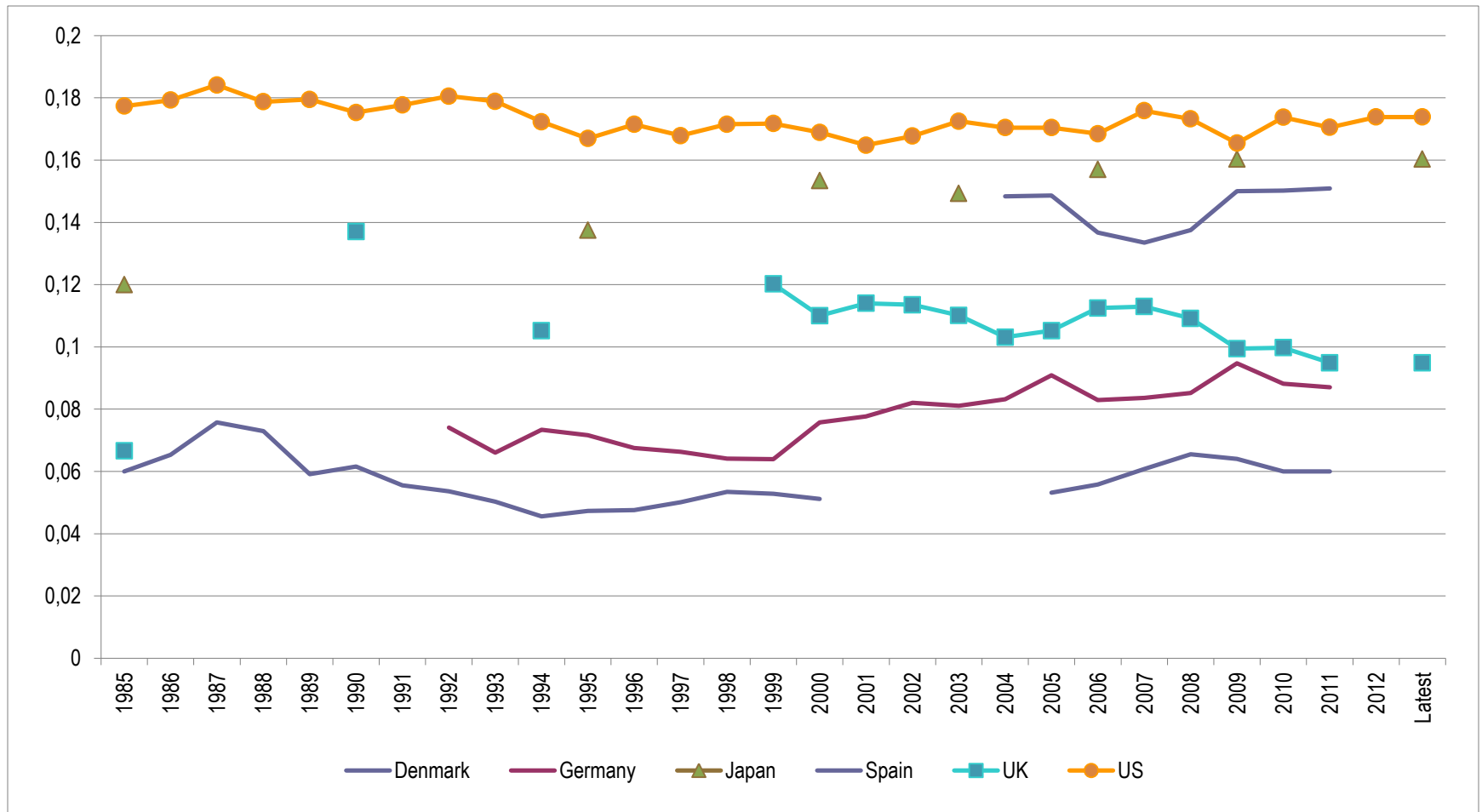
Source: Peter Auer (2006)



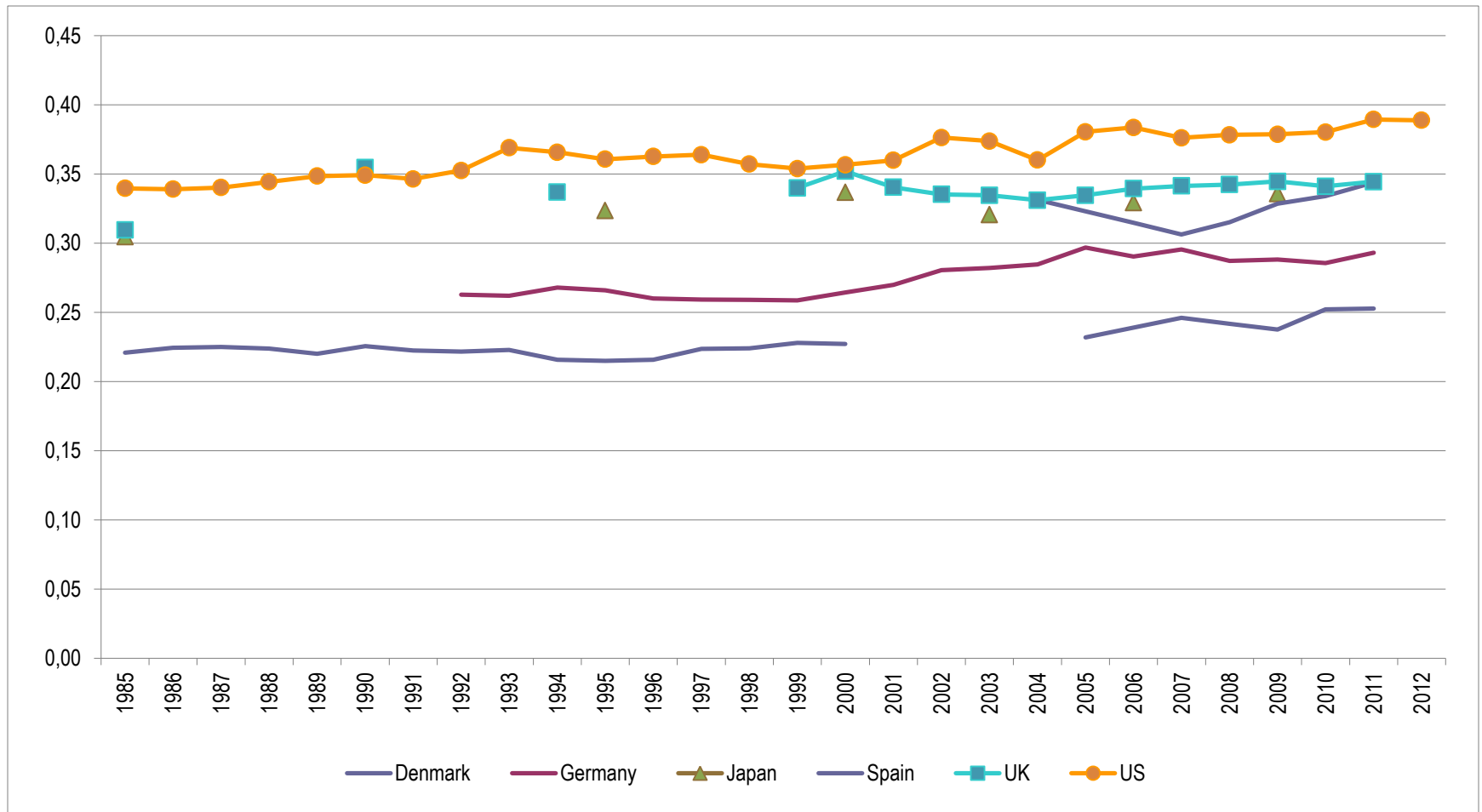
Coefficients are significant at 5% level; worried = percentage worried about the future of their company, unsure = percentage unsure of a job with their company even if they perform well. Note: job insecurity is the average percentage among worried and unsure people.

Source: OECD

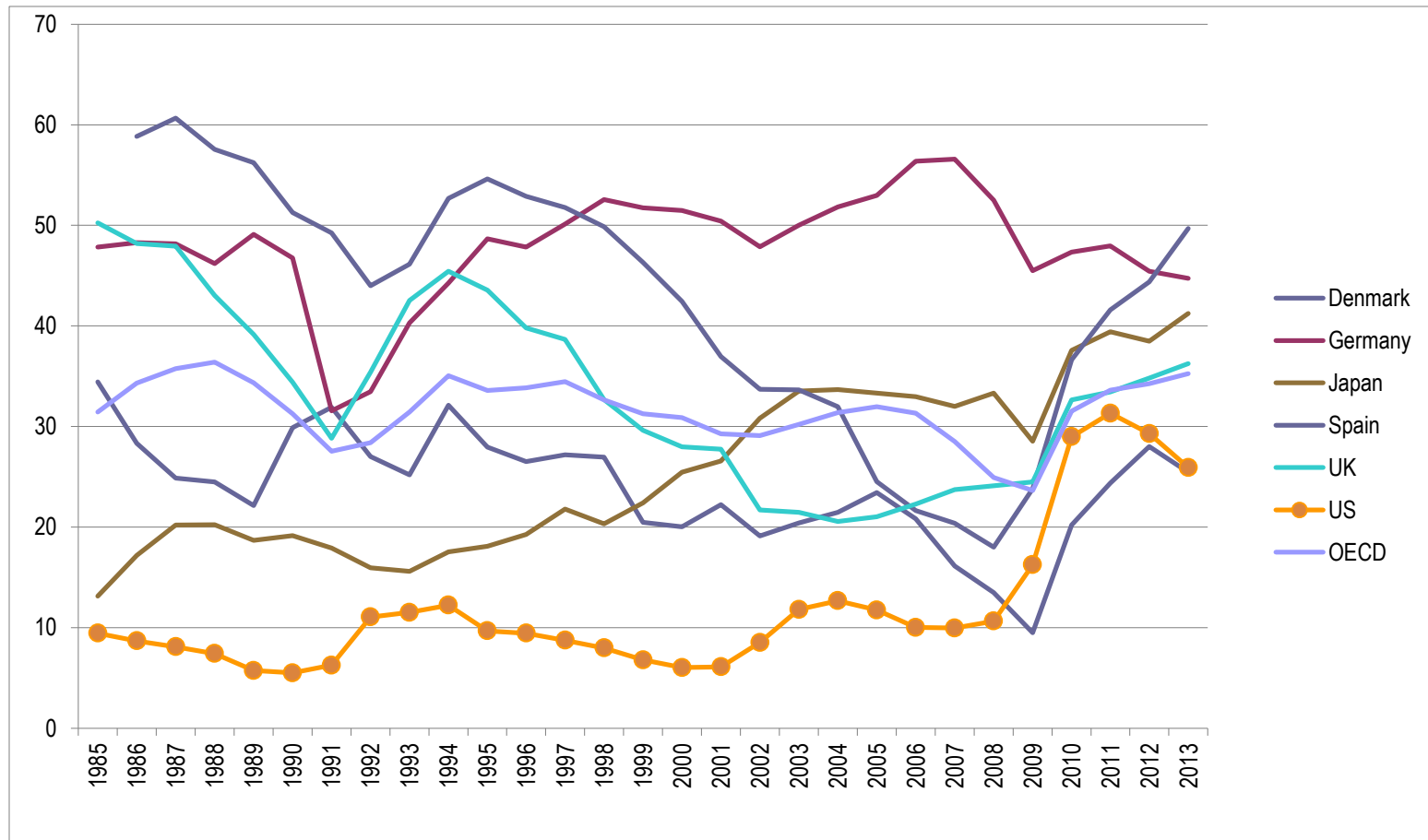
Poverty rate after taxes and transfers, Poverty line 50% of Median Wage, 1985-2012



Income inequality - Gini (Disposable income, post taxes and transfers), 1985-2012



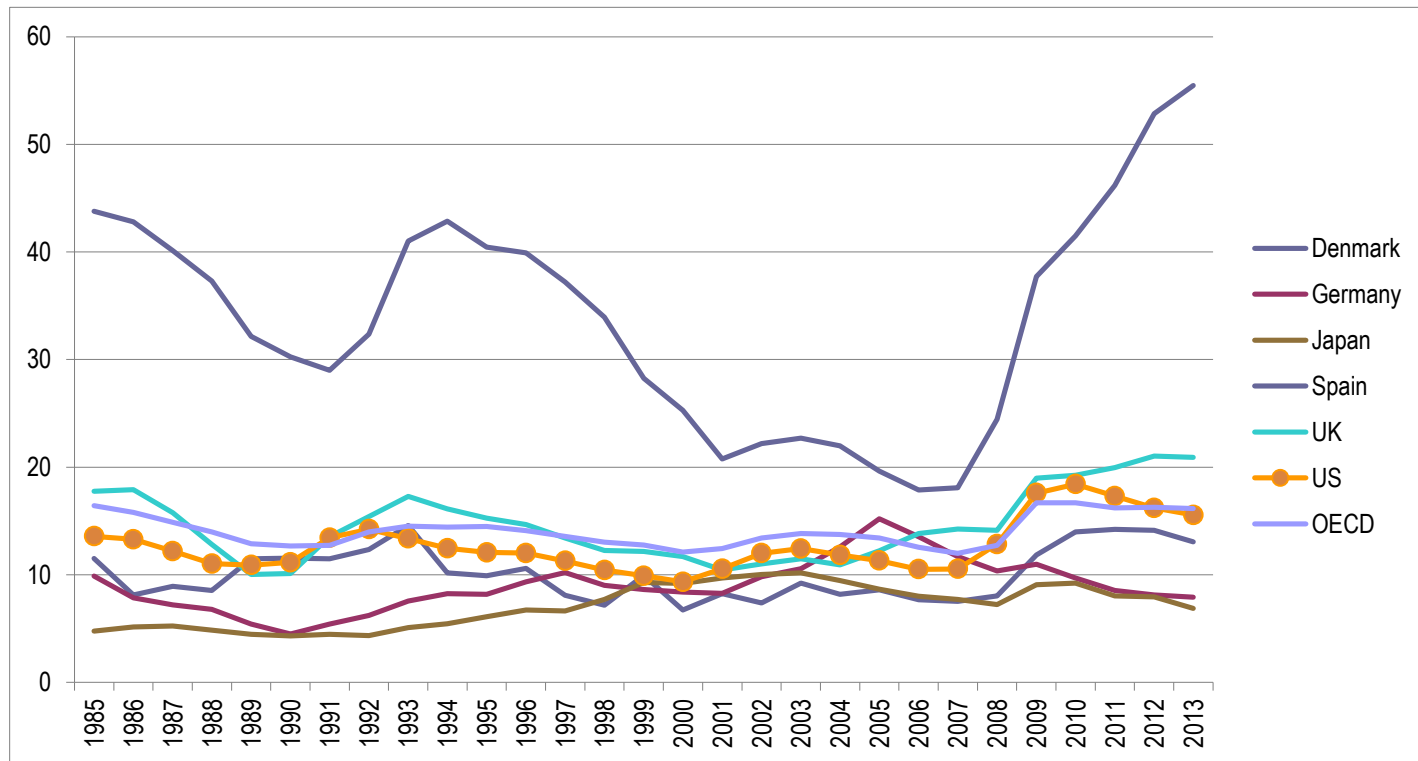
Long-Term Unemployed (12 months or more) as % of Total Unemployment, All Persons, 1985-2013 (OECD Data)



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 (age 15-24), 1985-2013 (OECD Data)



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

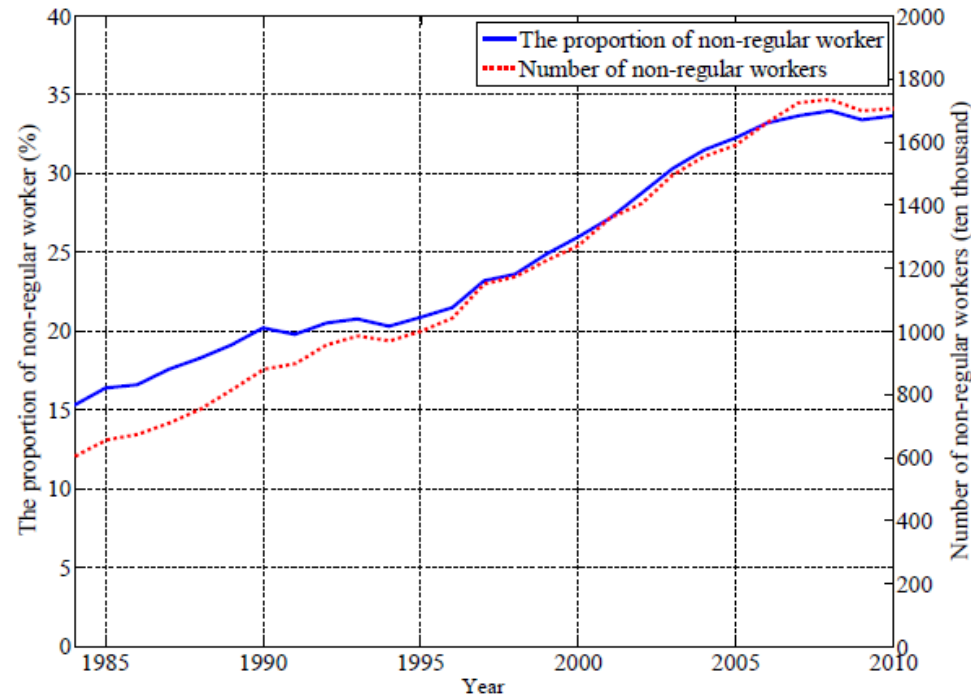


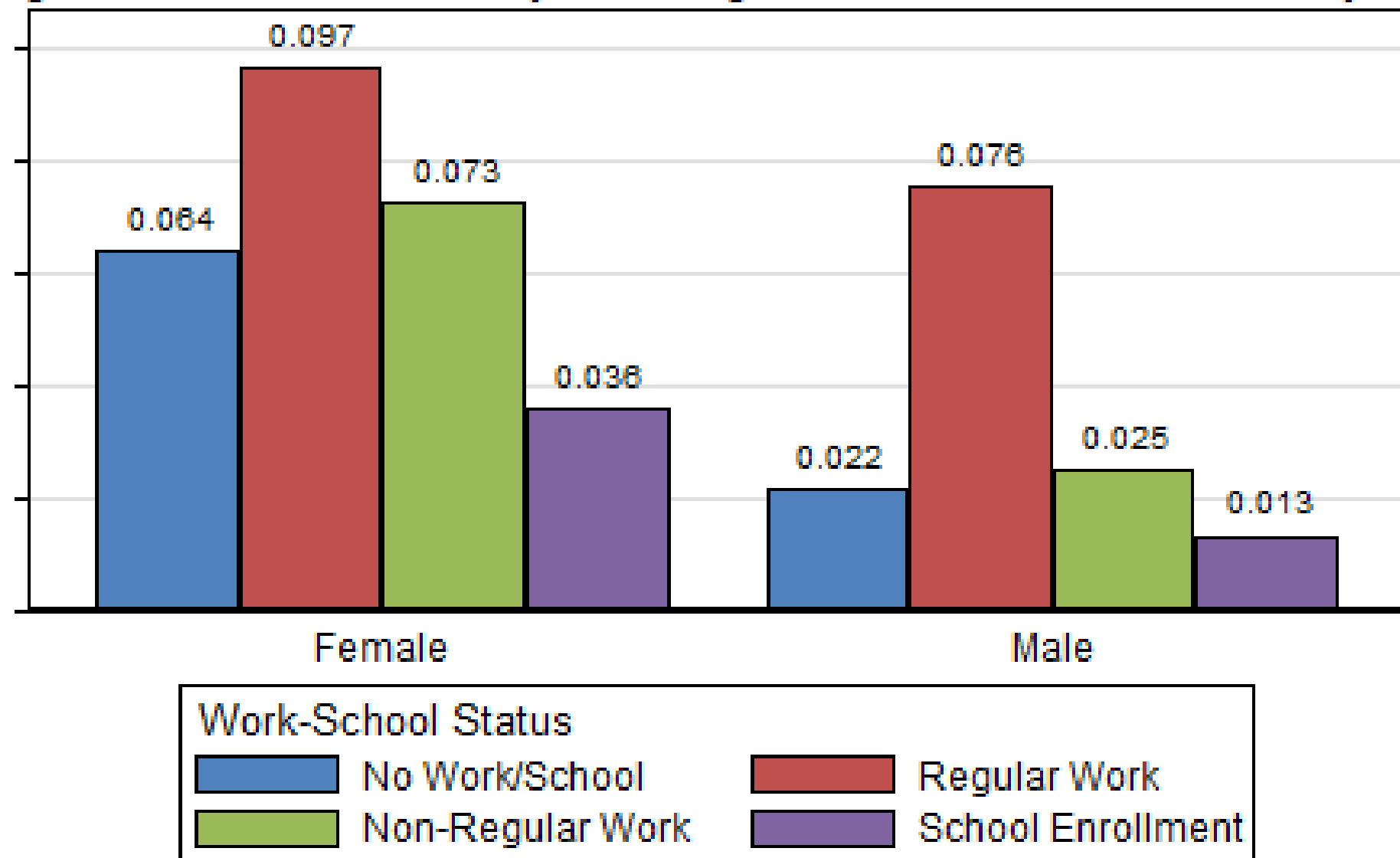
Figure 1: The share and number of non-regular workers. *Note:* The solid line indicates the proportion of non-regular workers the total employed workers. The dashed line indicates the number of non-regular workers. Sample covers 1984-2010.

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

- **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.

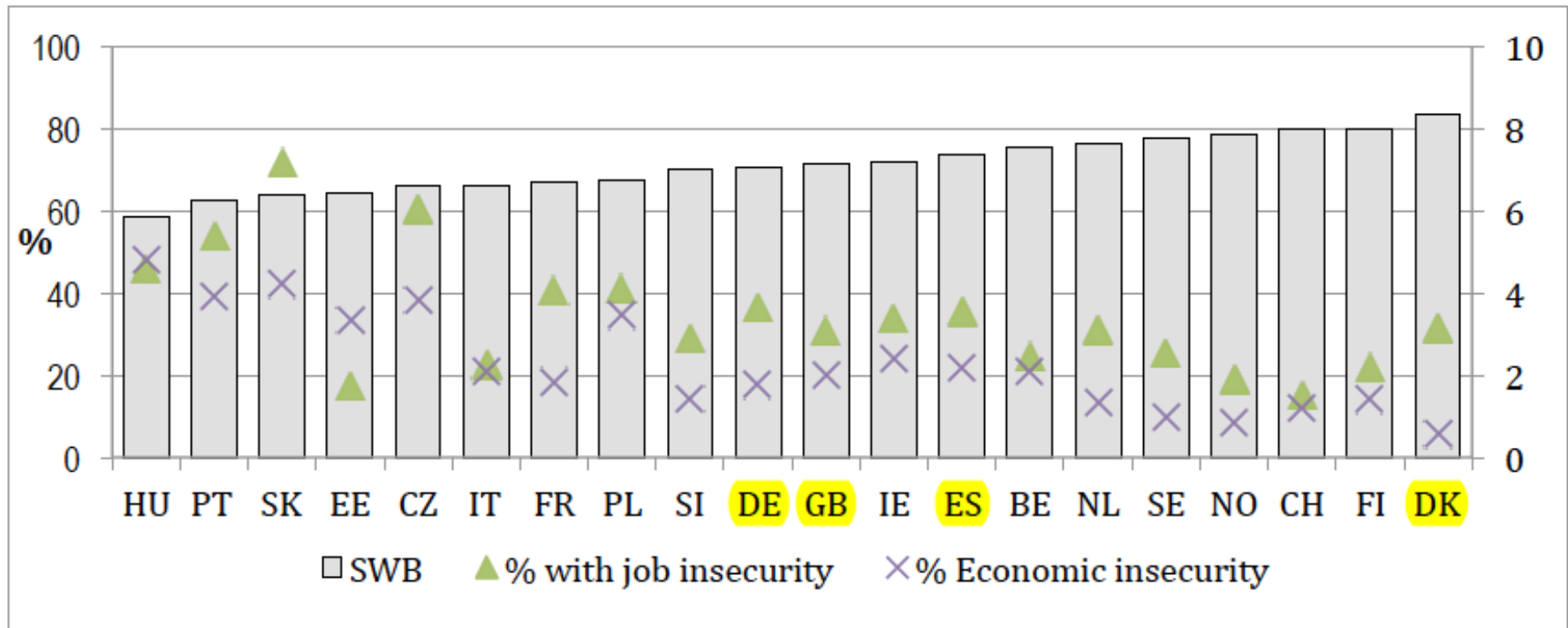
Figure 2. Predicted Probability of Marriage over Work-School Measures by Sex



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

N = 5,485 Males & 4,924 Females

Insecurity and SWB in 20 European Countries (ESS Data, 2002-2012 Averages)



Note: Individuals with job insecurity includes employees who stated it was a “little true” or “not at all true” to the statement “my job is secure.” Individuals with economic insecurity include are those who find it difficult or very difficult to live on personal income.

Insecurity and SWB in Russia, East Germany and West Germany (Fixed effects, 1995-2010, RLMS and GSOEP panel data)

coefficients	Russia		East Germany		West Germany	
	Model 1	Model 2	Model 1	Model 2	Model 1	Model 2
Tenure	0.00114	0.000117	-0.00227	0.0000532	-0.00380**	-0.00314
Tenure ²	0.000000593	0.0000290	0.0000455	-0.0000233	0.000115**	0.000111*
Job insecurity	-0.0593***	-0.0595***	-0.0188	-0.0220	-0.0221***	-0.00862
Fear to lose the job	-0.0121	-0.00579	-0.0563***	-0.0583***	-0.0680***	-0.0736***
Economic security	0.155***	0.154***	0.181***	0.198***	0.175***	0.169***
<i>Constant</i>	1.784***	1.708***	2.777***	2.961***	3.284***	3.310***
<i>Number of cases</i>	38654	34109	28432	16429	90803	51783
<i>R2</i>	0.0938	0.0976	0.0481	0.0577	0.0459	0.0496

Source: Tatiana Karabchuk and Arne Kalleberg, "Job Instability, Insecurity and Subjective Well-Being in Russia and Germany"

Consequences of Precarious Work: Summary

- Increase in precarious work (since 1970s, especially since 2008-9), especially in Spain, Germany, Japan
- Greater economic insecurity and inequality, especially in liberal market economies and Germany, Japan
- Greater social exclusion, especially in Spain and Japan
- Insecurity and exclusion generally related to lower SWB

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



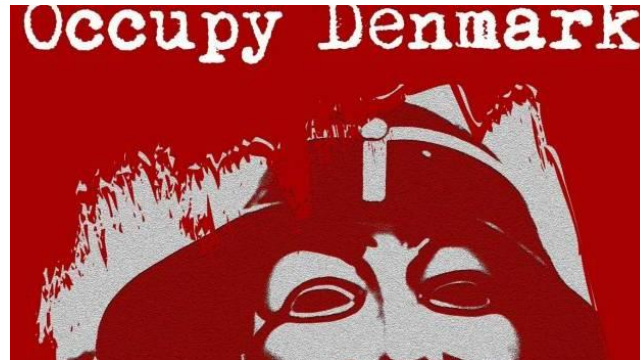
Occupy Wall Street



Indignados in Spain



Occupy Berlin



Occupy Denmark



Occupy London

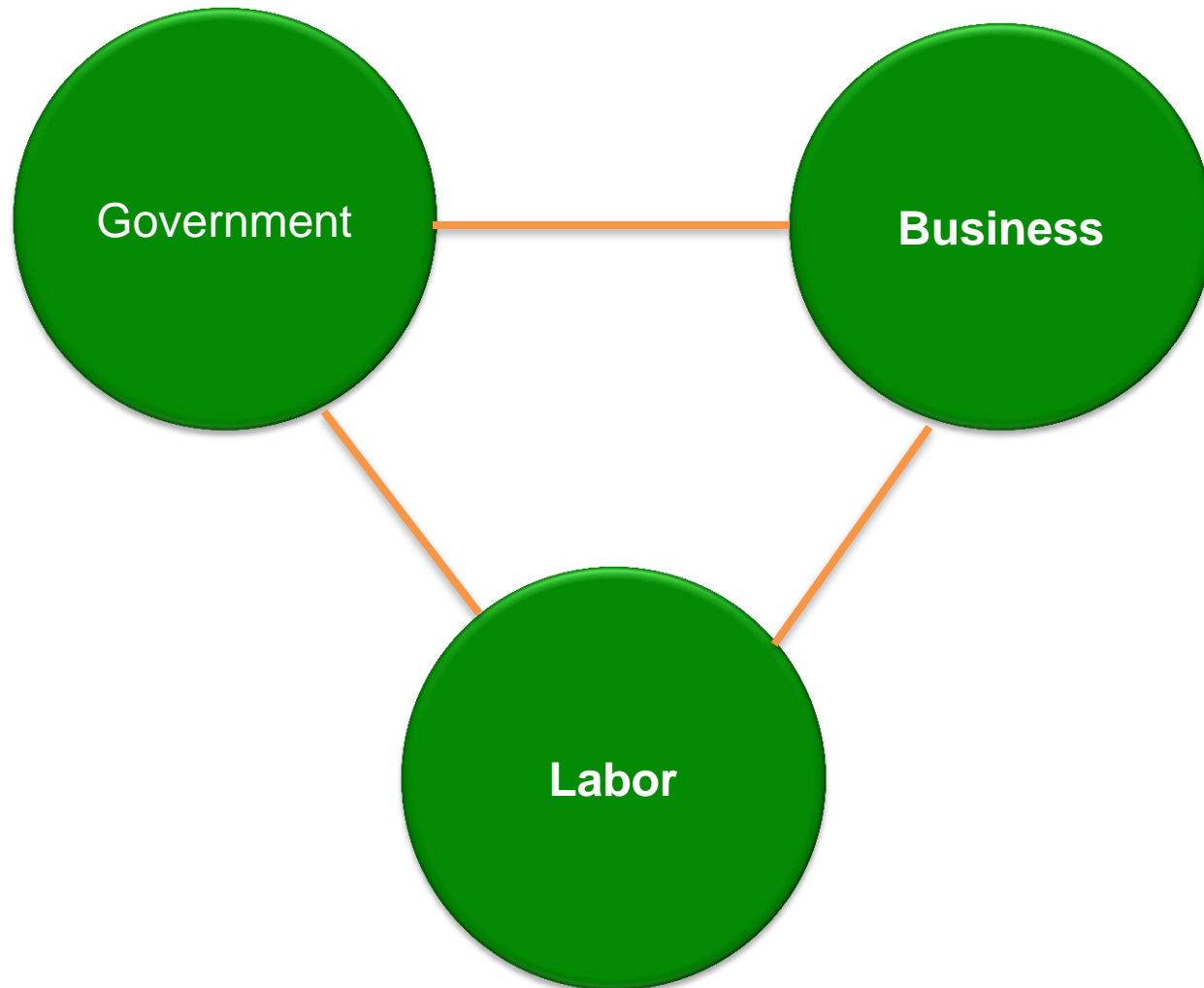
New Risks, New Social Contract

- **Collectivize Risk: Basic Economic Security for All**
 - **Social Insurance**
 - **Safety Net**
- **Social Investments in Education and Skills**
 - **Broader Access**
 - **Retraining, Lifelong Learning**
- **Managing Diversity**
 - **Gender, Age, Family, Immigration Status, Race/Ethnicity**

Confronting the Challenges: Obstacles

- **Shift from Manufacturing to Services**
 - **Greater need for precarious work arrangements**
 - **Reconfiguration of post-WW II employer/labor/state coalitions**
- **Globalization**
- **Dominance of Neoliberalism**
- **Weakening of the State**
 - **Distrust of Government**
- **Weak Labor Movement**
- **Legacy of Great Recession and Economic Crisis**

Confronting the Challenges: Key Actors



Political Dynamics and Coalitions

- **Deregulatory Liberalization** (U.S., U.K)
 - Strong employers, weak labor, state encourages neoliberal policies
- **Dualism** (Germany, Japan, Spain)
 - Strong manufacturing employers, limited state capacity, labor protects insiders → Continued dualism
- **Embedded Flexibilization** (Denmark)
 - State, Employers and Labor → Flexicurity
 - Flexibility for Employers (e.g., low EPL)
 - Security for Workers (Generous Unemployment Support, Active LM Policies)

Thank you!

Спасибо

Danke

Gracias

ありがとう

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www.lcsr.hse.ru/en/seminar2015

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8-10 апреля 2015 года – НИУ ВШЭ, Москва.

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