The Impact of State Measures on the Link between Precarious Employment and Social Relationships in Europe

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Research Questions

Precarious employment
- Atypical employment + risk of precarity (low wages, worries about job security)

Social relationships
- Welfare state measures, Flexicurity
  - Quantity:
    - Social contacts (to friends or relatives)
    - Social support (by friends, relatives, neighbors, colleagues)
  - Quality:
    - Satisfaction with social life
Relevance of the Topic

• Changes on the labor market
• Changes in the welfare state

private social resources become increasingly important

However there is the thesis of disintegration of precarious employment (Castel, Bourdieu, Sennett)
State of Research

- Lower integration of atypical employed individuals [Gundert & Hohendanner 2014; Diewald 2003], especially in non-generous welfare states [Paugam & Russel 2004]

- Access to informal support varies with income and level of education [Lüdicke & Diewald 2007; van der Meer et al. 2008]

- Informal support serves (especially in non-generous welfare states) as a compensation for a lack in economic security [Gallie & Paugam 2002; Lüdicke & Diewald 2007; Paugam & Russel 2004]

- Social support by the welfare state serves as compensation [van der Meer et al. 2008], as well as prerequisite for informal support [e.g. van Oorschot & Arts 2005]

**result:** lack of systematical analysis of the link between precarious employment and informal support, particularly in regard to the impact of the welfare state
Theoretical Background

Two theoretical questions:

1. Why is there a link between employment patterns and informal social support and what is the form that it takes?

2. Why and to what extent can institutional frameworks affect this link?
Theory (Micro level)

Theory of inequality [Bourdieu 1983]
- Accumulation of social inequalities  \(\rightarrow\) cumulation

Theory of differentiation [Esser 1996]
- Focus on other sub-systems  \(\rightarrow\) compensation

Theory of recognition [Honneth 1992a, 2000; Voswinkel 2002]
- Loss of recognition weakens social ties  \(\rightarrow\) cumulation
- Attempts to compensate loss of social recognition by increasing emotional recognition  \(\rightarrow\) compensation

\(\rightarrow\) Cumulative and compensatory effects
Theory (Macro level)

Possibilities of State Influence

- Constitutional state: all individuals have the same rights [Honneth 1992b]
- Labor market and social policy: involvement of all individuals in the social security systems; facilitating the reintegration into the labor market after job loss [Lessenich 2013; Wimbauer 2012]

  varies according to welfare state, especially in orientation to social security systems on standard employment

  measures taken by the state in regard to

    flexibility of the workforce

    and

    social protection of this flexible employment pattern

  ... lower the effects of precarious employment
Hypotheses

Micro level

- cumulation:
  Compared to standard employment, there is a **negative** impact of precarious employment patterns on social support.

- compensation:
  Compared to standard employment, there is a **positive** impact of precarious employment patterns on social support.

Link between micro level and macro level

A well-balanced mix of flexibility and security measures lowers this negative/positive effect.
Data and Methods

Data:
– European Quality of Life Survey (EQLS) 2012
– 27 European countries
– More than 30,000 individuals

Method:
– Multilevel analysis (two-step hierarchical modelling)

Variables (micro level):
– Dependent variable: social support (around the house, monetary, job search, advice in personal matters, personal interaction), scale 0 (no support) to 5 (support in all dimensions)
– Most important covariates: precarious vs. standard employment
– Control variables: age, sex, level of education, household context
Covariates: Flexicurity

**Measure of flexibility, Index:**
- Extern-numerical flexibility
- Intern-numerical flexibility
- Functional flexibility
- Wage flexibility

**Measure of security, Index:**
- Job security
- Employment security
- Wage security
- Combination security

[selection of indicators on the basis of the matrix of Wilthagen and Tros 2004]
Security and Flexibility in the EU

Source: Eurostat, OECD, EWCS 2010, own calculations.

$r=0.69^*$
Flexicurity Strategies

Source: Eurostat, OECD, EWCS 2010, own calculations.
Descriptive Results I

Informal support in Europe, overall:

- Highest values in post communist and southern European countries
- Lowest values in conservative and social democratic welfare states

→ in less supportive welfare states, individuals are forced to access their own private social support to a greater extent

Informal support in Europe according to employment patterns:

- In all European countries, people in precarious employment patterns have less informal support than people in standard employment
Discrepancy between support of precarious vs. standard employed individuals, by welfare state

Source: EQLS 2012, own calculations.
Multivariate Results

- Positive effect
- Negative effect

Conclusions

- Compared to standard employed individuals, people in precarious employment have less informal support in all European countries.

- Descriptive results: lowest discrepancy between employment patterns in welfare states with social security system that is not oriented to standard employment.

- Multivariate results: negative impact between precarious employment and informal support decreases if there is a well-balanced mix of flexibility and security.

→ to lower the risks of precarious employment, it has to go along with state measures of security and flexibility.
Literature


**Gallie, Duncan, und Serge Paugam. 2002.** Soziale Prekarität und soziale Integration. *Bericht für die Europäische Kommission auf der Grundlage von Eurobarometer 56.1*.


Appendix
### Index of job security
- Share of employees with job duration more than ten years
- Share of employees with no fixed-term contract
- Average subjective security of employment
- Share of job losses (last year)
- Self-assessment: work is possible when older than 60 years

### Index of employment security
- Share of people not long-term unemployed
- Share of people not unemployed
- Average confidence in finding a job after job loss
- Share of people in part-time job by choice
- Share of employees received paid training in the last twelve months
- Expenditure on active labor market policy
- Employment rate of elderly people (share of employees between 55 and 64 years)

### Index of wage security
- Share of employees not affected by poverty
- Average replacement ratio (5 years after job loss)
- Retirement pay in relation to last income before retiring
- Social expenditure, in general
- Share of non means-tested to means-tested social expenditure

### Index of combination security
- Working time regulation according to needs of employee
- Work schedule allows attending to familial duties
- Possibility to take a day off due to family concerns
<table>
<thead>
<tr>
<th>Index of extern-numerical flexibility</th>
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<tbody>
<tr>
<td>Share of employees with a fixed-term contract</td>
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<tr>
<td>Employment protection legislation for standard employment (decreasing value)</td>
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<tr>
<td>Employment protection legislation for temporary employment (decreasing value)</td>
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<tr>
<td>Costs of firing (cancellation period, severance pay etc.)</td>
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<tr>
<td>Share of employees (in a short-term agency)</td>
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<table>
<thead>
<tr>
<th>Index of intern-numerical flexibility</th>
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<tbody>
<tr>
<td>Rate of people <strong>without</strong> fix daily working hours</td>
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<tr>
<td>Rate of people <strong>without</strong> fix weekly working days</td>
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<tr>
<td>Average frequency of short-term changes of employment</td>
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<td>Average frequency of long monthly working hours</td>
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<table>
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<th>Index of functional flexibility</th>
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<tbody>
<tr>
<td>Share of employees with rotating tasks between colleagues</td>
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<tr>
<td>Share of people who has to solve unforeseen problems on their own</td>
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<tr>
<td>Share of people who needs different skills for rotating tasks</td>
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<td>Share of people whose tasks are not monotonous</td>
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<table>
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<tr>
<th>Index of wage flexibility</th>
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<tbody>
<tr>
<td>Income inequality: Income quintile share ratio</td>
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<tr>
<td>Share of employees with variable wages</td>
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<td>Share of employees whose wage depend on their productivity</td>
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<tr>
<td>Share of employees who get different special payments</td>
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<td>Share of employees whose wage depends on the company’s success</td>
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