

PRECARIOUS JOBS

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ABSTRACT: *The manifestation of the global economic crisis has revealed that employers' reaction to the new challenges was to lay off employees with other types of employment contracts different from those for an indefinite period of time, and in the case of those who had permanent employment agreements, but were made redundant, the response was to re-launch the economic activity which did not necessarily lead to their re-employment; however, in order to maintain the flexibility of the company in the aftermath, it was more suitable to place them in atypical employment programs. Although one cannot distinguish properly between decent jobs solely based on standard contracts of employment and in parallel with the classification of insecure jobs in the category of atypical forms of employment, the risk of uncertainty is estimated to be higher in the second case.*

KEY WORDS: *employment, atypical forms of employment, decent work, insecure jobs, employment conditions, vulnerable workers, flexible labour market.*

JEL CLASSIFICATION: *J40, J70.*

1. INTRODUCTION

Mutations that take place in the contemporary labour market as a result of the changes in the production factors market, the investment property market or consumer market, in the financial market and other relevant markets due to the symptoms of the global financial and economic crisis, increased the flexibility of employment, generating a whole range of contracts of employment that are unstable and letting to what is considered the rise of atypical forms of employment (fixed-term employment, part-time jobs, temporary agency work, subcontractors, etc.); such forms of employment are highly insecure.

In academic literature all forms of employment agreements, be they permanent and full-time, or fixed-term and part-time, carry the trace of insecurity, however, in the case of the latter, this risk is much higher.

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Despite a high degree of uncertainty (due to job insecurity among elderly, less protection of the employee in terms of social protection, pensions, etc.), the increase in the number jobs at EU level in the last years, was mainly due to these forms of employment, which are considered, by those who have accepted them, an alternative to unemployment or simply, a way to ensure basic survival.

In fact, the concern of the authorities has been often criticized due to the fact that they focused more on the quantitative aspect - to create jobs, and less on quality – rates of pay, the duration of employment contracts, social protection etc. Getting people into work is not always enough to lift them out of poverty, and this has been revealed by statistics done at Eurostat level with regard to in-work-poverty.

2. THE PROBLEM OF INSECURE JOBS

The concept of *precariousness* is very commonly used in the context of employment, referring mainly to the employee's case [1].

Treatment for the problem of precarious labour can be achieved by comparing it to decent work.

In general, in academic literature, *decent work* is associated with standard forms of employment, which include classic full-time jobs, based on permanent contracts, as well as atypical or non-standard forms of employment such as part-time work, temporary employment agency placements, fixed-term contracts, zero hours contracts, apprenticeships which are not part of an educational programme and informal or undeclared/unregistered work.

Eurofound defines *the quality of jobs* through the contents of the following four elements:

- income;
- prospects (i.e. security of the job or promotion opportunities);
- quality work;
- the fundamental quality of the work place, which depends, in its turn, on four sub-components: skills and discretion; social environment; physical and environmental risks; intensity of work.

The International Labour Organization defines decent work as “productive activity which ensures a fair income, safety and social protection at work, better prospects for personal development and social integration, freedom for people to express their concerns, to organize and take part in the decisions that influence their lives, as well as equal opportunities and treatment for all women and men” [21].

At the opposite side of decent job lies the *precarious job* which is defined as an atypical form of employment, having one of the following *characteristics* [9]:

- ✓ insufficient or non-existent security of the job due to the non-permanent nature of work like in the case of fixed-term contracts, part-time contracts, involuntary and often marginal, contracts implying precarious working conditions, unwritten agreements, various working hours and job tasks that change because according to demands;
- ✓ low wages, which can be unofficial or unclear;
- ✓ social protection rights or limited or no services provided to workers;

- ✓ no protection against discrimination;
- ✓ limited or no opportunities of promotion in the labour market;
- ✓ limited or no rights within the trade union;
- ✓ a working environment that does not comply with the minimum health and safety standards.

Precariousness refers to elements which increase risks and insecurity such as unqualified workers, periods of being on the dole, lack of vocational training, health issues, etc. If, besides all these issues, the worker is employed temporarily (less than 6 months) or part time (less than 10 hours per week) there is the risk of not benefiting from social protection rights and of being excluded from union protection and collective negotiations.

Moreover, there are risks relating to insecure jobs and unregistered work with negative consequences upon social protection and pensions. The risk of precariousness does not depend only on the length of employment contracts or on the working hours but also on a series of other factors, such as: lack of control over job content, lack of autonomy, lack of employee voice, low variation of tasks, or a lack of control over working time [6]. At the same time "the lack of workplace and social representation is a central element producing, reordering, and perpetuating social, economic, and political disparity, as well as marginalization and vulnerability" [3].

Vosko [19] states that precarious employment is shaped by the relationship between the *employment status* (i.e. self- or paid employment), the *form of employment* (e.g. temporary or permanent, part-time or full-time), and the *dimensions of labor market insecurity*, as well as by the *social context* (e.g. occupation, industry, and geography) and *social location* (or the interaction between social relations, such as gender, and legal and political categories, such as citizenship) and identifies four dimensions of labor market insecurity: degree of certainty of continuing employment, degree of regulatory effectiveness, control over the labor process, and adequacy of the income package. Meanwhile, Standing [16] identifies seven forms of *work-related securities*, of which "income security" and "(voice) representation security" are considered primary.

The protection of workers against these vulnerabilities can be provided by labour legislation (concerning the conditions and safety at the workplace, discrimination or dismissal etc.), by negotiations underlying collective employment contracts or by the position of each individual on the labour market. Analysing the above elements identified as vulnerabilities and the ways to fight them, in parallel with the situations encountered on the labour market, shows that there are both typical precarious jobs, and atypical secure jobs, based on the way these sources of vulnerability and protection interact and compensate each other in each case.

3. CHARACTERISTICS OF PRECARIOUS JOBS

Precarious jobs are generally identified with poorly paid jobs or with workplaces characterised by insecurity (in the case of fixed-term contract, temporary agency work).

Thus, the analysis of jobs prone to precariousness at EU level [6] reveal a differentiated vulnerability based on a number of criteria, such as gender, age, education level, occupation, field of activity, laws and regulations, etc.:

- the percentage of those employed part-time or temporarily has increased slightly over the past few years, the risk of them being associated with precariousness is due in large part, to lower pay and limited and decreasing transitions to standard forms of working (figure 1). Amongst them, the share of part time working women is higher than that of men, the gender gap in some countries reaches values of more than 37%, as is the case of Germany or Austria, or below 0.5% in the case of Romania or Bulgaria (table 1); considering the gender gap between women and men in terms of involuntary temporary employment, higher values are recorded in the case of women (figure 2);

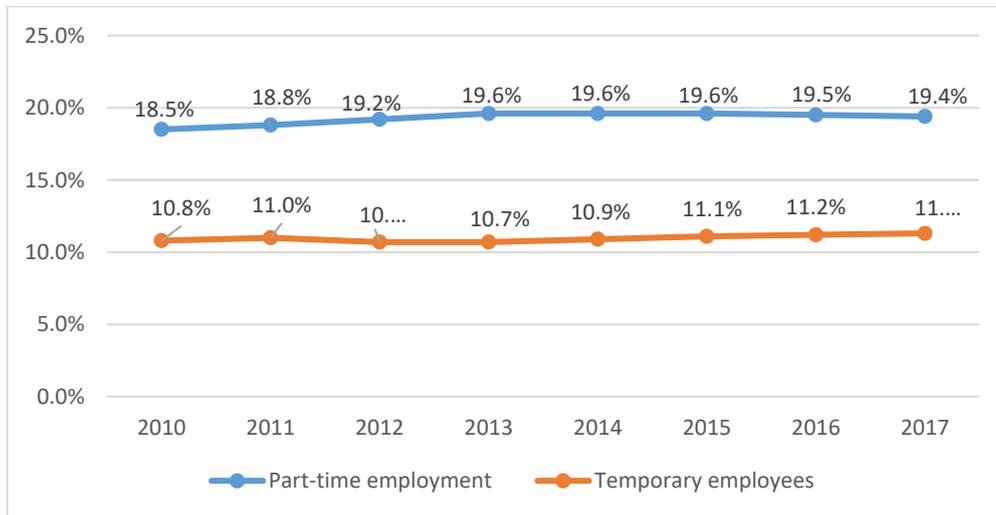


Figure 1. Part-time employment and temporary employees as percentage of the total employment

Table 1. The gap between genders in terms of part time work

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------|------|------|------|------|------|------|------|------|
| UE-28 | 23.7 | 23.6 | 23.7 | 23.7 | 23.5 | 23.3 | 23.2 | 23.0 |
| Germany | 37.6 | 37.4 | 37.1 | 38.3 | 37.8 | 38 | 37.9 | 37.5 |
| Austria | 36.3 | 36.9 | 37.7 | 37 | 37.8 | 38.1 | 37.4 | 37.4 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Romania | 0.3 | 1.5 | 1.2 | 0.9 | 1.2 | 0.6 | 0.4 | 0.2 |
| Bulgaria | 0.4 | 0.5 | 0.5 | 1 | 0.5 | 0.5 | 0.5 | 0.3 |

Source: Eurostat,

http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tepsr_lm210&plugin=1

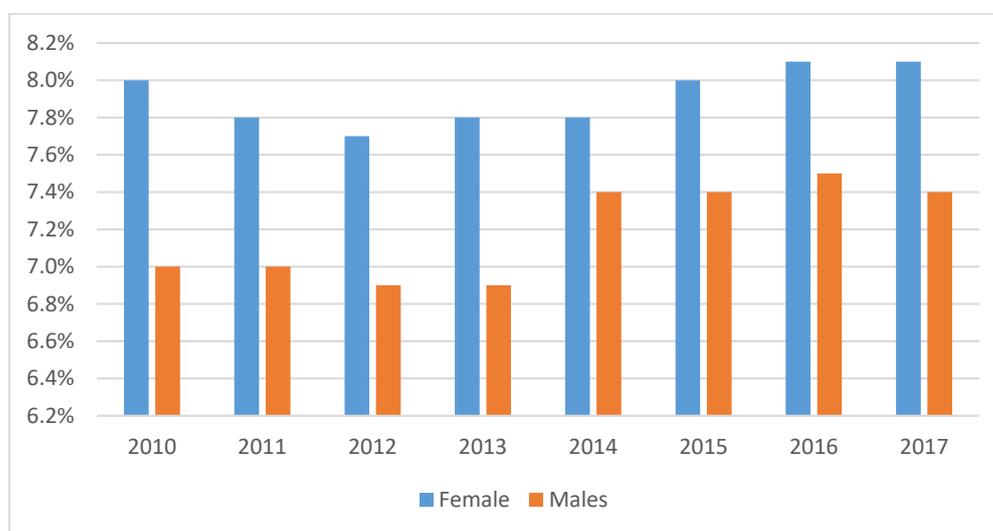


Figure 2. Involuntary temporary employment, by sex

- the percentage of those who work as freelancers or self-employed is higher as far as men are concerned (62% men in relation to 38% women [5]). Although the share of such forms of employment is relatively low (10% freelancers and around 4% self-employed persons out of total employment in Europe) and this form of employment is assigned an average risk of precariousness, it should not be overlooked that, women are, from this perspective, a segment of the population with a higher degree of vulnerability in the face of precariousness of jobs in relation to men;
- if you consider wage discrimination which means lower pay rates for women in relation to men for the same work we can say that, from the point of view of the gender gap, women are more prone to insecure jobs than men (table 3).

Table 3. Gender pay gap

| | - % - | | | | | | |
|----------------|-------|------|------|------|------|------|------|
| Country | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| UE-28 | 16.4 | 16.8 | 17.2 | 16.7 | 16.6 | 16.2 | 16.2 |
| Estonia | 27.7 | 27.3 | 29.9 | 29.8 | 28.1 | 26.9 | 25.3 |
| Czech Republic | 21.6 | 22.6 | 22.5 | 22.3 | 22.5 | 22.5 | 21.8 |
| Germany | 22.3 | 22.4 | 22.7 | 22.1 | 22.3 | 22.0 | 21.5 |
| ... | ... | ... | ... | ... | ... | ... | ... |
| Belgium | 10.2 | 9.4 | 8.3 | 7.5 | 6.6 | 6.5 | 6.1 |
| Italy | 5.3 | 5.7 | 6.5 | 7.0 | 6.1 | 5.5 | 5.3 |
| Luxembourg | 8.7 | 7.9 | 7.0 | 6.2 | 5.4 | 5.5 | 5.5 |
| Romania | 8.8 | 9.6 | 6.9 | 4.9 | 4.5 | 5.8 | 5.2 |

Source: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_etpgan&lang=en

- the structure based on levels of education reveals that the greatest expansion of precarious jobs affects the least qualified workforce, justified by the direct correlation between salary levels and qualifications and skills required on the job;
- the most affected are youngsters as they have access mainly to fixed-term or part-time contracts;
- most jobs with high risk of precariousness are in the fields of constructions, services, agriculture and less in industry, particularly the processing industry or IT; this is also due to the fact that the latter are technological sectors of activity requiring highly qualified workforce;
- the countries most prone precariousness of workplaces are those in which the possibilities for collective bargaining or social dialogue are reduced.

Since the new developments in the labour market show a considerable increase of non-standard/atypical forms of employment, and 'the new forms of employment blur the line between salaried work and the independent activities, leading to a decline in the quality of employment and to false self-employment' [7], as well as these changes accompanied by many factors, such as digitization, which contributes to a radical transformation of labor, with an increase in the trends of atypical forms of employment, it is necessary that the EU Member States ensure that the new jobs created as a result of these changes, are decent – which requires an alignment of legislative and contractual provisions regarding standard and atypical work (terminating contracts where no mention is made of the number of hours, frequent in the case of typical jobs for women in sectors such as housework chores, care work, catering and hotel industry, and creating extensive tools to regulate all types of works carried out on the premises of companies and workplaces that are officially accepted for the purposes of counselling and training, but which in practice become an additional source of abuses, taking advantage of free services or adequate protection; reduction of double work assignments for women, which is one of the reasons why the share of women working in precarious conditions is high; improving the balance between professional life and family life within workplaces, in order to reduce the number of precarious jobs), so that the prevalence of cheaper and more convenient employment can be avoided.

4. IMPORTANCE OF ATTENUATION/TERMINATION OF PRECARIOUS WORK

Analysed in the context of scarce opportunities for an employee to earn enough to make ends meet, decent working conditions, social protection, job security, promotion and career opportunities and social dialogue, the jobs that are considered precarious can be found in all the countries of the European Union regardless of whether they are considered to have a high living standards. Of course, you may have noticed a trend in favouring insecure jobs by certain categories of employees – who in general are the same in all economies - namely, those with a lower level of education, young people or women, those who work in certain economic sectors in which no qualified workforce is necessary.

Most often, these jobs are not considered insecure by employees, as long as they provide a certain level of pay rate considered decent, while the other elements that characterize the employment (social protection, working conditions, the safety of the workplace, etc.) are often overlooked although the precarious working conditions have a significant long-term effect on social protection and pensions and to expose workers to particularly high risk of poverty, social exclusion and the deterioration of their fundamental rights. The consequences of precarious labour may be extended up to each individual so as to postpone the transition to an independent life, to start a family or to conceive a child. At society level they may be considered causes of mobility of the labour force or demographic decline and ageing, with influences on the public pension systems.

On the labour market, the response of the private sector to the turbulences generated by the latest world economic crisis has revealed that the reduction in the number of jobs has affected the majority of atypical employment contracts, contracts which carry a higher risk of precariousness and even though there are talks about an economic recovery, the survival instinct of companies makes them to act cautiously, while maintaining flexibility by employing people on a fixed-term or part-time basis thus granting less protection of rights of employees compared to fixed term employment. The relationship between social protection and legislative regulations meant to protect the rights of employees takes extremely diverse forms at the level of European Union countries. Thus, in countries such as Austria or Denmark a relatively low protection of jobs is supported by a strong system of social protection, while in countries like Romania or Bulgaria both the security of the job and social protection are considered weak.

The current state of the economy and the estimated changes contribute to the creation of new jobs. At the same time, national education systems are those that prepare the future generation for active life. Concerns about the consequences of the current situation in the labour market on the future society constitute a prerogative for authorities and the European institutions, who in fact hold all the necessary information in order to create the picture and also to combine all of these dimensions into a strategic framework adapted to the requirements of future development and to set some development trends. Under the circumstances, the need for the measures and policies at national and European level in order to stimulate the creation of quality jobs can be considered a proof of the ability to manage current and future human potential.

5. CONCLUSIONS

As of 2013, 10 million jobs have been created within the EU. However, beyond the general social and economic progress, there is evidence showing great pressures on the younger generations: they tend to encounter more difficulties in finding a job and they are more exposed to atypical and precarious forms of employment, including temporary contracts, which can reduce their level of social protection. They are also likely to receive lower pensions compared with wages. These challenges can have negative consequences on the fertility rates and hence on the sustainability of pension systems and of the economic growth, especially in the context

in which it is expected that the working-age population will drop by 0.3% each year, until 2060 [24].

Critics talk about a wrong approach of the problem of employment, emphasis being placed only on quantity at the expense of quality. The apparent increase in employment rates that has been registered recently conceals the fact that precarious labour force, self-employment and involuntary part-time workers are favoured even more although this does not provide them with a decent standard of living or nor does it ensure their rights in the workplace. That is, although the number of jobs has increased, this has been achieved due to atypical forms of employment (fixed-term work, part-time work, temporary work through an agency, etc.); these forms of employment imply a greater risk of job precariousness (i.e. low levels of safety and security of employment, low pay rates, social protection rights or benefits relating to the employee status are limited or non-existent, the absence of protection against discrimination, limited or non-existent prospects of advancement on the labour market, limited or non-existent rights to collective representation, a work environment that does not meet the minimum standards of health and safety).

Warning signs related to the increasing share of atypical forms of employment that pose high risk of precariousness are more frequent and powerful, and can lead to an intensified efforts at the level of member countries and the whole European Union in terms of awareness of the importance that must be paid to the creation of decent jobs.

Among the measures already taken in this sense, it is worth mentioning: the efforts made by countries to develop policies that strengthen the rights of workers by improving social dialogue and promoting the extension of collective negotiations, so that all workers can access and exercise their right to associate and to bargain collectively, freely and without fear; the focus of labour inspectorates and social partners on the objective of monitoring and improving working conditions and on the protection of workers' rights; establishing wages and decent income in accordance with the laws and practices of the Member States and providing advice and guidance to employers; promoting strategic policies of universal coverage of employees under collective contracts, considering at the same time, the role of trade unions as social partners; ensuring effective protection of the workers affected by insecurity and precariousness, giving special priority to women, youngsters, to the elderly, to workers within the informal economy, migrant workers and disabled people.

Even though a growing number of jobs and the higher income from wages and salaries reveal a revival of the labour market, the problem of precarious jobs and chronic unemployment levels show that the labour market still has unresolved issues.

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