

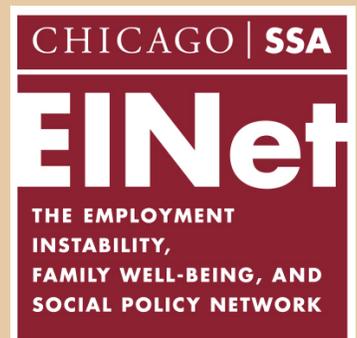


Measuring Precarious Work

A WORKING PAPER OF THE EINet MEASUREMENT GROUP

Arne L. Kalleberg | University of North Carolina at Chapel Hill

November, 2014



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The concept of precarious work (or precariousness in work) has grown in importance in recent years as a way of describing the transition in employment relations away from the post-World War II norm of standard employment relations. The concept is a broad one, as it refers to a number of different components of work. Precarious work is present in both the informal and formal sectors of economies in developed and developing countries.¹ Unfortunately, our understanding of precarious work arrangements has been hampered by a lack of consensus and clarity on what components are important to study and by the lack of systematic, time-series evidence about them.

I first describe what I mean by precarious work. I then review some of the ways in which particular components of precarious work have been measured in various surveys and suggest some items that might be useful to include in national surveys.

CONCEPTUALIZING PRECARIOUS WORK

Precarious work is usually regarded as work that departs from the norm of standard work (i.e., secure employment with an employer; working full-time, year round; working on the employer's premises under his or her supervision; enjoying extensive statutory benefits and entitlements; and having the expectation of being employed indefinitely). Precarious work thus falls below socially accepted, normative standards by which workers have certain rights and employment protections and bear the risks associated with economic life. The notion of precarious work is also often equated with poor quality, "bad" jobs and thus has been used as a synonym for poor job quality or quality of employment, high-stress jobs, and so on. However, job quality is a much broader concept and while bad jobs are usually precarious, equating these concepts detracts from the unique features of precarious work.

There are a number of terms that have been used to describe precarious work, including: contingent work, non-standard work, non-regular work, atypical work, market-mediated work arrangements, alternative work arrangements, nontraditional employment relations, flexible staffing arrangements or work practices, vulnerable work, disposable work, and new forms of employment.

Major types of precarious work include:

- Temporary work
- Direct hire on temporary labor contracts for fixed or limited term or fixed task
- Hiring via temporary employment agencies or labor brokers
- On call/daily hire work
- Contract work
- Outsourcing functions/activities to other companies (on-site or off-site)
- Independent contractors
- Involuntary part-time work

In addition, workers on otherwise standard employment contracts may also be precarious in that they are uncertain about how long their jobs will last, given the spread of employer practices that use layoffs as a business strategy rather than as a last resort during downturns in the business cycle.

The concept of precarious work thus goes beyond the form of work or employment to encompass the range of factors that contribute to whether a particular form of employment exposes the worker to employment instability, a lack of legal and union protection, and social and economic vulnerability. There are four major dimensions of precarious work: (1) temporal (related to the continuity of employment); (2) organizational (control over work and its scheduling, working conditions); (3) economic (pay); and (4) social (protections) (Rogers, 1989).

Precarious employment is thus characterized by:

- Work that is *insecure, unstable, and uncertain*. Job insecurity implies a high risk of job loss. This dimension is also associated with irregular and unpredictable schedules on the job.
- Work that provides *limited economic and social benefits*, such as a living wage as well as health insurance or retirement benefits.
- Work that has limited *statutory entitlements* provided by labor laws, regulatory protection, and labor rights. To a large degree, this results from precarious workers not possessing a collective voice in the labor market, through, e.g., independent unions.
- Jobs that have *little potential for advancement* to better jobs and thus the prospects are bleak for future work security and life chances, as well as for expectations of continued employment and income.
- Jobs that expose the worker to *dangerous and hazardous conditions* and do not provide much protection against accidents and illness at work, through, e.g., safety and health regulations, limits on working time, unsociable hours, night work for women, etc., as well as compensation for mishaps.

These characteristics of precarious employment might be grouped into three general categories:

- *Drivers* of precarious work: things that have led to increases in precarious work, such as union decline or removal of statutory and regulatory protections.
- *Precarious work* itself: work that is insecure, uncertain, and unstable; and that provides few opportunities for advancement.
- *Outcomes or correlates* of precarious work and/or its drivers, such as: economic insecurity; poverty; inequality; limited economic and social benefits; and exposure to dangerous and hazardous working conditions.

The extent to which particular employment relations might be considered precarious depends on the labor market institutions and welfare systems of particular countries. For example, temporary work is more precarious in countries such as the U.S., where health insurance has historically been delivered through employers (and thus at risk of being lost if employment is terminated) than it is in countries characterized by universal health coverage such as the Social Democratic countries of Scandinavia. Precarious work is also more likely in countries that have few regulatory protections or in which workers do not exercise much collective power. My focus here is on the United States, however, with its relatively weak social safety net.

MEASURING PRECARIOUS WORK

There are several major difficulties in operationalizing the idea of precarious work: (1) precarious work is not a precise statistical category, as it includes a variety of different aspects of employment relations and characteristics of jobs and working conditions; (2) existing statistical categories (e.g., of part-time work, temporary work, fixed-term contracts, self-employment) are related to precarious work but cannot be simply equated with it (e.g., since some part-time work may be stable and certain and hence not precarious); (3) much precarious work is not counted in current statistics and is difficult to measure in surveys (e.g., undeclared work,

own-account workers, irregular schedules); and (4) it is becoming increasingly difficult to distinguish who is an employer vs. an employee vs. self-employed (European Commission, 2014).

In view of the multidimensional nature of precarious work, the European Commission, for example, has used a wide variety of indicators related to the concept in order to examine country differences:

- lowest income quartile
- job tenure < 1 year
- fixed term or temporary employment agency contract
- low intellectual job content
- low degree of autonomy at work
- harassment during the last 12 months
- working unsocial hours
- bad physical job environment

This expansive definition seems much too broad and is likely to detract from the key features that make contemporary work precarious. Rather, the priority should be to get indicators of precarious work itself: (1) the extent to which work is insecure, uncertain, and unstable; and (2) whether workers have opportunities for advancement in their current jobs.² However, a larger project on precarious work (which develops and tests theories of its causes and consequences) also requires us to obtain measures of its drivers and outcomes/correlates, many of which are already collected in national surveys.

OBJECTIVE MEASURES OF INSECURE, UNSTABLE, AND UNCERTAIN WORK

Current Population Survey's Contingent Work Supplements: February 1995–2005

Contingent Workers

The Bureau of Labor Statistics (BLS) considers contingent workers to be those who do not have an implicit or explicit contract for ongoing employment. Persons who do not expect to continue in their jobs for personal reasons such as retirement or returning to school are not considered contingent workers, provided that they would have the option of continuing in their jobs were it not for these reasons. The BLS uses the following questions to determine whether people's jobs are contingent:

1. "Some people are in temporary jobs that last only for a limited time or until the completion of a project. Is your job temporary?" (Yes, No)
2. "Provided the economy does not change and your job performance is adequate, can you continue to work for your current employer as long as you wish?" (Yes, No)
3. "How much longer do you expect to work in your current job?" (Days, Weeks, Months, Years)

Based on responses to these questions, the BLS constructed three categories of contingent work:

Estimate 1 (1.8% of total employed in 2005): Wage and salary workers who expect their jobs will last for an additional year or less and who had worked at their jobs for 1 year or less. (Self-employed and independent contractors are excluded. For temporary help agency and contract workers, contingency is based on expected duration and tenure of their employment with their employer, not the specific

client.)

Estimate 2 (2.3 % of total employed in 2005): Workers including the self-employed and independent contractors who expect their employment to last for an additional year or less and who had worked at their jobs (or been self-employed) for 1 year or less.

Estimate 3 (4.1 % of total employed in 2005): Workers who do not expect their jobs to last. Wage and salary workers are included even if they already have held the job for more than 1 year and expect to hold the job for at least an additional year. Self-employed and independent contractors are included if they expect their employment to last for an additional year or less and they had been self-employed or independent contractors for 1 year or less.

Alternative Work Arrangements

Independent Contractors:

“Are you self-employed as an independent contractor, independent consultant, free-lance worker, or something else? That is, someone who obtains customers on their own to provide a product or service?” (Yes, No) (7.4% of total employment in 2005)

“Last week, were you working as an independent contractor, an independent consultant, or a free-lance worker?” (Yes, No)

(If independent contractor): “Do you usually have any paid employees?” (Yes, No)

On-Call Workers:

“Were you an on-call worker last week?” (Yes, No) (1.8% of total employment in 2005)

“Some on-call workers have regularly scheduled hours, but in addition must work when called. Other on-call workers work only when called. Which type of on-call worker are you?”

“Were you a day laborer last week?” (Yes, No)

Temporary Help Agency Workers:

“Are you paid by a temporary help agency?” (Yes, No) (.9% of total employment in 2005)

Contract Company Workers:

“Did you work for a company that contracts out you or your services last week?” (Yes, No) (.6% of total employment in 2005)

International Labour Organization (for employees only)

Are you employed permanently or temporarily?

1. Permanently
2. Temporarily

“Are you employed on the basis of a written contract or agreement?”

1. Yes
2. No

European Social Survey

“Is the employment contract of unlimited or limited duration?”

- 1: Unlimited
- 2: Limited
- 3: No contract

“When your job started do you think that it was considered by your employer to be...*READ OUT...*”

1. A temporary or fixed term job lasting less than 12 months
2. a temporary or fixed term job lasting 12 months or more, or
3. a permanent job?
4. Other
5. Don't know

International Social Survey Program (ISSP, 2005)

“Which of the following describes your present job situation?” (Please tick one box only)

1. It is a job with no written contract
2. It is a fixed-term job lasting less than 12 months
3. It is a fixed term job lasting for one year or more
4. It is a job with no set time limit
5. Can't choose

A likely reason why there are relatively few temporary help agency workers (and temporary workers generally) as registered by these measures in the U.S. (and the U.K.) is that these countries have relatively weak employment protections and so employers are often able to fire workers “at will” (subject to EEO rules about discriminating against various groups, etc.). Thus, employers may hire workers with the intention of only employing them for short periods, but employees may not be aware of this. (By contrast, in countries with strict employment protections such as Spain there are very high proportions of temporary workers, as employers are reluctant to hire on a permanent basis.) Hence, U.S. workers on “standard” employment relations may also be precarious, and so it is important to also measure the extent to which workers feel secure in their jobs and employment situations.

SUBJECTIVE MEASURES OF JOB AND EMPLOYMENT INSECURITY

Likelihood of Losing Current Job (Cognitive Job Insecurity)

General Social Survey (GSS), International Social Survey Program (ISSP), and European Social Survey (ESS):

“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).

ISSP and ESS:

“For each of these statements about your main job, please tick one box to show how much you agree or disagree that it applies to your job?” (1=Strongly agree...5 = Strongly disagree)

My job is secure

ESS:

“How likely is it that you will become employed in the next 12 months?”

“How likely is it that you will become unemployed and looking for work in the next 12 months?”

“How difficult/easy for employer to replace you if you left?”

Difficulty of Finding a Comparable Job (Cognitive Employment Insecurity)

GSS:

“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)?

ISSP:

“If you were looking actively, how easy or difficult do you think it would be for you to find an acceptable job?” (1=Very easy ... 5=Very difficult)

ESS:

“How easy would it be for you to get a similar or better job with another employer?”

Affective Job Insecurity

ISSP:

“To what extent, if at all, do you worry about the possibility of losing your job?” (1=I worry a great deal, 2=I don't worry at all)

OPPORTUNITIES FOR JOB ADVANCEMENT

ISSP:

“My opportunities for advancement are high” (1=Strongly agree...4=Strongly disagree)

ISSP:

“If you were to look for a new job, how helpful would your present work experience and/or job skills be?” (1=Very helpful...4=Not helpful at all)

ISSP:

“Over the past 12 months, have you undertaken any training paid for by your employer, either at the workplace or somewhere else?” (Yes, No)

Note: An alternative approach to measuring opportunities for advancement is to calculate the probability that people in particular occupation-industry combinations are able to move to higher level occupations over time and to transfer the skills they have acquired on a job to the new one (e.g., Mouw & Kalleberg, 2015). However, this approach does not lend itself very well to surveys of individuals.

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¹ I focus here on precarious work in the formal economy, as information on the informal economy is difficult to obtain through government and public opinion surveys.

² I am not considering here measures of unemployment, underemployment, or involuntary part-time employment, all of which contribute to the precarity of work.