

Precarious Work, Institutions and Inequality

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Overview

- **Employers and Governments have Shifted Risks to Workers**
- **Country Differences in Inequality and Low-Wage Work**
- **Confronting Low-Wage and Precarious Work: Politics and Policies**

Precarious Work

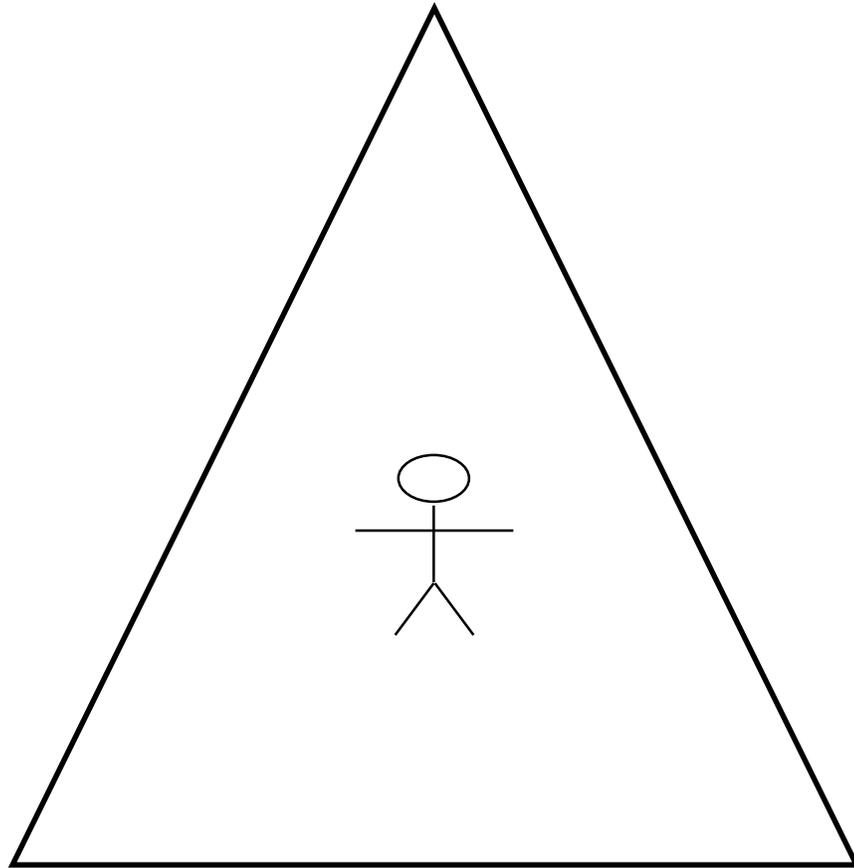
➤ Work that is:

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

➤ *Examples:*

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

Standard Employment Relationship



- Pillars:
 - Bilateral Employment Relation
 - Standardized Hours
 - Continuous Employment
- Access to
 - Regulatory protections
 - Training
 - Careers
- Adult Male Citizens (Male breadwinner model)
- Fordist Manufacturing

1975-Present

COUNTRY DIFFERENCES in Liberalization Policies and their Consequences

Changing Economic Structures

Globalization

Technology

Deregulation of Markets

↓ Unions

Changing Workers

Women in LF

Education

Immigration

Standard Employment Relationship

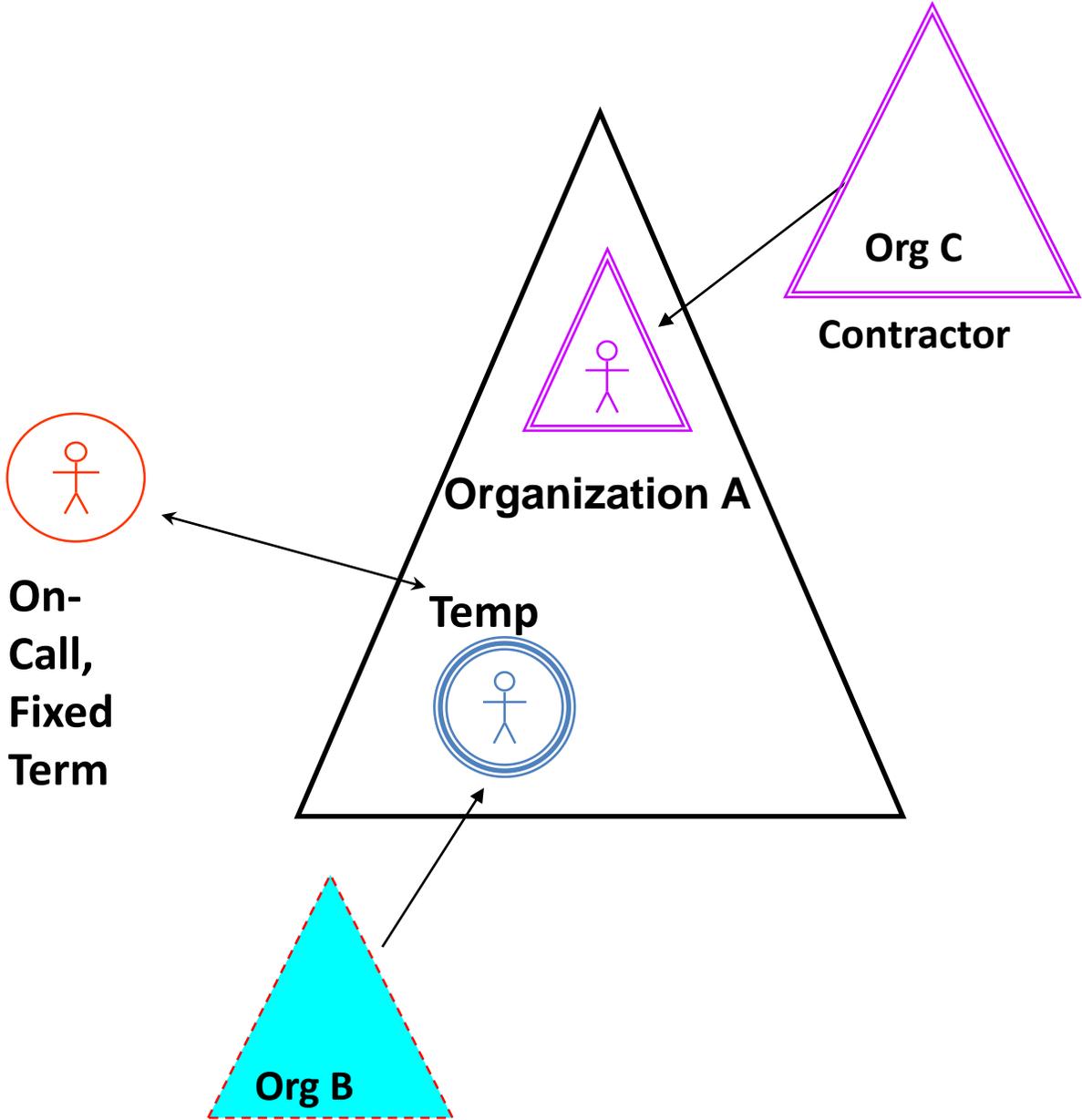


Precarious Work



Shift in Employment Norms

Nonstandard Employment Relations



Countries and Employment/Welfare Regimes (*Rich Democracies*)

➤ **Liberal Market Economies:**



➤ **Coordinated Market Economies:**



➤ **Mediterranean:**



➤ **Productivist:**



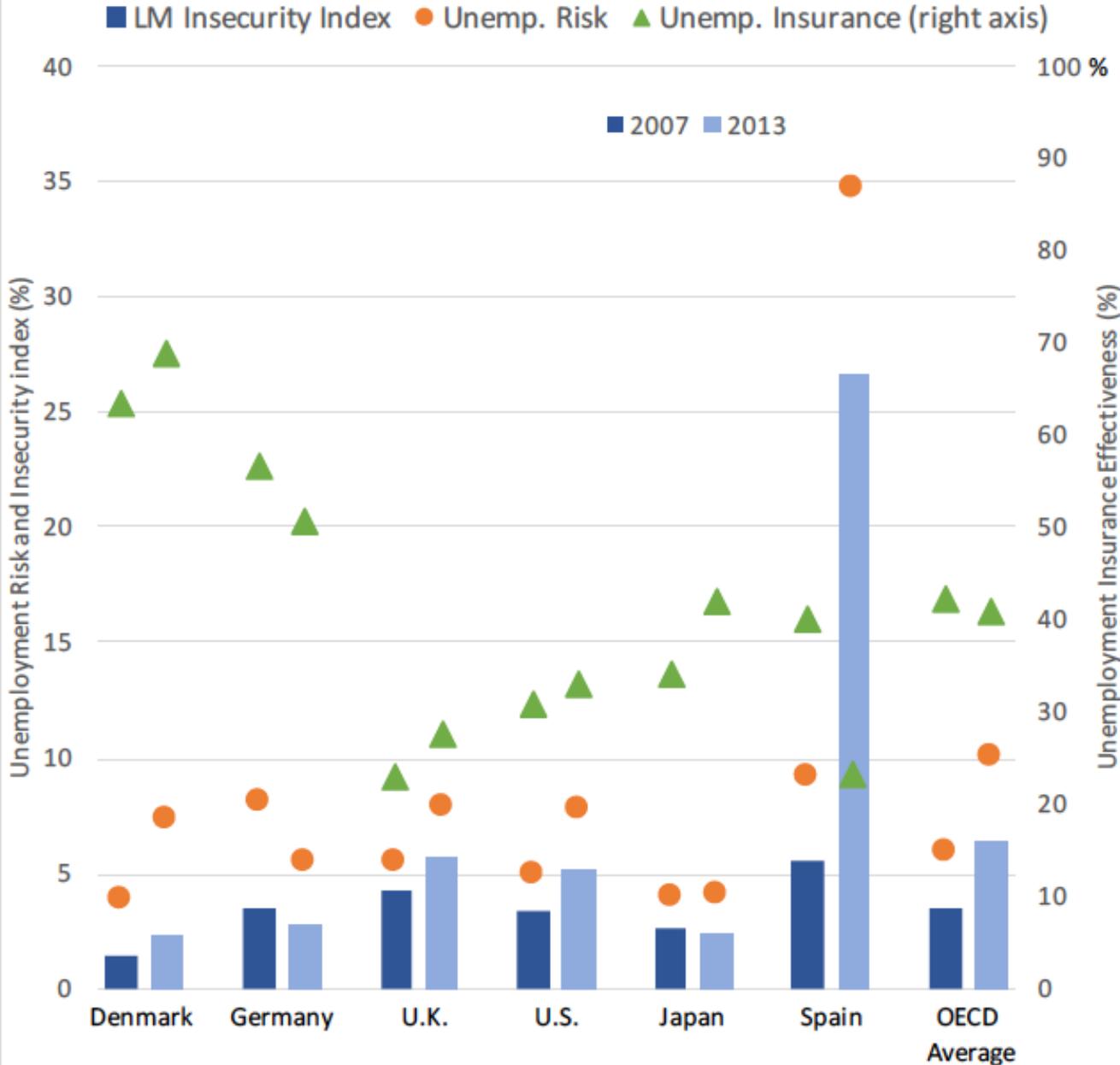
Forms of Liberalization

- **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

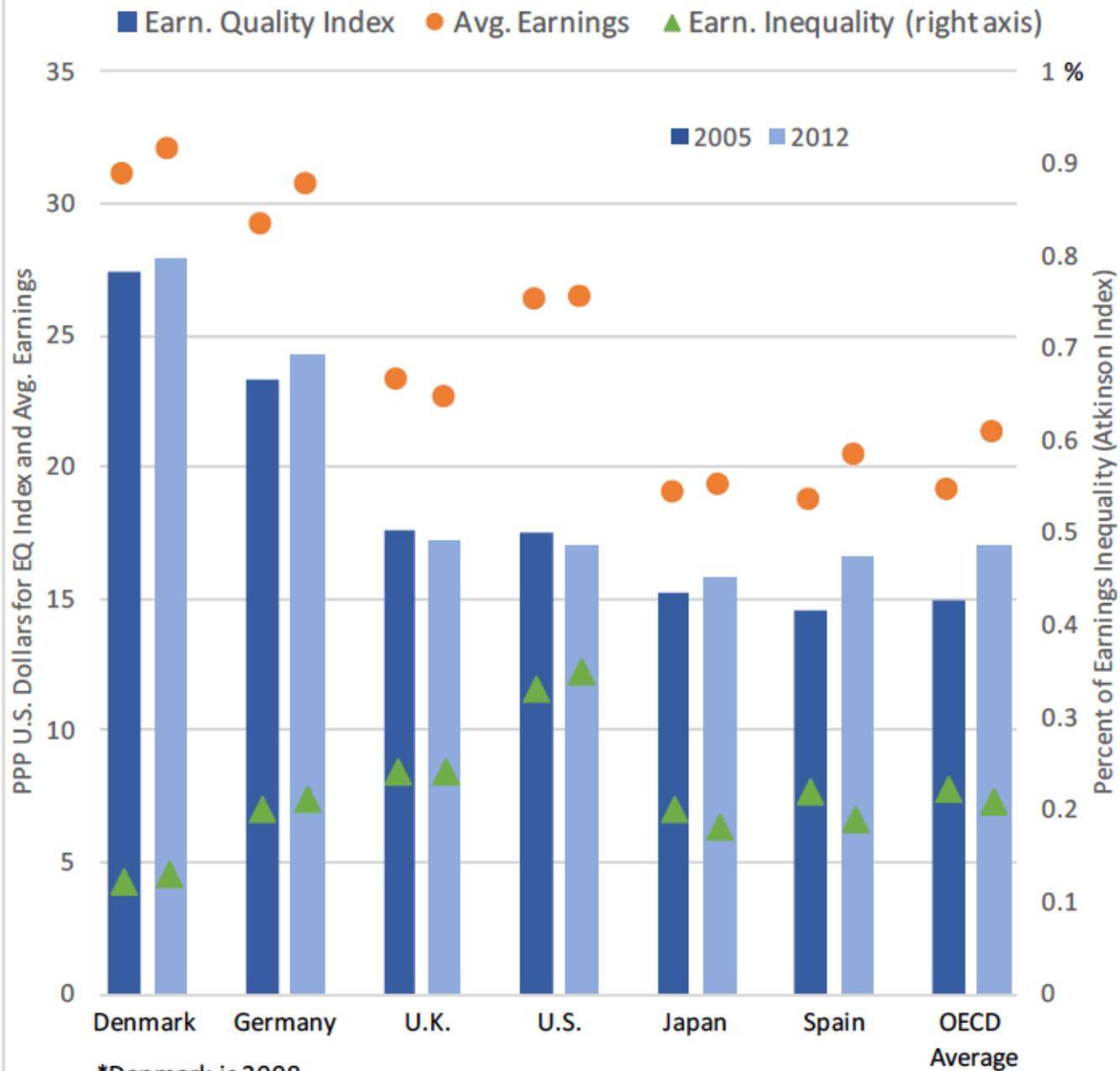
Labor Market and Social Welfare Protection Policies

- **Active Labor Market Policies (Job Security)**
- **Generosity of Social Welfare Protections (Economic Security)**
- These differ among countries due to:
 - Politics
 - Unions and Collective Bargaining
 - Economic Climate

OECD Labor Market Insecurity 2007 and 2013

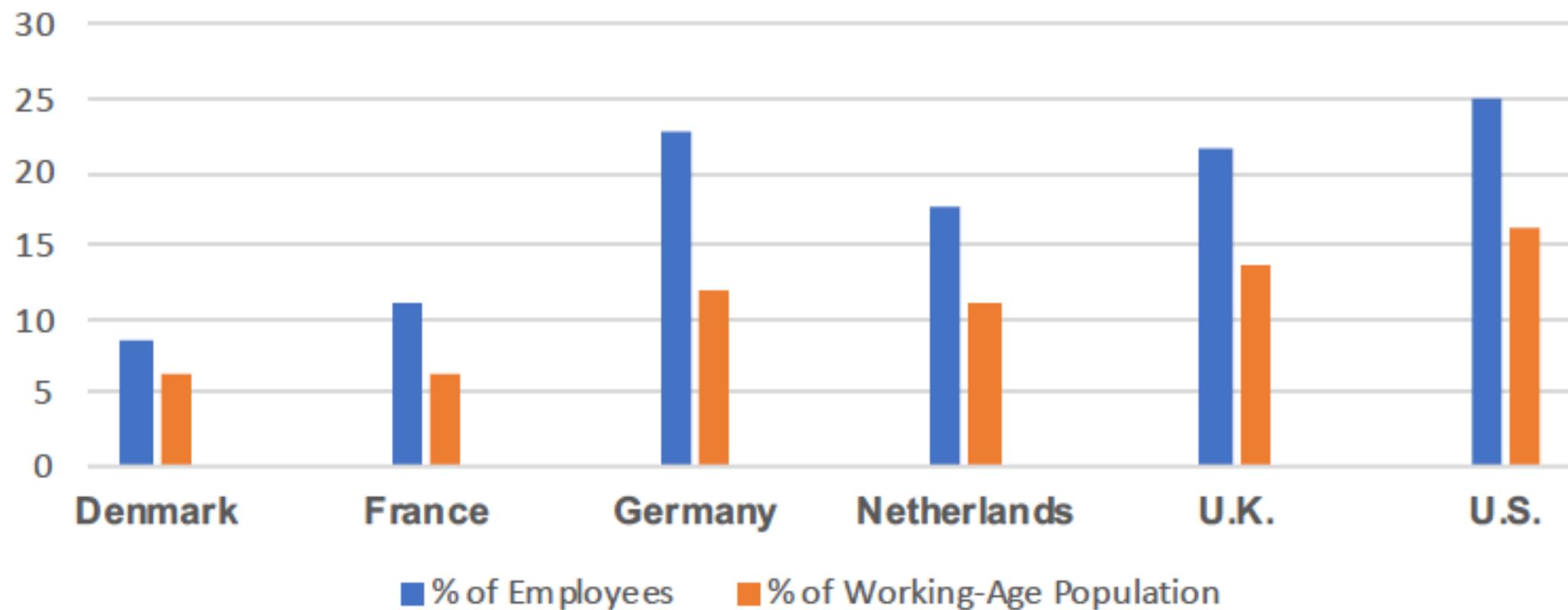


OECD Earnings Quality 2005* and 2012



*Denmark is 2008

% of Low-Paid Workers Among Employees and the Working-Age Population (2003-2005)





New Risks Require a New Social and Political Accord

➤ Collectivize Risk

- Social insurance and economic security not tied to employment with a particular employer**

➤ Social Investments in Education and Skills

- Broader Access**
- Retraining, Lifelong Learning**

➤ Revise Labor Laws

➤ Manage Diversity

- Gender, Age, Family, Immigration Status, Race/Ethnicity, Etc.**

Implementing a New Social and Political Contract

- Need **government** policy to:
 - Provide social protections (health, pensions, economic security, etc.)
 - Facilitate education and training systems
 - Broker and sustain coalitions between employers and workers
 - Balance interests of employers and workers (e.g., via flexicurity)
 - **National vs. Local Regions (e.g., communities)** as sites of policy implementation (e.g., Principle of *Subsidiarity*).
 - Examples of State-level policies in the U.S.: CA and NJ family-leave laws; State differences in UI, minimum wage laws, private-public (e.g., community college-business) partnerships, etc.
- Need greater solidarity among **organized labor and social movement organizations** and between mutual interests of **regular** and **precarious workers** (e.g., meritocracy, gender equality, work-family relations)
- Need greater sense of social responsibility/concern by **business** (A long-standing challenge is balancing interests of large vs. small businesses.)

Possible Future Scenarios

> Dystopian

- Continued expansion of **BJ** and Precarious Work (Low pay, poor benefits insecurity, dead-end jobs, scheduling uncertainty); “Uberization” of economy
- Weak economic growth
- Continued increase in Inequality

> Utopian

- Expansion of **GJ**, perhaps fueled by revival of local areas as locus of economic activity
- Decoupling of social protections and income from paid work
- Enlargement of notion of “work” beyond market-based work