

Perspective

Precarious work and precarious lives: A comparative analysis

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DESCRIPTION

Precarious work-work that is insecure and uncertain, often low-paying and in which the risks of work are shifted from employers and the government to individual workers-has emerged as a central challenge for workers, organizations and governments in the 21st century. My recent book, precarious lives: Job insecurity and well-being in rich democracies, summarizes the recent rise and consequences of precarious work in six rich democracies: Denmark, Germany, Japan, Spain, the United Kingdom and the United States. These countries represent different types of employment, production and social welfare capitalist regimes: Social democratic nations (Denmark); coordinated market economies (Germany, Japan); Southern Mediterranean economies (Spain) and liberal market economies (the United Kingdom and United States). I discuss how differences in these countries' labor market institutions and policies (such as unions and collective bargaining, active labor market policies and employment protections) and social welfare policies (such as unemployment insurance and the generosity of other welfare benefits) shaped peoples' experiences of job and economic insecurity, transitions to adulthood and subjective well-being. I also outline the elements of a new political and social contract that is needed to address the negative consequences of precarious work for individuals and their families.

The sale of products or items in tiny or individual lots such a new social contract must maintain flexibility for employers yet still provide individuals with ways to cope with the negative consequences produced by such flexibility.

There are common trends among the six countries. All have had to respond to similar political and economic forces unleashed by an increasingly global and technology-driven economy, as well as constraints on state budgets produced by slowdowns in economic growth coupled with the aging of labor forces and more diversity in what labor forces need to be productive. In all six countries, there has been a decline in long-term employment among prime age men. And all countries have liberalized their labor markets and restructured their social welfare protections to cope with the growth of precarious work. The nature of this liberalization has differed, depending on a country's political situation and the collective strength of its workers, from a general deregulation of markets and social protection institutions (the U.K. and U.S.), to dualism (Germany, Japan, Spain), to a more collective sharing of risk (Denmark).

The extent to which precarious work translates into precarious lives depends largely on the social and legal protections that are linked to particular work arrangements.

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Some countries have been able to address the concerns raised by precarious work more successfully than others by re-establishing and expanding social safety nets, managing labor market transitions more effectively and implementing social and economic reforms that are targeted at the needs and choices of increasingly diverse labor forces. The empirical evidence that I presented suggests the following five conclusions.

First, the generosity of public spending on social welfare benefits and active labor market policies is relatively high in Denmark, Germany and Spain and relatively low in Japan, the U.K. and U.S. Differences in these policies can be traced to differences in the power of workers and political dynamics in these countries.

Second, labor market institutions affect the incidence of precarious work. Temporary work is less common in the liberal market economies of the United Kingdom and United States and relatively high in Spain. These differences are associated with the low levels of employment protections in the U.K. and U.S. and the high employment protections in Spain. Moreover, the degree to which temporary jobs can be considered precarious depends on the nature of the social protection systems in a country, such as whether temporary workers are afforded the same kinds of welfare entitlements as those working in regular jobs.

Third, generous social welfare benefits are linked to less economic insecurity, which is lowest in Denmark and Germany and highest in the liberal market economies of the U.K. and U.S. The latter countries differ, however, in the social wage due to the greater availability of economic and social supports in the U.K. that help people to mitigate various types of life course risks.

Fourth, young persons have difficulty gaining a solid

foothold in the labor market especially in Spain, with its high levels of employment protection that relegates young workers to temporary jobs. Trouble establishing families is especially pronounced for young males in Japan, with its rigid markers of the transition to adulthood.

Fifth, the generosity of social welfare protections, along with high levels of active labor market policies, is associated with greater subjective well-being in a country.

The extent to which precarious work, inequality, poverty, and other negative consequences for large groups of workers will continue to result from the broad structural changes associated with capitalist development is not inevitable, however: Technology, globalization or other inexorable forces do not determine them. Labor market and social welfare protection institutions are subject to the control of political actors, who have it within their power to address the consequences of precarious work by re-establishing and expanding social safety nets, managing labor market transitions more effectively and implementing social and economic reforms that are targeted at the needs and choices of increasingly diverse labor forces. The pandemic has shown that states have resources available to them for increased social investment. Essential to such ameliorative actions is the revitalization of organized worker power and political support through party competition whereby the state facilitates workers' power. Enhancing job and economic insecurity constitutes even greater, central challenges for countries in the 21st century than when the book was written. Upheavals such as those created by precarious work generate anxiety and uncertainty as people, organizations and governments scramble to adapt to a new reality. The challenge is to respond to these changes by institutions, policies and practices that promote both economic growth and workers' well-being.