

Challenges and Contradictions in the 'Normalising' of Flexible Labour Markets

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Precarious work as the new norm?

- Consensus on likelihood of continued expansion
- Processes of legitimising and normalising precarious work (low pay and non standard forms of employment (NSFE)) but from multiple perspectives/ with multiple objectives
 - Insider/outsider
 - Protecting the Standard Employment Relationship (SER)
 - Activation agenda
 - Social justice/universalism

Debate on how to respond to precarious work

- Insider/outsider (mainstream economists/ Rueda etc)
 - Levelling down
- Protecting the SER through reform(Bosch, Supiot)
 - Extend coverage/definition of work
 - Change form while maintaining substance of decommodification
- Activation agenda
 - precarious work as acceptable/required alternative to unemployment (need for in-work benefits)
 - For social inclusion or for general work discipline (Greer)
- Social justice/universalism
 - Abandon SER as no longer fit for purpose (Stone and Arthurs, Vosko, Standing)
 - Universal social protection as alternative to employment protection and welfare state conditionality

Precarious work and recommodification/decommodification processes

Recommodification

- Precarious work almost by definition leads to the recommodification of labour.
- This is intensified by policies to encourage/require take up as alternative to unemployment

Decommodification is occurring alongside recommodification through three interlinked processes:

- the extension of SER protections to more forms of NSFE;
- the flexibilisation of the SER to enable take up/ retention of SER-type employment;
- state-based decommodification of precarious employment through in-work benefits (but only for minority as household-based)

Decommodification

- part of a solution to
- and/or part of the problem?

By normalising, legitimising and supporting precarious work, is its spread facilitated?

Three stage analysis

Drawing on a six country comparative study of protective gaps for precarious work (to provide examples of varieties of practices, not as country case models of inclusion)

1. Uses the SOFL to explore the need for the extension and the flexibilisation of the SER
2. Explores the repositioning of precarious work as an acceptable and required alternative to unemployment to promote activation
3. Reviews four alternative approaches to reform of employment and social protections

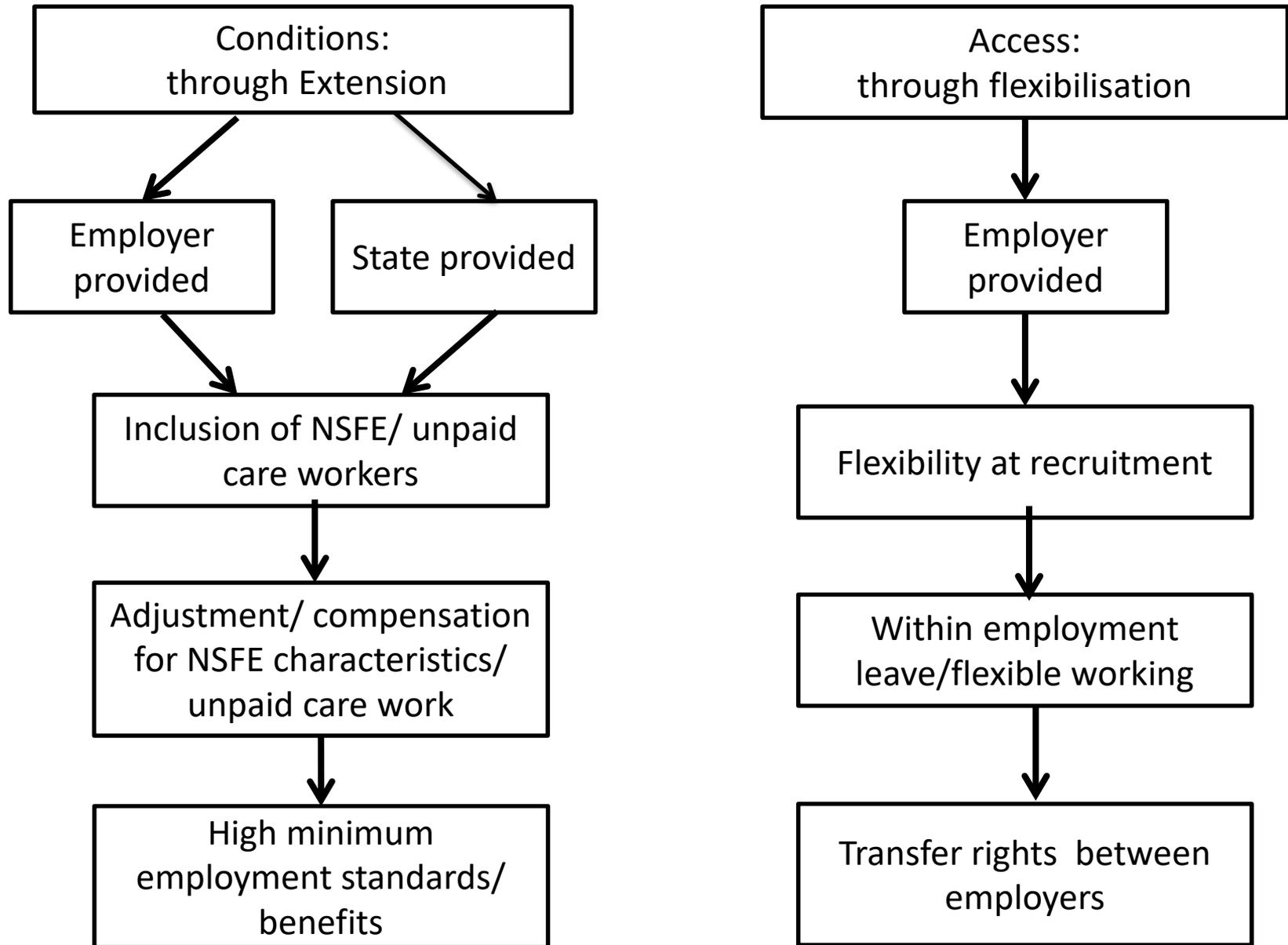
Table 1 . *Historical SER context in the six selected countries*

	Regulation of SER	Male breadwinner 'norm'	Labour market flexibility for permanent workers	Gaps in standards between employment forms
Denmark	Voluntarism	Weak	High (but with strong social wage)	Moderate
France	State-centred voluntarism	Moderate	Low	Moderate
Germany	Hybrid	Strong	Low	High
Slovenia	State-centred voluntarism	Weak	Low	Low
Spain	State-centred voluntarism	Strong	Moderate	High
UK	Employer-led voluntarism	Moderate/strong	High (but limited social wage)	Low/moderate

Table 2. Comparing SER protections and NSFE protective gaps using the SOFL framework.

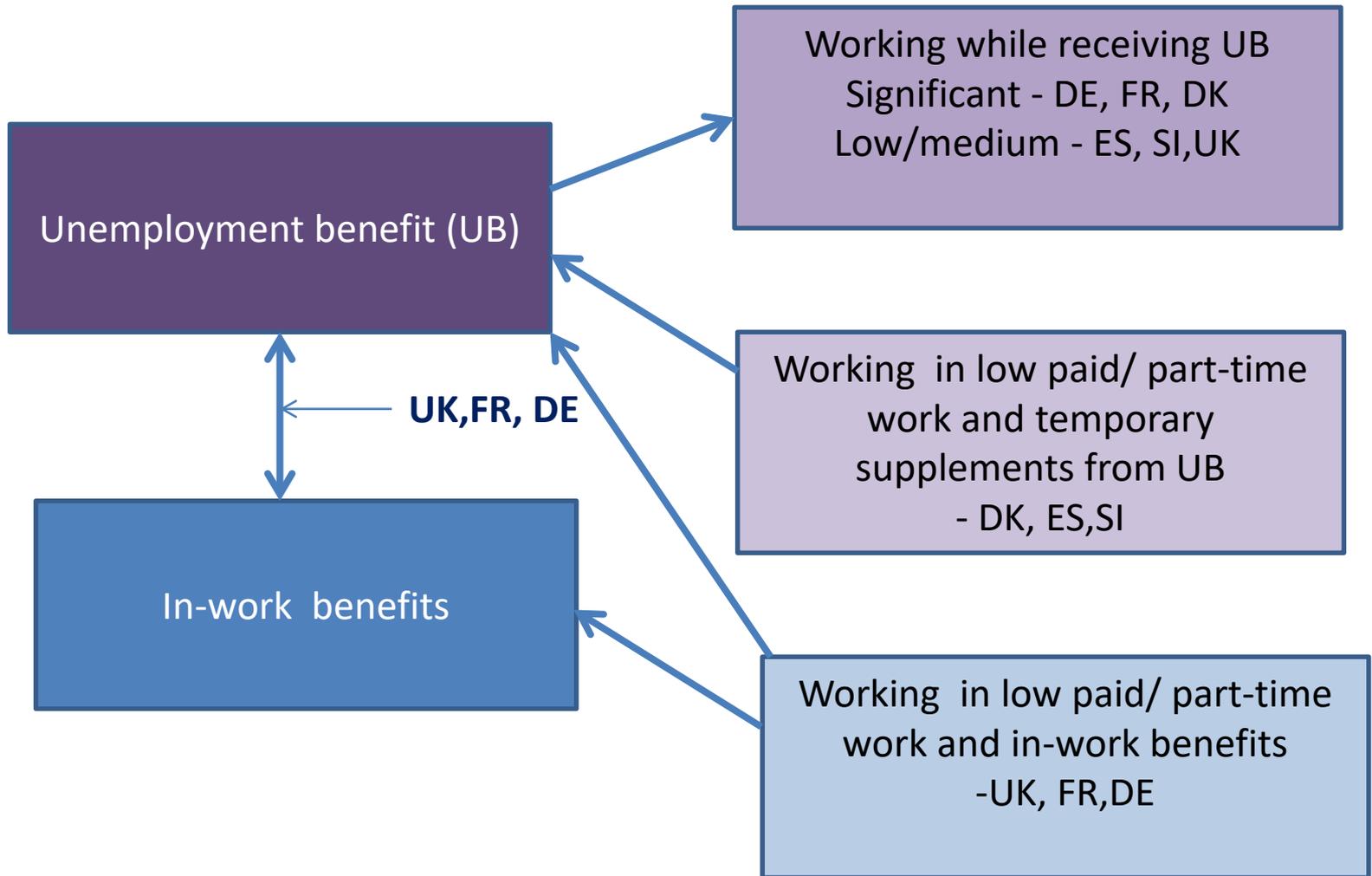
	SER	Precarious work gaps	Policy approach
S ecurity	Adequate income during work and non work	Limited access to guaranteed wage income and social protection	Extension of SER protections- employer and state provision
O ppportunity	Platform for investment in training and career	Exclusion from SER due to non standard life course. NSFE poor training /career opportunities	Flexibilisation of SER Extension of SER training
F air treatment	Institutional framework for rights and voice at work	NSFENSFE excluded from institutional framework due to contract form/ subcontracting	Extension of SER protections to NSFE +non employees/ client- employer joint responsibilities
L ife beyond work	Division between work and non work time	Exclusion from SER due to non work commitments. NSFE subject to employer flexibility demands	Flexibilisation of SER Extension of SER work/non work time divide

Figure 1: Extending and flexibilising the SER to improve both conditions and access



Constructing precarious work as an acceptable or required alternative to unemployment

- To be unemployed requires a definition of being employed/having a job
- Rise of NSFE has challenged standard definition of having a job- may be very short term/very short hours/ unpredictable and not involve mutual obligations/ may be treated as self-employed.
- Barriers to unemployed taking NSFE reduces scope for work discipline as most available jobs may be NSFE
- Variable responses but all blur boundaries employment/unemployment
 - More opportunities to earn while claiming unemployment benefits
 - Use of unemployment benefits for partial redundancy/ part-time re-employment
 - In work tax credits and erosion of boundaries between out of work and in work benefits



**Towards the integration of
out of work and in work benefits**

Options for extending employment and social protection

With the SOFL framework and the activation issue in mind consider four possible strategies:

- a) Reform policies to extend eligibility/value of benefits within existing system to NSFE
- b) Reduce NSFE in part by developing policies to ease retention or re-entry to standard employment relationship contracts
- c) Restrict impact of NSFE by providing in-work benefits for the low paid
- d) Revolutionise social protection by disconnecting from employment status/ implement Universal Basic Income

Reform policies/extend SER protections

Aims:

- 1) Include more in nsfe by reducing or abolishing thresholds for a) contributions b) eligibility
- 2) Treat all as having minimum protection needs as adult citizens
- 3) Expand eligibility for contributions and rights/benefits from employees to self employed
- 4) Compensate for insecurity of nsfe
- 5) Compensate for particular characteristics that cause reliance on shorter/ more interrupted, less well paid employment history

KEY EXAMPLES

1. Spain- eligibility for redundancy for temporary employees after one month
France- reduced minimum earnings per quarter for eligibility from 200 to 150 minimum hourly wage earnings
Denmark- allows part-time to insure as full-time
2. All but Germany have minimum benefit levels for those meeting minimum eligibility requirements- subsidy to the low paid or irregular workers.
3. Three countries (FR,SI,DK) provide paid maternity leave to self employed, all but Germany require membership of pension scheme
4. Spain and France provide some extra compensation to nsfe who are made redundant; Spain upgrades part-timers' contributions
5. Care credits for pensions- generous in UK and Germany; Low threshold for maternity leave for <26 in Spain due to insecurity of youth market

Reduce NSFE/ flexibilise SER

- Aims:
 1. Enable those in SER-type jobs to retain their jobs/ their careers when needing some flexibility to provide child or elder care
 2. Enable employee-oriented working time flexibility without penalties
 3. Provide for second chances/ late entry to SER jobs/careers

KEY EXAMPLES

1. Maternity leave and right to request flexible working in all 6 countries- more than right to request in 4
2. Rights to return to full-time weaker except in Slovenia and to some extent De,Es,Fr - And problem of entrapment with one employer is general
3. Age discrimination still weakly enforced . Denmark provides unemployed with opportunities for education/ skill development in contrast to UK where benefits removed.

Restrict impact of NSFE through in-work benefits

KEY EXAMPLES

- Aims:

1. Address growing problem of working poor
2. Provide opportunities for partial employment/unemployment to limit long term unemployment

1. UK, France and to a more limited extent Germany using in-work credits as major element of social protection system.
2. All countries allowing some greater opportunities for unemployed to work and claim benefits

Contradictions of in-work benefits

- Subsidies to employers providing low pay and irregular employment
- May come on top of employers' subsidies in the form of low or zero social security contributions in some countries (e.g. UK) whereas in other countries employers pay on all forms of direct employment (Germany on mini jobs)
- Reinforces distinction between breadwinners/non breadwinners as household means-tested- disincentives to women entering work/adding hours
- Part of coercive approach to the unemployed- requirement to take low paid and irregular work as topped up by the state

Revolutionise social protection/ introduce universal basic income

KEY ISSUES

- Aims:

1. End coercive work first approach by the state
2. Value all forms of work including unpaid care work
3. Empower citizens

1. No reason why state should change from coercive to benign- may change party in government but can change again
2. Values care work but may reinforce gender division of labour and encourage employers to offer irregular and low paid work
3. Likely to be too low to be really empowering (removes coercion but coercion in current form a recent development, not inherent in unemployment benefits)

Alternative: Disconnect social protection from employment but stop short of UBI

Key examples

- UK- National Health Service
- Denmark- citizens' pension
- Spain – access to maternity leave for <26 year olds
- UBI for children – proposed by Atkinson

Comparison of the four strategies

- 1. Reform SER/**extending SER - still a lot of scope for greater inclusivity within existing systems- need to learn from better practices in other countries. Many positive reforms coexisting with overall reductions in budgets so more inclusive eligibility for lower benefits
- 2. Reduce NSFE** by flexibilising SER- some progress but also characterised by some entrapment- need rights to flexibility at point of hiring. Less action on second chances outside Nordic countries.
- 3. Restrict impact-** in-work credits need to be combined with a) more regulation of employers rights to offer low wage and/or irregular employment b) high wage floors and some guarantees of hours c) policies to ensure employers pay for social protection
- 4. Revolutionise system-** case for providing basic incomes to pensioners and children, disconnecting access to health care from employment record and ending coercion to take up irregular /bad jobs- but UBI too expensive, too risky and likely to reinforce gender divide and the use of NSFE

Contradictions and challenges in the 'normalisation' of precarious work

Policies may generate:

1) new rigidities or new patterns of segmentation (Vosko)_(e.g. France excludes those on in-work benefits from minimum working-time guarantees; most countries entrap those using flexible working to one employer)

But all policies imperfect – universalism/ elimination of all segmentation a is utopian

2) efforts by employers to evade controls (Stone and Arthurs)_(derogations on working time regulations, temps equal pay rights, exploitation of existing loopholes- ZHC)

But nothing new- like tax evasion keep having to plug the gaps

3) Continued welfare conditionality (Standing) as in-work benefits are high high cost (e.g. in UK universal credit will have to rely on sanctions as financial work incentive removed on cost grounds- also recipients required to find full-time work while employers have no obligations to guarantee hours)

But basic income is a pared down approach to decommodification, does not solve the funding problems and may promote more precarious work

Conclusions

- There is no straight path towards an inclusive protection system-trade offs along the way .
- Need to address reasons for growth in non standard work and the associated high gaps and penalties- by extending and flexibilising SER
- Some progress in security aspects of decommodification but even less progress elsewhere –and problems of new rigidities and new evasion strategies
- Activation measures even more problematic- combine costs of decommodification for the state with cost of recommodification of work and sanctions for workers
- But still not time to abandon control of employment relationship- basic income does not solve either the welfare cost or the recommodification problem-
- To achieve progress need to a) develop new/wider social dialogue b) build on good practices that take different forms across countries