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A multidimensional approach of precarious employment among young workers for EU28 countries.

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Abstract:

The objective of this article is to analyse the evolution of precariousness among young workers in all EU28 countries and Switzerland between 2009 and 2016, a period characterised by an economic crisis and the implementation of flexibilization reforms in labour markets. The flexibilization measures adopted in recent years have increased both part-time and temporary work in European countries. At the same time, this flexibilization has been related to precariousness, particularly for young workers entering the labour market. In this context, the Organisation for Economic Co-operation and Development (OECD) has recently focused on the quality of jobs, stressing the importance of the study of precariousness and its impact on an individual's welfare. This article focuses on the study of young workers because of their vulnerability within the labour market.

There are some studies that have focused on the influence of precariousness among the young population and there are also previous studies that compare precariousness in EU15 countries. However, there is no consensus in the literature on how to measure precariousness, and the number of dimensions that should be included when so doing. Furthermore, and to the best of our knowledge, no study has compared precariousness among the young population at EU28 level, and certainly not in recent years.

This study focuses on precariousness among young workers and proposes using the adjusted multidimensional precariousness rate developed by García-Pérez et al. (2017). This indicator is calculated on a counting basis and has several advantages, such as the possibility of breaking down the relative contribution to total precariousness made by different dimensions. Five dimensions of precariousness have been included in the analysis: wages, type of contract, type of working day, disempowerment, and job insecurity. The inclusion of all these dimensions, besides being novel, is crucial when analysing young workers because precariousness may affect all of them. The adjusted multidimensional precariousness rate allows us to measure both the incidence and intensity of precariousness among young workers in EU28 countries. We may therefore analyse not only the number of young workers it affects, but also the degree to which it does so. This comparison is made in a standardised way, as we consider the number of dimensions we have included when measuring precariousness

In addition to comparing precariousness across countries, we study the influence that level of education, gender and country of birth have on the probability of precarious employment among young individuals. The study of these socio-economic characteristics provides relevant information about how precariousness affects young workers in European labour markets. The analysis is based on data from the European Union Labour Force Survey (EU-LFS) provided by Eurostat, which allows the comparison between all EU28 countries using a large-scale dataset that ensures harmonisation and sample homogeneity.

In the analysis carried out, important differences were found between all the European countries reflecting the diversity of the labour conditions faced by young workers in each country. Furthermore, certain differences on the probability of having a precarious job are observed when analyzing the socio-demographic characteristics of young workers. The main results obtained in this research are:

1. In terms of precariousness, the evidence reveals major differences across all the countries, reflecting the diversity of the labour market conditions that young workers face in each case. The adjusted multidimensional precariousness rate is very high among young workers in Mediterranean countries, Denmark and the Netherlands between 2009 and 2016. The intensity of precariousness is very high for Mediterranean countries due to its high levels in all the dimensions analysed. It is important to note that the high precariousness rate in the Netherlands is due to the large number of involuntary part-time jobs. Furthermore, it is important to highlight the influence of the economic crisis, particularly in Mediterranean countries, where this rate has followed an upward trend. Compared to these countries, we find moderate rates that remain constant over the period analysed in Central European countries, which have some similarities with their Mediterranean counterparts. Recording lower rates are Continental, Eastern European and Anglo-Saxon countries. However, there are also differences between these groups,

as both the intensity and incidence of precariousness is low in Eastern European countries and Ireland, while the incidence is moderate in Continental countries. Despite this classification, it is important to highlight the intra-country differences in each one of these groups. Finally, we should note that low wages is the main dimension that generates precariousness across the board, albeit with some exceptions, such as Mediterranean countries and the Netherlands, where other dimensions have a major impact.

2. The analysis shows that a higher level of education reflects a lower probability of a precarious job for young workers across the cohort analysed, with the exception of Austria, Italy and Portugal. It is important to highlight the major differences in the influence that the level of education has over precariousness between each country. For example, having a high level of education in Romania, Croatia and Denmark considerably reduces the probability of a precarious job, while in other countries, such as Spain, Italy and Portugal, the differences between each educational level are quite small. It is important to mention the major differences between each country within the same groups.

3. When differentiating the probability of a precarious job by gender, the results obtained show an important gap, with this probability being higher for women. There are two exceptions: Ireland for the entire period analysed, and Slovakia for just part of it, where this probability is higher for men. This situation reflects major gender differences among young workers that need to be reduced. However, there are no significant differences between each group of countries, and there are no major gender differences in Eastern European countries.

4. Regarding the influence of country of birth over the rate of precariousness, most countries record statistically non-significant differences between young nationals and EU and non-EU migrant workers. However, there are some differences between young nationals and migrant workers. On the one hand, in some countries, such as Austria, Belgium, Spain and Cyprus, the evidence shows that EU and non-EU migrants are more likely to have a precarious job than young nationals. On the other hand, the probability of a precarious job in Ireland is lower for EU migrants than for nationals, and for all young migrant workers in Switzerland. Nevertheless, it would be interesting to conduct a more thorough analysis in the future, as most of the countries do not record statistically significant values that may be attributed to the diversity of migrant groups or, in other cases, to the small sample size.

It is important to bear in mind that the period analysed here is defined by the ongoing flexibilization of European labour markets. Although flexibilization does not in itself imply an increase in precarious jobs, we have analysed some countries where it has led to an increase in precariousness among young workers. Public institutions should therefore focus on how flexibilization is addressed.

This situation renders it essential to discuss the policy implications of these findings. Within the EU proposal on the push for flexicurity, all member states should work together to reduce precariousness among young workers, especially in those countries with higher rates. Policies need to be adapted to each situation depending on the country. Furthermore, it is important to highlight the gender gap that needs to be closed, and the importance of quality education because of its influence on precariousness, as a higher level reduces the probability of a precarious job.