

Job Insecurity: Who is Affected? Is it Transitory?

In recent decades, there has been a heated debate concerning the consequences of the increase in non-standard work arrangements, such as those associated with fixed-term or civil-law agreements and temporary help agencies (Kalleberg, 2000). The proliferation of these employment arrangements has raised concerns about the sustainability of stable, long term employment relations (Neumark, 2000). Replacing life-long, single-company employment with a series of short-term jobs may bring about insecurity and precariousness for workers, especially in light of studies indicating that temporary employees are worse-off than their permanently employed counterparts with respect to wages, access to employee benefits and training opportunities. In this context, it bears noting that, according to Labor Force Survey data, almost 27 percent of Polish workers had a temporary job in 2012 – about twice the EU average (source: EUROSTAT).

In the last two waves of POLPAN (2008 and 2013), all employed respondents were asked about the type of their employment contract at the time of the survey. Information on the distribution of employment contracts among working-aged employees is presented in **table 1**. The data indicate a large share of workers in alternative employment arrangements, especially fixed-term employment (around one in five respondents). The more detailed information from the 2013 survey suggest that, among the remaining employees with a non-standard contract, almost 50% work under civil-law agreements.

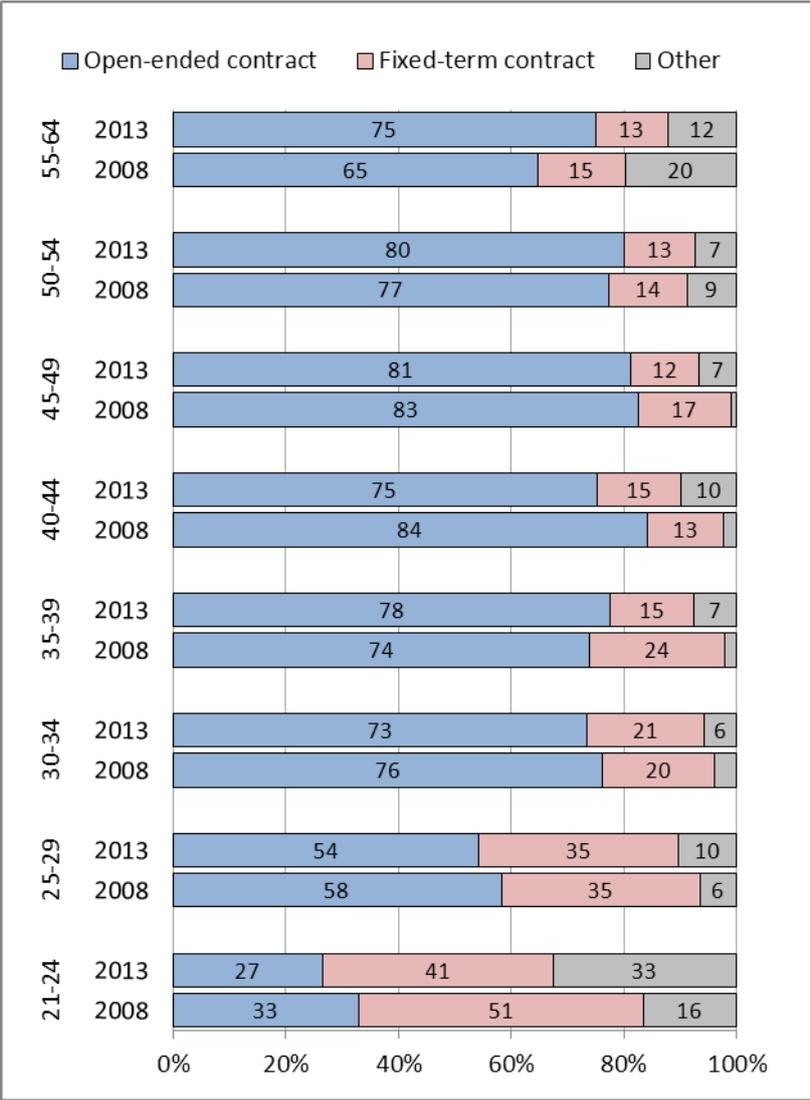
Table 1. Distribution of employment contracts in 2008 and 2013

Employment contract	POLPAN 2008		POLPAN 2013	
	Number	Percent	Number	Percent
Open-ended (standard) employment contract	602	69.0%	738	69.2%
Fixed-term employment contract	208	23.8%	216	20.3%
Other alternative arrangements	63	7.2%	112	10.5%
Total (weighted)	872	100.0%	1067	100.0%

Source: POLPAN data, 2008 and 2013. Sample weighted according to age. Data pertain to the main job - the job on which the most time is spent – for production-aged respondents working as hired employees. Data for 2013 also include respondents not working at the time of the survey, but whose job ended in 2013. Other alternative arrangements include: civil-law agreements, unregistered employment and odd jobs – the latter defined as jobs lasting for less than three months and taking up less than 15 hours per week.

Alternative employment arrangements are most common among young workers entering the labor market, as shown in **figure 1**. It appears that the situation of employees aged 21-25 has deteriorated over the last 5 years: in 2013, 32.5% of such workers did not have contracts that guarantee coverage by employment protection legislation, compared to 16.5% in 2008.

Figure 1. Percent distribution of employment contracts by age categories, 2008 and 2013

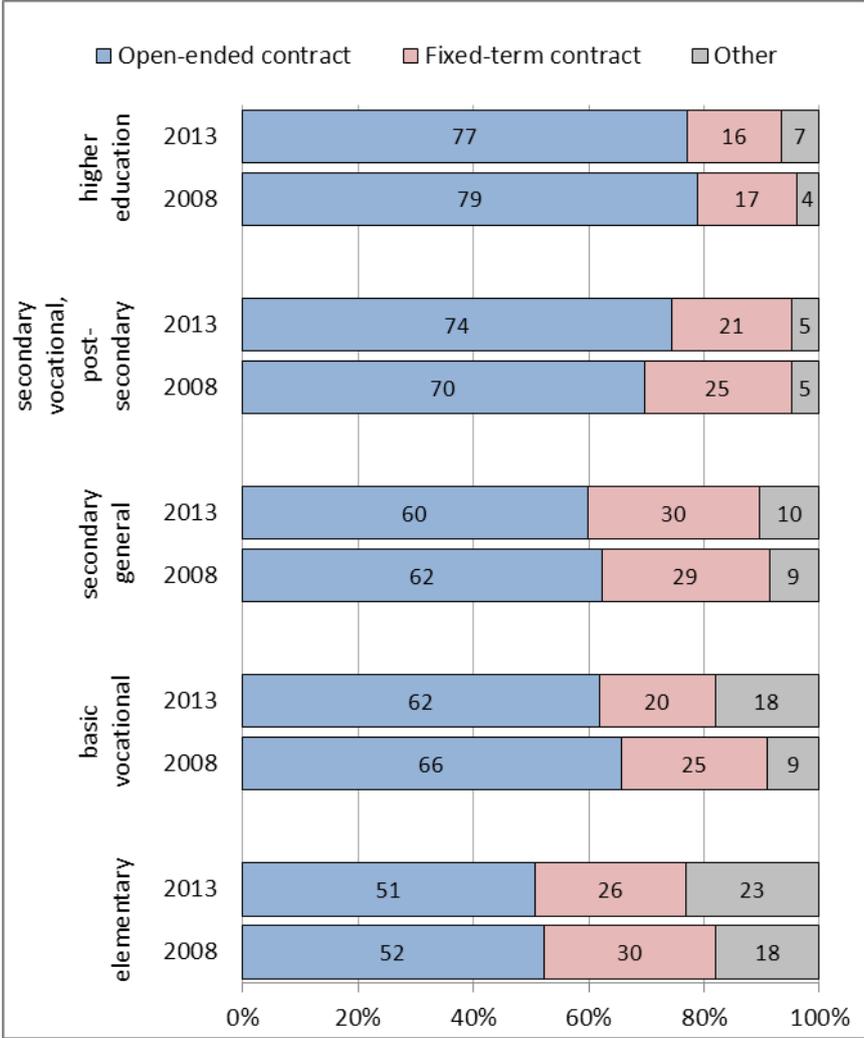


Source: POLPAN data, 2008 and 2013, production aged respondents. Sample weighted by age.

POLPAN data also show that alternative employment arrangements are strongly dependent on education (**figure 2**). In 2008, as well as five years later, individuals with less education were more likely to end up in non-standard employment. Surprisingly, it appears that general secondary educational attainment does not protect individuals against non-standard

employment to a greater extent than basic vocational education – in both 2008 and 2013. The latter finding, combined with the relatively favorable situation of workers with secondary or post-secondary vocational education, suggests that possessing a specific set of occupational skills (rather than general education) is another important factor, in addition to the level of education, protecting against employment uncertainty. Finally, although non-standard employment arrangements have typically been found to be more prevalent among women (e.g., EC, 2010), there is no strong relationship between gender and type of employment relationship in Poland. The proportion of workers with an indeterminate employment contract is even slightly higher among women, compared to men (in 2013, 71.5% and 67.1%, respectively). This result may be explained by the overrepresentation of Polish female workers in the public sector, which offers relatively stable jobs.

Figure 2. Percent distribution of employment contracts by level of education, 2008 and 2013

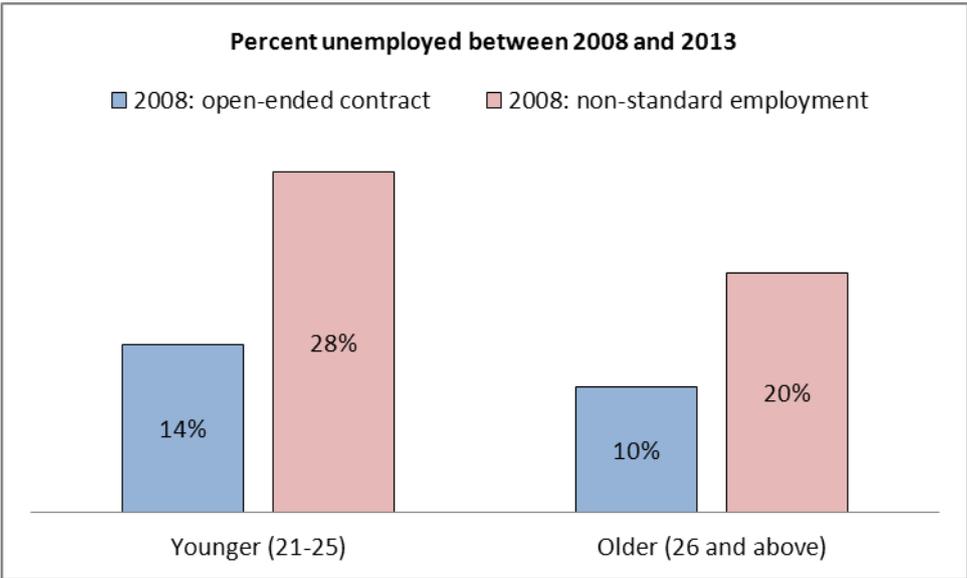


Source: POLPAN data, 2008 and 2013, production aged respondents. Sample weighted by age.

An important question concerns the extent to which non-standard employment arrangements in the Polish context result in subjective feelings of job insecurity (Kiersztyn 2012). According to POLPAN 2008 and 2013 data, a majority of employees, regardless of the type of contract, expressed the belief that losing their job was “rather impossible” or “impossible.” However, the share of such respondents among workers in open-ended employment was around ten percentage points higher than that among non-standard employees (in 2013, information on subjective job insecurity was available only for respondents whose job lasted for at least 3 months and took up a minimum of 15 hours per week). This difference was largest among employees with only primary education (48 percentage points).

A more detailed study of the dynamic aspect of employment insecurity requires the analysis of panel data. POLPAN is well-suited for such analyses, since it provides extensive information on the labor market histories of individual respondents. The analyses below present comparisons of respondents in non-standard work arrangements and 'regular' employees in 2008. The two main conclusions are as follows. First, **figure 3** indicates that non-standard employment is associated with a significantly higher risk of future unemployment. Although respondents aged 21-25 were generally more prone to unemployment than those aged 26 and above, for both age groups reporting non-standard employment in 2008 almost doubled the chances of experiencing at least one spell of joblessness lasting 3 months or longer during the following five years.

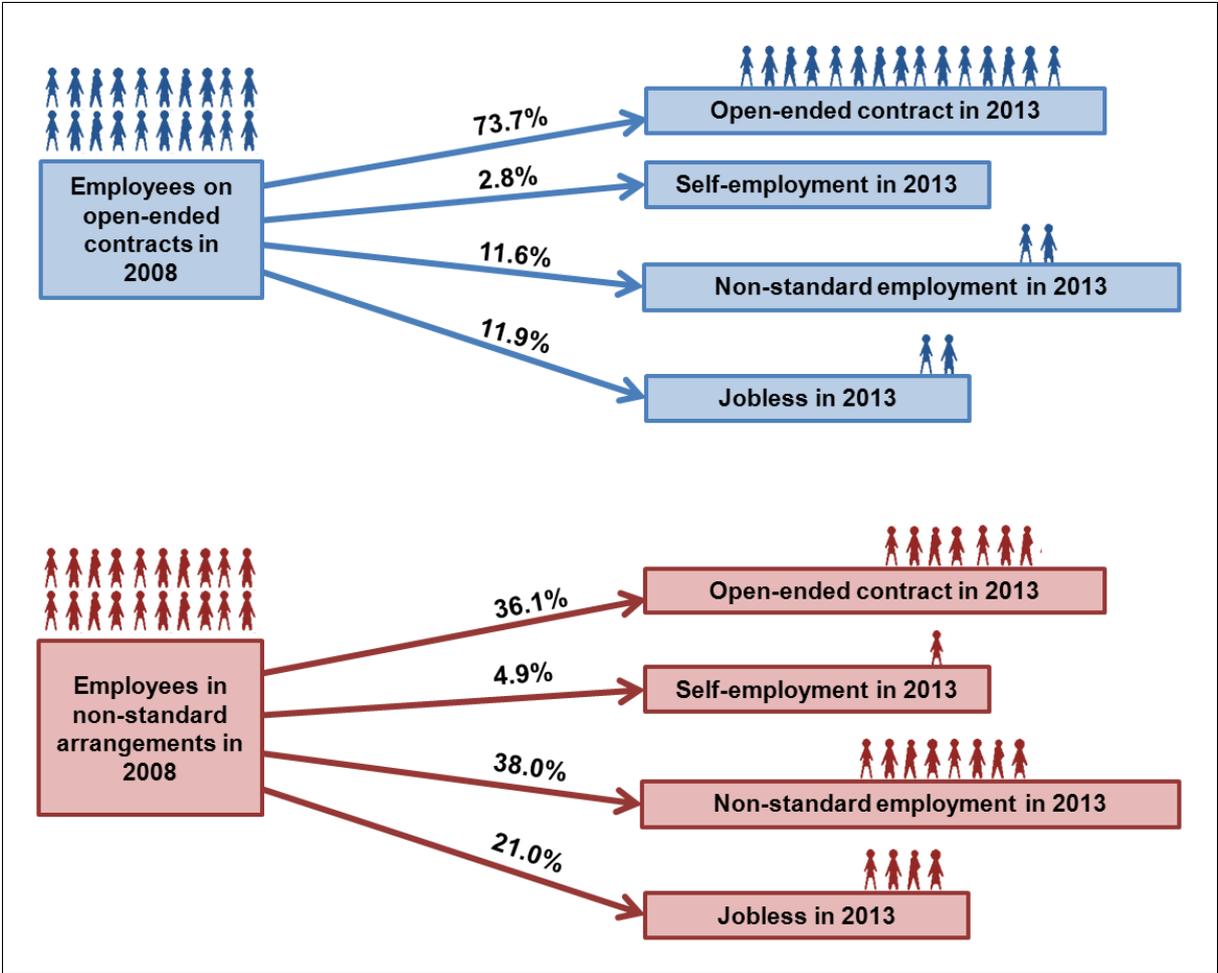
Figure 3. Employment contract in 2008 and the risk of later unemployment by age category



Source: POLPAN, subsample of N=525 respondents who participated in both POLPAN 2008 and 2013, were employees in 2008, and below retirement age in 2013. 319 respondents had an open-ended contract in 2008.

Second, among respondents who, in 2008, reported non-standard employment, only 37% had open-ended contracts in 2013, and almost 60% remained in fixed-term employment, various odd jobs or unregistered employment, or lost their jobs altogether (figure 4). Also worth noting is the finding that, even among the youngest respondents, who are more likely to be new labor market entrants, the percentage moving from non-standard employment to open-ended contracts after five years is relatively low (36.2% among respondents aged 21-25 in 2008). These results suggest that, for many workers, non-standard employment becomes a dead-end rather than a transitory phase on the road to finding a secure job.

Figure 4. Employment situation in 2013 by type of employment contract in 2008



Source: POLPAN, subsample of N=525 respondents who participated in both POLPAN 2008 and 2013, were employees in 2008, and below retirement age in 2013. 319 respondents had an open-ended contract in 2008.

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The publication has been prepared within the framework of the project
„Polish Panel Survey POLPAN 1988-2013: Social Structure and Mobility”,
financed by the [Polish] National Science Centre
(grant no. 2011/02/A/HS6/00238).

Publisher:

Research Group on Comparative Analysis of Social Inequality,
Institute of Philosophy and Sociology of the Polish Academy of Sciences

Warsaw 2014

Publikację przygotowano w ramach projektu
„Polski Survey Panelowy, POLPAN 1988-2013: Struktura i Ruchliwość Społeczna”,
finansowanego przez Narodowe Centrum Nauki
(grant nr 2011/02/A/HS6/00238).

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Warszawa 2014