

**Do active labour market
policies reduce the harmful
effects of job insecurity?
Evidence for flexicurity from
the EWCS and ESS**

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Flexicurity

- Definitions tend to have the following four components:
 - employer flexibility in hiring and firing
 - employability through training and active labour market policies
 - supportive social security system
 - high-trust social dialogue

Benefits of Flexicurity

- Economic benefits
 - Eg flexible labour market, responsive to changes in markets, technologies, etc
- Social Benefits
 - Reducing unemployment, particularly long-term unemployment.
 - Reducing poverty during unemployment
 - Reducing the **fear** and **anxiety** associated with job loss

Hypothesis

- Job insecurity causes lower psychological wellbeing, but this relationship will be moderated by flexicurity policies
 - Countries with successful flexicurity policies will show a weaker relationship between perceived job insecurity and poor psychological wellbeing.

Measuring Job Insecurity

- 1) Fourth European Working Condition Survey (EWCS, 2005).

“How much do you agree or disagree with the following statement describing some aspects of your job:

‘I might lose my job in the next 6 months’”.

Responses were to ‘Strongly agree’ (5.5%), ‘Agree’ (9.7%), ‘Neither agree nor disagree’ (11.9%), ‘Disagree’ (26.0%), ‘Strongly disagree’ (41.5%), ‘Don’t know’ (5.0%) and ‘Refusal’ (0.5%).

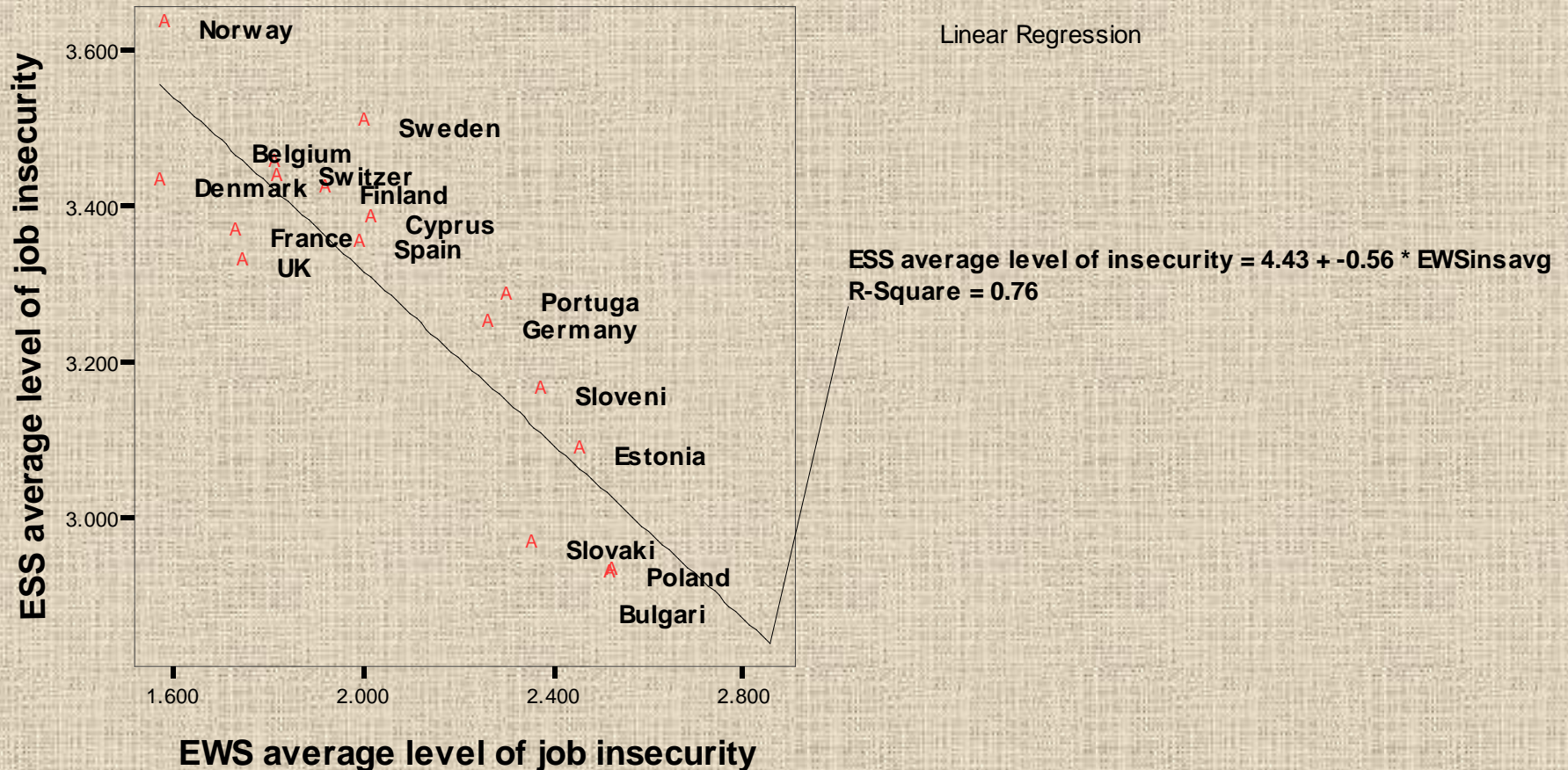
- 2) European Social Survey Round 3 (ESS, 2006).

“How likely would you say it is that you will become unemployed in the next 12 months”.

Responses were to “Would you say it was ‘Very Likely’ (2.2%), ‘Likely’ (5.1%), ‘Not very likely’ (19.6%) or ‘Not at all likely’ (25.8%)”. Also noted was ‘Not Applicable’ (45.2%), ‘Refusal’ (0.1%), ‘Don’t know’ (1.9%) and ‘No answer’ (0.2%).

Scatterplot showing the average level of insecurity for two sets of data

(Source: EWCS, 2005; ESS, 2006)



Measuring wellbeing: EWCS 2005

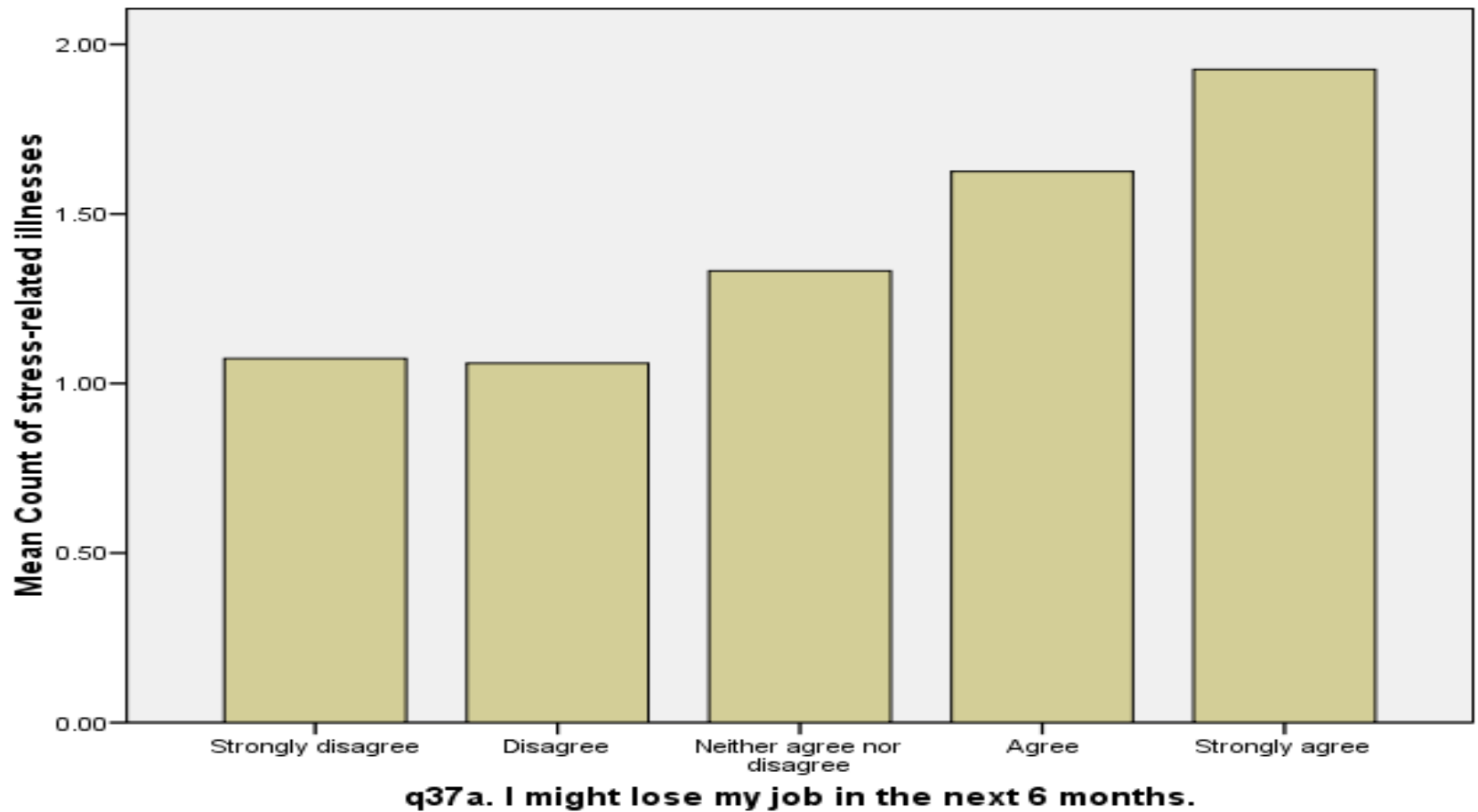


The Stress-related illnesses were taken from the question “How does it [*your job*] affect your health?” carrying on from the previous question of “Does your work affect your health or not?”.

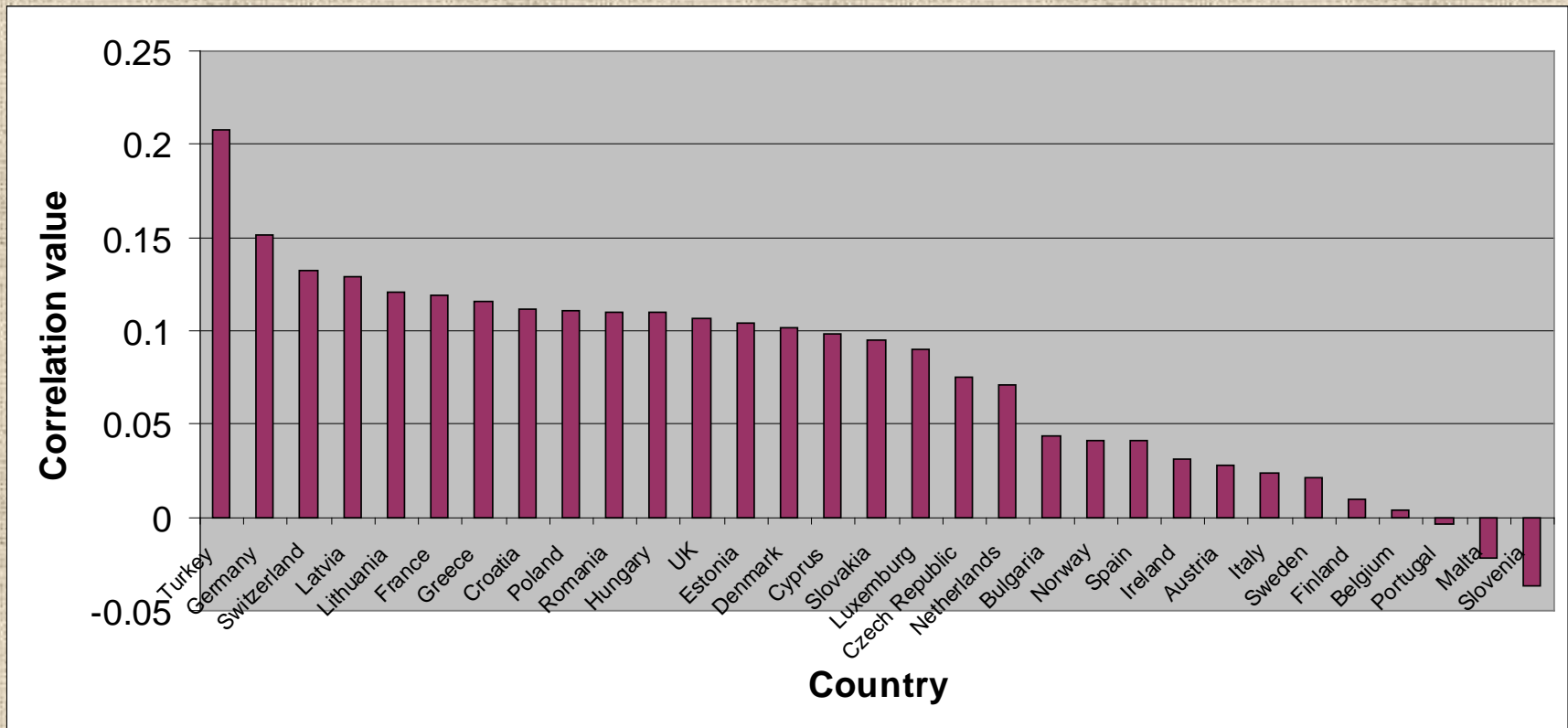
The symptoms taken into account were ‘Headaches’, ‘Stomach aches’, ‘Heart disease’, ‘Stress’, ‘Overall fatigue’, ‘Sleeping problems’, ‘Anxiety’ and ‘Irritability’.

Job insecurity against the mean score for stress-related illnesses

(Source: EWCS, 2005)



Correlation between job insecurity and stress-related illnesses (Source: EWCS, 2005)



Measuring Wellbeing: ESS 3

- Anxiety and Depression
- “I will now read out a list of the ways you might have felt or behaved during the past week. Using this card, please tell me how much of the time during the past week:
 - you felt sad? (0.75)
 - you felt lonely? (0.73)
 - you felt depressed? (0.70)
 - you felt bored? (0.65)
 - you felt anxious? (0.61)
 - you felt that everything you did was an effort? (0.52)

(factor loadings in brackets)

(Response Scale: none or almost none of the time, some of the time, most of the time, all or almost all of the time, DK)



Measures of Wellbeing ESS 3

Quality of Sleep

“I will now read out a list of the ways you might have felt or behaved during the past week. Using this card, please tell me how much of the time during the past week:

- You felt really rested when you woke up in the morning? (-0.82)
- you felt calm and peaceful? (-0.66)
- you felt tired? (0.62)
- you felt that your sleep was restless? (0.56)



Job insecurity against the mean score for anxiety and depression

(Source: ESS Wave 3, 2006)



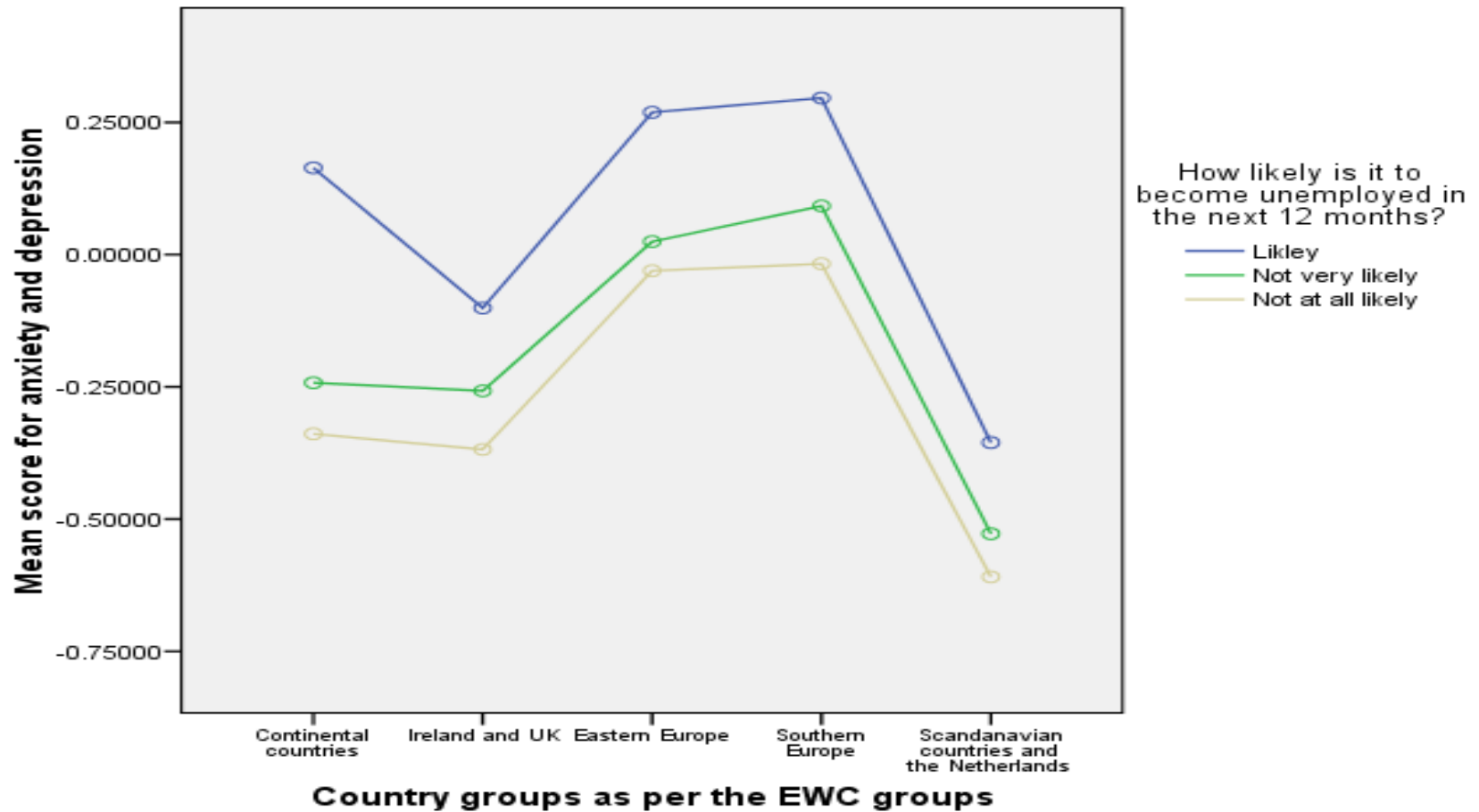
Job insecurity against the mean score for poor quality of sleep

(Source: ESS Wave 3, 2006)



The impact of job insecurity (recoded) on anxiety and depression as seen in the different groups of European countries

(Source: ESS Wave 3, 2006)



Univariate Analysis of job insecurity against country for “anx & dep” (Source: ESS Wave 3, 2006)

Tests of Between-Subjects Effects

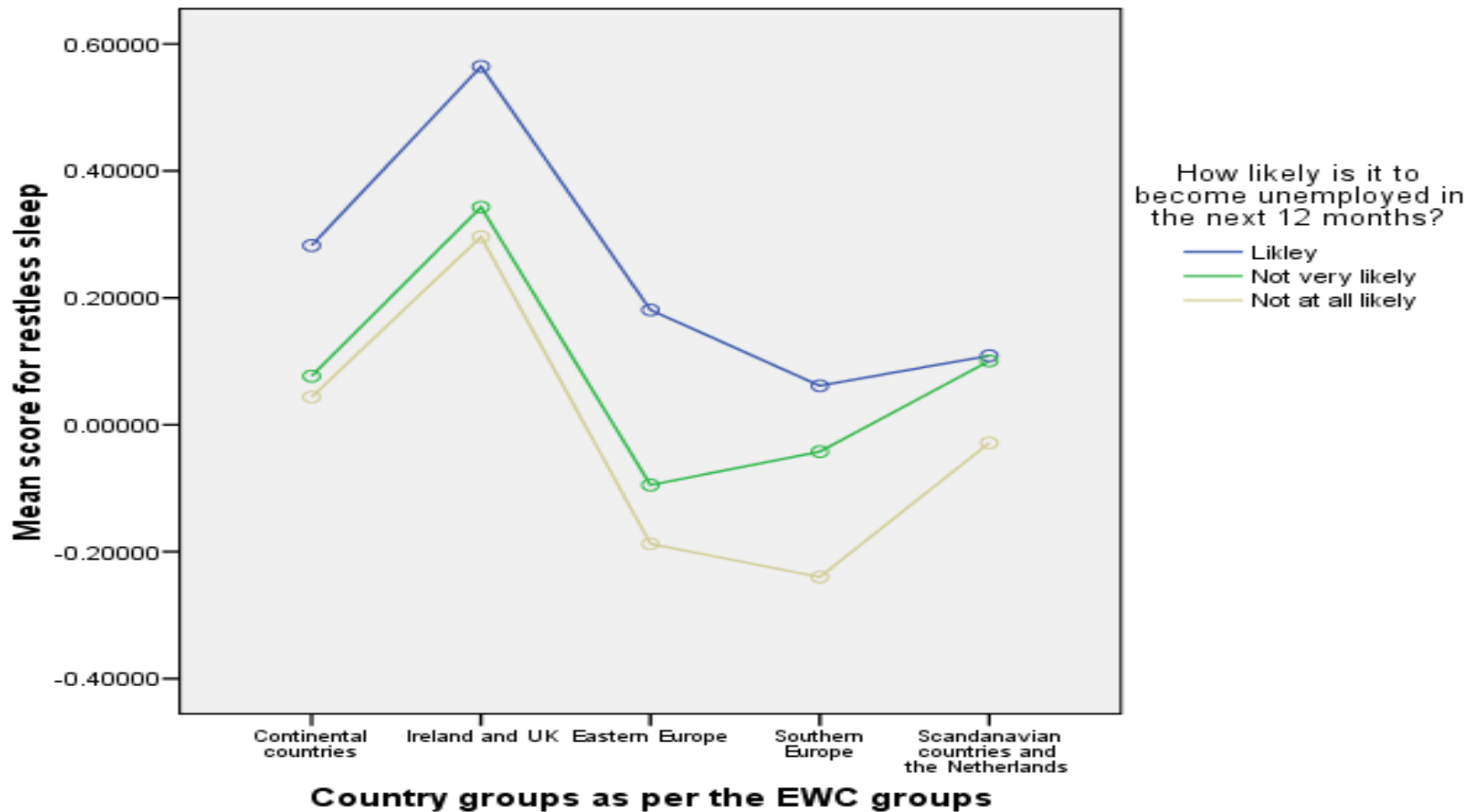
Dependent Variable: FAC1_1 REGR factor score 1 for analysis 1

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	788.969 ^a	14	56.355	77.823	.000	.083
Intercept	133.939	1	133.939	184.961	.000	.015
cntry2_q	389.670	4	97.418	134.528	.000	.043
uempnyr_q	114.044	2	57.022	78.744	.000	.013
cntry2_q * uempnyr_q	13.486	8	1.686	2.328	.017	.002
Error	8698.441	12012	.724			
Total	9789.905	12027				
Corrected Total	9487.410	12026				

a. R Squared = .083 (Adjusted R Squared = .082)

The impact of job insecurity (recoded) on sleep as seen in the different groups of European countries

(Source: ESS Wave 3, 2006)



Controlling for other variables

- This lack of interaction between country clusters and job insecurity on wellbeing continued to hold even when controlling for gender, age, education, occupation, industry, contract, part-time-full time.
- The relationship with countries did not seem to be dependent on levels of employment protection indices, etc.

Why the lack of evidence for the benefits of Flexicurity?

- 1 Uncritical Acceptance.
 - EU needs consensus for policies
 - Year of antagonism between welfare models, Anglo-Saxon vs Continental (Antoniades, 2008).
 - Flexicurity offered an opportunity to move beyond this deadlock to a consensus distinctive European model.

“Mission for Flexicurity”

(Council for the European Union, 2008)

- emphatic statements like
 - “... *flexicurity is without doubt the strategy that European labour markets must adopt in order to adapt to new requirements, ...*”(p4)
 - welcomed the fact that it had “*increased its legitimacy*” through the “*participation of the European social partners*” (p5).
- i.e. Sought consensus, not evidence.

Why is Job Insecurity harmful?

- Flexicurity policies assume the reasons are primarily **Economic**
 - fear of loss of wages in the period of unemployment following job loss
 - fear of difficulty gaining re-employment in a good job
- So the cure is to be found by generous benefits and employability through training.

But perhaps the effects are psychologically mediated?

- Concern over loss of status?
- Stigma of unemployment
- Fear of uncertainty
- Loss of work colleagues?
- Loss of seniority?

Psychological reasons for aversion to job insecurity.

- “To have a reasonably stable situation at home, that’s the most important thing. A stable home life and a stable situation and then obviously the work is tied in because you can’t do it without money, really”.
(Nolan, 187).

The indivisible Psychological and Economic rationales.

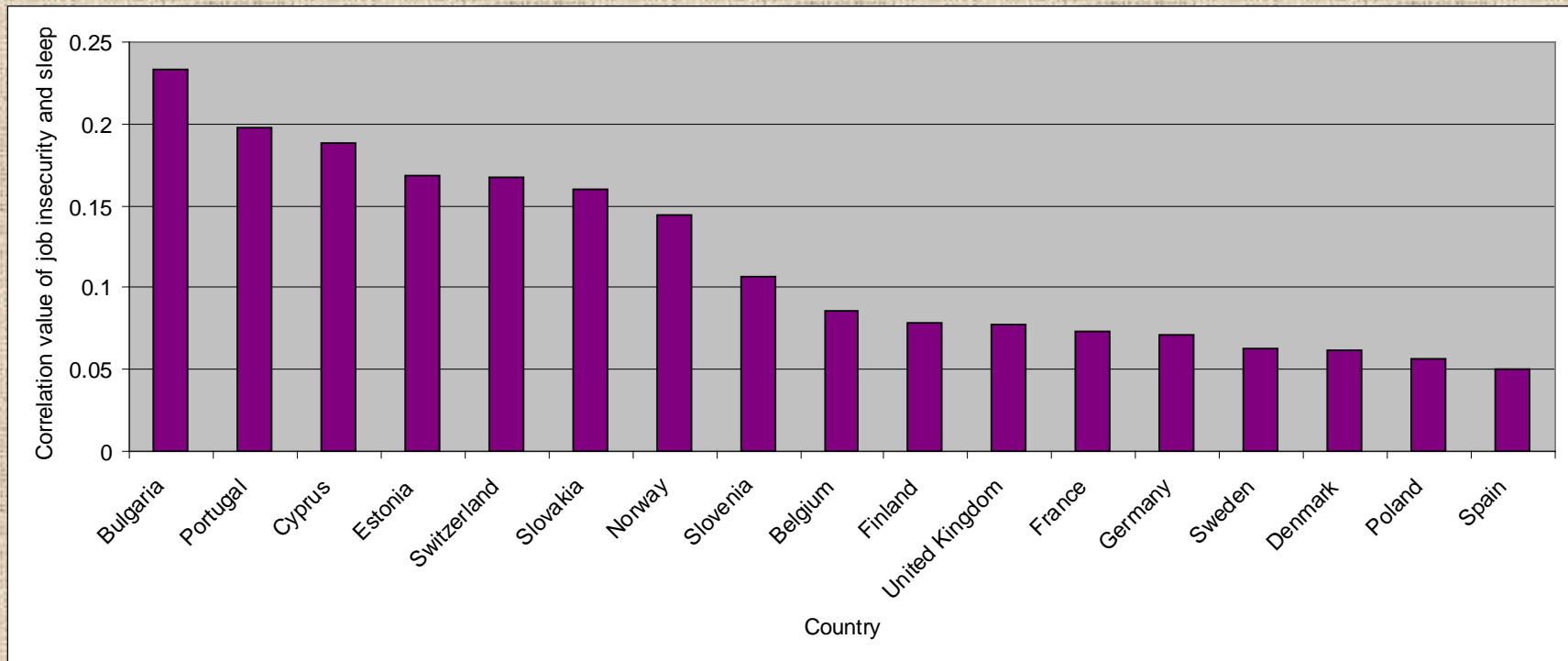
- “I felt that, although I was still the father and the husband at home, whilst I wasn’t working, I didn’t feel that I was the provider. I felt I was letting them down.... My work provides me with the wherewithal to give my family what I believe they’re entitled to”. (Nolan,187)

Conclusions

- The relationship between job insecurity and psychological wellbeing seems to be remarkably unpredictable between countries, independent from their level of claimed or actual flexicurity policies.
- This calls into doubt one of the important claimed benefits of flexicurity – ameliorating the threat associated with job loss.
- Why?
 - Lack of knowledge about active labour market policies, etc?
 - Psychological attachment is with current job, not “employability”?



The correlation between job insecurity and quality of sleep (Source: ESS Wave 3, 2006)



The correlation between job insecurity and anxiety and depression (Source: ESS Wave 3, 2006)

