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## Article

# Do flexicurity policies protect workers from the adverse health consequences of temporary employment? A cross-national comparative analysis



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#### ABSTRACT

Flexicurity policies comprise a relatively novel approach to the regulation of work and welfare that aims to combine labour market flexibility with social security. Advocates of this approach argue that, by striking the right balance between flexibility and security, flexicurity policies allow firms to take advantage of loose contractual arrangements in an increasingly competitive economic environment while simultaneously protecting workers from the adverse health and social consequences of flexible forms of employment. In this study, we use multilevel Poisson regression models to test the theoretical claim of the flexicurity approach using data for 23 countries across three waves of the European Social Survey. We construct an institutional typology of labour market regulation and social security to evaluate whether inequalities in self-reported health and limiting longstanding illness between temporary workers and their permanent counterparts are smaller in countries that most closely approximate the ideal type described by advocates of the flexicurity approach. Our results indicate that, while the association between temporary employment and health varies across countries, institutional configurations of labour market regulation and social security do not provide a meaningful explanation for this cross-national variation. Contrary to the expectations of the flexicurity hypothesis, our data do not indicate that employment-related inequalities are smaller in countries that approximate the flexicurity approach. We discuss potential explanations for these findings and conclude that there remains a relative lack of evidence in support of the theoretical claims of the flexicurity approach.

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## 1. Introduction

In contemporary debates over the future of work and welfare, it has become common practice to suggest that the governments of advanced capitalist economies face an increasingly difficult bind between two conflicting sets of demands (Wilthagen & Tros, 2004). On the one hand, due to real or perceived changes in the structure of the global economy, there is a growing demand among employers for more flexible labour market arrangements that allow them to hire and fire workers with fewer restrictions and costs. On the other hand, workers continue to advocate for the provision of generous and comprehensive levels of social

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protection in order to offset the insecurity that results from such arrangements.

In recent years, the notion of flexicurity has been introduced by a diverse range of social and political actors as a seemingly effective means of resolving this difficult bind and bridging the divide between these conflicting sets of expectations (Auer, 2010; Burroni & Keune, 2011; Muffels & Wilthagen, 2013). Flexicurity describes a relatively novel approach to the regulation of the work-welfare nexus that aims to combine labour market flexibility through loose contractual regulations with adequate levels of social security. Although this policy configuration requires workers to make concessions around job security, the approach is said to offset the impact of labour market deregulation through the use of active labour market policies that promote employability and generous income replacement measures that compensate for short spells of unemployment.

The flexicurity approach deviates from the traditional view that flexibility and security are incompatible (Vosko, 2006). It suggests, instead, that powerful complementarities can be forged between the two. By striking the right balance between flexibility and security, advocates of the flexicurity approach argue that flexicurity policies are capable of securing both the demands of capital for flexibility and the demands of labour for security (e.g. European Commission, 2010; Organization for Economic Co-operation and Development, 2013). On this basis, they argue that labour market regulations can be relaxed without causing concomitant harms to the welfare of individual workers.

Despite having far-reaching implications, the theoretical claims of the flexicurity approach have gone largely-untested (Afzal, Muntaner, Chung, 2013; Burchell, 2009). Thus, it is as of yet unclear whether governments can pursue labour market flexibility without compromising—among other things—the health and well-being of workers. Drawing on a multilevel modeling strategy, our study aims to evaluate this theoretical claim, with a specific focus on inequalities in self-reported health and limiting long-standing illness between temporary workers and their permanently-employed counterparts. Ultimately, we are interested in examining whether and to what extent flexicurity policies attenuate the health-related consequences associated with temporary employment.

### 2. The rise of flexible employment conditions

In the years immediately following the Second World War, European employment and social policies were dramatically transformed (Huber & Stephens, 2001). Western European countries, in particular, developed expansive labour market regulations and comprehensive social security policies to protect workers from a diverse range of socio-economic risks (e.g. unemployment) that increasingly came to be viewed as structural features of the operation of markets under capitalism (Esping-Andersen, 1990). These institutional transformations were fuelled by favourable macro-economic conditions and relatively strong labour movements whose political demands for protection became increasingly difficult to ignore. It is within this broad historical context that the "standard employment relationship" emerged (Quinlan, Mayhew & Bohle, 2001). The standard model of employment describes permanent, full-time employment that provides generous benefits and relatively strong levels of job security.

By the middle of the 1970s, a series of economic crises replaced earlier trajectories of prosperity and uninterrupted growth with rapidly rising levels of unemployment and declining rates of profitability. This end to the so-called "golden age of capitalism" signaled a fundamental shift both in the institutional makeup of advanced capitalist countries and the relative balance of power between capital and labour (Bambra, Netuveli & Eikemo, 2010; Huber & Stephens, 2001). As a result of these shifts, labour market regulations, and the welfare state more generally, were increasingly viewed as institutional distortions that interfered with the proper functioning of capitalist markets. Neoliberal reforms were presented as necessary remedies for persistent levels of economic stagnation and unemployment (Glyn, 2006).

The expansion of flexible forms of employment conditions was a direct consequence of these neoliberal reform efforts (Quinlan et al., 2001). Employers argued that labour market rigidities restricting flexible hiring and firing practices undermined the ability for firms to adapt their labour force to rapid changes in market demand and, by extension, undermined their prospects for success in an increasingly competitive global economy. The governments of advanced capitalist countries, responding to the growing political power of capital, committed themselves to deregulating

labour markets and loosening restrictions on hiring and firing (Emmenegger, 2009). To varying extents, national governments stripped their labour markets of alleged rigidities and, as a consequence, paved the way for a rise of flexible forms of employment conditions, including temporary employment contracts (Auer & Cazes, 2003).

Not surprisingly, the growth of flexible employment conditions has attracted the attention of public health scholars, who argue that these changes have negatively impacted the health and wellbeing of the labour force. In the remainder of this paper, we focus specifically on the health consequences of temporary employment.

## 3. The social and health consequences of temporary employment

Employment conditions are important determinants of health (Muntaner, Chung & Solar, 2010a). As labour market flexibilization has led to a substantial erosion in the quality and stability of employment conditions (Kalleberg, 2009), the need to account for these determinants of health has increased over time (Benach & Muntaner, 2007). Public health researchers have drawn on the concept of precariousness as a way of capturing the adverse health-related consequences of changing employment conditions (Vives, Amable & Ferrer, 2010). They have described at least five pathways that are assumed to link flexible—and, more specifically, temporary—employment to health (Benavides, Benach & Muntaner, 2006; Muntaner, Solar & Vanroelen, 2010b).

## 3.1. Continuity

Temporary employment is characterized by higher levels of job insecurity (Lewchuk, Clarke & de Wolff, 2008). There is strong evidence of a causal relationship between job insecurity, discontinuous employment histories, and health (Sirviö, Ek & Jokelainen, 2012). Specifically, compared to those in stable and secure employment, workers that report facing an objective or subjective threat of job loss exhibit worse physical and mental health outcomes.

## 3.2. Earnings

Temporary employment may lead to unpredictable or insufficient levels of earnings, resulting in cumulative and chronic exposures to economic deprivation and financial strain (Ferrie, Shipley & Newman, 2005). Such experiences are, in turn, associated with material and psychosocial stressors, of which the negative consequences for health are well-documented in the existing literature (Kahn & Pearlin, 2006).

## 3.3. Legal protection

Labour laws designed to protect workers are often organized around the standard model of permanent employment. Many are therefore poorly suited to protect workers employed on temporary contracts. As a result, temporary workers may be denied statutory protections, including the right to refuse unsafe work (Benavides et al., 2006). Furthermore, they are less likely to be protected against unhealthy working conditions through such mechanisms as labour legislation, collective bargaining, and union membership (Benach, Vives & Amable, 2014).

### 3.4. Benefits

Many of the social policies of advanced capitalist countries are premised on a template of permanent employment that does not

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