

Employment trajectories and subjective well-being in Germany, Poland and the U.S. - does the institutional context matter?

Anna Kiersztyn, Katarzyna Kopycka
Faculty of Sociology, University of Warsaw



Dynamics of youth employment precarity: Drivers, trajectories, and outcomes in a cross-national perspective
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Background

Ample research on the effects of precarious work (Lewchuk, 2017), temporary / insecure employment (De Witte et al., 2016; Dawson et al., 2017; Kalleberg 2018, Virtanen et al., 2005), unemployment (Mousteri et al. 2018, Strandh 2014) on SWB

Mixed results with respect to the effects of fixed-term employment on SWB (Virtanen et al., 2005; de Cuyper, 2008; Vossemer et al., 2018)

Subjective insecurity as a mediating factor in this relationship (e.g., Helbling & Kanji, 2018; Dawson et al. 2017) – to explain these results

...but not the only one – as a lack of access to stable employment may also affect SWB through its effect on income levels, access to benefits, promotion opportunities, work autonomy, social standing, etc. (de Cuyper, 2008; Scheuring et al., 2021; Schumann & Kuchinke, 2019)

...which calls for treating (objective) labor market status and subjective job insecurity as analytically distinct

Precarious employment and SWB in cross-national context

Research focused on explaining the cross-national differences in the relationship between (objective) temporary employment and SWB offers important insights on the role of policy context (Scherer 2009, Vossemer et al., 2018, Taht et al. 2019).

Yet, these studies use self-reported employment status (e.g., fixed-term vs permanent contract in the EU-SILC, temporary employment in the ESS)

- The relevance of type of contract as an indicator of employment precariousity varies across countries depending, e.g., on the strictness of EPL
- Within-country heterogeneity in temporary employment (legal status differences) not captured by the binary indicator of fixed-term work (Imhof & Andresen, 2018).
- (Increasingly) limited coverage - the fixed-term indicator excludes the (bogus) self-employed, platform workers, etc.

Our objectives

1. To study the association between employment precarity and subjective well-being in different national contexts: Germany, the U.S., and Poland...
2. ...using a new conceptualization of (objective) employment precarity which is suited for cross-national comparisons – based on longitudinal data on workers' career sequences

Precarious employment career sequences

The Cross-National Biographies of Youth (CNB-Young) project conceptualizes precarity as a characteristic of **trajectories** of **basic** labor market states and events:

being out of work, losing one's job, receiving low wages



Advantages:

Focus on objective states/ events of universal meaning to achieve **cross-country comparability** and **wider coverage** – job / employment stability rather than type of contract

Takes into account whole career sequences – to include the temporal dimension of precarity in the study of its effect on SWB (e.g., stepping stone vs entrapment effects).

A continuous measure to take into account varying „degrees” of precarity

Theoretical framework of our study

Jahoda's functional model of employment:

- manifest benefits, mainly income, which impact on life chances and affect individuals' agency
- latent benefits which involve psycho-social needs, such as social contacts, social identity, sense of collective purpose

Precarious employment careers decrease both types of benefits - due to:

- higher incidence of non-employment & lower earnings;
- frequent employer changes -> lower integration within the organization
 - * less chance for promotion, on-the-job learning, further training
 - * poorer integration in work teams affecting work-related network building

The impact of institutional context

Cross-country variation due to:

- Degree of welfare state support: decreases the reliance on market income for individual welfare – reduces the cost of unemployment/ low income employment
 - * unemployment benefits (Scherer 2009, Vossemer et al. 2018)
 - * public services (ex. medical care, family related services) (Scherer 2009)
- Income inequality (Taht et al. 2019): possibly greater income penalties for precarious workers, exclusion from social circles (Paul and Moser 2009)

Hypotheses

- H1: Employment precarity decreases subjective well-being across all analyzed countries
- H2: The impact of employment precarity on subjective well being is the highest in the United States, followed by Poland and Germany
- H3: Effect of employment precarity on subjective well-being is moderated by the household income. The compensatory effect is stronger in countries with a weaker welfare state

Data & Methods

Samples: USA – NLSY-97: birth cohorts 1980-84, N=5,104
Germany – SOEP: birth cohorts 1980-1988, N=1,095
Poland – POLPAN: birth cohorts 1983-93, N=400

Models: OLS regressions, for each country. Weights are applied for SOEP & NLSY-97

Dependent Variable:

GER – 11-point scale life satisfaction

US – Mental Health Inventory: 5 items of psychological mood on 4-point scale

PL – psychological mood 4-point scale

Explanatory Variable: Cross-National Precarity Index

Control Variables: marital status, education, age, gender, race (US)/ migration background (GER), equivalized household per capita income

Cross-National Precarity Index (CNPI)

Three basic characteristics of work career sequences (covered by the surveys):

- a. **employment instability:** job terminations (AE_{jt})
- b. **labor market attachment:** cumulative time in non-employment (AC_{nw})
- c. **low income from work:** total yearly income below poverty line (AC_{li})

A ratio-scale measure of work career precarity, which is a (weighted) sum of three elements:

$$CNPI = \beta * AE_{jt} + \gamma * AC_{nw} + \delta * AC_{li} \qquad \beta + \gamma + \delta = 1$$

We draw on (but also extend) recent longitudinal indexes of precarity and economic hardships (Ritschard et al., 2018; 2021; Bussetta et al., 2019)

CNPI Employment Instability Component

Longitudinal measure of adverse event experience: job terminations

$$AE = \alpha \frac{\sum_{i,j \in S} d_{ji}^{-1}}{\sum_{k=1}^{T-1} \frac{k}{T-k}} + (1 - \alpha) \frac{\sum_{j \in S} j * \frac{ne_j}{Ne}}{T} * I \quad I = \begin{cases} \frac{Ne}{T} & \text{if } Ne \leq T \\ 1 & \text{if } Ne > T \end{cases}, 0 \leq \alpha \leq 1$$

Where

α - weight attached to the cummulation component

d - distance between time units j and i with a non-zero value of adverse experience

i, j - position indexes of time units in an ordered sequence

T - the length of a sequence S

ne_j - number of events experienced in year j

Ne - total number of events in a sequence

CNPI Adverse Condition Components

Longitudinal measure of adverse condition experience:
non-employment & low income

$$AC = \alpha \frac{\sum_{i,j \in S} d_{ji}^{-1}}{\sum_{k=1}^{T-1} \frac{k}{T-k}} + (1 - \alpha) \frac{\sum_{j \in S} j * w_j}{\frac{T(T+1)}{2}} \quad 0 \leq \alpha \leq 1$$

Where

α - weight attached to the cummulation component

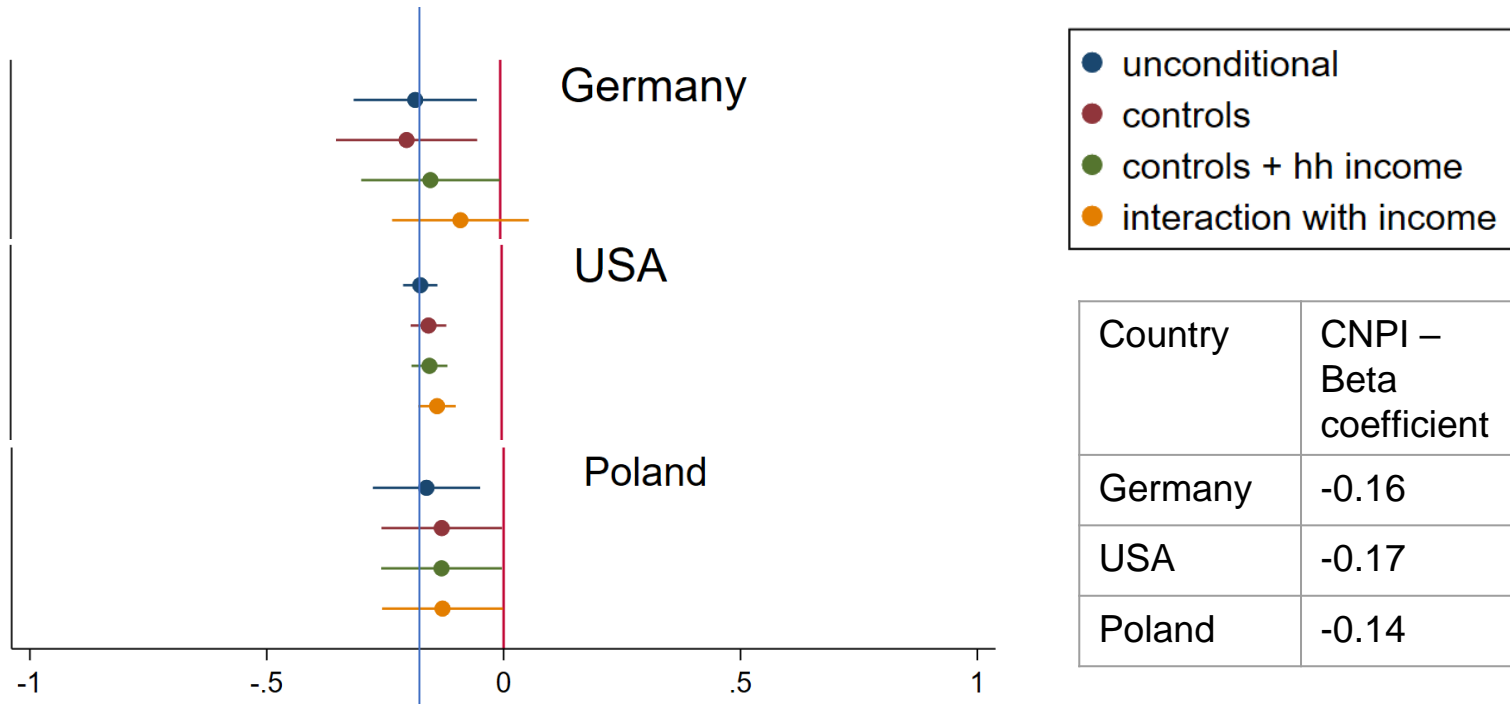
d - distance between time units j and i with a non-zero value of adverse experience

i, j - position indexes of time units in an ordered sequence

T - the length of a sequence S

w_j - intensity of an adverse condition

Results: The effects of CNPI on SWB – beta coefficients

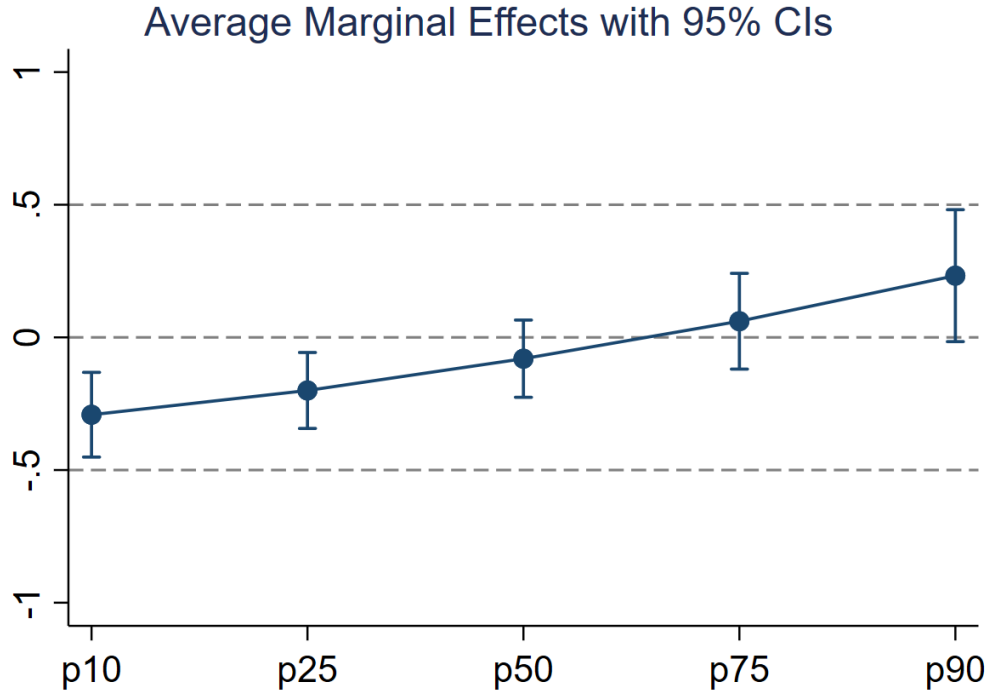


Country	CNPI – Beta coefficient
Germany	-0.16
USA	-0.17
Poland	-0.14

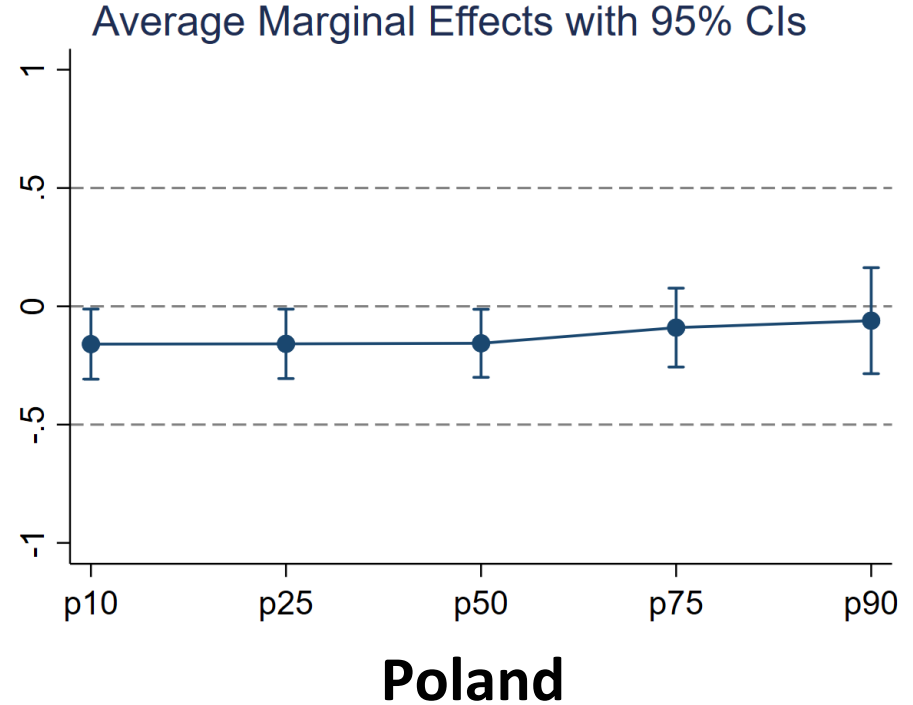
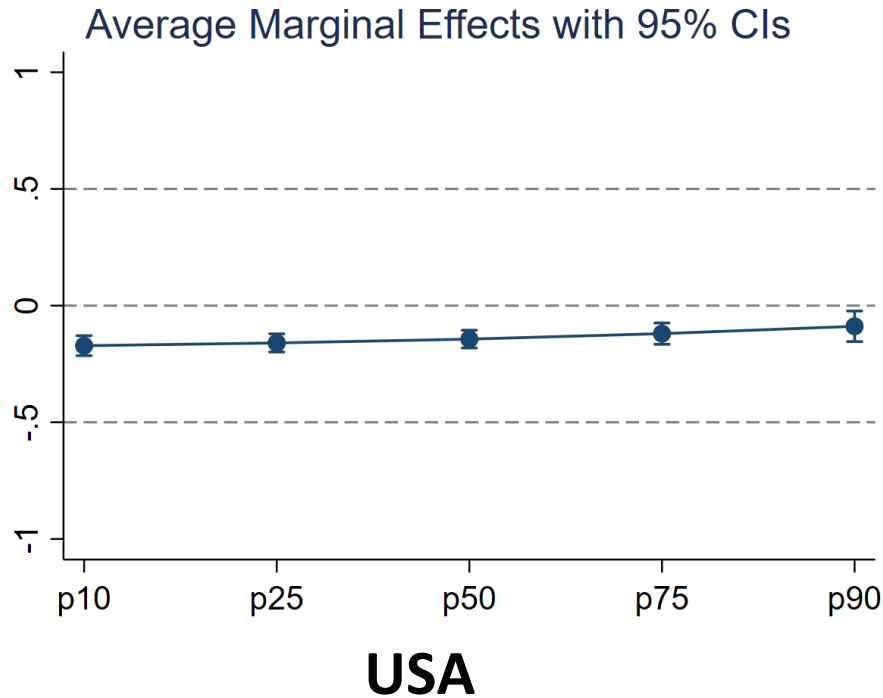
Results from models with interactions CNPI*HH income

Germany:

Compensatory effect of household income on relationship between CNPI and SWB



Results: no interaction effects in the U.S. and Poland



Conclusions

1. Longitudinal employment precariousity as captured by the proposed measure decreases subjective well-being in Germany, USA and Poland – consistent with H1
2. This negative effect does not differ between countries, contrary to H2 – offsetting mechanisms + youth?
3. The compensatory effect of income at the household level is present only in Germany, contrary to H3 – different nesting behaviors?

Thank you for your attention!

kontakt@crossnationalbiographies.edu.pl

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